



NÆRINGS- OG HANDELSDEPARTEMENTET

*Norwegian Ministry of Trade and Industry*

# THE STATE'S OWNERSHIP REPORT 2004



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# WELCOME TO THE NORWEGIAN STATE OWNERSHIP REPORT 2004

The Norwegian State Ownership Report 2004 includes all important business companies in which the State has ownership interests. The present ownership report is based on the previous Norwegian Ministry of Trade and Industry ownership reports from 2002 and 2003. The purpose of the State Ownership Report is to provide an overview of State ownership; to extend knowledge of how the Norwegian ministries administrate the state's ownership, and to promote improved public insight and democratic control of how the many assets are administrated.

The Ownership Report is divided into two main sections. The first of these contains articles concerning the Government's ownership decisions over the previous year and articles about how the State exercises its ownership. The second section contains a description of companies wholly or part-owned by the State; a page is devoted to each business and the associated key figures. The companies are sorted into two main categories depending on the principal object of the ownership:

- Companies in which the object of ownership is chiefly to maximise their commercial value.
- Companies in which the object of ownership is chiefly other than that of maximising their commercial value.

A total of 47 companies are included in the Ownership Report. For 23 of these, the object of ownership is chiefly to maximise their commercial value. Of these, 7 are listed on one or more stock exchanges. The value of the State's shareholding in the listed companies per 31.03.2005 was NOK 336 billion. The second main category contains 24 companies. These companies are administrated as an element of sectoral policy, but commercial value creation remains important, such as Avinor AS.

Information on events concerning the companies and ownership decisions was last updated on 31 March 2005.

## KEY FIGURES FOR THE COMPANIES IN THE STATE'S OWNERSHIP REPORT 2004

NOK millions	Listed	Unlisted	Companies with other objectives	Total
State's shareholding - value <sup>1)</sup>	302 206	48 113	n/a	350 318
Weighted return last year <sup>2)</sup>	33 %			
Profit <sup>3)</sup>	51 524	5 624	628	57 776
Weighted return on equity <sup>4)</sup>	20 %	12 %	1 %	19 %
Dividend <sup>5)</sup>	13 267	3874	1099	18 240
Sales proceeds	19 389	0	113	19 502
Capital injections, share acquisitions	(1 861)	(121)	(575)	(2 556)

1) For listed companies are the values based on market price and the state's shareholding 31.12.2004. For Entra Eiendom the value is calculated from value adjusted equity published by the company. For other companies book equity is used.

2) Change in market value plus dividends received during the year, corrected for issues and share buy-backs. The return is weighted relative to total market value.

3) Profit after tax and minority interests.

4) Weighted relative to the State's share of book equity.

5) State's share of proposed dividend 2004.



# A BETTER STATE OWNER

The State has shareholdings in around 80 companies. Some of these have a wholly commercial objective, while others are also in pursuance of important social considerations. In this ownership report, for the first time, we present an overall summary of the State's ownership in 47 of these companies.

We have opted for an overall presentation in order to provide a better insight into the State's administration of its ownership. It is my aim hereby to contribute to openness around State ownership policy, and for it to demonstrate the professionalism of the ownership administration that is taking place in some of the central administrative environments within the State.

The current situation in Norway is good and business activity is sound. Value creation per capita in Norway is among the highest in the world – even when corrected for oil revenues. There was a boom in start-ups in 2004 – a full 28,000 companies were entered into the register of Business Enterprises last year, some 18 per cent higher than in 2003. The processing industry set a new exports record in 2004, exporting NOK 17 billion more than in 2003. This contributed to record exports from mainland-Norway. Companies under State ownership also had a good year in 2004 and the State received record dividends from its direct ownership. For the financial year 2004, the State will receive NOK 18.2 billion from the companies covered by this report. These are revenues which the Government uses to create welfare in other areas. State ownership must be value-adding. This is a fundamental premise for all our activities and is easiest to measure in the listed companies in which the State is a part-owner. In the period from 2001 to date, the Government has sold shares in listed companies for around NOK 40 billion. In the same period, the value of the State's listed shares rose from around NOK 225 billion to NOK 336

billion, a rise of nearly 50 per cent. The reduction in the State's shareholding has been accompanied by an increase in the value of its remaining shares. For example, the Government reduced the State's shareholding in Telenor from 77 per cent to 53 per cent, and received NOK 16.5 billion in sales revenue. Nonetheless, the value of the State's shareholding of 53 per cent in Telenor at 31 March 2005 was around NOK 13 billion higher than in July 2003, when the State owned 77 per cent.

In some of the companies, the maximisation of commercial value is not in itself a key objective of the activities. The State's ownership administration is then directed at goals other than the purely financial. For example, for all the health care enterprises as a whole, the average waiting time in days fell by 17 per cent from 2003 to 2004.

Operating or owning commercial activities is not a task that lies naturally with the public sector. State ownership should therefore be limited to cases where there are important social interests at stake. Private ownership should thus be increased in Norway and public ownership decreased. This should be done in a way that safeguards the State's assets, contributes to sound development of the companies in question and protects important national interests.

I hope that this report will prove a useful insight into how the State's ownership administration acts to safeguard and develop major assets for the benefit of the companies and of society.

Sincerely



Børge Brende  
Minister of Trade and Industry

## THE YEAR 2004 FOR THE STATE AS AN OWNER

The Norwegian economy displayed a positive trend in 2004, with values on the Oslo Stock Exchange rising by 36 per cent. The listed companies with State ownership interests have by and large enjoyed solid value growth. In the main, 2004 was an improvement compared to 2003 for most of the companies wholly or part-owned by the State. For the commercial companies, the total profit was NOK 57,3 billion against NOK 39,7 billion in 2003. Similarly, for the other companies (discounting the health care enterprises), the profit rose from NOK 3,9 billion to NOK 4,3 billion. In 2004, the Government sold shares worth a total of NOK 16,9 billion net. Dividends received amounted to NOK 18,2 billion against NOK 12,4 billion in 2003.

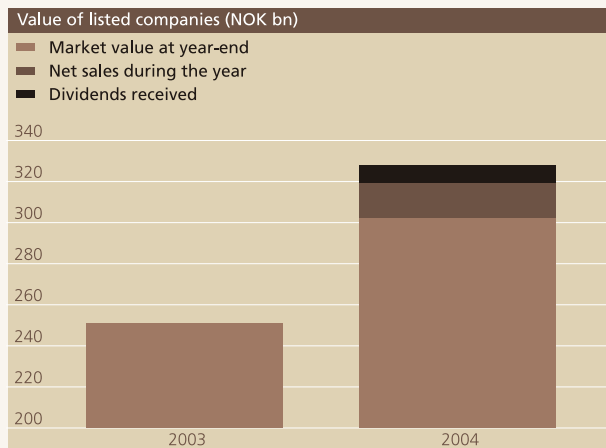
The Ownership Report presents an overview of 47 companies in which the Norwegian ministries administrate the State's ownership interests directly. For 23 of these, the chief object of State ownership is for the companies to concentrate to maximize their commercial value. These include some of Norway's largest companies. The companies operate in various sectors such as oil and gas, finance, telecoms, artificial fertilisers and energy in full competition with privately-owned companies. For these, the chief object of the State's ownership is to maximise the value of the State's shares and to contribute to the solid industrial growth of the companies. The ownership in the majority of these companies are administrated by the Ministry of Trade and Industry, which at the start of 2005 was managing the State's ownership interests in 18 companies. Other ministries with management responsibilities for commercial companies include the Ministry of Transport and the Ministry of Petroleum and Energy.

As noted above, the State also owns companies in which the chief objects of the ownership go beyond maximisation of commercial value. In the this Ownership Report, 24 such companies have been included, in which commercial value creation remains important, it has to be balanced against sectoral policy objectives. Many of these enterprises, such as Posten (Norway Post), NSB (Norwegian National Railways) and NRK (Norwegian Broadcasting Corporation), also operate in highly competitive markets, while others such as Vinmonopolet (State wine monopoly), and Statnett (national grid operator), are operating monopolies. The ministry responsible for sectoral policy in the area concerned generally exercises the ownership of these companies. The object of ownership of these companies is to achieve sectoral policy and societal objectives by the most efficient means for society. One example being the Ministry of Culture and Church Affairs' administration of the ownership of NRK. Ex-

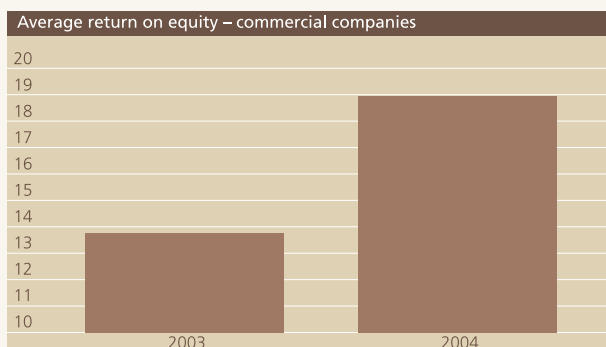
amples of other objectives for State ownership are control with sale of beverages containing alcohol (Vinmonopolet), ensuring a high share of collective transport (NSB) and the efficient organisation of the national health service (health care enterprises).

### Economic trends in 2004

Following two years of relatively weak growth in the Norwegian economy, the growth rate improved in the last half of 2003 and in 2004. The GDP for onshore Norway increased by 3.5<sup>1)</sup> per cent in 2004, against 0.7 per cent in 2003. Low interest rates and a new optimism in the Norwegian economy have driven a rise in private consumption and an increase in gross investment. Investment increased notably in the petroleum sector and residential properties. Increasingly, China is driving the growth of the global economy with high demand for raw materials. This increase in demand has resulted in higher raw materials prices, which is a welcome trend for a raw materials exporting nation such as Norway. The companies producing raw materials therefore showed good financial results in 2004.



The positive trend in the Norwegian economy was reflected in the stock market, with values on the Oslo Stock Exchange up by 36.45 per cent. This upturn applies to the majority of listed companies in which the State is a shareholder. Over the course of 2004, the value of State shareholdings in listed companies rose from NOK 251 billion to NOK 302



1) Source: Ministry of finance

billion. The Government sold in 2004 shares worth NOK 17.5 billion net. In addition, in 2004 the State received from these companies NOK 8.5 billion in dividends for the financial year 2003, making a total return of 31 per cent over the course of 2004.

As a result of the positive development enjoyed by the companies and the Norwegian economy generally, the majority of companies mentioned in this report achieved better profits/smaller losses in 2004 compared to 2003. In total, the commercial companies increased their profits from NOK 39,7 billion to NOK 57,3 billion, corresponding to a weighted average return on equity of 19 per cent, against 13,8 per cent in 2003. The remaining companies in the portfolio increased their profits from NOK 3,9 billion to NOK 4,3 billion (discounting the health care enterprises). Based on the proposals made, the State is due to receive in 2005 an aggregate of NOK 18,2 billion in dividends for the financial year 2004 from the companies covered by this report. The corresponding figure for the previous year was NOK 12,4 billion.

### Important Ownership Issues

Preparatory work was carried out in the spring of 2004 in respect of an IPO (Initial Public Offering) of the fish farming and fish feed company Cermaq ASA. As part of such a transaction, the sale of some of the State's shareholding was considered. On the basis of the Norwegian authorities' dialogue with the EU concerning the framework for Norwegian exports of aquaculture products to the EU, the Government decided that it could not engage in a transaction with Cermaq shares while this dialogue was in progress. This was due to that the Government could be in the possession of information not available to the market and therefore placing the State in an insider position. A decision was therefore made to postpone the stock-exchange listing.

Raufoss ASA was delisted from the Oslo Stock Exchange in spring 2004 and it was decided to wind the company up with effect from 1.7.2004. Before the company was wound up, all existing operating activities were sold to industrial owners who are largely maintaining activities at Raufoss. It did not prove possible for the pension obligations to be met from Raufoss ASA's remaining estate after liquidation. The State, through the Ministry of Trade and Industry, has assumed responsibility for pensions disbursements to the former employees of the Raufoss group. The pensioners' claims on the company were transferred to the State. In 2004, major environmental work was undertaken at Raufoss to clean up pollution from previous eras. The State has provided financial guarantees that the clean-up at Raufoss will be done in accordance with the regulatory authorities' requirements. The financial guarantee is limited to NOK 50 million.

Having evaluated a number of potential purchasers, in June 2004, the board of Store Norske Spitsbergen Kulkompani called for the Ministry of Trade and Industry to conclude the work on a possible part-privatisation of Store Norske Spitsbergen Grubekompani (SNSG). The Ministry of Trade and Industry endorsed the Board's decision.

In August 2004, Nordic Capital made a bid for Kongsberg Maritime, a subsidiary of the Kongsberg Group. After a detailed assessment, the board rejected the offer. The Government noted the board's decision, and the Minister of Trade and Industry expressed that it should be possible to promote value for shareholders and ensure solid industrial development for the Kongsberg Group with both civilian maritime and defence retained as areas of activity.

On 1 October 2004, it was decided to transfer the majority of Statkraft SF's activities to a subsidiary, Statkraft Energi AS. Statkraft Energi AS was then transferred to a newly created subsidiary of Statkraft SF, Statkraft AS. Statkraft AS is now acting as a group centre and holding company for most of the Statkraft group's activities. In line with the conditions set out in the Storting's documents, the board is responsible for establishing the deeper group structure in separate subsidiaries of Statkraft AS. The reorganisation will, in isolation, enable the company to achieve a positive industrial development.

In December 2004, the Government presented a proposition to the Storting for an increase in the share capital of BaneTele AS of NOK 120 million. On 1 March 2005, the Storting passed a resolution in accordance to the proposition. The requirement for the increase in share capital came from a strained liquidity position in BaneTele due to the outcome of arbitration cases linked to the company's acquisition of Enitel in 2001. The capital increase was made following a commercial assessment of the potential for returns, and represents one step further in the move to enable BaneTele to achieve the State's ambitions for the company. The Storting has assumed that BaneTele will be a nationwide service-independent supplier of end-to-end solutions for broadband capacity.

At the Extraordinary General Meeting of 15 December 2004, the share capital in Kommunalbanken was increased by NOK 21.5 million to NOK 681.5 million. This was achieved through a private placement to the bank's two owners, the State and KLP. The basis for the capital extension was a continual growth in demand for loans, which led the bank close to its lending capacity threshold. The increase in capital is helping to maintain competitiveness in the credit market for the municipal sector.

In 2003, the Storting endorsed the move to grant Norsk Tipping an exclusive right to install and operate cash gaming machines. The aim was to bring gaming machine propositions into line with responsible social policy criteria and to strengthen regulation of the gaming machine market. The cash gaming sector filed a suit against the State, and has so far won its case through a judgement in the Oslo City Magistrate's Court, with its contention that the Storting's resolution is in contravention of the EEA agreement. The State has appealed the judgement. As a result, Norsk Tipping's gaming machine activities are in abeyance pending a clarification from the Borgarting Court of Appeal.

In 2004, the Ministry of Health and Care Services exercised its proprietary control of the regional healthcare enterprises through the corporate assembly (AGM) and through terms governing appropriations laid down in regional steering documents on policy and performance requirements. As of 2005, a distinction has been drawn between these two regulatory capacities in that proprietary control is exercised through the corporate assembly, while the terms governing government appropriations are laid down in a "requisitioner document". These two capacities are supported by two different departments within the Ministry – the Department of Hospital Ownership and the Department of Health Services. At the corporate assembly in January 2005, a requirement was imposed on health care enterprises to draw a more clear-cut distinction in terms of organisation and system between performance of the so-called "care obligation" and the role of owner. The aim of such a distinction being, among other things, to contribute to a clearer interaction with private operators in the sector. In its ownership management strategy for 2005, the Ministry of Health and Care Services directs focus at good corporate governance. At the corporate assembly in January 2005 focus was therefore given to matters such as internal controls. In addition, the regional health care enterprises were ordered to set up administrative internal audits with reporting channels directly to the boards, and issued with a requirement for the boards to set up monitoring committees. In the steering documents for 2004, the regional health care businesses and underlying enterprises were required to hold open board meetings in order to ensure transparency and contribute to democratic control.

#### **Liberalisation and new companies**

Statskonsult AS was established as a limited company with accounting effect from 1 January 2004. The basis for the transformation of Statskonsult into a limited company is given in Proposition no. 1 2003-2004. The transformation from a directorate into a limited company is expected to result in an interim loss for the company. However, the intention is for the company to be in profit by 2007 at the latest.



The establishment of the company indicated the need for a comprehensive improvement in efficiency and a restructuring process. Considerable staff reductions are needed to allow the company to adjust to market conditions. Accordingly, during 2004, the company's staff was reduced by around 30 per cent.

Over recent years, the transport sector has opened up for greater competition, this being one means of maximising State resources. Competition stimulates producers and providers of transport and communications services to operate more efficiently. It benefits users through lower prices and more favourable offers. As of January 2005, in the railway sector, divisions of the Norwegian National Rail Administration's manufacturing activities were set up as a separate company – BaneService AS. The Norwegian National Rail Administration's manufacturing activities will be gradually opened up to competition. In the spring of 2005, it was resolved to wind up the limited monopoly of Norway Post to provide mail deliveries, with effect from 1 January 2007.

#### **Transactions**

During 2004 and 2005, the Government sold shares in Statoil ASA worth a total of NOK 22 billion. 234 million shares were sold, reducing the State's shareholding in the company from 81.7 per cent to 70.9 per cent. The Storting has resolved that the State's shareholding in Statoil may be reduced to two-thirds. In July 2004, 100 million shares were sold to institutional investors in Norway and abroad, and a further 16.76 million shares were sold to more than 7000 private individuals in Norway and the EEA. In this transaction, the State realised NOK 9.9 billion gross. In February 2005, a further 100 million shares were sold to institutional investors and 17.65 million to almost 20 000 private individuals. The State realised NOK 12.5 billion gross. Through these transactions, the private ownership in Statoil has increased with over 50 per cent. The company has now many thousand more Norwegian private individual as shareholders compared to before the transactions.

In spring 2004, the Government sold shares in Telenor worth NOK 8.4 billion. In 2003 and 2004, the State realised a total of NOK 16,5 billion, reducing its shareholding in the company from 77 to 53 per cent. In addition the State received NOK 0,7 billion for redeeming and deleting shares in connection with Telenors buy-back programme. Telenor also deleted the surplus shares it had been allocated in connection with the IPO in 2000. The State's shareholding is now 53,96 per cent.

ISS Norge AS entered in as shareholder in Grødegaard AS in May 2003 through a private placement of NOK 24 million which gave ISS 48 per cent of the company. The Govern-

ment's aim was to bring in an industrial owner to boost the company financially and to develop the company further. In autumn 2004, ISS advised that it wished to exercise its option to acquire the remainder of the State's shares in the company. On 14 February 2005, the Government signed an agreement with ISS on the sale of the State's remaining 52 per cent share for NOK 36 million.

In accordance with the Storting's resolution in the 2003-2004 national budget, the State's shares in DnB NOR were transferred from the Government Bank Investment Fund to the Ministry of Trade and Industry on 30 March 2004. The Government Bank Investment Fund has now been wound up.

DnB NOR has an options scheme for its employees, through the exercise of which new shares have been issued. As a result of these issues, the State's shareholding was reduced to 33.53 per cent during 2004. During November and December 2004, the State acquired NOK 350 million of DnB NOR shares in the market. The State's shareholding at the end of 2004 was thus 34 per cent, in accordance with the Storting's intention for the State's ownership in DnB NOR.

On 25 March 2004, Yara International ASA was demerged from Norsk Hydro. Yara is proceeding ahead with Norsk Hydro's global agricultural activities, while Norsk Hydro itself is continuing as a business geared primarily to energy and aluminium. Through the demerger, 80 per cent of the shares in Yara were divided proportionally among Norsk Hydro's shareholders, while 20 per cent were sold in the market. This resulted in the State's shareholding in Yara being 36.2 per cent.

#### **Changes in ministerial ownership administration**

From 1 July 2004, the ownership administration of Flytoget AS, the airport express train, was transferred from the Ministry of Transport to the Ministry of Trade and Industry. The State is the sole shareholder in the company. Flytoget's right of priority on the railway line to and from Oslo Airport is not affected by the change in ownership.

In February 2005, the government decided to aim for a similar transfer of ownership administration for Mesta AS with effect from 1 July 2005. The transfer is in line with the Government's policy programme to consolidate ownership administration of companies that compete on purely commercial terms under a single ministry.

#### **Buy-back programmes**

The buy-back of its own shares for deletion, in combination with the distribution of dividends is seen as an effective and flexible manner of adjusting a company's equity to its

requirements. Such a scheme provides companies with a tool for optimising their capital structure by returning capital back to the owners. Buy-backs have a positive impact for existing shareholders, in that there are fewer shares among which to divide future profits.

In companies in which the State is a shareholder, it is generally seen as desirable that the buy-back and subsequent deletion of the company's own shares does not bring about a change in the State's shareholding. The State has therefore, in some cases, signed an agreement on the proportional deletion of shares when such buy-back programmes are set up. In this way, the State's shareholding is kept unchanged.

The buy-back agreements are drawn up in such a way that the companies are committed to paying a volume-weighted average of the prices the companies have paid when purchasing in the market, as well as interest compensation for deferred settlement. The State is thereby guaranteed a price that equates to what other shareholders would have been willing to sell at.

In 2004 and up until 31 March 2005, the State redeemed shares in Norsk Hydro and Telenor in connection with the companies' deletion of shares they had bought back. The table below shows the State's revenues from these redemptions.

	No. of shares redeemed	Proceeds	Redemption date
Norsk Hydro	1,157,922	NOK 444,958,166	17 March 2004
Norsk Hydro	2,191,190	NOK 981,127,024	9 February 2005
Telenor	14,531,792	NOK 695,432,133	22 July 2004

In 2004 the state entered buy-back agreements with Norsk Hydro, Telenor and Yara International.

#### Other matters

On 16 March 2004, the Committee on State Ownership submitted its report, NOU 2004:7 The State's Commercial Ownership, to the Minister of Trade and Industry. The report has been sent on a public consultation to elicit comments from interested companies, business organisations, relevant ministries and the Auditor General. Based on the proposals that the Committee produced and the different reactions from the parties consulted, the Ministry will at a later time report to the Storting.

The publication of the Norwegian Code of Practice for Corporate Governance was published 7 December 2004. The Code of Practice is aimed primarily at companies listed on the Oslo Stock Exchange, and its object is to clarify the divi-

sion of roles between the owners and company management, and thereby to increase confidence in companies, boost value creation and improve competitiveness on the Norwegian capital market. The Ministry of Trade and Industry has participated in this work. The Ministry has communicated to the listed companies, in which the State is a shareholder that the State in its role of owner expects the companies to adhere to the Code of Practice as far as possible. In any areas where the Code of Practice has not been adhered to, this should be accounted for in the annual report.

In spring 2005, the OECD's Steering Group on Corporate Governance is due to publish its Guidelines for the Corporate Governance of State-Owned Enterprises. These guidelines cover a number of themes, including corporate governance, privatisation, and company law. The Ministry of Trade and Industry represents Norway in this work.

#### Returns targets and dividends

The State draw up views on their long-term returns targets for internal use. This is done for the commercial companies and some of the companies in which the ownership has other objectives. Companies that do not operate on commercial terms, or that are dependent on State subsidies for continuation of operations, no target for returns and dividends is set. For these companies, the State's subsidisation regulations must be adhered to in respect of subsidies and reporting. The target figures for returns are used as the basis for dialogue with the companies. In following up on the targets, commercial and technical estimates are also employed in relation to the assumptions the models are based on and to annual fluctuations in returns and profitability.

In companies where the State owns all the shares (State limited company), the annual general meeting is not bound by the board's or corporate assembly's proposal for the distribution of dividends. The dividend is set by the State. The Ministry conducts an on-going dialogue with all the companies about dividends.





## KEY FIGURES

# RETURNS AND ASSETS

At year-end 2004, the value of the State's direct ownership on the Oslo Stock Exchange was NOK 302 billion. The book value of the unlisted commercial companies on the same date was NOK 48 billion. In total, this represents a value of NOK 350 billion for the 23 commercial companies in which the State has direct ownership.

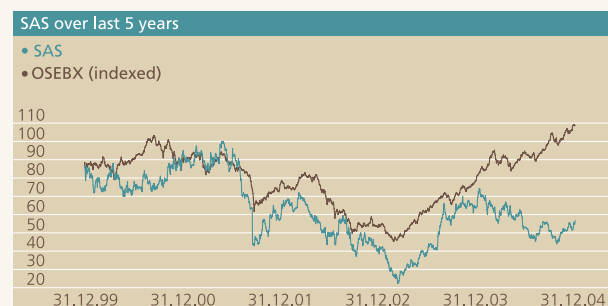
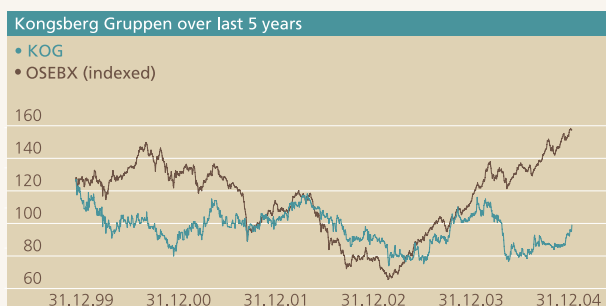
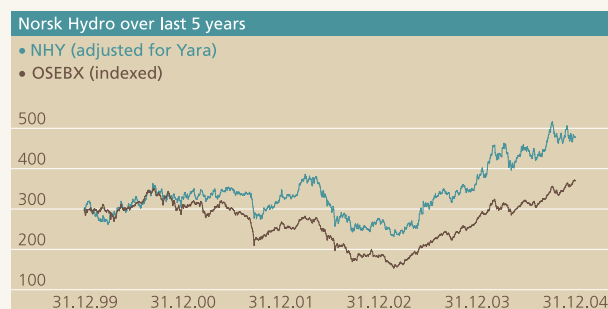
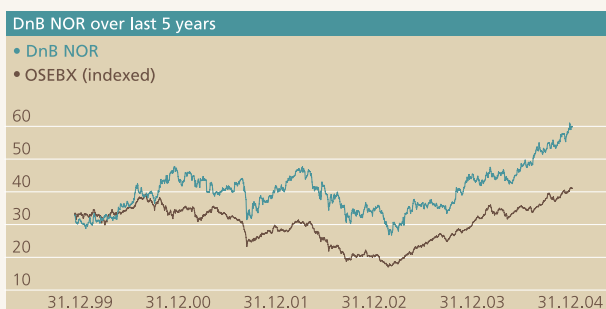
The overall return of an investment is determined by the dividends received and increase in value in the company, adjusted for any other capital payments received or made. For the listed companies, reporting is based on market capitalisation. For the unlisted companies, book equity is used as an estimate of the value, with the exception of Entra Eiendom AS. Property companies are obliged to value their business annually and to present the valuation in their annual report. The company estimates the market value of properties as a basis for estimating the market value of its equity. This is used as an estimate of the value of Entra Eiendom's shares.

In assessing the growth for the unlisted companies reporting focus on return on equity.

## Strong market trend in 2004

The Norwegian economy enjoyed strong growth in 2004. The main index on the Oslo Stock Exchange rose by 38 per cent in 2004. This positive trend was also reflected in the majority of the listed companies in which the State is a shareholder. During 2004, the value of the State's shareholding in listed companies went up from NOK 251 billion to NOK 302 billion. Including netsales and dividend received this period, the overall return was 31 per cent in 2004.

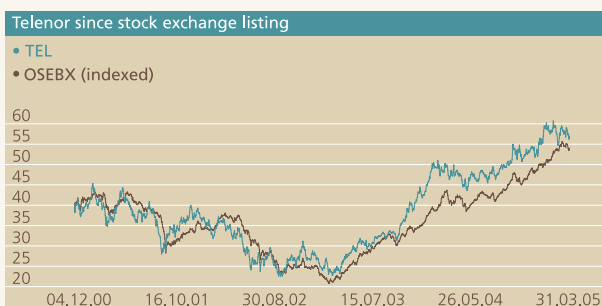
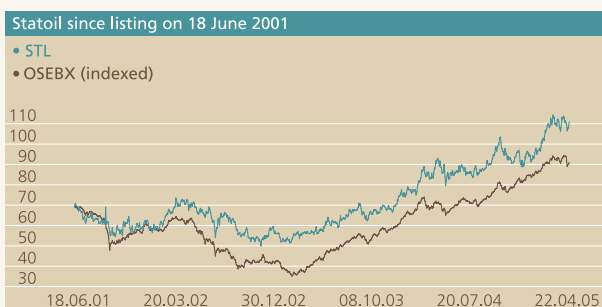
The best growth was in Yara International. At its Stock Exchange listing on 25 March 2004, the share price was NOK 41, while at year-end 2004 it was NOK 79.75. The share price rose further to NOK 94,75 on 25 March 2005, meaning that the company's value more than doubled during its



first year on the Stock Exchange. Shareholders in DnB NOR ASA received a return including dividends of 39.6 per cent in 2004. Over the last 5 years, the average annual return has been in excess of 17 per cent. Telenor's shareholders received a return of 28.7 per cent, including dividends paid out in 2004. Since its listing in December 2000, shareholders in Telenor have had an average annual return of 8 per cent. The return from Hydro, including dividends and the allocation of Yara shares (at an opening value of NOK 41), was 28.9 per cent. Over the last 5 years, an investment in Hydro has produced an average annual return of 11 per cent. The return, including dividends, from the Kongsberg Group was -5.4 per cent in 2004. Over 5 years, an investment in shares in Kongsberg returned an annual average of -3.5 per cent. In 2004, an investment in SAS produced a return of -10.6 per cent. Over the last 5 years, an investment in SAS has produced an average annual return of -5 per cent. Statoil shares produced a return of 31 per cent in 2004, including dividends. Since the company's listing in 2001, shareholders have seen an average annual return of 15 per cent.

### Net sales and capital injections

In 2004, the Government sold shares worth NOK 17.5 billion net. The major contributions derived from sales in Telenor and Statoil. This also includes shares the State has redeemed in Norsk Hydro and Telenor under the companies' buy-back programmes. This was done so that the State's share in the companies remained unchanged. In connection with the Storting's treatment of the DnB NOR merger, it was assumed that the State should own 34 per cent of DnB NOR at the end of 2004. At the start of 2004, the State owned 31.4 per cent. DnB NOR issued new shares during 2004 which diluted the State's share under a share option programme for its employees. In order to meet the Storting's

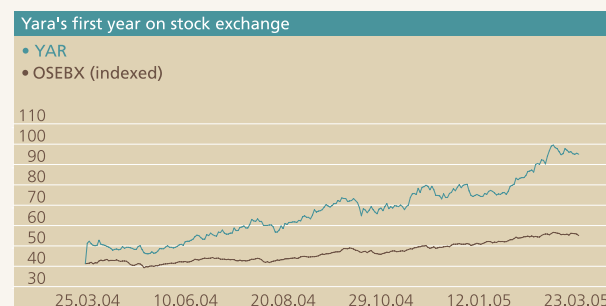


assumptions of a share of 34 per cent by year end, the Government acquired shares worth NOK 1.8 billion in 2004.

As part of the Government's aim of using NORFUND as an instrument in development policy, NOK 485 million was injected into the fund in 2004. Kommunalbanken was furnished with NOK 21.5 million in 2004, of which the State's share came to NOK 17.2 million. The basis for the capital extension was a continual growth in demand for loans which led the bank to approach its lending capacity threshold. In connection with the establishment of Statskonsult, the company was injected with NOK 104 million of equity. Avinor's capital was reduced by NOK 113 million in 2004 as part of the establishment of Avinor out of the Civil Aviation Authority and the liabilities the Authority had to the State. SIVA was injected NOK 90 million through a conveyry of debb to share capital.

### Dividends

The State will receive NOK 18.2 billion in dividends for the financial year 2004. In addition, as already mentioned, in 2004, the State received NOK 1.1 billion through redeeming shares under the buy-back programmes of Norsk Hydro ASA and Telenor ASA. In the State's assessment of the companies' dividends, account will also taken of the buy-backs from the companies. The dividends have increased by almost 50 per cent over the previous year, when they amounted to NOK 12.4 billion. This increase is due to a large increase in the dividends from Statkraft, Norway Post, Norsk Hydro, Telenor and Statoil. DnB NOR, the Kongsberg Group, Store Norske Spitsbergen Kulkompani and Nammo also increased their dividends. Electronic Chart Centre is paying a dividend for the first time in the company's history, and Cermaq is paying a dividend for the first time since 1999. Dividends from Entra Eiendom and Argentum fell in 2004 compared with 2003. This must be seen in the light of the extraordinary large dividends in 2003, which exceeded the companies' profits after tax. As a result of lower profits, Statnett's dividend fell from NOK 518 million in 2003 to NOK 370 million in 2004. Of Norsk Tipping's NOK 2.75 billion profit, Helse og Rehabilitering (the health and rehabilitation foundation) receives NOK 199 million and NOK 2.4 billion goes to sport and culture. Beyond this Norsk Tipping will not be paying a dividend.



## RETURNS AND VALUES 2004

Figures in NOK millions	Market value	State's shareholding <sup>1)</sup>	Value of State's shareholding	State's share of purposed dividend	State's net sales and net capital injections <sup>2)</sup>	Return over the year, including dividend	Average annual return, including dividend <sup>3)</sup>
<b>Listed companies</b>							
DnB NOR ASA	79 297	34,0 %	26 961	1 151	(1 861)	40 %	17 %
Kongsberg Gruppen ASA	2 970	50,0 %	1 485	30	0	-5 %	-4 %
Norsk Hydro ASA	123 521	43,8 %	54 132	2 270	445	29 %	11 %
SAS AB	9 338	14,3 %	1 334	0	0	-11 %	-5 %
Statoil ASA	205 784	76,3 %	157 075	8 139	9 859	31 %	15 %
Telenor ASA	96 250	54,0 %	51 963	1 417	9 085	29 %	8 %
Yara International ASA <sup>3)</sup>	25 520	36,2 %	9 241	260	0	95 %	n/a
<b>Total for listed companies</b>	<b>542 680</b>		<b>302 189</b>	<b>13 267</b>	<b>17 529</b>		

	Book value	State's shareholding <sup>1)</sup>	Value of State's shareholding	State's share of purposed dividend	State's net sales and net capital injections <sup>2)</sup>
<b>Unlisted companies</b>					
Argentum Fondsinvesteringer AS	2 482	100,0 %	2 482	25	0
BaneTele AS	35	100,0 %	35	0	0
Cermaq ASA	2 472	79,4 %	1 962	82,8	0
Eksportfinans ASA	2 565	15,0 %	385	29,5	0
Electronic Chart Centre AS	11	100,0 %	11	0,2	0
Entra Eiendom AS <sup>5)</sup>	5 907	100,0 %	5 907	120	0
Flytoget AS	715	100,0 %	715	0	0
Grødegaard AS	20	52,0 %	10	0	0
Kommunalbanken AS	918	80,0 %	735	17,2	(17,2)
Mesta AS	2 118	100,0 %	2 118	76,5	0
Nammo AS	603	45,0 %	271	13,5	0
Statkraft SF	32 873	100,0 %	32 873	3 402	0
Statskonsult AS	68	100,0 %	68	0	(103,8)
Store Norske Spitsbergen Kullkompani AS	414	99,9 %	414	106,9	0
Venturefondet AS	92	100,0 %	92	0	0
Veterinærmedisinsk Oppdragscenter AS	35	51,0 %	18	0,8	0
<b>Total for unlisted companies</b>	<b>51 327</b>		<b>48 095</b>	<b>3 874</b>	<b>(121)</b>
<b>TOTAL for all commercial companies</b>	<b>594 007</b>		<b>350 284</b>	<b>17 141</b>	<b>17 408</b>

	State's share of purposed dividend	State's net sales and net capital injections <sup>2)</sup>
<b>Unlisted companies</b>		
Avinor AS	151,5	113
Norfund	0	(485)
Norsk Eiendomsinformasjon	8,7	0
Posten Norge AS	516,4	0
SIVA SF	0	(90)
Statnett SF	370	0
Statskog SF	n/a <sup>3)</sup>	0
Vinmonopolet AS	52,7	0
<b>Total other companies</b>	<b>1 099</b>	<b>(462)</b>
<b>Total commercial companies</b>	<b>17 141</b>	<b>17 408</b>
<b>TOTAL capital to (+)/from(-) state in period</b>	<b>18 240</b>	<b>16 946</b>

1) State shareholding 31.12.

2) Sales and capital reduction (when capital is distributed to the owner) is displayed with a positiv sign, capital injection and purchase of shares is shown with a negativ sign.

3) For Yara return is stated from the IPO 25. March 2004.



## VALUES 2003

Figures in NOK millions	Market value	State's share-holding <sup>1)</sup>	Value of State's shareholding	State's share of purposed dividend	State's net sales and net capital injections <sup>2)</sup>
<b>Listed companies</b>					
DnB NOR ASA	58 121	31,4 %	18 250	979	(1 832)
Kongsberg Gruppen ASA	3 180	50,0 %	1 590	20	0
Norsk Hydro ASA	109 305	43,8 %	47 902	1 272	0
Statoil ASA	161 919	82,0 %	132 774	5 222	0
SAS AB	10 353	14,3 %	1 478	0	0
Telenor ASA	78 475	62,6 %	49 164	959	8 082
<b>Sum børsnoterte selskap</b>	<b>421 353</b>		<b>251 158</b>	<b>8 452</b>	<b>6 250</b>

	Book value	State's share-holding <sup>1)</sup>	Value of State's shareholding	State's share of purposed dividend	State's net sales and net capital injections <sup>2)</sup>
<b>Unlisted companies</b>					
Argentum Fondsinvesteringer AS	2 486	50,0 %	1 243	135	0
BaneTele AS	79	100,0 %	79	0	0
Cermaq ASA	2 437	79,4 %	1 935	0	0
Eksportfinans ASA	2 542	15,0 %	381	30	0
Electronic Chart Centre AS	10	100,0 %	10	0	0
Entra Eiendom AS <sup>5)</sup>	4 714	100,0 %	4 714	250	0
Flytoget AS	692	100,0 %	692	0	(300)
Grødegård AS	8	51,8 %	4	0	0
Kommunalbanken AS	826	80,0 %	661	32	0
Mesta AS	1 972	100,0 %	1 972	132	0
Nammo AS	529	45,0 %	238	9	0
Statkraft SF	31 300	100,0 %	31 300	2 605	(4 000)
Statskonsult AS	n/a	n/a	n/a	n/a	n/a
Store Norske Spitsbergen Kulkompani A/S	292	99,9 %	291	7,5	0
Venturefondet AS	108	100,0 %	108	0	(113)
Veterinærmedisinsk Oppdragscenter AS	35	51,0 %	18	0,8	0
Sold companies <sup>7)</sup>	-	-	-	0	1 765
<b>Total for unlisted companies</b>	<b>48 031</b>		<b>43 647</b>	<b>3 202</b>	<b>(2 648)</b>

<b>TOTAL for all commercial companies</b>	<b>469 384</b>		<b>294 805</b>	<b>11 654</b>	<b>3 602</b>
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	State's share of purposed dividend	State's net sales and net capital injections in the period <sup>2)</sup>
<b>Andre selskaper <sup>6)</sup></b>		
Norfund	0	(485)
Norges Statsbaner AS	0	470
Norsk Eiendomsinformasjon	7,5	0
Posten Norge AS	241	(600)
SIVA SF	0	(3,3)
Statnett SF	518	0
Statskog SF	9,5	0
Vinmonopolet AS	30,4	0
<b>Total other companies</b>	<b>806</b>	<b>(618)</b>
<b>Total commercial companies</b>	<b>11 654</b>	<b>3 602</b>
<b>TOTAL capital to (+)/from(-) state in period</b>	<b>12 460</b>	<b>2 984</b>

4) Appreciation on dividend taken into account. Last five years or since IPO.

5) For Entra Eiendom adjusted shareholders equity is stated in stead of book equity. Entra Eiendom had a return of 31 percent in 2004, over the last 3 years the yearly return has on average been 17 per cent.

6) Other companies in which dividend has been paid, the state has received proceeds from sales, injected capital, or purchased shares.

7) Companies sold: Arcus Gruppen ASA, Moxey Trucks AS, NOAH Holding AS, A/S Olvin, og SND Invest AS.

8) Dividend from Statskog SF will be decided on the general meeting 21 June 2005.

# THE COMPANIES' FINANCIAL GROWTH

The State attaches great importance to the financial growth of all companies in which it is a shareholder. This article focuses principally on the commercial companies. But the State is also focused on

that the companies which have other core objectives should be operated efficiently. A brief summary of these companies' financial growth follows the presentation of the commercial companies.

## GROUP FINANCIAL STATEMENTS 2004 - COMMERCIAL COMPANIES

NOK millions	State's share-holding <sup>1)</sup>	Operating revenues	Operating profit	Annual profit	Capital employed	Total balance
<b>Listed companies</b>						
DnB NOR ASA	34,0 %	23 386	9 737	7 387	n/a	714 680
Kongsberg Gruppen ASA	50,0 %	6 439	135	41	3 075	6 043
Norsk Hydro ASA	43,8 %	154 646	31 073	11 947	104 458	195 180
SAS AB	14,3 %	53 258	(1 063)	(1 717)	35 451	52 952
Statoil ASA	76,3 %	305 722	65 119	24 746	110 123	245 823
Telenor ASA	54,0 %	61 302	6 602	5 358	66 833	88 094
Yara International ASA	36,2 %	43 252	3 584	3 761	16 222	27 486
<b>Total listed companies</b>		<b>648 004</b>		<b>51 524</b>		<b>1 330 257</b>
<b>Unlisted companies</b>						
Argentum Fondsinvesteringer AS	100 %	0	(20)	20	2 482	2 527
BaneTele AS	100 %	583	(4)	(45)	620	848
Cermaq ASA	79,4 %	4 997	266	185	3 966	4 980
Eksportfinans ASA	15,0 %	449	303	219	n/a	109 355
Electronic Chart Centre AS	100 %	10,4	0,8	1,5	11,3	13,4
Entra Eiendom AS	100 %	1 072	539	134	8 159	8 768
Flytoget AS	100 %	507	63	23	1 195	1 256
Grødegaard AS	52,0 %	266	11	11	20	62
Kommunalbanken AS	80,0 %	181	129	92	n/a	88 995
Mesta AS	100,0 %	5 899	262	217	2 118	4 292
Nammo AS	45,0 %	1 521	131	111	603	1 210
Statkraft SF	100 %	10 635	5 972	4 486	75 561	90 491
Statskonsult AS	100,0 %	63	(38)	(36)	68	106
Store Norske Spitsbergen Kullkompani AS	99,9 %	1 315	224	219	804	1 167
Venturefondet AS	100 %	4	(14)	(16)	92	92
Veterinærmedisinsk Oppdragscenter AS	51,0 %	184	(0)	0	35	69
<b>Total unlisted companies</b>		<b>27 688</b>		<b>5 633</b>		<b>314 225</b>
<b>Total commercial companies</b>		<b>675 692</b>		<b>57 157</b>		<b>1 644 482</b>

1) State shareholding 31.12.

2) Annual average value over the last five years for the companies which have existed during the period, or from establishment. Where the annual results resulted in a loss, but dividend was distributed, the dividend rate is calculated as if the dividend rate that year was 100 per cent. For companies eligible for state subsidies, these years are taken out.

## THE COMMERCIAL COMPANIES

### High raw materials prices and substantial growth in operating revenue

In total, the growth in turnover in the commercial companies grew by 8 per cent from 2003 to 2004. The oil companies Statoil and Norsk Hydro had by far the largest turnover of all the companies in which the State is a shareholder, with NOK 306 and 154 billion respectively. High raw materials prices in 2004 were one of the main reasons for the increase in turnover from 15 to 40 per cent for Yara International, Norsk Hydro, Statoil and Store Norske Spitsbergen Kulkompani.

Turnover for Telenor went up by 15 per cent to NOK 61 billion. This was due to strong growth in the international mobile telephony business. Entra Eiendom increased its operating revenue by 25 per cent in 2004 to NOK 1.1 billion. This is due to an increase in leasing stock as a result of completed projects and newly acquired property. In addition the company made larger sales profits. Turnover for Cermaq was down 17 per cent to NOK 5 billion, primarily as a result of the divestment of Unikorn in September 2003. Mestas

turnover was down 8 per cent in 2004 compared to 2003, but the company has reduced costs even more. The operating revenue was up with 24 per cent in 2004.

### Positive profit development, but a few challenges

As a result of the positive development in the Norwegian economy and high raw materials prices in 2004, many of the companies have made substantially improved profits. The largest profit after tax and minority interests came from Statoil with NOK 25 billion, an increase of 50 per cent compared to 2003. Norsk Hydro, Yara International, Statkraft, DnB NOR and Telenor likewise showed healthy profits and solid growth in 2004. Medium-sized businesses such as Cermaq, Entra Eiendom, Nammo and Store Norske Spitsbergen Kulkompani also bettered their profits compared to 2003. Flytoget made a profit for the first time in the company's history in 2004.

SAS again had a poor year in 2004, making a loss of NOK 1.7 billion against NOK 1.2 billion in 2003. The company is still working to adjust to the major structural changes in the airline industry. The Kongsberg Group's profits were down

## GROUP FINANCIAL STATEMENTS 2004 - COMMERCIAL COMPANIES

	Cash flow, operations	Dividend ratio	Average dividend ratio <sup>2)</sup>	Return on equity	Average return on equity <sup>3)</sup>	Equity ratio <sup>4)</sup>
<b>Listed companies</b>						
DnB NOR ASA	(13 295)	46 %	56 %	16 %	14 %	7,6 %
Kongsberg Gruppen ASA	242	146 %	41 %	2 %	5 %	30 %
Norsk Hydro ASA	27 724	42 %	30 %	15 %	14 %	41 %
SAS AB	(1 409)	0 %	7 %	-17 %	-4 %	19 %
Statoil ASA	38 807	46 %	43 %	33 %	28 %	32 %
Telenor ASA	18 991	49 %	25 %	14 %	7 %	47 %
Yara International ASA	3 772	19 %	n/a	35 %	n/a	39 %
<b>Total listed companies</b>				<b>20 %</b>		
<b>Unlisted companies</b>						
Argentum Fondsinvesteringer AS	13	123 %	71 %	1 %	2 %	98 %
BaneTele AS	93	0 %	0 %	-129 %	-74 %	4,1 %
Cermaq ASA	426	56 %	11 %	7 %	3 %	50 %
Eksporthandel AS	897	90 %	62 %	9 %	10 %	12,7 %
Electronic Chart Centre AS	n/a	13 %	3 %	13 %	-62 %	84 %
Entra Eiendom AS	567	90 %	312 %	10 %	5 %	15 %
Flytoget AS	114	0 %	0 %	3 %	-10 %	57 %
Grødegård AS	13	0 %	0 %	57 %	-89 %	32 %
Kommunalbanken AS	96	23 %	42 %	10 %	10 %	5,8 %
Mesta AS	718	35 %	50 %	10 %	10 %	49 %
Nammo AS	144	23 %	10 %	17 %	13 %	53 %
Statkraft SF	3 859	76 %	85 %	14 %	10 %	41 %
Statskonsult AS	(10)	0 %	n/a	-53 %	n/a	64 %
Store Norske Spitsbergen Kulkompani AS	312	47 %	23 %	53 %	34 %	35 %
Venturefondet AS	n/a	0 %	0 %	-18 %	-16 %	100 %
Veterinærmedisinsk Oppdragscenter AS	15	375 %	103 %	1 %	4 %	51 %
<b>Total unlisted companies</b>				<b>12 %</b>		
<b>Total commercial companies</b>				<b>19 %</b>		

<sup>3)</sup> Average value over the last five years for all companies which have existed during the period, or from establishment. For companies eligible for state subsidies, these years are taken out. For Yara the average has been estimated for the last three years based on proforma figures.

<sup>4)</sup> Equity in percentage of total capital. For finance enterprises core capital ratio is used.

by NOK 85 million in 2003 to NOK 41 million in 2004. The profits were adversely affected by a charge of NOK 150 million associated with the development of a new NSM (Naval Strike Missile).

#### **Increased return on equity**

Return on equity increased from 14 per cent in 2003 to 19 per cent in 2004 on average for the portfolio as a whole. Return on equity is measured as the profit after minority interests divided by equity excluding minority interests at year-end. The average is weighted on the basis of the individual companies' book equity at year-end.

The listed companies had an average weighted return on equity of 20 per cent. Both Statoil and Yara had a return on equity in excess of 30 per cent, while Norsk Hydro, Telenor and DnB NOR had a return on equity of around 15 per cent. As a result of a new heavy loss, SAS showed a negative return on equity. For the unlisted companies, the average return on equity was 12 per cent, but with substantial variation. Grødegaard showed in 2004 for the first time a profit. Since the equity is low, the return on equity was 57 per cent. Store Norske Spitsbergen Kulkompani had due to the high coal prices a return on equity of 45 per cent. Nammo, Statkraft, Mesta, Kommunalbanken, ECC and Entra Eiendom had a better than 10 per cent return on equity. For BaneTele, return on equity was negative. Operations in this company have meanwhile improved and additional equity of NOK 120 million has been injected in the company. Statkonsult had in its first year of operations a return on capital of -53 per cent.

The State has a long-range perspective on its ownership. Average annual return on equity over the past 5 years can therefore give a better picture of the companies' results than a single year. From this perspective, DnB NOR and Norsk Hydro had the highest annual average return on equity at around 14 per cent. For SAS, the period post September 11th, 2001 has been difficult and from a 5-year perspective, SAS has had an annual average return on equity of -5 per cent.

#### **Dividend share**

The dividend share is the proportion of company profits paid out to its owners. The remaining capital stays in the company and is added to book equity. The Kongsberg Group's high share is due to a one-time accounting effect in 2004 which had no cash effect. The company did not wish to reduce the dividend per share, and the dividend share was therefore high in 2004. The Government has also decided to exact high dividend shares from the wholly owned companies of Argentum, Entra Eiendom and Statkraft

#### **Increased activity has produced balanced growth**

The balance sheet for all the commercial companies under State ownership was NOK 1647 billion at year-end 2004. This was NOK 70 billion or 5 per cent higher than in the previous year. Taking a clear lead in terms of balance sheet volume was DnB NOR with NOK 715 billion for administration. Next were Statoil with NOK 246 billion and Norsk Hydro with NOK 195 billion.

Norsk Hydro's total balance sheet went down as a result of the demerger of Yara in 2004. In total, however, the two companies showed a higher balance sheet volume than Norsk Hydro did at year-end 2003. DnB NOR, Eksportfinans and Kommunalbanken alike all stepped up their lending operations in 2004, with an attendant improvement in their balance sheets. As a result of the good results of Store Norske Spitsbergen Kulkompani, its balance sheet improved by 30 per cent to NOK 1.1 billion. SAS reduced its total balance sheet in 2004. For the remainder of the commercial companies, there were only minor changes in the total balance sheet volume.

#### **COMPANIES WITH OTHER OBJECTIVES**

##### **Many major companies included among those with other objectives**

Some of the companies, which have other objectives in addition to maximising their commercial value, are substantial enterprises with considerable turnovers. The five regional health care enterprises, for example, turned over a total of NOK 68.3 billion in 2004, an increase of 11 per cent over 2003. Norway Post's 2004 turnover was nearly NOK 18 billion, an increase of 15 per cent over 2003.

##### **Significant annual profits and progress over 2003**

Total profit for companies that have other objectives in addition to maximising their commercial value, excluding the health care businesses, came to NOK 4.3 billion. Most of the companies achieved a profit in 2004, the largest being Norsk Tipping's at NOK 2.7 billion, although this should be seen in the context of Norsk Tipping's monopoly. The profit is distributed to socially beneficial causes in culture, sport and health. Avinor improved its profit considerably from a loss of NOK 577 million in 2003, to a profit in 2004 of NOK 463 million. The result in 2003 should be seen in the light of restructuring costs of NOK 699 million charged to the accounts in that year. Norway Post also showed good growth, with profits up from NOK 274 million in 2003 to NOK 703 million in 2004. Statnett had a profit in 2004 of NOK 411 million, down from NOK 576 million in 2003. This was due inter alia to a reduced revenue framework and increased costs for systems services and depreciations.

## GROUP FINANCIAL STATEMENTS 2004 - COMPANIES WITH OTHER OBJECTIVES

Figures in NOK mill	State's shareholding	Operating revenues	Operating profit	Annual profit	Equity	Total balance	State subsidy/public procurement
Avinor AS	100 %	5 076	995	463	7 012	21 943	264
Bjørnøen AS	100 %	0,2	0,0	0,0	4,0	4,1	0,1
Gassco AS	100 %	0,0	0,0	0,5	11,8	266,3	0,0
Helse Midt-Norge RHF <sup>2)</sup>	100 %	9 474	(647)	(649)	5 373	12 114	8 570
Helse Nord RHF	100 %	8 297	(393)	(383)	7 348	9 934	7 744
Helse Sør RHF	100 %	15 383	(1 417)	(1 408)	14 226	20 076	12 754
Helse Vest RHF	100 %	12 147	(879)	(885)	9 279	12 962	11 257
Helse Øst RHF	100 %	23 005	(489)	(423)	15 914	22 751	21 914
Industritjeneste AS	53 %	39,5	0,6	0,6	6,3	13,3	0,0
Kings Bay AS	100 %	30,4	(1,1)	(1,0)	2,2	21,3	13,0
Norfund	100 %	49,0	(37,0)	(9,0)	2 229	2 335	0,0
Norges Statsbaner AS	100 %	8 242	266,0	90,0	5 816	12 898	1 946
Norsk Eiendomsinformasjon AS	100 %	155	14,9	10,9	38,8	90,9	0,0
Norsk Rikskringkasting AS	100 %	3 689	88,0	97,0	1 561	3 043	0,0
Norsk Samfunnsvitenskapelig Datatjeneste AS	100 %	30,6	4,0	4,2	13,2	28,2	19,5
Norsk Tipping AS	100 %	9 763	2 717	2 748	1 054	4 181	0,0
Petoro AS	100 %	163	(3,9)	(2,9)	14,7	80,5	163,7
Posten Norge AS	100 %	17 959	1 136	699	4 879	11 648	316,0
Simula Research Laboratory AS	80 %	58,3	(2,5)	(2,4)	3,8	14,6	49,0
SIVA SF	100 %	257,9	(28,1)	(217,0)	492,3	2 222,3	59,2
Statnett SF	100 %	5 215	794	411	4 585	12 041	0,0
Statskog SF	100 %	224	25,8	16,0	242	305,4	2,7
Uninett AS	100 %	148,7	13,2	15,5	109,6	204,4	47,1
Vinmonopolet AS	100 %	8 275	98,8	87,8	578	1 850	0

### Total

65 119

1) State's shareholding 31.12.

2) Preliminary figures for Helse Midt-Norge.

### Public procurements and state subsidies as a factor in sectoral policy

Some of the companies where the ownership objectives are not purely commercial perform services at prices and in areas that are not rational from a business economic perspective. To make the value of these services transparent, the State pays these companies to perform certain tasks in accordance with sectoral policy objectives. Public procurements vary from the purchase of services from Avinor to operate commercially unprofitable airports, to NSB for operating non-commercial railway lines at predetermined prices, to a subsidy to Petoro for attending to the State's direct financial interest (SDFI) on behalf of the State. In some cases, the State's procurements represent a relatively limited amount (Norway Post and Avinor), while, in other companies, they cover the entirety or majority of their revenues (health care enterprises, Petoro).

In all, the companies received subsidies and the public sector procured services totalling NOK 64 billion in 2004. State funding was greatest in the health care businesses, with NOK 8.5 billion in Helse Midt-Norge, NOK 7.3 billion in Helse Nord, NOK 12.9 billion in Helse Sør, NOK 11.4 billion

in Helse Vest and NOK 21.8 billion in Helse Sør. The State and the municipalities also made considerable public procurements from NSB, totalling NOK 1,9 billion.

## OTHER MATTERS

In the annual reports, the companies also report on a number of non-financial indicators. This is in line with statutory requirements, but also as a result of greater focus on corporate governance, ethics and corporate social responsibility. The tables present an overview of a selection of the non-financial indicators which, in its ownership supervision, the State attaches importance to.

### **Fees paid to auditors**

The auditor's brief is to audit a company's accounts and ensure that they present a true and fair picture of the company's operations and situation. This thereby ensures the owners that the accounts have been independently and critically vetted. In order to ensure such independence, it is important that the auditor is not directly involved in any of the transactions under audit. The summary states both the chief auditor's auditing fee and other fees to the chief auditor which include audit-related work, tax advice and other advisory services. Certain companies, such as Telenor, employ several auditors for sub-assignments within the Group. The fee paid to these has been removed from the statement so that only the fees to the chief auditor appear.

The auditor should not perform advisory services on such a scale or of such a nature that his or her independence might be called into question. If fees other than for the audit itself account for a substantial proportion of the total fees paid to the auditor, this might raise questions as to the auditor's independence. There are, however, situations in which it is expedient to use an auditor for services without there being any conflict with the independence associated with the ordinary auditing service. This would apply, for example, to transactions in which confirmation of the company's value might result from the role of auditor. In cases where other fees comprise a substantial proportion of the auditor's fees, the State will seek to obtain information as to what these apply to.

### **Composition of the board of directors**

One of the most important tasks for the owners is to appoint members to the board of directors. Great importance is attached to having the board constitute a body of expertise pertinent to the specific challenges the company faces. Hence we find that what might be an effective and competent board of directors in one company might not necessarily be such in another. In order to strengthen the work on board composition, the State has in the large companies actively contributed to the establishment of nomination committees bound by articles of association. The nomination committee is served by representatives of the owners who jointly draw up proposals for the election of the board at company meetings or general meetings. In the wholly-owned companies, the composition of the board of directors is solved in a similar way as in the larger of the part-owned companies.

As stated, the composition of the board should reflect expertise, quality and diversity based on the characteristics of each individual company. As part of these efforts, the State strives to achieve, as far as possible, a balanced representation of the sexes in appointments to the boards. The representation of both sexes on the boards of directors of State limited companies is prescribed by Articles 2-6 of the Norwegian Companies Act. A similar rule applies to State enterprises. Of the 47 companies presented in this report, 41 companies have complied with the regulation on equal representation of the sexes in the board of directors. On average 43 per cent of shareholder appointed board of directors are women in the 47 companies presented in this report. The proportion of women in Nammo AS is low as a result of a shareholders' agreement under which each of the three owners appoints its own board members. The other owners have not appointed women board members. At DnB NOR the proportion of women serving on the board

## OTHER MATTERS 2004

NOK thousands	Audit fees, group	Other auditor's fees, group	Board fees, total	Remuneration of chair of board	Proportion of women on board, total	Proportion of shareholder-elected women on board <sup>3)</sup>
<b>Listed companies</b>						
DnB NOR ASA	6 231	10 751	676	2 783	25 %	25 %
Kongsberg Gruppen ASA	4 183	6 759	3 255	1 128	25 %	40 %
Norsk Hydro ASA <sup>1)</sup>	9 885	62 845	23 575	2 362	22 %	33 %
SAS AB	7 281	160 000	150 000	2 895	33 %	33 %
Statoil ASA <sup>2)</sup>	6 444	24 000	10 000	2 068	44 %	50 %
Telenor ASA	5 580	29 000	15 900	1 785	40 %	43 %
Yara International ASA	2 959	14 049	6 364	1 312	38 %	40 %
<b>Unlisted companies</b>						
Argentum Fondsinvesteringer AS	2 289	180	49	498	40 %	40 %
BaneTele AS	1 285	590	284	642	33 %	40 %
Cermaq ASA	1 904	3 616	212	770	25 %	40 %
Eksportfinans ASA	2 400	474	0	1 065	33 %	43 %
Electronic Chart Centre AS	832	10	36	217	66 %	66 %
Entra Eiendom AS	2 595	1 101	1 607	1 050	29 %	40 %
Flytoget AS	1 648	410	170	633	38 %	60 %
Grødegaard AS	1 074	215	24	211	43 %	25 %
Kommunalbanken AS	1 479	585	96	455	43 %	40 %
Mesta AS	2 395	1 000	16	623	43 %	75 %
Nammo AS	0	0	0	0	14 %	20 %
Statkraft SF	2 466	3 275	2 012	1 370	44 %	50 %
Statskonsult AS	940	120	78	585	83 %	50 %
Store Norske Spitsbergen Kullkompani AS	1 811	452	299	640	38 %	40 %
Venturefondet AS	0	41	18	260	40 %	40 %
Veterinærmedisinsk Oppdragscenter AS	972	103	17	297	50 %	38 %
<b>Companies with other objectives</b>						
Avinor AS	1 200	1 100	1 300	1 100	25 %	40 %
Bjørnøen AS	0	7	0	41	40 %	40 %
Gassco AS	2 399	664	49	1 055	57 %	60 %
Helse Midt-Norge RHF	1 862	1 194	3 075	869	56 %	50 %
Helse Nord RHF	1 294	1 476	2 968	829	44 %	33 %
Helse Sør RHF	900	2 798	6 116	1 108	33 %	50 %
Helse Vest RHF	1 419	1 130	2 100	878	56 %	50 %
Helse Øst RHF	1 476	2 331	9 101	875	44 %	50 %
Industrijeneste AS	936	82	27	173	50 %	75 %
Kings Bay AS	689	83	35	221	40 %	40 %
Norfund	1 748	412	115	380	40 %	40 %
Norges Statsbaner AS	1 850	4 908	1 651	2 716	25 %	40 %
Norsk Eiendomsinformasjon AS	1 391	85	10	410	40 %	40 %
Norsk Rikskringkasting AS	2 296	614	360	850	44 %	50 %
Norsk Samfunnsvitenskapelig Datatjeneste AS	650	72	0	50	50 %	40 %
Norsk Tipping AS	1 300	0	0	473	67 %	67 %
Petoro AS	2 505	175	14	1 225	43 %	40 %
Posten Norge AS	2 924	4 700	5 600	1 293	50 %	43 %
Simula Research Laboratory AS	887	36	16	172	50 %	57 %
SIVA SF	1 286	611	550	425	57 %	57 %
Statnett SF	1 516	432	766	1 305	44 %	50 %
Statskog SF	945	197	82	449	38 %	38 %
Uninett AS	781	249	48	150	50 %	50 %
Vinmonopolet AS	1 546	650	140	669	44 %	50 %
<b>Average</b>					<b>42 %</b>	<b>45 %</b>

1) Norsk Hydros remuneration to CEO includes one-time payment of NOK 4 mill.

2) Statoils remuneration to CEO consists of payments to 3 different CEOs in 2004.

3) Proportion of women elected by owners as percentage of total board members elected by owners.

was small in 2004 as a result of the merger agreement. In its nominations for board election in 2005, the nomination committee for DnB NOR will be seeking to establish female representation of at least 40 per cent. At Norsk Hydro ASA the proportion of women was reduced in 2004 as a result of the need for specialist expertise on the board of directors. On the nomination committee, the State will be seeking to increase this representation at the next election.

#### Remuneration for managing directors and board fees

Under the Norwegian Accounting Act, companies are obliged to state their managing director's total remuneration in their annual reports. This includes the fixed salary, regular bonuses, paid performance-related bonuses, other assessable benefits and any remuneration for service on the board of directors of wholly-owned subsidiaries. This ensures transparency concerning remuneration. The board of directors is responsible for appointing and laying down the terms for the managing director. Salaries in wholly State-owned companies should be competitive, but not market-leading within their respective sectors. On 28 June 2004, the State established new guidelines for the terms of employment for executives of wholly State-owned enterprises and companies.

Remuneration for board members is determined by the Annual General Meeting. The State's fundamental position on remuneration of boards is that companies' boards should be remunerated at a justifiable level and in accordance with the responsibility entailed by the board's duties. The table states the total remuneration to the board of directors of the parent company. The table shows that the total expenditure on remuneration generally corresponds with the size of the board of directors and the company's size and complexity.

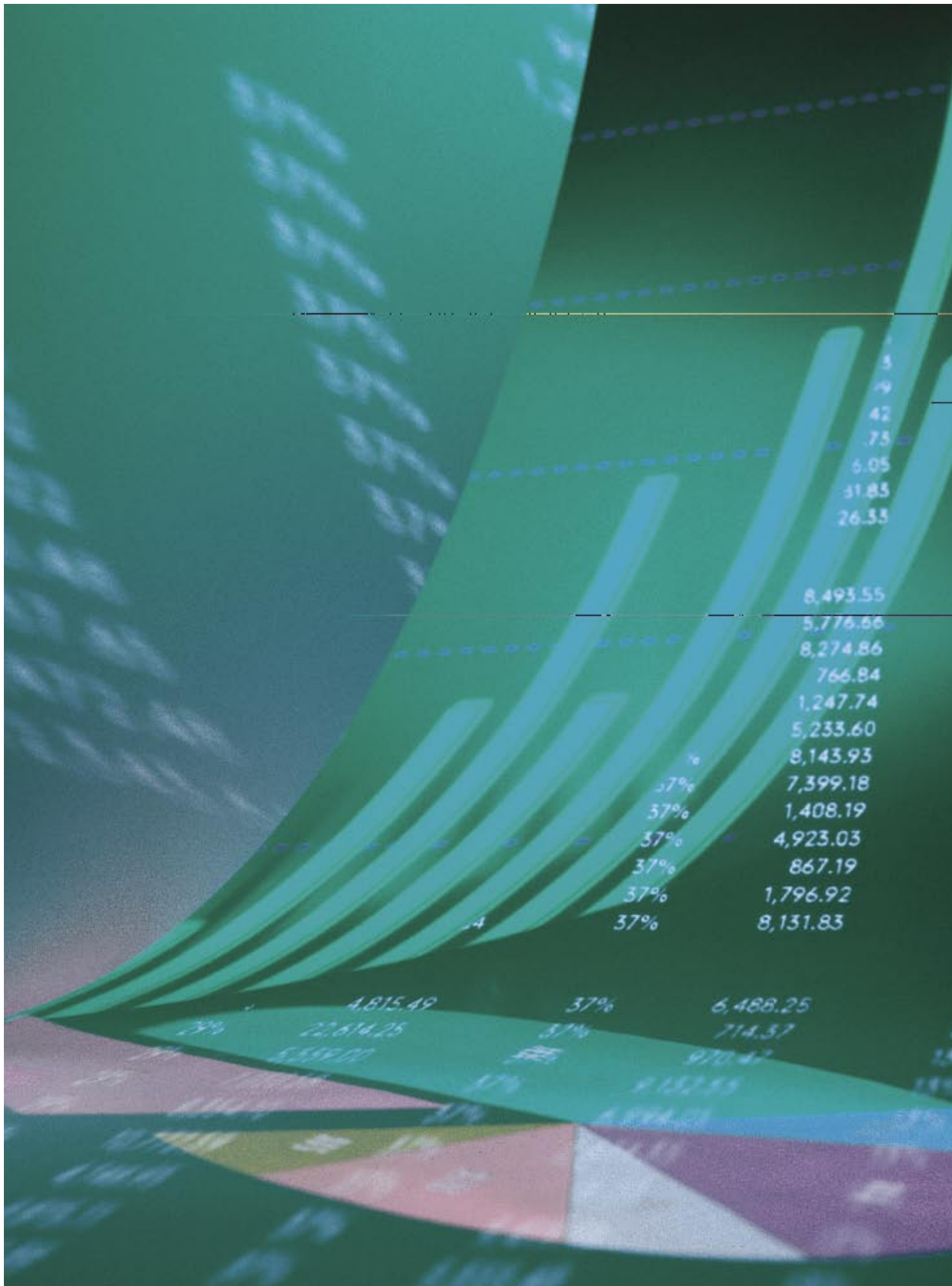
#### Number of employees

The companies have a total of 277 thousand employees in Norway and abroad. This is an increase of 1 per cent since 2003. The decline in the number of employees in Norsk Hydro is to a great extent due to the demerger of Yara International ASA. Norsk Hydro, Statoil, SAS, Norway Post, the health care enterprises and Telenor are the companies with the largest number of employees.

## NUMBER OF EMPLOYEES

Thousands	Number of employees 2004	Number of employees 2003
<b>Listed companies</b>		
DnB NOR ASA	9 963	11 073
Kongsberg Gruppen ASA	4 017	4 176
Norsk Hydro ASA <sup>1)</sup>	34 684	42 911
SAS AB	32 481	33 304
Statoil ASA <sup>2)</sup>	23 899	19 326
Telenor ASA	21 750	20 190
Yara International ASA	7 067	n/a
<b>Listed companies</b>		
Argentum Fondsinvesteringer AS	8	9
BaneTele AS	148	145
Cermaq ASA	2 961	2 252
Eksportfinans ASA	109	100
Electronic Chart Centre AS	13	13
Entra Eiendom AS	133	135
Flytoget AS	260	261
Grødegaard AS	500	600
Kommunalbanken AS	34	33
Mesta AS	3 290	3 633
Nammo AS	1 170	1 265
Statkraft SF	1 924	2 211
Statskonsult AS	80	n/a
Store Norske Spitsbergen Kullkompani AS	265	233
Venturefondet AS	0	0
Veterinærmedisinsk Oppdragssenter AS	48	55
<b>Companies with other objectives</b>		
Avinor AS	2 732	3 072
Bjørnøen AS	0	0
Gassco AS	129	121
Helse Midt-Norge RHF	13 217	12 194
Helse Nord RHF	9 934	9 884
Helse Sør RHF	20 397	19 812
Helse Vest RHF	18 467	18 081
Helse Øst RHF	26 130	27 696
Industritjeneste AS	138	157
Kings Bay AS	21	25
Norfund	23	22
Norsk Eiendomsinformasjon AS	53	40
Norsk Rikskringkasting AS	3 481	3 493
Norsk Samfunnsvitenskapelig Datatjeneste AS	48	48
Norsk Tipping AS	349	305
Norges Statsbaner AS	10 432	10 364
Petoro AS	59	55
Posten Norge AS	24 398	24 544
Simula Research Laboratory AS	58	48
SIVA SF	40	45
Statnett SF	636	590
Statskog SF	187	190
Uninett AS	58	49
Vinmonopolet	1 702	1 699
<b>Total</b>	<b>277 471</b>	<b>274 465</b>





# ORGANISATION OF THE STATE'S OWNERSHIP

The State is currently a dominant owner in Norwegian trade and industry. There are numerous reasons underlying Norway's State ownership of enterprises. Historically, in Norway, companies have become State-owned as a result of temporal assessments, decisions and happenstance, rather than as a result of any universal, overriding strategy. One common characteristic of State ownership has been the aim to protect various social or political interests (sectoral policy commitments). Many State companies have been established in connection with the separating out of roles within the State. The establishment of the Norwegian Public Roads Administration's production enterprise as a separate limited company, Mesta AS, in 2003 is one example of a company that was created in order to separate these roles.

In many instances, the object of State ownership has evolved over time, for example, in that companies in several sectors have been restructured and adapted to competitive markets. The interests of society at large are served increasingly through the exercise of public authority (licences, public procurements, taxes, etc.) in such a way as to enable State enterprises to compete on ordinary terms, even though the State continues to exercise its ownership in order to achieve sectoral policy objectives. Examples of this are the management of the Norwegian health service through the health care enterprises or the means by which Statskog SF's land is used actively in achieving societal objectives, as protected land or for the common good.

State ownership with the object of safeguarding the interests of society remains important within various sectors. The companies are instrumental in ensuring that the sectoral policy objectives underlying State ownership are achieved. One example of this would be Vinmonopolet, which is used by the State in its alcohol policy to restrict and control the availability of alcohol in Norway. In other contexts, the State is committed to safeguarding Norwegian national ownership and thereby the head office functions of key enterprises such as DnB NOR, Telenor and Norsk Hydro.

The exercise of its ownership is just one of many of the State's undertakings. Roughly speaking, the State divides its undertakings into three separate functions:

- Political body/ government authority, typical a ministry
- Public inspection authority, for example in the shape of the Norwegian Labour Inspection Authority, Norwegian Pollution Control Authority and the Norwegian Competition Authority.
- Owner/administrator of State shareholdings and other State assets.

The comprehensive scope of the State's assets makes it important to maintain the distinction between these three functions. When State-owned businesses compete in markets with other companies, this can have unfortunate consequences if the various roles of the State overlap. Uncertainty about the premises that lay behind state ownership decisions in a company, may have an effect on the markets general confidence in the state ownership and add uncertainty about if the conditions of competition are equal. The basic premise is therefore to organise the State's ownership (proprietary role) in such a way that it does not overlap with the exercise of authority or the inspectorate function. A clear organisational distinction between the role of owner and regulator within the ministerial structure serves to sustain confidence that there is no invidious overlap in State roles.

This then is the chief reason why administration of the State's commercial ownership (companies in which the purpose of ownership is primarily commercial maximisation of value) is in the main lodged with the Ministry of Trade and Industry. Since 2001, the Ministry has taken over the ownership administration of Argentum Fondsinvesteringer, BaneTele, DnB NOR, Entra Eiendom, Flytoget, Grødegaard (sold in 2005), SAS and Statkraft. In 2005, the administration of

ownership of Mesta will also be transferred to the Ministry of Trade and Industry.

In cases where the State's ownership objective is informed more by sectoral policy interests than commercial maximisation of value, there can be sound reasons for not separating ownership out from sectoral policy ambitions. This is the reason why companies such as the health care businesses are administrated by the sectoral authorities. In cases where specifically defined goals are to be attained through State ownership, the companies function to some extent as sectoral policy instruments. In the first instance, the national body responsible for sectoral authority in the domain in question will be the one best suited to assessing goal attainment and exercising ownership authority in order to promote this. This also ensures coherent sectoral administration, although it may entail the same ministry operating as both owner and regulator. However, the State is committed to separating out its roles wherever feasible. One example is how the Ministry of Health and Care Services has divided its undertakings as owner and regulator in administration of the health care businesses between its Department of Hospital Ownership and its Department of Health Services.



# GOOD CORPORATE GOVERNANCE IN THE STATE'S OWNERSHIP ADMINISTRATION

## About corporate governance

The code of practice for corporate governance as developed in recent years may be described as guidelines that draw a clear distinction between the division of roles between the owners, the board of directors and the management of a company. The code of practice for corporate governance is intended to serve the interests of shareholders by ensuring value growth of the enterprises, and transparency and trust vis-à-vis the capital market, employees and the interests of society in general. As a substantial owner, the State is a driving force in ensuring that State-owned companies comply with the principles of good corporate governance and establish their own board instructions, ethical guidelines and other relevant board documents in order to ensure actual implementation of the code in practice. The Ministry of Trade and Industry's Ownership Department has been working in conjunction with leading Norwegian advocacy groups behind the elaboration of the official Norwegian Code of Practice for Corporate Governance, as published in its final version on 7 December 2004. The State requires that the main provisions of this document are adhered to by all listed companies in which the State is a shareholder.

## The State's principles for good corporate governance

In its capacity as an owner, the State gives due weight to communicating the expectations it has of the companies, and to communicating to society how the State will conduct itself as an owner.

White Paper no. 22 (2001-2002) presented 10 principles for good corporate governance of companies in which the State is a shareholder.

Two chief considerations in particular formed the basis for the framing of these principles. Firstly, that they should contribute to increased value creation for the State's share-

## THE STATE'S 10 PRINCIPLES FOR GOOD CORPORATE GOVERNANCE

1. All shareholders shall be treated equally.
2. There shall be transparency in the State's ownership of companies.
3. Ownership decisions and resolutions shall be made at the general meeting.
4. The State may set performance targets for each company, together with other owners. The board will be responsible for meeting these targets.
5. The capital structure of the company shall be consistent with the objective of the ownership and the company's situation.
6. The composition of the board shall be characterised by competence, capacity and diversity and shall reflect the distinctive characteristics of each company.
7. Compensation and incentive systems shall promote the creation of value in the companies and shall be generally regarded as reasonable.
8. The board shall exercise an independent control of the company's management on behalf of the owners.
9. The board shall adopt a plan for its own work and shall work actively to develop its own competences. The board's activities shall be evaluated.
10. The company shall recognise its responsibility to all shareholders and stakeholders in the company.

holdings thereby protecting the State's assets. To that end, the principles concerning targets for return on investment and dividends, capital structure, the election of boards of directors, together with incentive and control systems are of great importance. Accounting and financial scandals at home and abroad indicate just how essential it is to operate with a keen focus on such principles – not least when it comes to incentive and control systems.

Secondly, the principles should contribute to ensuring equal

rights between the different shareholder groups. In companies where the State is a joint shareholder with others, the State wishes to be assigned the same rights and obligations as any other shareholder. For private shareholders, it is of particular importance that the State, a major shareholder in many companies, does not conduct itself in a way that has a negative effect on other shareholders' rights. Emphasis is given therefore to considerations of equal treatment of shareholders, openness as concerns the State's ownership and use of the annual general meeting as a decision-making arena.

A principle has also been laid down for companies to be aware of their corporate social responsibility. Ethics and Corporate Social Responsibility together represent an issue of increasing importance in Norwegian and international business and industry. Among other things, special share indexes have been established for companies who meet globally recognised ethical standards such as the Dow Jones Sustainability Index and the FTSE4Good index. Inclusion in indexes such as these is regarded as a seal of approval and will often serve to attract more investors into the companies. Among companies in the State's portfolio, Telenor, Hydro, Statoil ASA\*\* and Yara International ASA\* have all been included in these indexes.

#### **The Norwegian Code for Corporate Governance**

The Norwegian Code of Practice for Corporate Governance was published on 7 December 2004. It was elaborated by a working group consisting of members of nine organisations including the Oslo Børs (stock exchange), Norwegian Shareholders' Association, the Norwegian Confederation of Business and Industry (NHO) and the Institutional Investor Forum.

The State participated in the work on the new Code of Practice through the Ministry of Trade and Industry department of Ownership's membership of the Institutional Investor Forum. This is a forum for institutional investors, which

promotes to establish and follow up principles of corporate governance. The Code of Practice is regarded as an important tool for the companies, but also in the State's commitments as a major shareholder in a number of listed companies.

The purpose of the Code of Practice is, among other things, to delineate more clearly the division of roles between shareholders, boards of directors and management; promote confidence in companies; contribute to maximum value-creation over time, and serve to ensure that the Norwegian capital market remains attractive.

#### **Cooperation regarding corporate governance**

The State participates in several forums on corporate governance both at home and abroad. At home, this is inter alia done through the Ministry of Trade and Industry's participation in the Institutional Investor Forum. Internationally, the Ministry of Trade and Industry participates in the OECD's Steering Group on Corporate Governance. This aims to coordinate and provide guidelines for the OECD's work on corporate governance and associated topics such as privatisation, company law, etc. At present, OECD's principles are being subjected to expert review. In addition, the Ministry of Trade and Industry participates in the Working Group for Privatisation and Governance of State Owned Assets, which is a forum for exchanging experience on State ownership and privatisation. The Group's main work is to collate and disseminate expertise about privatisation programmes (methods, techniques, etc.) and to prepare guidance for the suitable organisation of the management of State ownership interests. Due to national precedents and aspects of national corporate law, practices currently vary from one country and one world region to the next. There is a consecutive dialogue with government ownership bodies in other countries.

\* Ftse4Good Index  
\*\* Dow Jones sustainability Index



# THE STATE'S OWNERSHIP ADMINISTRATION

The exercise of State ownership is multifaceted. One facet is the State's administration of its ownership vis-à-vis the companies. This is informed by Norwegian company law and is based on the generally accepted code of conduct for corporate governance (see separate article). Another facet is made up of the formal constitutional frameworks governing the exercise of State ownership. This article describes the formal framework governing the relationship between the Storting, the Government and the companies and how this influences the exercise of the State's ownership.

## THE CONSTITUTIONAL RELATIONSHIP

### Administration of State ownership

Article 19 of the Norwegian Constitution establishes that the King (the Government) shall administrate the State's shareholding in limited companies, the proprietary interests of State enterprises and 'special law companies' (i.e. State enterprises with special authority). Under the Constitution this is a task that cannot be devolved from the King, i.e. a so-called 'prerogative'. The King delegates administration to a minister, who, under Article 12 of the Constitution, presides over the Ministry under which the company sorts.

The prerogative means that the Storting cannot exercise direct proprietary control vis-à-vis the companies. According to the parliamentary principles governing Norwegian society, the minister's administration of State shareholdings must be governed by constitutional and parliamentary responsibility. The minister is responsible to the Storting for his/her administration of the State's ownership. Against that, the view has prevailed in the Storting that it is neither feasible nor desirable to hold the government responsible for decisions of a commercial nature which in pursuance of company law are lodged with the corporate bodies.

### The Storting's monitoring of State ownership

Independently of the Government's responsibility for the administration of State proprietary interests, the Storting is required to be consulted on and endorse any changes in such interests, inter alia as sale of shares, capital injections, or dividends. Besides its direct involvement, the Storting also performs subsequent parliamentary monitoring tasks. Such monitoring tasks are conducted primarily through the Office of the Auditor General, although the parliamentary Control and Constitution Committee may also examine individual cases.

The Office of the Auditor General reports annually to the Storting, and the tasks ascribed to the Office are laid down in Article 75k of the Norwegian Constitution and the Act on the Auditing of Governmental Accounts. The Office of the Auditor General checks that the minister concerned has performed his/her tasks as the administrator of national interests in keeping with the decisions and intentions of the Storting. The Office of the Auditor General is required to conduct such investigations as are necessary for it to arrive at a qualified opinion of how corporate administration has been dealt with. Among other things, this means that the Office of the Auditor General may conduct administrative audits of wholly-owned State companies. The Office of the Auditor General must also be summoned to the annual general meetings of wholly-owned companies. One important premise for the Office of the Auditor General's corporate monitoring is the relevant minister's annual report concerning the individual company. Within 1 month of the Annual General Meeting or corporate assembly, a report must be submitted of the minister's (the ministry's) administration of State shareholdings in companies at least 50% State-owned, and in certain other companies in which the State is the dominant shareholder, even where this shareholding comprises less than 50 per cent. (e.g. Norsk Hydro in which

the State owns 43.82 per cent).

#### THE GOVERNMENT'S ADMINISTRATION OF ITS PROPRIETARY INTERESTS

The formal basis for the individual ministry's administration of the State's proprietary interests is found in Article 10 of Reglementet for Økonomistyring i Staten (Regulations on financial management within central government). Under these provisions, written guidelines must be produced for how the State's company shareholdings are to be administered.

The Ministry of Trade and Industry has for example adopted such guidelines for administration of State-owned companies and financial institutions in which the State has proprietary interests. The guidelines contain rules concerning the exercise of ownership in the role of proprietor, requirements regarding return on investment and dividend policy, performance monitoring and checks, and changes in the State's capital commitment.

#### CENTRAL GOVERNMENT'S DIVISION OF ROLES – THE STORTING IN OWNERSHIP CASES

The framework for the Governments exercise of state ownership is set out by the Storting. The Storting can grant the Government mandates for its exercise of ownership, including mandates to change the State's shareholding in individual companies. If cases requiring transgression of these frameworks must be brought before the Storting and a new mandate issued. Ownership cases typically heard by the Storting include sales of shares, share issues, conversion to a different corporate form or a considerable change in corporate activities and scale of operations. In 2004 the Government carried out a number of transactions. The Government divestment of Telenor shares in March 2004 could be carried out without consulting the Storting, as the Storting had already mandated the Government in 2002 to reduce the State's shareholding in Telenor through the sale of shares down to 51 per cent. Conversely, a resolution concerning a capital injection of NOK 120 million into BaneTele in March 2005 had to be brought before the Storting because the Government did not have the mandate to effect such a transaction, and it required a resolution of financial grant in the Storting.

#### THE EXERCISE OF OWNERSHIP IN PRACTICE

The State's ownership is exercised through formal corporate bodies such as Annual General Meetings/company meetings. These bodies exercise executive authority in their respective company and, through mandates and resolutions, delegate responsibility to the company's board. It is at meetings of these bodies that the main frameworks and objectives for the companies' activities are decided upon. In addi-

tion to which, documents such as the annual accounts and annual report have to be approved, and the election of the board of directors and issue of dividends have to be settled. The board is responsible for managing the company within frameworks and objectives laid down by the shareholders. In companies with corporate assemblies, the principle of an Annual General Meeting as the company's executive authority will in some areas be subordinate to the corporate assembly's defined authority under the legislation on limited liability companies. The duties of the corporate assembly include election of members to the board; supervision of the board's work; issuing statements to the Annual General Meeting concerning the board's proposals for the accounts, and passing resolutions on major investments and changes to the company's operations entailing major changes to/re-assignment of the workforce. Financial institutions do not have a corporate assembly but rather an assembly of delegates. For financial institutions, duties sorting under the corporate assembly in other companies rest with the assembly of delegates. The Annual General Meeting appoints the members of the corporate assembly and in this way serves the shareholders' interests. In companies, in which the State is a part-owner it is normal to elect a nomination committee. The nomination committee proposes for the annual general meeting or the corporate assembly a proposal for members of the board and/or members to the corporate assembly. The ministry responsible for the administration of the State's proprietary interests in the relevant company is represented in the nomination committee.

Besides the meetings within the corporate bodies, regular contact is also maintained between the State in its capacity as shareholder and the management of the companies in a similar way as applies to other key shareholders or shareholder groupings. This normally takes place in the shape of quarterly meetings at which the companies report on their performance and the Ministry states its positions on matters such as returns and the size of any dividends. Such meetings are based on information available to all shareholders and the State, in its role as owner, does not require disclosure of any information beyond this. Incidentally the representatives of the State participate on company presentations together with other investors and analysts. Beyond that there will be other contact when necessary. In addition there may be a need for other contact and updates on material matters. Such contact should be seen as a precondition for the Ministry's ability to exercise its role of shareholder in a proper and fit manner, to be prepared for discussion at the Annual General Meeting and to prepare such cases as need to be brought before the Storting.

# PERSPECTIVES ON THE STATE AS A MAJOR SHAREHOLDER IN LISTED COMPANIES

By Sven Arild Andersen, President and CEO of the Oslo Stock Exchange



Sven Arild Andersen

Norwegian industrial history is to a great extent founded on its access to and management of natural resources. These resources have been widely regarded as national assets and, insofar as private actors have been charged with responsibility for them, they have always been subject to strict regulation

and with clear-cut requirements regarding their code of conduct. The most important area in the previous century concerned the rights to hydropower resources and how these should be exploited. Where private operators were granted permission to develop hydropower installations, they pledged to return these to the State after a certain number of years – in most cases within 60 years. From the moment the Norwegian Continental Shelf was found to contain vast volumes of petroleum reserves, the State saw itself as a key actor in ensuring the most rational management of these resources, and not least that future revenues from the oil industry should be administrated and distributed in such a way as to benefit the Norwegian nation in its entirety.

In that Norsk Hydro was the first Norwegian company to get involved in the oil industry, this gave the State something of a flying start on the Norwegian Continental Shelf, since at the time it had a 50.3% shareholding in the company. Within a relatively short space of time, the merits of

setting up several petroleum environments became evident, and since at that time only the Norwegian State had the resources and position to engage in this kind of venture, the wholly State-owned Statoil was established in 1972. To this day, Norsk Hydro and Statoil remain the leading listed companies under State ownership. However, in the wake of the banking crisis in the early 90s, the State was obliged to secure the Norwegian banking industry by means of a comprehensive financial operation whereby the State also became the principal shareholder of several Norwegian banks. Following the divestment of Christiania Bank & Kreditkassen in 2000, the State's shareholding was concentrated fully on Den norske Bank, and following this institution's merger with Gjensidige NOR in 2003, the State now has a shareholding in this bank of approx. 34%.

Following the most recent Statoil divestment, the Norwegian State had a shareholding in the entire Norwegian stock exchange of some 36%, which is well beyond what we find in other exchanges, where states tends to be minority shareholders. This creates wholly unique challenges for both the State as shareholder and for the Oslo Stock Exchange as a marketplace. Opinions on the merits of State ownership may differ, but with a shareholding on the exchange worth between NOK 350 and 400 billion, clearly these shares could only be sold over a very long period of time. The State therefore has to contend with the fact that it stands to be an influential shareholder on the Oslo Stock Exchange for the foreseeable future.

I maintain that most people would agree that the State's principal task is not to own companies, and in objective terms it is desirable for neither the State nor a stock exchange for more than a third of the exchange to be in State hands. The State is often accused of operating with motives other than purely financial ones when exercising its



ownership interests. This means that private shareholders tend to be sceptical about getting involved in companies in which non-commercial interests are given high priority. With changing governments we have indeed seen that the State has varying motives behind its assets management, exercises its ownership differently and operates with a different long-range perspective than that of previous governments.

Given the sizeable shareholding of the Norwegian State, this also has a negative impact on the liquidity of the shares. The volume of the total number of remaining shares out on the market is too small, which means that major investors tend to conclude that it is difficult to make major movements in and out of the share without also moving the price. This increases the risk and hence also scepticism surrounding the shares, which in turn is attributable to the State as a shareholder. Many might also question whether the State is actually capable of serving the interests of all shareholders. Clearly, the State's focus on shareholder value does not rank as high as that of private shareholders. Criticism directed at the State's lack of proactive ownership is also often mooted. Many detractors find that the State does a better job as an owner by remaining entirely passive, and leaving management of the company entirely in the hands of the administration and board of directors. In a number of examples we have also seen that the State has problems coping with difficult processes. This and that gets leaked. Politicians of a different party colour and with different values fly their own standards, creating the impression that the State's ownership blows with the wind and in the absence of tight control.

In retrospect, it should perhaps be acknowledged that the Norwegian State has often been prey to these traits. However, there can be no doubt that in a number of areas the State has devoted considerable resources and quite some drive to stand out as a professional owner. On the stock exchange, a marked change in tack was noted when the State presented its 10 principles for corporate governance. These were altogether in line with the generally accepted code of practice for corporate governance, in that they stressed key issues concerning equality, independence, board composition, the role of the company board, etc, and since that time there has actually been little to criticise the State for.

The objective areas of criticism still stand however. The State does not have the same financial motives for operating businesses as do private shareholders. The liquidity suffers in that the bulk of the shares is in one pair of hands, and the exercise of ownership will never be anything like as proactive as that in private hands. In recent years, however, there have been notable examples of the State's commitment to

equal treatment of all shareholders. Norsk Hydro's demerger of Yara is a good example of this. After the information about Yara came out, the Hydro share price rose by NOK 31, which was certainly a reduction of the conglomerate discount. The introduction of Yara came at NOK 41 per share. The share price is now more than NOK 90. Anyone who happened to have a Hydro share worth NOK 288 on the day before the news of the Yara demerger came out, and who chose not to sell their Yara share now has a Yara share worth in excess of NOK 90 and a Hydro share worth more than NOK 520. We would be hard pressed to find a better example of how all the shareholders' interests were catered for, certainly in cases where the State is the main actor.

In connection with the merger of DnB and Gjensidige NOR, the State had also acquired the right to issue shares at NOK 35.50 if it did not want to buy on the market at a higher price. From other political parties, considerable pressure was put on the State to exercise its right to issue shares at NOK 35.50, but the State opted to buy shares on the market since that alternative was entirely in line with what the State had prescribed in its 10 principles for good corporate governance.

We also see what resources the State devoted to the preparation and implementation of State sales of shares in Statoil and Telenor. From a somewhat shaky start, these processes have gradually been carried out to an impeccable standard. Among other things, the Oslo Stock Exchange is now contacted well in advance in order to allow it to prepare itself as well as possible for these highly complex processes.

There is also no reason to hide the fact that foreign investors have gradually toned down their scepticism towards State companies, with a number of them lifting their ban on share trading where the State is the principal shareholder.

All things considered, most people would probably say that stock exchanges, marketplaces and listed companies tend to achieve the most productive dynamic when they are under private ownership. However, Norway's altogether unique situation, combined with its industrial history, speaks for the State as a dominant actor in Norway. In this role the State has gone from taking a somewhat arbitrary approach to the stock market to becoming highly aware of both its role as a shareholder and the key position it holds vis-à-vis the Norwegian marketplace and thereby also towards all other listed companies.

# AVINOR – A COMPANY IN THE SERVICE OF SOCIETY

By Managing Director Randi Flesland

Avinor is responsible for a business activity that combines social and commercial interests to a pronounced degree. In the article, I would like to offer a brief account of how we try to pursue these interests and of the challenges the company faces in this work.



Randi Flesland

## Avinor in brief

In recent years, aviation has undergone massive changes and this trend continues unabated. New challenges require new responses and this applies to all the actors. For Avinor (formerly the Civil Aviation Administration), one result of this has been the splitting out from the organisation of the authority functions on 1 January 2000 with the creation of the Civil Aviation Authority. The remaining activities were converted into a limited company on 1 January 2003 and comprise responsibility for the operation of the 46 publicly-owned airports and the air traffic control service in Norway. At year-end 2004, the company had a total of 2,440 employees

The Avinor group consists of the parent company, Avinor AS, the Oslo Lufthavn AS subsidiary and a number of smaller subsidiaries, primarily real-estate companies.

In 2004, Avinor had a total turnover of somewhat over NOK 5 billion and profit after tax of NOK 463 million. Around two-thirds of the revenues derive from the sales of services to the airlines and around one-third from commercial activities at the airports. For 2004, the State took a dividend of NOK 151.5 million.

Avinor operates the combined airport and air safety system within a self-financing framework. The air safety services are sold at cost. The airports' total financing requirements are covered by cross-subsidies from the major airports that produce a profit. At the end of 2004, 4 of the airports produced a profit: Oslo Gardermoen Airport; Stavanger Airport at Sola, Bergen Airport at Flesland and Trondheim Airport at Værnes. The prices for airport services are kept at an equi-

table level nationwide, both across the airport network and through a contribution from commercial revenues keeping charges to airlines down. The State's procurement of services at the regional airports amounted to NOK 264 million in 2004 and is budgeted at NOK 35 million in 2005.

In 2005, it is estimated that the intra-company transfers will be approx. NOK 740 million. This figure has risen greatly over the last 5-10 years and is expected to rise further in the future. The main reasons for this are the new international and national requirements for infrastructure and operating arrangements. These impact in particular the regional network.

Avinor's vision is to be a European leader in aviation safety and punctuality.

Safety is the company's most important task and this premise is the backbone of all activities and priorities – including the evaluations made in this article.

### **Aviation is crucial for the development of Norwegian society**

The major advantage of aviation is to offer rapid transport over long distances. This is especially important in a country with such a widespread habitation as Norway, with its location on the outer edge of Europe. In many cases, air travel is the only realistic option. The socio-economic consequences of aviation are therefore very substantial, for work, habitation and business. Its benefit to society can also be illustrated by the fact that:

- Norwegians travel 50 per cent more than the European average.
- No other country has as many airports in proportion to its population

- It is the most important means of public transport for journeys of more than 300 km (70 per cent of the market)
- Its significance for business and tourist traffic is vital
- The development of regional-Norway depends on air travel
- The industry is crucial for the petroleum sector (430,000 helicopter flights in 2004)
- It is fundamental to the health service (including 400,000 patient trips annually by scheduled flights and a number of helicopter and air ambulance flights)
- Overall defence and the country's emergency preparedness is based on a professional industry
- Nationwide cultural and sporting activities are largely based on air travel

### **Avinor's social duties and commercial responsibilities**

The establishment of Avinor as a limited company with effect from 1 January 2003 did not change its social duties and obligations. In other words, Avinor continues to be the key policy instrument for achieving the social objectives within the sector, and the owner's control of the company therefore has a broader perspective than for other State limited companies. This is done, for example, through defining socially mandated tasks.

The primary aim for organising the company as a state limited company is to allow it greater freedom to adapt to market needs and to use its resources efficiently. Moreover, as a company, Avinor has now assumed greater financial and legal responsibility for all aspects of its activities. The owner's dividend policy is based on a limitation of up to 40 per cent of the profit.

In other words, Avinor has both social and commercial re-



Foto: Avinor

sponsibilities that have to be met as effectively as possible – both separately and in conjunction. Through Avinor's business model, we seek to link these interests, so that greater commercial freedom increases the resources available for the social duties and obligations.

The company's experience to date is that its organisation form contributes to an improved overall achievement in respect of the different tasks. However, it cannot be denied that conflicts of interest can arise and balancing the different considerations can be challenging. This may be illustrated by the following problems:

- Should financial value creation be devoted to returns to the owners, increased cross-subsidisation of the unprofitable airports or lower prices for services to the customers?
- How much freedom should the company have to develop its commercial activities, in the light of any fundamental limits regarding what should be public or private business activities?
- What would be the social consequences if Avinor were significantly restricted in its commercial activities?
- There is increasing competition in sections of Avinor's area of activities. What facilities should the company have to meet this challenge?
- Is it best that subsidisation for regional policy purposes is achieved through redistribution internally within the company, or should this be made visible and transparent through the political process? In other words, should there be a distinction between business and policy?
- Should Avinor be accorded greater freedom to set prices, so the company can be perceived as more commercial, and greater flexibility so as to attract more air services, or should be the company be a passive infrastructure provider?

It must be emphasised that safety concerns are unfringeable and hence unaffected by the issues outlined above.

#### **Restructuring and commercial focus produce a positive result**

Avinor's financial results have varied considerably in recent years, but are now on a positive trend. The conversion of Avinor into a limited company have helped in this respect. Financial results have improved considerably over the last 2 years, due, among other things, to a positive traffic trend and to the utilisation of the restructuring opportunities and commercial growth potential. The price trend in the core services has also been below the retail price index.

#### **The most important measure for reducing operating costs has been the "Take-off 05" project.**

Through targeted measures in various areas, this project has helped reduce costs by around 17 per cent over 2-3 years without affecting the customer proposition, and in a period of market growth. Around two-thirds of the impact of these measures have already been obtained. The need for restructuring had been skirted for such a long time that the scope of the changes the company is now undergoing is proving to be especially demanding. There has been considerable internal resistance and various measures are now under development to stimulate motivation and job satisfaction and direct focus at the new challenges the company will face in the future.

The restructuring need is independent of the actual setting up of the limited company. Efficient service production is a managerial responsibility in both the public and private sectors and in both publicly administrated bodies and state owned companies. Using this organisation form (state limited company) has, on other hand, made it possible to implement the restructuring measures more rapidly and more efficiently.

#### **An enhanced role in society for Avinor**

The very structure of Avinor implies that we will have both social and commercial obligations, and this is both demanding and highly motivational.

The framing of Avinor's social and commercial interests will be an ongoing process. Some of the primary objectives of the company's future development will be to:

- Fulfil all of its social obligations efficiently
- Reduce the prices of services to customers
- Propose amendments to the framework conditions to provide greater commercial freedom to solve the social tasks
- Create a financial basis for significant cross-subsidisation
- Ensure an understanding that the scope of the internal transfers must be balanced against other social interests
- Make the business more competitive in the light of developments in the industry
- Develop products/services with the aim of increasing customer satisfaction

As we acquire more experience as an state limited company, we will gain greater insight into, and understanding of, the relationship between the tasks, weighing up the various interests and the requisite framework stability for the business as a whole.





Foto: Yara International

## PRESENTATION OF THE COMPANIES

# COMMERCIAL COMPANIES

This section covers companies in which the object of ownership is chiefly to maximise their commercial value. By this is meant to maximise the value of the State's shares and contribute to the solid industrial growth of the companies. For these companies, the State has certain expectations concerning profits and returns depending on the risk profile of the individual company. The companies are characterised by the fact that they operate in competition with other commercial actors.

The following companies are included in the report:

## Listed on the Oslo Stock Exchange:

DnB NOR ASA	44
Kongsberg Gruppen ASA	51
Norsk Hydro ASA	54
SAS AB	55
Statoil ASA	57
Telenor ASA	60
Yara International ASA	63

## Unlisted

Argentum Fondsinvesteringer AS	41
BaneTele AS	42
Cermaq ASA	43
Eksportfinans ASA	45
Electronic Chart Centre AS	46
Entra Eiendom AS	47
Flytoget AS	48
Grødegaard AS	49
Kommunalbanken AS	50
Mesta AS	52
Nammo AS	53
Statkraft SF	56
Statskonsult AS	58
Store Norske Spitsbergen Kulkompani A/S	59
Venturefondet AS	61
Veterinærmedisinsk Oppdragssenter AS	62



# ARGENTUM FONDSINVESTERINGER AS

Argentum Fondsinvesteringer AS is a State-owned investment company founded on 1 October 2001 with equity of NOK 2,450 million. The company co-invests with private investors in the sector for private equity and venture capital. The investments are limited to minority shares in investment funds and investment companies. The company does not invest in individual projects. The object for Argentum is to be run on business-like terms and operate as a commercial investor.

Argentum shall contribute to strengthened competitiveness and value creation in Norwegian business by facilitating access to venture capital for the innovation and research-based business sector. The company will also work to advance competent, long-term ownership in business and industry and build networks between owners, administrators and R&D environments.

Argentum has its headquarter in Bergen, has a regional office in Oslo and has 8 permanent employees.

## Key events

During 2004, Argentum contributed to the establishment of 4 new venture and private equity funds. These are Viking Venture II AS (Argentum's shareholding 14 per cent - Technology fund), Norsk Vekst IV LTD (Argentum's shareholding 20 per cent - General PE fund), Convexa Capital IV AS (Argentum's shareholding 23 per cent - ICT fund), and NeoMed IV Lim. Partnership (Argentum's shareholding 26 per cent -Life Science fund).

At year-end 2004, the company had commit-

ments in 9 Norwegian and Nordic investment funds and had committed to investments worth some NOK 1.54 billion.

## Financial trends

In 2004 Argentum achieved an annual profit of approx. NOK 20 million, as against NOK 84 million in 2003 and NOK 110 million in 2002. The company's revenues consist in their entirety of interest from short-term placements. These revenues have exhibited a falling trend in line with the lower domestic interest rate and reduced placement volume as the company has made investments in venture funds. Argentum's profitability trend in future will depend on the value growth trend of the funds in which it has invested. The State will receive NOK 25 million in dividend for the financial year 2004.

At year-end 2004 approx. NOK 2.0 billion was placed in short-term bonds and certificates and close to NOK 0.5 billion was invested in shares in venture funds. The company has no interest-bearing liabilities and its equity ratio amounts to 98 per cent.

As of 31 March 2005 Argentum has committed itself to fund investments of NOK 1.7 billion, and expects to have committed closer to NOK 2.5 billion within year-end 2005.



## Company contact details

Address: P.O. Box 3964 Dreggen, N-5835 Bergen  
Telephone: +47 55 54 70 00  
Internet: www.argentum.no

## Managing Director

Jørgen Kjærnes

## Chairman

Widar Salbuvik

## Board members

Knut Borch, Ada Kjeseth, Marie Jore Ritterberg and Bjørnar Skjevik

## Auditors

Ernst & Young AS

## State ownership

100% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	0	0
Operating costs	20	20
<b>Operating profit</b>	<b>-20</b>	<b>-20</b>
Net financial items	48	138
<b>Profit before tax and minority int.</b>	<b>28</b>	<b>118</b>
Tax	-8	-33
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>20</b>	<b>84</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	0	0
Fixed assets	3	3
Financial assets	5	3
<b>Total fixed assets</b>	<b>7</b>	<b>6</b>
Current assets	2 520	2 677
<b>Total assets</b>	<b>2 527</b>	<b>2 683</b>
Subscribed equity	2 450	2 450
Earned/other equity	32	36
Minority interests	0	0
<b>Equity</b>	<b>2 482</b>	<b>2 486</b>
Provision for commitments	8	7
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	38	189
<b>Total liabilities and commitments</b>	<b>46</b>	<b>197</b>
<b>Total equity and liabilities</b>	<b>2 527</b>	<b>2 683</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	13	80
Investment activities	101	-31
Financing activities	-135	-50
<b>Change in assets</b>	<b>-21</b>	<b>-2</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	2 482	2 486
EBITDA	31	121
EBIT	30	120
Operating margin	-1 %	-1 %
Equity ratio	98 %	93 %
Return on equity	1 %	3 %
Avg. return on equity since start up	2 %	
Return on capital employed	1 %	5 %

	2004	2003
<b>Dividend</b>		
Provision for dividend	25	135
Dividend share	123 %	160 %
Avg. dividend share since up start	71 %	
State's share of dividend	25	135

	2004	2003
<b>Other information</b>		
Number of employees	8	9
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

# BaneTele

## Company contact details

Address: Jernbanetorget 1, P.O. Box 420 Sentrum  
N-0103 Oslo  
Telephone: + 47 21 00 00 00  
Internet: www.banetele.no

## Managing Director

Matthias Peter

## Chairman

Bjørn Kristiansen

## Board members

Kjell Knudsen, Sigrun Sagedahl, Ida Helliessen,  
Geir Drangslund, Monica Skiftesvik \* and Asbjørn  
Stuestøl \*

\* Employees' representatives

## Auditors

Kjelstrup & Wiggen AS

## State ownership

100% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	583	547
Operating costs	588	525
<b>Operating profit</b>	-4	22
Net financial items	-40	-48
<b>Profit before tax and minority int.</b>	-45	-26
Tax	0	0
Minority interests	0	0
<b>Profit after tax and minority int.</b>	-45	-26

	2004		2003	
<b>Balance sheet</b>				
Intangible fixed assets	12	15		
Fixed assets	679	661		
Financial assets	5	6		
<b>Total fixed assets</b>	<b>696</b>	<b>682</b>		
Current assets	152	139		
<b>Total assets</b>	<b>848</b>	<b>821</b>		

Subscribed equity	112	112		
Earned/other equity	-77	-33		
Minority interests	0	0		
<b>Equity</b>	<b>35</b>	<b>79</b>		
Provision for commitments	3	2		
Long-term liabilities	572	536		
Current interest-bearing liabilities	14	0		
Current interest-free liabilities	224	203		
<b>Total liabilities and commitments</b>	<b>813</b>	<b>741</b>		
<b>Total equity and liabilities</b>	<b>848</b>	<b>821</b>		

	2004		2003	
<b>Cash flow</b>				
Operasjonelle aktiviteter	93	57		
Investeringsaktiviteter	-109	-63		
Finansieringsaktiviteter	52	-10		
<b>Endring betalingsmidler</b>	<b>37</b>	<b>-16</b>		

	2004		2003	
<b>Key indicators</b>				
Capital employed	620	616		
EBITDA	92	107		
EBIT	-2	26		
Equity ratio	4 %	10 %		
Return on equity	-129 %	-33 %		
Average return on equity since start up in 2001	-74 %			
Return on capital employed	0 %	4 %		

	2004		2003	
<b>Dividend</b>				
Provision for dividend	0	0		
Dividend share	0 %	0 %		

Avg. dividend share since start up	0 %			
State's share of dividend	0	0		

	2004		2003	
<b>Other information</b>				
Number of employees	148	145		
State's shareholding at year-end	100 %	100 %		
Proportion of women on board	43 %	43 %		
Proportion of shareholder-elected women on board	40 %	40 %		

## BANETELE AS

BaneTele was established as a company in its own right in 2001 under the ownership of the Norwegian National Rail Administration. BaneTele is the only nationwide content-neutral offerer of high-capacity services on net in Norway. The company has at its disposal a nationwide fibre-optic high-capacity net which is the fundament of Bane Tele's business. The high-capacity net is a modern and redundant fibre infrastructure that follows the infrastructure of the rail network and power supply network in Norway. The network is 12 500 kilometres long and bind cities and communities together all over the country. The network branches further in the bigger cities based on a combination of fibre-optic cables and wireless technology. BaneTele delivers fibre, wavelength, bandwidth/capacity (2MB/s upto several Gigabit/s) based on SDH- and DWDM-Technology together with Internet and data communication to the business segment. In addition IP-services are delivered customised to various segments and performance specifications from the telecom industry, ISPs, ASPs, technological university environments, etc. BaneTele also delivers telephone and data communication to more than 7000 users within the railwaylinked business segment. After some demanding years, including a turnaround, the company now has ambitions of growing the business and the aim is to develop further to be an important competitor within the telecom business.

### Key events

In March 2004, BaneTele and the Norwegian National Rail Administration agreed to retain legal mediation services in order to reach agreement on the contractual terms concerning infrastructure leasing in particular. This led

to an amicable settlement in February 2005.

In autumn 2004, a number of disputes associated with BaneTele's take-over of the Enitel estate in 2001 were settled by arbitration proceedings. The settlements, amounting to NOK 34 million, were charged to BaneTele's accounts for 2004.

On 17 December, the Ministry of Trade and Industry presented a proposal in proposition no. 35 (2004-2005) for injecting BaneTele with new equity of NOK120 million. The proposal was adopted by the Storting on 1 March 2005.

### Financial trends

BaneTele's operations enjoyed positive growth. Turnover was up from NOK 547 million in 2003 to NOK 583 million in 2004. Cash flow from operating activities was at NOK 93 million for 2004, as against 57 in 2003. The operating profit ended with a loss of NOK 4 million. However, this includes a one-time charge of NOK 34 million as a result of lost legal disputes. The company's financial costs are high as a result of both a high debt ratio and high interest rates on a proportion of the debts. The annual result shows a loss of NOK 45 million. Equity was at NOK 35 million at year-end, 4 per cent of the total capital. This situation was improved by the capital injection of NOK 120 million in March 2005.

# CERMAQ ASA

Cermaq is through its ownership in the Mainstream-companies among the biggest producers of farmed salmonoid fish. Through its ownership the EWOS-companies, Cermaq is one of the world's leading producers of fish feed for farmed salmonoid fish. Cermaq's vision is to be an internationally leading company in aquaculture, concentrating on sustainable production of feed for, and farming of, salmonid fish.

## Key events

During 2004, Cermaq emerged as an even more keenly focused company in the aquaculture industry. The company acquired Salmenes Andes in the summer of 2004. Salmenes Andes is a fish farming enterprise in Chile with 17 growing sites, a freshwater licence (smolt production) and a processing plant (slaughtering) near the lakes. Cermaq sold its wind turbine plants in Vaksdal and in Buvika to Norsk Grønnkraft in 2004.

In the summer of 2004 the process of introducing Cermaq on the Oslo Stock Exchange was postponed as a result of the State's role in relation to the dialogue with the EU on the scope for export of Norwegian fish farm products to the EU. Work on the listing of the company continues in 2005. In February 2005, Fjord Seafood ASA acquired 12.9 per cent of the shares in Cermaq ASA.

## Financial trends

The Cermaq Group made a net profit of NOK 185 million for 2004. Net debt was reduced by 18 per cent to NOK 1.038 billion. The financial and strategic development of the company in 2004 was satisfactory. The profit growth since 2003 is due to an upturn in the general market

picture for the aquaculture industry. Cermaq has also improved the efficiency of its Group operations during the course of 2004. The losses in Scotland and Canada were reduced in comparison with the previous year. The reduction in turnover in the Group compared with the previous year is due primarily to sale of companies within the AGRI business area. The company intends to pay out dividends of NOK 1.20 per share. The last time Cermaq paid out dividends was in 1999. The State stands to receive NOK 83,3 million in dividends.

# cermaq

## Company contact details

Address: P.O. Box 144 sentrum, N-0102 Oslo  
Telephone: +47 22 31 75 80  
Internet: www.cermaq.com

## Managing Director

Geir Isaksen

## Chairman

Sigbjørn Johnsen

## Board members

Björg Ven, Kjell Frøyslid, Wenche Kjølås, Stein H. Annexstad, Jan Helge Førde \*, Jim-Egil Hansen \* and Karl Tore Mæland \*

\* Employees' representatives

## Auditors

Ernst & Young AS

## State ownership

79,38% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	4 997	6 041
Operating costs	4 731	6 018
<b>Operating profit</b>	<b>266</b>	<b>23</b>
Net financial items	-81	-38
<b>Profit before tax and minority int.</b>	<b>186</b>	<b>-14</b>
Tax	-1	14
Minority interests	0	6
<b>Profit after tax and minority int.</b>	<b>185</b>	<b>-6</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	1 522	1 537
Fixed assets	1 239	1 295
Financial assets	327	263
<b>Total fixed assets</b>	<b>3 088</b>	<b>3 095</b>
Current assets	1 892	1 949
<b>Total assets</b>	<b>4 980</b>	<b>5 044</b>
Subscribed equity	2 434	2 394
Earned/other equity	78	43
Minority interests	0	0
<b>Equity</b>	<b>2 472</b>	<b>2 437</b>
Provision for commitments	22	18
Long-term liabilities	1 370	1 525
Current interest-bearing liabilities	124	144
Current interest-free liabilities	992	920
<b>Total liabilities and commitments</b>	<b>2 508</b>	<b>2 607</b>
<b>Total equity and liabilities</b>	<b>4 980</b>	<b>5 044</b>
<b>Cash flow</b>	<b>2004</b>	<b>2003</b>
Operational activities	426	765
Investment activities	-354	-7
Financing activities	-5	-602
Currency effect	-16	-94
<b>Change in assets</b>	<b>52</b>	<b>63</b>
<b>Key indicators</b>	<b>2004</b>	<b>2003</b>
Capital employed	3 966	4 106
EBITDA	586	604
EBIT	314	93
Equity ratio	50 %	48 %
Return on equity	7 %	0 %
Avg. return on equity last 5 years	3 %	
Return on capital employed	8 %	2 %
<b>Dividend</b>	<b>2004</b>	<b>2003</b>
Provision for dividend	104	0
Dividend share	56 %	0 %
Avg. dividend share last 5 years	11 %	
State's share of dividend	83	0
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees	2 961	2 252
State's shareholding at year-end	79 %	79 %
Proportion of women on board	25 %	25 %
Proportion of shareholder-elected women on board	40 %	40 %

## Company contact details

Address: Stranden 21, N-0021 Oslo  
Telephone: +47 22 48 10 50  
Internet: www.dnbnor.com

## CEO

Svein Aaser

## Chairman

Olav Hytta

## Board members

Jannik Lindbæk, Bjørn Sund, Helge Leiro Baastad, Per Terje Vold, Berit Kjøll, Bent Pedersen, Anne Carine Tanum, Sverre Finstad \*, Per Hoffmann \*, Jørn O. Kvilhaug \* and Ingerd Skjeldrum \*

\* Employees' representatives

## Auditors

PricewaterhouseCoopers DA

## State ownership

34% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Interest received	28 578	38 430
Interest costs	15 365	24 641
<b>Net interest and credit revenues</b>	<b>13 213</b>	<b>13 789</b>
Other operating revenues	10 173	8 302
Operating costs	13 588	13 411
Net loss	61	1 667
<b>Operating profit</b>	<b>9 737</b>	<b>7 013</b>
Tax	2 350	1 636
<b>Profit after tax</b>	<b>7 387</b>	<b>5 377</b>

	2004		2003	
<b>Balance sheet</b>				
Cash and receivables from credit inst.	8 780	8 570		
Net loans	569 364	557 503		
Securities	68 405	63 985		
<b>Other assets</b>	<b>68 132</b>	<b>75 620</b>		
<b>Total assets</b>	<b>714 680</b>	<b>705 678</b>		

Liabilities to credit institutions	48 940	78 497		
Contributions from customers	355 316	335 576		
Other liabilities and commitments	239 786	225 780		
Subordinated loan capital	24 040	23 709		
<b>Total liabilities</b>	<b>668 082</b>	<b>663 562</b>		
Subscribed equity	25 012	24 443		
Earned equity	21 586	17 672		
<b>Total equity</b>	<b>46 598</b>	<b>42 115</b>		
<b>Total equity and liabilities</b>	<b>714 680</b>	<b>705 677</b>		

	2004		2003	
<b>Cash flow</b>				
Operational activities	-13 295	-18 350		
Investment activities	3 733	-3 828		
Financing activities	9 772	7 758		
<b>Change in assets</b>	<b>210</b>	<b>-14 420</b>		

	2004	2003
<b>Key indicators</b>		
Core capital coverage	7,6 %	6,8 %
Capital coverage	10,7 %	9,8 %
Cost/income ratio	58 %	61 %
Provision for loss as %age of gross lending	1,2 %	1,4 %
Loss as %age of lending	0,03 %	0,33 %
Return on equity	16 %	13 %
Avg. return on equity last 5 years	14 %	

	2004	2003
<b>Values and dividend</b>		
Market value at year-end	79 297	58 121
Price/book	1,7	1,4
Closing price	59,75	44,40
Provision for dividend	3 384	2 919
State's share of dividend	46 %	54 %
Dividend share	56 %	
Avg. dividend share last 5 years	1 151	979
Return incl. last year's dividend	40 %	43 %
Average return over last 5 years	17 %	
The State's share purchase	1 861	1 832

	2004	2003
<b>Other information</b>		
Number of employees	9 963	11 073
State's shareholding at year-end	34 %	31 %
Proportion of women on board	25 %	25 %
Proportion of shareholder-elected women on board	25 %	25 %

## DNB NOR ASA

DnB NOR is Norway's largest financial services group and is the result of a merger between DnB Holding and Gjensidige NOR in late 2003. The Group has more than 2 million retail customers, some 150,000 corporate clients and more than 900,000 life insurance clients. The Group consists of the following business areas: Corporate Banking, Retail Banking, DNB NOR Markets, Asset Management and Life & Pension (Vital). The Group operates with declared objectives for a return on equity exclusive of goodwill depreciation of at least 15 per cent, core capital coverage of 7 per cent and a payout ratio of around 50 per cent.

### Key events

On 30 March 2004, the Ministry of Trade and Industry assumed the ownership administration of the State's shareholding in DnB NOR from the Government Bank Investment fund, which now is wound up.

During November and December, the State acquired 6.1 million shares worth NOK 350 million, thus bringing the State's shareholding in DnB NOR up to 34 per cent by year-end 2004, in compliance with the Storting requirements.

The year 2004 was heavily affected by the merger process, which is proceeding according to plan.

### Financial trends

The Norwegian economy enjoyed a buoyant trend in 2004, which in turn has had a positive effect on DnB NOR. Profits were up from NOK 5.4 billion to 7.4 billion. The improvement is primarily due to a considerable fall in net losses on loans, increased revenue from the life insur-

ance business and profits on the sale of assets. The loan volume increased by 2 per cent, compensating for lower margins. The loan volumes for home loans in the retail market increased most. At year-end 2004, the retail market accounted for 57.7 per cent of DnB NOR's total lending operations.

In 2004 DnB NOR had a return on equity of 16 per cent. DnB NOR paid out a dividend of NOK 2.55 per share and the State will receive NOK 1.15 billion from DnB NOR for the financial year 2004. The DnB NOR share price was up by 34.6 per cent. Combined with dividends paid out in 2004, this amounts to a return of 39.5 per cent. For comparison, the main index on the Oslo Stock Exchange went up by 38 per cent.

# EKSPORTFINANS ASA

Eksporthfinans was established in 1962 on the initiative of the Ministry of Finance and the Norwegian Bankers' Association. The Norwegian commercial banks set up Eksporthfinans as their dedicated institution for long-term exports financing. In 1999 Eksporthfinans was granted a concession from the Norwegian authorities to acquire Kommunekreditt Norge AS, which now is incorporated in the Eksporthfinans ASA group. The object of Eksporthfinans ASA is to provide financing services to export businesses and, through its subsidiary, Kommunekreditt Norge AS, to local authorities and counties. Eksporthfinans also supervises export credit schemes under contract to the State. The company draws on its high credit rating to place favourable deposits in the international capital markets, and to offer these on to Norwegian export businesses and their clients, to local authorities, counties, and other municipal enterprises in the shape of competitive financing on market terms.

The agreements with the Ministry of Trade and Industry were renewed in 1999. 27 commercial and savings banks and the State own Eksporthfinans.

## Financial trends

Eksporthfinans achieved a group profit in 2004 of NOK 219 million, against NOK 251 million in the previous year. This result is to be regarded as satisfactory in view of the decrease in the Norwegian Kroner interest rate in 2004. The Group paid out NOK 25 billion in new loans in 2004, as against NOK 18 billion in 2003. The new loans distributed by NOK 12 billion for financing of the Norwegian exports industry and NOK 13 million for local authorities and coun-

ties. At year-end 2004 the Group's total lending was NOK 68 billion. The State will receive NOK 30 million in dividend for the financial year 2004 from Eksporthfinans.

## EKSPORTFINANS

### Company contact details

Address: P.O. Box 1601 Vika, N-0119 Oslo  
Telephone: +47 22 01 22 01  
Internet: www.eksporthfinans.no

### Managing Director

Tor F. Johansen

### Chairman

Erik Borgen

### Board members

Baard Syrrist, Live Haukvik Aker, Leif Johan Langen, Bodil P. Hollingsæter, Cato A. Holmsen, Gunvor Ulstein, Tor F. Johansen (Managing Director) and Tor Østbø \*

\* Employees' representatives

### Auditors

PricewaterhouseCoopers DA

### State ownership

15% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Interest received	2 525	2 265
Interest costs	2 123	1 824
<b>Net interest and credit revenues</b>	<b>402</b>	<b>442</b>
Other operating revenues	47	46
<b>Operating costs</b>	<b>146</b>	<b>146</b>
Net loss	0	0
<b>Operating profit</b>	<b>303</b>	<b>352</b>
Tax	84	101
<b>Profit after tax</b>	<b>219</b>	<b>251</b>

	2004		2003	
<b>Balance sheet</b>				
Cash and receivables from credit inst.	2 444	2 559		
Net loans	67 253	58 223		
Securities	36 336	40 350		
<b>Other assets</b>	<b>3 322</b>	<b>2 206</b>		
<b>Total assets</b>	<b>109 355</b>	<b>103 339</b>		

Liabilities to credit institutions	0	0		
Contributions from customers	0	0		
Other liabilities and commitments	105 325	99 266		
Subordinated loan capital	1 465	1 531		
<b>Total liabilities</b>	<b>106 790</b>	<b>100 796</b>		
Subscribed equity	1 756	1 756		
Earned equity	809	786		
<b>Total equity</b>	<b>2 565</b>	<b>2 542</b>		
<b>Total equity and liabilities</b>	<b>109 355</b>	<b>103 339</b>		

	2004		2003	
<b>Cash flow</b>				
Operational activities	897	737		
Investment activities	-10 625	-12 792		
Financing activities	9 971	12 084		
Currency effect	8	-5		
<b>Change in assets</b>	<b>235</b>	<b>34</b>		

	2004		2003	
<b>Key indicators</b>				
Core capital coverage	12,7 %	13,4 %		
Capital coverage	17,1 %	18,4 %		
Cost/income ratio	33 %	29 %		
Provision for loss as %age of gross lending	0,0 %	0,0 %		
Loss as %age of lending	0,00 %	0,00 %		
Return on equity	9 %	10 %		
Avg. return on equity last 5 years	10 %			

	2004		2003	
<b>Dividend</b>				
Provision for dividend	197	201		
Dividend share	90 %	80 %		

Avg. dividend share last 5 years	62 %			
State's share of dividend	30	30		

	2004		2003	
<b>Other information</b>				
Number of employees	106	100		
State's shareholding at year-end	15 %	15 %		
Proportion of women on board	38 %	25 %		
Proportion of shareholder-elected women on board	37 %	29 %		



#### Company contact details

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N-4001 Stavanger  
Telephone: +47 51 93 95 00  
Internet: www.ecc.as

#### Managing Director

Asbjørn Kyrkjeide

#### Chairman

Siri Norset Christiansen

#### Board members

Peter Jacob Tronslin and Ingvild Sæther

#### Auditors

KPMG AS

#### State ownership

100% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	10,4	11,2
Operating costs	9,5	10,7
<b>Operating profit</b>	<b>0,8</b>	<b>0,5</b>
Net financial items	0,2	0,3
<b>Profit before tax and minority int.</b>	<b>1,0</b>	<b>0,8</b>
Tax	0,5	-0,2
Minority interests	0,0	0,0
<b>Profit after tax and minority int.</b>	<b>1,5</b>	<b>0,6</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	0,6	0,2
Fixed assets	0,6	0,6
Financial assets	0,0	0,0
<b>Total fixed assets</b>	<b>1,2</b>	<b>0,8</b>
Current assets	12,1	11,1
<b>Total assets</b>	<b>13,4</b>	<b>11,9</b>

Subscribed equity	10,6	10,6
Earned/other equity	0,7	-0,6
Minority interests	0,0	0,0
<b>Equity</b>	<b>11,3</b>	<b>10,1</b>
Provision for commitments	0,0	0,0
Long-term liabilities	0,0	0,0
Current interest-bearing liabilities	0,0	0,0
Current interest-free liabilities	2,0	1,9
<b>Total liabilities and commitments</b>	<b>2,0</b>	<b>1,9</b>
<b>Total equity and liabilities</b>	<b>13,4</b>	<b>11,9</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	11,3	10,0
EBITDA	1,4	2,1
EBIT	1,0	0,9
Equity ratio	84 %	84 %
Return on equity	13 %	6 %
Avg. return on equity last 5 years	-62 %	
Return on capital employed	9 %	8 %

	2004	2003
<b>Dividend</b>		
Provision for dividend	0,2	0,0
Dividend share	13 %	0 %
Avg. dividend share last 5 years	3 %	
State's share of dividend	0,2	0,0

	2004	2003
<b>Other information</b>		
Number of employees	13	13
State's shareholding at year-end	100 %	100 %
Proportion of women on board	66 %	50 %
Proportion of shareholder-elected women on board	66 %	50 %

# ELECTRONIC CHART CENTRE AS

Electronic Chart Centre's (ECC) business is in developing and operating authorised electronic nautical chart services for the international maritime industry. ECC was established as a limited liability company in 1999 in order to participate as a Norwegian operator in a joint regional centre in Europe with responsibility for tasks such as administration, quality assurance and provision of authorised electronic navigation charts. The company is run in accordance with an agreement with SKSK (Norwegian Mapping Authority (Maritime Division)), and currently comprises the administr is organised and headed by SKSK, while ECC is responsible for day-to-day operation of the countries' joint electronic nautical chart service. ECC has 13 employees and the company is wholly owned by the State.

## Key events

2004 was characterised by further progress as regards financial development and increased sales of official electronic nautical charts. Turnover in sales of these charts increased by 159 per cent in 2004 over 2003. In 2004 SKSK signed a deal with the United Kingdom Hydrographic Office on the distribution of electronic nautical charts using the ECC database and technology. This means that ECC now has electronic nautical charts for 18 countries, principally in Europe. The whole of South Norway is now covered by official electronic nautical charts, and SKSK expects the entire Norwegian coast to be covered by 2007.

## Financial trends

In 2004, ECC had its best year to date, with an annual profit of NOK 1.5 million, corresponding to a return on equity of 13 per cent. This

year the results were boosted by a positive tax cost of NOK 0.45 million due to a deferred tax benefit being carried to the balance sheet. The company will be paying out a dividend for the first time, of NOK 0.2 million. The company has no interest-bearing liabilities at year-end, and has NOK 11.8 million placed as bank deposits. The company's financial situation should be seen in relation to SKSK, which pays the ECC around NOK 10 million annually for services rendered. The uptake of available official electronic nautical charts is decisive for the market's development.

# ENTRA EIENDOM AS

The company was established in 2000. Property, for which a well-functioning market exists, was transferred from the Directorate of Public Construction and Property to Entra Eiendom AS. Entra's business is in leasing, operation, management, development, acquisition and sale of real estate. The main object is to cater for the State's requirement for premises in the leasehold market. At year-end 2004, the company had a total of 133 employees.

Entra Eiendom has since it was established in 2000 enjoyed considerable growth and development and emerged as a leading operator on the Norwegian property market.

## Key events

The company has invested substantially in the refurbishment and conversion of the National Library. The underground storage was completed in 2004 and a new office building on the backside of the original building, together with refurbishment of the national library will be completed in June 2005. Kongensgate 87 in Trondheim was refurbished in 2004 and in November 2004 the tax authority in Sør-Trøndelag County moved in. The tax authority is with this localised in one building. In strong competition with private competitors Entra won the commission to establish a new building for co-localizing the tax-authority in the municipality of Asker and Bærum.

On 16 June 2004 the EFTA Surveillance Authority in Brussels initiated proceedings against Entra Eiendom AS concerning the exemptions it was granted in the form of document duties and registration fees in connection with the conversion of the State administrative unit into

a limited company. A decision is expected on the case towards the end of 2005.

## Financial trends

The Group's profit before tax in 2004 amounted to NOK 187 million, as against NOK 26 million for 2003. This improvement is in the main due to increased leasing revenues and lower refurbishment costs as a result of the completion of a number of development projects. In addition the company had higher proceeds on its property sales. Value-adjusted equity at year-end 2004 was NOK 5,907 million as against NOK 4,714 million in 2003. This resulted in an increase in the equity ratio of the value-adjusted balance sheet from 41 per cent to 44 per cent. Entra Eiendom will be paying a dividend of NOK 120 million to the State for the financial year 2004.



## Company contact details

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N-0051 Oslo  
Telephone: +47 21 60 51 00  
Internet: www.entraeiendom.no

## Managing Director

Erik Løfsnes

## Chairman

Grace M. Reksten Skaugen

## Board members

Finn Berg Jacobsen, Gerd Kjellaug Berge, Trond R. Reinertsen, Knut Grøholt, Bjørnar Sletten \* and Kåre Greaker \*

\* Employees' representatives

## Auditors

PricewaterhouseCoopers DA

## State ownership

100% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	1 072	856
Operating costs	533	536
<b>Operating profit</b>	<b>539</b>	<b>320</b>
Net financial items	-352	-294
<b>Profit before tax and minority int.</b>	<b>187</b>	<b>26</b>
Tax	-53	-8
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>134</b>	<b>18</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	0	0
Fixed assets	8 296	7 614
Financial assets	306	22
<b>Total fixed assets</b>	<b>8 603</b>	<b>7 636</b>
Current assets	166	492
<b>Total assets</b>	<b>8 768</b>	<b>8 127</b>
Subscribed equity	1 414	1 414
Earned/other equity	-126	-140
Minority interests	0	0
<b>Equity</b>	<b>1 288</b>	<b>1 274</b>
Provision for commitments	164	7
Long-term liabilities	6 855	4 532
Current interest-bearing liabilities	16	2 024
Current interest-free liabilities	445	290
<b>Total liabilities and commitments</b>	<b>7 480</b>	<b>6 853</b>
<b>Total equity and liabilities</b>	<b>8 768</b>	<b>8 127</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	567	163
Investment activities	-969	-1 711
Financing activities	250	1 555
<b>Change in assets</b>	<b>-152</b>	<b>8</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	8 159	7 830
EBITDA	684	459
EBIT	544	329
Equity ratio	15 %	16 %
Return on equity	10 %	1 %
Avg. return on equity last 5 years	5 %	
Return on capital employed	7 %	4 %

	2004	2003
<b>Return and dividend</b>		
Market value at year-end	5 907	4 714
Price/book	4,6	3,7
Provision for dividend	120	250
Dividend share	90 %	1359 %
Avg. dividend share last 5 years	312 %	
State's share of dividend	120	250
Return including last year's dividend	31 %	2 %
Average return over last 5 years	17 %	

	2004	2003
<b>Other information</b>		
Number of employees	133	135
State's shareholding at year-end	100 %	100 %
Proportion of women on board	29 %	38 %
Proportion of shareholder-elected women on board	40 %	60 %

#### Company contact details

Address: P.O. Box 19, Sentrum, N-0101 Oslo  
 Telephone: +47 23 15 90 00  
 Internet: www.flytoget.no

#### Managing Director

Thomas Havnegjerde

#### Chairman

Endre Skjørestad

#### Board members

Toril Bariudotter Ressem, Ingvild Myhre (replaced by Trygve Gjertsen in 2005), Mari Skjærstad, Nic Nilsen Mark Johnston \*, Steinar Vold \* and Reidar Dammyr \*

\* Employees' representatives

#### Auditors

KPMG AS

#### State ownership

100% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	507	491
Operating costs	444	475
<b>Operating profit</b>	<b>63</b>	<b>16</b>
Net financial items	-31	-56
<b>Profit before tax and minority int.</b>	<b>32</b>	<b>-41</b>
Tax	-9	11
<b>Profit after tax and minority int.</b>	<b>23</b>	<b>-30</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	443	466
Fixed assets	737	797
Financial assets	3	0
<b>Total fixed assets</b>	<b>1 182</b>	<b>1 262</b>
Current assets	87	145
<b>Total assets</b>	<b>1 269</b>	<b>1 408</b>

Subscribed equity	692	692
Earned/other equity	23	0
Minority interests	0	0
<b>Equity</b>	<b>715</b>	<b>692</b>
Provision for commitments	2	7
Long-term liabilities	480	650
Current interest-bearing liabilities	0	36
Current interest-free liabilities	59	23
<b>Total liabilities and commitments</b>	<b>541</b>	<b>715</b>
<b>Total equity and liabilities</b>	<b>1 256</b>	<b>1 408</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	114	60
Investment activities	58	-91
Financing activities	-170	0
<b>Change in assets</b>	<b>2</b>	<b>-31</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	1 195	1 378
EBITDA	146	125
EBIT	65	20
Equity ratio	57 %	49 %
Return on equity	3 %	-4 %
Avg. return on equity last 5 years	-10 %	
Return on capital employed	5 %	1 %

	2004	2003
<b>Values and dividend</b>		
Capital contribution from the State	0	300
Dividend share	0 %	0 %
Avg. dividend share last 5 years	0 %	
State's share of dividend	0	0

	2004	2003
<b>Other information</b>		
Number of employees	260	261
State's shareholding at year-end	100 %	100 %
Proportion of women on board	38 %	38 %
Proportion of shareholder-elected women on board	60 %	60 %

# FLYTOGET AS

Flytoget AS was founded in 1992 as NSB Gardermobanen AS. The object of the company is to operate the airport express train service between Oslo S and Oslo Airport. The State's objectives in its ownership of Flytoget AS is to ensure a high public-transport share of passengers to and from Oslo Airport. The opening of Oslo Airport in October 1998, also saw the launch of the NSB Gardermobanen AS rail service.

In 2003 this company was divested from the NSB Group as a separate limited company owned by the State.

#### Key events

Ownership administration of Flytoget was transferred on 1 July 2004 from the Ministry of Transport to the Ministry of Trade and Industry. Prior to this, the company underwent a financial and legal audit.

Introduction of ticketless travel has been a success and more than 30 per cent of passengers now travel on an electronic ticket when they take Flytoget. The market share of Flytoget AS remains high and in 2004 Flytoget was the preferred means of transport to and from Oslo Airport after car transport.

#### Financial trends

In 2004 Flytoget had operating revenues of NOK 507 million and its first year in profit, at NOK 23 million after tax. This corresponds to a return on equity of 3.3 per cent. The main reason for the improved result is increased air traffic at Oslo Airport, which has contributed to a growth in the number of passengers of 7 per cent compared to 2003. In 2004 Flytoget

had a market share of 32 per cent of the traffic to and from Oslo Airport. Another reason for the improvement is that Flytoget has succeeded with its cost-reduction measures. Flytoget AS has reduced its long-term liabilities by NOK 170 million to NOK 480 million in 2004. The loans have been refinanced in the light of the company's improved financial standing. The company posted NOK 99 million in deferred tax benefit to the balance sheet, meaning that it estimates to be in a position to distribute a dividend in 2007 at the earliest.



# GRØDEGAARD AS

Statens kantiner was converted into a limited company in January 2001 under the name of Grødegaard. The company runs canteens, public houses and hotels and anything naturally associated with such enterprises. The company is one of the leading operators in the Norwegian restaurant and catering market. In 2004 Grødegaard had an average of 600 employees.

In June 2002, the Ministry of Trade and Industry obtained a mandate to sell the State's shares in Grødegaard AS.

## Key events

In spring 2003 an agreement was entered into with ISS Norge AS, which, through a private placement of NOK 24 million, acquired a share of 48 per cent in the company. Under the Agreement, ISS Norge AS was accorded the right to purchase the State's remaining shareholding. The partnership between Grødegaard and ISS Norge has been productive. After an initiative from ISS Norway in the autumn of 2004, an agreement was signed on 14 February 2005 whereby ISS will purchase the State's remaining shareholding of 52 per cent by 1 September 2005 for NOK 36 million.

## Financial trends

Grødegaard's development since spring 2004 has been positive. In 2004, turnover was NOK 265.5 million and the operating result was NOK 10.8 million. This corresponds to an operating margin of 4.1 per cent. The profit after tax was NOK 11.1 million, as against a loss of NOK 30 million in 2003. Grødegaard paid no tax in 2004 as a result of a deficit to be carried forward. Grødegaard's business is labour intensive, requiring very little capital. The balance

sheet per 31.12.04 shows equity of NOK 19.6 million. With a balance sheet total of NOK 62 million, equity ratio in the company was 31.5 per cent. Grødegaard has a deficit of NOK 45.9 million to carry forward.



## GRØDEGAARD

### Company contact details

Address: Schweigaards gate 34 E, 0191 OSLO  
Telephone: +47 22 03 47 00  
Internet: www.grodegaard.no

### Managing Director

John-Ole Solvøy

### Chairman

Per Helge Nilsen

### Board members

Bjarne T. Haugen, Gunnar Bjørkavåg, Elisabeth Heien Berg, Svein E. Gerhardsen \*, Bjørg Mathisen \* and May Gunn Kristiansen \*

\* Employees' representatives

### Auditors

Ernst & Young AS

### State ownership

52% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	266	274
Operating costs	255	304
<b>Operating profit</b>	<b>11</b>	<b>-30</b>
Net financial items	0	1
<b>Profit before tax and minority int.</b>	<b>11</b>	<b>-30</b>
Tax	0	0
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>11</b>	<b>-30</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	8	8
Fixed assets	10	14
Financial assets	0	0
<b>Total fixed assets</b>	<b>17</b>	<b>22</b>
Current assets	45	32
<b>Total assets</b>	<b>62</b>	<b>55</b>
Subscribed equity	12	12
Earned/other equity	8	-3
Minority interests	0	0
<b>Equity</b>	<b>20</b>	<b>8</b>
Deffered tax	0	0
Provision for commitments	9	11
Long-term liabilities	0	1
Current interest-bearing liabilities	0	0
Current interest-free liabilities	34	34
<b>Total liabilities and commitments</b>	<b>43</b>	<b>46</b>
<b>Total equity and liabilities</b>	<b>62</b>	<b>55</b>
<b>Cash flow</b>	<b>2004</b>	<b>2003</b>
Operational activities	13	-15
Investment activities	-1	-3
Financing activities	0	24
<b>Change in assets</b>	<b>11</b>	<b>6</b>
<b>Key indicators</b>	<b>2004</b>	<b>2003</b>
Capital employed	20	9
EBITDA	16	-24
EBIT	11	-30
Equity ratio	32 %	16 %
Return on equity	57 %	-351 %
Avg. return on equity last 5 years	-89 %	
Return on capital employed	57 %	-328 %
<b>Dividend</b>	<b>2004</b>	<b>2003</b>
Provision for dividend	0	0
Dividend share	0 %	0 %
Avg. dividend share last 5 years	0 %	
State's share of dividend	0	
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees	500	600
State's shareholding at year-end	52 %	52 %
Proportion of women on board	43 %	43 %
Proportion of shareholder-elected women on board	25 %	25 %

#### Company contact details

Address: Munkedamsveien 45 A, P.O. Box 1210  
Vika, N-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, Nanna Egidius, Bjørn Kristoffersen,  
Olav Rune Øverland, Åse Kristensen\* and Petter  
Skouen (Managing Director)

\* Employees' representatives

#### Auditors

Ernst & Young AS

#### State ownership

80% (The Ministry of Local Government and  
Regional Development)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Interest received	2 399	3 022
Interest costs	2 220	2 853
<b>Net interest and credit revenues</b>	179	169
Other operating revenues	3	1
Operating costs	52	49
Net loss	0	0
<b>Operating profit</b>	129	121
Tax	37	34
<b>Profit after tax</b>	92	87

	2004	2003
<b>Balance sheet</b>		
Cash and receivables from credit inst.	63	300
Net loans	66 500	52 789
Securities	20 828	16 090
<b>Other assets</b>	1 604	2 317
<b>Total assets</b>	88 995	71 496

Liabilities to credit institutions	2 262	1 891
Contributions from customers	0	0
Other liabilities and commitments	84 295	67 632
Subordinated loan capital	1 519	1 147
<b>Total liabilities</b>	88 076	70 670
Subscribed equity	682	660
Earned equity	237	166
<b>Total equity</b>	918	826
<b>Total equity and liabilities</b>	88 995	71 496

	2004	2003
<b>Cash flow</b>		
Operational activities	96	60
Investment activities	-17 502	-11 527
Financing activities	17 406	11 467
<b>Change in assets</b>	0	0

	2004	2003
<b>Key indicators</b>		
Core capital coverage	5,8 %	6,1 %
Capital coverage	11,3 %	11,8 %
Cost/income ratio	28,6 %	28,7 %
Provision for loss as %age of gross lending	0,0	0,0
Loss as %age of lending	0,0	0,0
Return on equity	10 %	11 %
Avg. return on equity last 5 years	10 %	

	2004	2003
<b>Values in and out of the company</b>		
Sales revenue to the State	0	0,0
Capital contribution from the State	17,2	0,0
Provision for dividend	21,5	40,5
State's share of dividend	17,2	32,4
Dividend share	23 %	47 %
Average dividend share last 5 years	41,9 %	

	2004	2003
<b>Other information</b>		
Number of employees	34	33
State's shareholding at year-end	80 %	80 %
Proportion of women on board	43 %	43 %
Proportion of shareholder-elected women on board	40 %	40 %

# KOMMUNALBANKEN AS

The object of the company is to furnish loans to municipalities, counties, intermunicipal companies and other companies performing municipal tasks, against a municipal guarantee, a State guarantee, or another satisfactory security. The company can undertake other tasks that are naturally associated with its activities. Statsbanken Norges Kommunalbank was transformed into a limited company in 1999.

## Key events

Kommunalbanken is the largest lender to the municipal sector, with a market share of 38 per cent. In 2004, NOK 26.1 billion was borrowed through 416 loans. 96 per cent of the volume of deposits comes from abroad, with Japan being the most important market. Share capital was increased by NOK 21.5 million through a private placement to the owners. It was resolved to adapt the company to the new international internal credit rating system, Basel II, which comes into force in 2007.

## Financial trends

The bank's loans developed positively throughout the entire year. Total loans at year-end were NOK 66.5 billion. This amounts to a growth in lending of NOK 13.7 billion, or around 26 per cent. The accounts show net interest of NOK 200.3 million and a profit after tax of NOK 92.4 million. The profit after tax equates to a return on equity of 10.1 per cent, against 10.6 per cent in 2003. Kommunalbanken will be paying a dividend of NOK 17.2 million to the State for the financial year 2004.

# KONGSBERG GRUPPEN ASA

Kongsberg Gruppen ASA is an international technology group and its activity is concentrated in the business areas of Kongsberg Maritime and Kongsberg Defence & Aerospace. The business has its origins in the former armaments company, Kongsberg Våpenfabrikk. Through acquisitions and organic growth, the group has also grown strongly in the civilian market, in particular in technology areas related to defence activities and within maritime electronics.

The company was listed on the Oslo Stock Exchange in 1993. Its market value has risen from NOK 643 million in 1993 to around NOK 3 billion at the start of 2005. The company's strategy is aimed at considerable future growth and there is a profit target of a 10 per cent EBITA margin <sup>1)</sup>.

## Key events

In the autumn of 2004, the board of Kongsberg Gruppen ASA received an offer for Kongsberg Maritime. The offer was rejected by the board and hence was not put to the Annual General Meeting. The Government duly noted the Board's conclusion.

## Financial trends

The company's turnover in 2004 was NOK 6.4 billion, a slight fall against 2003. Operating profit came to NOK 135 million. The EBITA margin for the group was 3.5 per cent in 2004, against 5.8 per cent in 2003. Profit after tax was NOK 41 million, against NOK 126 million in 2003. The profits were adversely affected by a charge of NOK 150 million associated with the development of a new NSM (Naval Strike Missile). The margins are generally lightly

weaker within a number of business areas. None of the business areas achieved satisfactory profit margins in 2004. The return on capital employed went down from 7 per cent in 2003 to 3 per cent in 2004. A dividend of NOK 2 per share will be paid, corresponding to 31 per cent of the profit without the charge of NOK 150 million associated with the NSM. This means that the State will receive NOK 30 million in dividends from the Kongsberg Group for the financial year 2004.

1) EBITA-margin – Operating profit before goodwill depreciation, as a percentage of operating revenue.



## KONGSBERG

### Company contact details

Address: P.O. Box 1000, N-3601 Kongsberg  
Telephone: +47 32 28 82 00  
Internet: www.kongsberg.com

### CEO

Jan Erik Korssjøen

### Chairman

Christian Brinch

### Board members

Benedicte Berg Schilbred, Torolf Rein, Siri Hatlen, Niels Petter Wright, Roar Marthiniusen \*, Jan Erik Hagen \* and Roy Harald Hove \*

\* Employees' representatives

### Auditors

Ernst & Young AS

### State ownership

50,001% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	6 439	6 651
Operating costs	6 304	6 360
<b>Operating profit</b>	<b>135</b>	<b>291</b>
Net financial items	-50	-101
<b>Profit before tax and minority int.</b>	<b>85</b>	<b>190</b>
Tax	-48	-65
Minority interests	-4	-1
<b>Profit after tax and minority int.</b>	<b>41</b>	<b>126</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	1 124	1 202
Fixed assets	1 077	1 100
Financial assets	388	400
<b>Total fixed assets</b>	<b>2 589</b>	<b>2 702</b>
<b>Current assets</b>	<b>3 454</b>	<b>3 306</b>
<b>Total assets</b>	<b>6 043</b>	<b>6 008</b>

Subscribed equity	981	981
Earned/other equity	813	818
Minority interests	18	31
Equity	<b>1 812</b>	<b>1 830</b>
Provision for commitments	626	603
Long-term liabilities	1 263	1 265
Current interest-bearing liabilities	0	0
Current interest-free liabilities	2 342	2 310
<b>Total liabilities and commitments</b>	<b>4 231</b>	<b>4 178</b>
<b>Total equity and liabilities</b>	<b>6 043</b>	<b>6 008</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	242	83
Investment activities	-149	-399
Financing activities	-32	235
<b>Change in assets</b>	<b>61</b>	<b>-81</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	3 075	3 095
EBITDA	462	571
EBIT	184	279
Equity ratio	30 %	30 %
Return on equity	2 %	7 %
Avg. return on equity last 5 years	5 %	
Return on capital employed	6 %	9 %

	2004	2003
<b>Values and dividend</b>		
Market value at year-end	2 970	3 180
Price/book	1,7	1,8
Closing price	99,0	106,0
Provision for dividend	60	39
State's share of dividend	146 %	31 %
Dividend share	41 %	
Avg. dividend share last 5 years	30	20
Return including last year's dividend	-5 %	20 %
Average return over last 5 years	-4 %	

	2004	2003
<b>Other information</b>		
Number of employees	4 017	4 176
State's shareholding at year-end	50 %	50 %
Proportion of women on board	25 %	25 %
Proportion of shareholder-elected women on board	40 %	40 %

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	5 899	6 386
Operating costs	5 638	6 175
<b>Operating profit</b>	<b>262</b>	<b>211</b>
Net financial items	45	72
<b>Profit before tax and minority int.</b>	<b>306</b>	<b>283</b>
Tax	89	80
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>217</b>	<b>204</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	118	87
Fixed assets	684	750
Financial assets	0	0
<b>Total fixed assets</b>	<b>802</b>	<b>837</b>
Current assets	3 490	3 152
<b>Total assets</b>	<b>4 292</b>	<b>3 989</b>

Subscribed equity	1 900	1 900
Earned/other equity	218	72
<b>Equity</b>	<b>2 118</b>	<b>1 972</b>
Deferred tax	0	0
Provision for commitments	815	597
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 359	1 421
<b>Total liabilities and commitments</b>	<b>2 174</b>	<b>2 017</b>
<b>Total equity and liabilities</b>	<b>4 292</b>	<b>3 989</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	718	-108
Investment activities	-139	-22
Financing activities	15	2 087
<b>Change in assets</b>	<b>594</b>	<b>1 956</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	2 118	1 972
EBITDA	540	524
EBIT	307	289
Equity ratio	49 %	49 %
Return on equity	10 %	10 %
Avg. return on equity last 2 years	10 %	
Return on capital employed	15 %	15 %

	2004	2003
<b>Dividend</b>		
Provision for dividend	76,5	132,2
Provision for dividend	35 %	65 %
State's share of dividend	76,5	132,2
Average dividend share last 5 years	50 %	

	2004	2003
<b>Other information</b>		
Number of employees	3 290	3 633
State's shareholding at year-end	100 %	100 %
Proportion of women on board	43 %	38 %
Proportion of shareholder-elected women on board	75 %	60 %

## MESTA AS

Mesta AS was split off from the Norwegian Public Roads Administration as a state limited company on 1 January 2003. The company is the largest Norwegian contracting company in the construction, operation and maintenance of the national and county road networks. Mesta's activities extend nationwide with a head office and branch office in Lysaker and branch offices in Bergen and Bodø. The company has approx. 3,200 employees.

### Key events

Early on in its second year of operations, the company decided to project-organise its construction activities and to reorganise the company's operations in order to get power and authority out onto the roads. In April, a decision was made to project-organise asphalt and materials production. In September, Mesta won 14 of 25 functional contracts put out to tender by the Public Roads Administration and resolved to concentrate on high-mobility asphalt plants. In November MMI rated Mesta as the strongest brand in the contracting sector.

In February 2005, the Government decided to aim for a transfer on 1 July 2005 of the State's shares in Mesta AS from the Ministry of Transport to the Ministry of Trade and Industry. The transfer is in accordance with the 3-party government's stated aim of consolidating State ownership with a financial objective under a single ministry.

### Financial trends

Mesta AS's second operating year produced a positive result for the business as a whole. Operating revenues were NOK 5,899.4 million, against NOK 6,386.0 million in 2003. Annual

profit was NOK 217.3 million, against NOK 203.7 million in 2003. Ordinary profit before tax was NOK 306.2 million, against NOK 283.3 million in 2003. At year-end, the company's total equity was NOK 4,291.7 million and its equity ratio 49.3 per cent. The company's high equity ratio reflects the restructuring costs presupposed on establishment and which continues to be charged to the company. Mesta will be paying a dividend of NOK 76.5 million to the State for the financial year 2004.

Mesta AS is in the process of being restructured. The company operates in a market characterised by overcapacity, keen competition and low earnings.

# NAMMO AS

The group was established in 1998 through the merger of the ammunitions businesses of Raufoss ASA, Svenske Celsius AB (an affiliate of the SAAB group) and Patria Industries Oyj of Finland (which changed its name to Patria Oyj in 2004). The Norwegian State purchased Raufoss ASA's shares in Nammo AS in 2000.

The Nammo group is engaged in the development, manufacture and sale of ammunition and related activities. Nammo's vision is for the group to be a cost-effective and highly regarded defence manufacturer in the fields of ammunitions and missiles – with close links with the international industry.

## Key events

Export share rose from 55 to 57 per cent. Nammo has strengthened its position as a supplier of ammunition, missile products and associated services. The US company Lockheed Martin (LM) and Nammo have cooperated in the defence market for many years. LM Aero and the Polish authorities signed an agreement on 19 January 2005, which involves the transfer of Nammo's ammunitions technology to the Polish ammunitions manufacturer MESKO. The agreement will mean significant licence sales for Nammo's products up to 2013.

## Financial trends

Nammo has exhibited sound and stable growth in recent years, in spite of overcapacity in the market, reduced defence budgets, stiff competition and structural changes in both the national and international defence forces and defence industries. All the divisions returned profits. The board stresses the company's capacity for forming alliances and the develop-

ment of the Nordic market and international niche market. Total operating revenues for the group in 2004 were NOK 1.5 billion, on a par with the 2003 figures. Operating profit rose by NOK 6.6 million from NOK 124.8 million to NOK 131.4 million. Ordinary profit before tax amounted to NOK 129.4 million, an increase of NOK 25.2 million over 2003. Profit after tax was NOK 110.8 million.

Nammo has a strong capital structure, and during 2004, its equity ratio went up from 46.5 per cent to 53.3 per cent. For 2004, the company will be paying a dividend of NOK 30 million (27 per cent). The State's share of this is NOK 13.5 million. The average number of man-years worked fell from 1,240 in 2003 to 1,170 in 2004.

# Nammo

## Company contact details

Address: P.O. Box 142, N-2831 Raufoss  
Telephone: +47 61 15 36 00  
Internet: www.nammo.com

**Managing Director**  
Edgar Fosshem

**Chairman**  
Karl Glad

**Board members**  
Jorma Wiitakorpi, Ingemar Andersson, Arne Solli, Karin Furevik, Einar Linnerud \* and Rickey Kinell \*

\* Employees' representatives

**Auditors**  
KPMG AS

**State ownership**  
45% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	1 521	1 529
Operating costs	1 390	1 404
<b>Operating profit</b>	<b>131</b>	<b>125</b>
Net financial items	-2	-21
<b>Profit before tax and minority int.</b>	<b>129</b>	<b>104</b>
Tax	-19	-10
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>111</b>	<b>95</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	40	35
Fixed assets	273	293
Financial assets	20	18
Total fixed assets	329	347
<b>Current assets</b>	<b>876</b>	<b>793</b>
<b>Total assets</b>	<b>1 210</b>	<b>1 140</b>

Subscribed equity	359	359
Earned/other equity	244	171
Minority interests	0	0
<b>Equity</b>	<b>603</b>	<b>529</b>
Provision for commitments	121	112
Long-term liabilities	0	63
Current interest-bearing liabilities	148	132
Current interest-free liabilities	487	304
<b>Total liabilities and commitments</b>	<b>607</b>	<b>610</b>
<b>Total equity and liabilities</b>	<b>1 210</b>	<b>1 140</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	144	251
Investment activities	-22	-41
Financing activities	-60	-86
<b>Change in assets</b>	<b>62</b>	<b>124</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	603	592
EBITDA	191	183
EBIT	143	130
Equity ratio	53 %	46 %
Return on equity	17 %	18 %
Avg. return on equity last 5 years	13 %	
Return on capital employed	24 %	22 %

	2004	2003
<b>Dividend</b>		
Provision for dividend	30	20
Dividend share	27 %	21 %
Avg. dividend share last 5 years	10 %	
State's share of dividend	14	9

	2004	2003
<b>Other information</b>		
Number of employees	1 170	1 265
State's shareholding at year-end	45 %	45 %
Proportion of women on board	14 %	14 %
Proportion of shareholder-elected women on board	20 %	20 %



HYDRO

**Company contact details**

Address: 0240 OSLO, Drammensveien 264 Vækerø

Telephone: +47 22 53 81 00

Internet: www.hydro.com

**CEO**

Eivind Reiten

**Chairman**

Jan Reinås

**Board members**

Borger A. Lenth, Elisabeth Grieg, Håkan Mandren

Ingvild Myhre, Kurt Anker Nielsen, Geir Nilsen \*, Odd

Semstrøm \* and Terje Friestad \*

\* Employees' representatives

**Auditors**

Deloitte Statsautoriserte Revisorer AS

**State ownership**

43,82% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	154 646	133 761
Operating costs	123 573	112 445
<b>Operating profit</b>	<b>31 073</b>	<b>21 316</b>
Net financial items	893	-517
<b>Profit before tax and minority int.</b>	<b>31 966</b>	<b>20 799</b>
Tax	-20 996	-13 864
Profit from disposed business	1 057	2 314
Minority interests	80	-148
<b>Profit after tax and minority int.</b>	<b>11 947</b>	<b>10 397</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	2 606	2 746
Fixed assets	106 117	107 779
Financial assets	18 458	19 380
<b>Total fixed assets</b>	<b>16 372</b>	
Current assets	67 999	60 141
<b>Total assets</b>	<b>195 180</b>	<b>206 418</b>

Subscribed equity	15 058	20 205
Earned/other equity	63 989	63 471
Minority interests	1 571	660
<b>Equity</b>	<b>80 618</b>	<b>84 336</b>
Provision for commitments	45 325	47 227
Long-term liabilities	19 487	28 403
Current interest-bearing liabilities	4 353	6 485
Current interest-free liabilities	45 397	39 967
<b>Total liabil. and commitments</b>	<b>114 562</b>	<b>122 682</b>
<b>Total equity and liabilities</b>	<b>195 180</b>	<b>206 418</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	27 724	24 578
Investment activities	-23 962	-7 840
Financing activities	-13 579	-8 233
Currency effect	-264	702
Disposed busines	9 574	997
<b>Change in assets</b>	<b>-10 081</b>	<b>9 284</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	104 458	102 852
EBIT	32 993	22 236
Equity ratio	41 %	39 %
Return on equity	15 %	12 %
Avg. return on equity last 5 years	14 %	
Return on capital employed	32 %	22 %

	2004	2003
<b>Values and dividend</b>		
Market value at year-end	123 521	109 305
Closing price	477,00	410,00
Provision for dividend	5 017	2 811
State's share of dividend	42 %	27 %
Dividend share	30 %	
Avg. dividend share last 5 years	2 270	1 272
Return including last year's dividend	29 %	36 %
Average return over last 5 years	11 %	
Sales proceeds from deleted shares	445	0

	2004	2003
<b>Other information</b>		
Number of employees	34 684	42 911
State's shareholding at year-end	44 %	44 %
Proportion of women on board	22 %	33 %
Proportion of shareholder-elected women on board	33 %	50 %

# NORSK HYDRO ASA

Norsk Hydro ASA is an energy and aluminium company founded in 1905, and has 36,000 employees in nearly 40 countries. The company has considerable activities within the energy sector, where it is leading producer of oil and gas. Norsk Hydro is the world's third largest integrated aluminium producer.

## Key events

On 24 March 2004, Norsk Hydro ASA demerged its agri-business. The demerged company was named Yara International ASA and listed on the Oslo Stock Exchange (see separate presentation of Yara International ASA in the ownership report). During the course of the year, Norsk Hydro put its aluminium plant in Sunndal into full operation. The Nye Tyn power plant was also finally inaugurated and commissioned in 2004. During 2004, Norsk Hydro bought back some of its own shares. It was resolved to delete these shares, together with a proportional share of the State's shares, at an Extraordinary General Meeting in December 2004. The State's shareholding in Norsk Hydro thereby remained unchanged.

## Financial trends

The company's profit in 2004 was approx. NOK 11.9 billion, against NOK 10.4 billion in 2003. The result largely reflects the increased raw materials price of oil, gas, and primary aluminium, as well as an increase in production volumes.

In the table, the item Year's profit from activities disposed of shows the profit from the split-off agricultural business (Yara) separately. The Yara figures are extracted from the other items for the 2004 figures. For 2003, the figures for agricultural activities are included in all items.

Discounting agricultural activities, there was a growth in turnover this year of around 8 per cent. The increase in revenues is greater than the increase in operating costs. Net financial items are on a par with the preceding year, but tax costs have risen. This is because the increase in profit before tax derives primarily from the petroleum side of the group, where the tax charge is 78 per cent. The effective tax rate for the group was 66 per cent for 2004, against 58 per cent (62 per cent excluding Yara) in 2003.

In connection with Hydro's 100 year anniversary and the strong result, Hydro will pay an extraordinary dividend of NOK 20 per share. The State will receive NOK 2,3 billion in dividend for the financial year 2004. Norsk Hydro has a strong financial position, with a debt/equity ratio of 0.11.

1) Hydro defines debt/equity ratio as interest-bearing liabilities + net pensions commitments (tax adjusted) + commitments relating to leases and leasing contracts (discounted) - cash and cash equivalents - other assets divided by equity + minority interests. Norsk Hydro's debt/equity ratio is calculated according to the US accounting standard. Any inconsistencies in relation to the figures stated in the table are due to the different accounting standards used.

# SAS AB

SAS's primary objective is to offer competitive passenger transport from operations based in Northern Europe. The SAS group also engages in flight-related activities provided that these increase the company's market value, either directly or indirectly.

In 2001 the ownership structure in SAS was amended through the creation of a joint holding company and the introduction of a single class of shares in the company. The Danish, Norwegian and Swedish states own, respectively, 14.3 per cent, 14.3 per cent and 21.4 per cent of the shares in SAS AB. The remaining 50 per cent of the shares are owned by private interests. The company is listed on the Oslo, Copenhagen and Stockholm stock exchanges.

## Key events

In 2004, SAS Airlines was reorganised according to a decentralised management model, with independent transportation companies in Norway, Sweden and Denmark. The group is reporting in accordance with the new organisational structure as of Q1 2005.

## Financial trends

The annual result for the group in the financial year 2004 was NOK -1,717 million, against NOK -1,239 million in 2003. Operating revenues in 2004 was NOK 53 billion, against NOK 50 billion in 2003. EBITDA was NOK 1,553 million, against NOK 724 million in 2003. Since Q4 2003, SAS Airlines has reduced its unit cost by 26 per cent, adjusted for exchange differences and the higher price of fuel. In 2004, the SAS group's total assets fell from NOK 57 billion at 31.12.2003 to NOK 53 billion at 31.12.2004.

Equity was reduced by NOK 1.9 billion to NOK 10.3 billion as a result of the loss and exchange rate variations. The equity ratio at year-end 2004 was 19.4 per cent, against 21.7 per cent at year-end 2003.

1) The figures are in NOK, calculated from SAS's groupe figures in SEK. NOK/SEK Exchange rate used: closing: 108,80, average: 109,4



SAS Group

## Company contact details

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Internet: www.sasgroup.net

## CEO

Jørgen Lindegaard

## Chairman

Egil Myklebust

## Board members

Berit Kjøl, Fritz H. Schur, Anitra Steen, Lars Rebien Sørensen, Jacob Wallenberg, Nicolas E. Fischer \*, Ulla Grøntvedt \* and John Lyng \*

\* Employees' representatives

## Auditors

Deloitte & Touche AB

## State ownership

14,3% (The Ministry of Trade and Industry)

	NOK mill <sup>1)</sup>	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	53 258	50 559
Operating costs	54 321	52 502
<b>Operating profit</b>	<b>-1 063</b>	<b>-1 943</b>
Net financial items	-721	656
<b>Profit before tax and minority int.</b>	<b>-1 784</b>	<b>-1 287</b>
Tax	63	4
Minority interests	-4	-44
<b>Profit after tax and minority int.</b>	<b>-1 717</b>	<b>-1 239</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	2 784	2 600
Fixed assets	22 211	27 493
Financial assets	10 178	9 488
<b>Total fixed assets</b>	<b>35 173</b>	<b>39 581</b>
Current assets	17 779	17 128
<b>Total assets</b>	<b>52 952</b>	<b>56 709</b>

Subscribed equity	6 615	6 674
Earned/other equity	3 641	5 482
Minority interests	23	104
<b>Equity</b>	<b>10 279</b>	<b>12 260</b>
Provision for commitments	3 912	4 523
Long-term liabilities	19 395	19 301
Current interest-bearing liabilities	5 777	7 508
Current interest-free liabilities	13 589	13 117
<b>Total liabilities and commitments</b>	<b>42 673</b>	<b>44 449</b>
<b>Total equity and liabilities</b>	<b>52 952</b>	<b>56 709</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	-1 409	-1 216
Investment activities	2 828	1 089
Financing activities	-1 849	-1 322
<b>Change in assets</b>	<b>-430</b>	<b>-1 449</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	35 451	39 069
EBITDA	2 115	3 133
EBIT	-501	466
Equity ratio	19 %	22 %
Return on equity	-17 %	-10 %
Avg. return on equity last 5 years	-4 %	
Return on capital employed	-1 %	1 %

	2004	2003
<b>Values and dividend</b>		
Market value at year-end	9 338	10 353
Price/book	0,9	0,9
Closing price	56,75	63,50
Provision for dividend	0	0
State's share of dividend	0 %	0 %
Dividend share	7 %	
Avg. dividend share last 5 years	0	0
Return including last year's dividend	-11 %	55 %
Average return over last 5 years	-5 %	

	2004	2003
<b>Other information</b>		
Number of employees	32 481	33 304
State's shareholding at year-end	14 %	14 %
Proportion of women on board	33 %	33 %
Proportion of shareholder-elected women on board	33 %	33 %

**Company contact details**

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 Telephone: +47 24 06 70 00  
 Internet: www.statkraft.no

**CEO**

Bård Mikkelsen

**Chairman**

Arvid Grundekjøn

**Board members**

Marit Büch-Holm, Rebecca Selvik, Aud Perdy Mork, Halvor Stenstadvold, Erik Nygaard, Astri Botten Larsen \*, Odd Vanvik \* and Torbjørn Holøs \*

\* Employees' representatives

**Auditors**

Deloitte Statsautoriserte Revisorer AS

**State ownership**

100% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	10 635	11 193
Operating costs	4 663	4 930
<b>Operating profit</b>	<b>5 972</b>	<b>6 263</b>
Net financial items	-745	-1 510
<b>Profit before tax and minority int.</b>	<b>5 226</b>	<b>4 754</b>
Tax	-626	-1 887
Minority interests	114	125
<b>Profit after tax and minority int.</b>	<b>4 486</b>	<b>2 742</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	2 836	3 247
Fixed assets	46 337	45 464
Financial assets	31 530	33 843
<b>Total fixed assets</b>	<b>80 703</b>	<b>82 554</b>
Current assets	9 788	7 363
<b>Total assets</b>	<b>90 491</b>	<b>89 917</b>

Subscribed equity	29 250	29 250
Earned/other equity	3 623	2 050
Minority interests	3 966	3 724
<b>Equity</b>	<b>36 839</b>	<b>35 024</b>
Provision for commitments	7 028	6 701
Long-term liabilities	38 722	40 449
Current interest-bearing liabilities	0	776
Current interest-free liabilities	7 902	6 967
<b>Total liabilities and commitments</b>	<b>53 652</b>	<b>54 893</b>
<b>Total equity and liabilities</b>	<b>90 491</b>	<b>89 917</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	3 859	8 160
Investment activities	2 816	-1 266
Financing activities	-3 606	-5 198
<b>Change in assets</b>	<b>3 069</b>	<b>1 696</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	75 561	76 249
EBITDA	9 698	9 198
EBIT	8 234	7 852
Equity ratio	41 %	39 %
Return on equity	14 %	9 %
Avg. return on equity last 5 years	10 %	
Return on capital employed	11 %	10 %

	2004	2003
<b>Values and Dividend</b>		
Provision for dividend	3 402	2 605
Dividend share	76 %	95 %
Avg. dividend share last 5 years	85 %	
State's share of dividend	3 402	2 605
Contribution from the State	0	4 000

	2004	2003
<b>Other information</b>		
Number of employees	1 924	2 211
State's shareholding at year-end	100 %	100 %
Proportion of women on board	44 %	44 %
Proportion of shareholder-elected women on board	50 %	50 %

# STATKRAFT SF

The foundation for Statkraft was laid through the acquisition of precipitation rights by the State in the early 1900s and major power-plant construction in the period following the Second World War. Statkraft SF was split off from Statkraftverkene in 1992, with production of Hydropower as its primary activity. Statkraft has significant shareholdings in Trondheim Energiverk AS (100 per cent), Agder Energi AS (45.53 per cent), Skagerrak Energi AS (66.62 per cent), Bergenshalvøens Kommunale Kraftselskap AS(49.9 per cent), SN Power (50 per cent), Naturkraft AS (50 per cent), Sydkraft AB (44.6 per cent), and Baltic Cable AB (66.67 per cent).

Statkraft's vision is to be a leading European supplier of environmentally friendly energy. The company is among the largest hydropower producers in Europe.

## Key events

For competitive reasons, in 2004 Statkraft sold its shares in the Kraftverkene i Øvre Namsen power plant group, and in E-CO Vannkraft AS, its provisional rights to 65 per cent of the power production from Rana Kraftverk, and signed an options agreement on the sale of its share in Eidsiva Energi AS (formerly HEAS). Statkraft entered into an agreement of buying water power plants in Sweden and Finland with an annual average production 1,6 TWh.

Through its treatment of White Paper no. 53 (2003-2004), the Storting resolved that Statkraft's activities could be reorganised into a limited company. Through this, it was determined that, for the greatest possible part of its business, Statkraft would have a framework

and a form of organisation as close as possible to those of its competitors. The reorganisation was adopted at the general meeting on 1 October 2004.

On 14 October 2004, Statkraft opened at Hitra Norway's then largest wind farm.

## Financial trends

In 2004, the Statkraft-Group produced a return after minority interests of NOK 4.5 billion, up from NOK 2.7 billion in 2003. This increase is due to profits from the sale of shares in a power company and reversed tax costs from earlier years. Compared with 2003, in 2004 prices were lower and Statkraft produced less power (34.3 TWh against 39.2 in 2003). This led to lower operating revenues. Statkraft had a return on equity of 14 per cent and will be paying out NOK 3.4 billion in dividends for the financial year 2004. Following the dividend provision, the Statkraft group has an equity ratio of total equity of 41 per cent. In 2004, the Statkraft group had a tax rate of 12 per cent, against 40 per cent in 2002 and 2003. This is due partly to the realisation of tax-exempt assets and partly to one-time effects from changes in the tax rules.



# STATOIL ASA

Statoil is an integrated oil and gas company with activities in nearly 30 countries. The company is the operator for 60 per cent of Norwegian oil and gas production. International production is on the increase. Statoil is one of the world's largest vendors of oil and a significant vendor of natural gas in the European market.

In June 2001, Statoil was part-privatised and listed on the Oslo and New York Stock Exchanges. The State's shareholding in the company is currently 70.9 per cent.

## Key events

In 2004, Statoil commenced production from the Kvitebjørn gas field in the North Sea. International production increased by 30 per cent, with production start-ups in fields in Algeria and Angola making important contributions. Key downstream events were the acquisition of ICA's 50 per cent share in Statoil Detaljhandel Skandinavia and the takeover of 27 service stations in Denmark from the Haahr Benzin company. Gas sales were at a record high in 2004 and Statoil signed an agreement for the tripling of capacity at the Cove Point LNG terminal in the USA. Major Statoil projects on the Norwegian Continental Shelf are the construction of the Kristin gas and condensate field at Haltenbank and the Snøhvit installation in the Barents Sea. The Kristin field will commence production in autumn 2005. Export of liquid natural gas from Snøhvit is scheduled from autumn 2006.

During 2004 and 2005, the Government sold shares in Statoil ASA worth in excess of NOK 22 billion. 234 million shares were sold, reducing the State's shareholding in the company

from 81.8 per cent to 70.9 per cent. In July 2004, 100 million shares were sold to institutional investors in Norway and abroad, and a further 16.76 million shares were sold to more than 7,000 private individuals in Norway and the EEA. In all, the state realised NOK 9.9 billion. In February 2005, a further 100 million shares were sold to institutional investors and 17.65 million to nearly 20 000 private individuals. Through this transaction the State realised NOK 12.5 billion. These transactions have extended private ownership of Statoil by more than 50 per cent.

## Financial trends

In 2004, Statoil achieved a net profit of NOK 24.7 billion, an increase of NOK 7.7 billion compared with 2003. This is largely due to increased oil and gas prices. The profit per share was NOK 11.50, against NOK 7.64 in 2003.

Statoil's return on average capital employed <sup>1)</sup> at year-end 2004 was 23.5 per cent against 18.7 per cent in 2003. Based on Statoil's long-range price expectations, the normalised return on capital employed at year-end was 12.3 per cent. This was better than the target of 12 per cent. For 2004, Statoil will pay a dividend of some NOK 11.5 billion, of which some NOK 4.5 billion is an extraordinary payment.

1) This key indicator is defined as the annual profit plus minority interests and net financial costs after tax and a percentage of average capital employed. It is not comparable with the Ministry's definition of return on capital employed.



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**Managing Director**  
Helge Lund

**Chairman**  
Jannik Lindbæk

**Board members**  
Kaci Kullmann Five, Knut Åm, Finn A. Hvistendahl, Grace R. Skaugen, Eli Sætersmoen, Stein Bredal \*, Lill-Heidi Bakkerud \* and Morten Svaan \*

\* Employees representatives

**Auditors**  
Ernst & Young AS

**State ownership**  
70,9% (Ministry of Petroleum and Energy)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	305 722	250 119
Operating costs	240 603	200 629
<b>Operating profit</b>	<b>65 119</b>	<b>49 490</b>
Net financial items	5 439	1 237
Other items	0	-6 025
<b>Profit before tax and minority int.</b>	<b>70 558</b>	<b>44 702</b>
Tax	45 307	27 349
Minority interests	505	289
<b>Profit after tax and minority int.</b>	<b>24 746</b>	<b>17 064</b>

	2004		2003	
<b>Balance sheet</b>				
Fixed assets	154 985	128 325		
Financial assets	27 680	33 365		
<b>Total fixed assets</b>	<b>182 665</b>	<b>161 690</b>		
Current assets	63 158	56 838		
<b>Total assets</b>	<b>245 823</b>	<b>218 528</b>		
Subscribed equity	17 835	17 833		
Earned/other equity	56 459	46 758		
Minority interests	1 616	1 483		
<b>Equity</b>	<b>75 910</b>	<b>66 074</b>		
Deffered tax	44 633	37 948		
Provision for commitments	23 779	20 630		
Long-term liabilities	26 482	28 775		
Current interest-bearing liabilities	7 731	6 045		
Current interest-free liabilities	67 288	59 056		
<b>Total liabilities and commitments</b>	<b>169 913</b>	<b>152 454</b>		
<b>Total equity and liabilities</b>	<b>245 823</b>	<b>218 528</b>		

	2004		2003	
<b>Cash flow</b>				
Operational activities	38 807	30 797		
Investment activities	-31 959	-23 198		
Financing activities	-9 055	-7 862		
<b>Change in assets</b>	<b>-2 207</b>	<b>-263</b>		

	2004		2003	
<b>Key indicators</b>				
Capital employed	110 123	100 894		
EBITDA	83 910	67 258		
EBIT	66 451	50 931		
Equity ratio	32 %	31 %		
Return on equity	33 %	26 %		
Avg. return on equity last 5 years	28 %			
Return on capital employed	60 %	50 %		

	2004		2003	
<b>Values and dividend</b>				
Market value at year-end	205 784	161 919		
Price/book	2,7	2,5		
Closing price	95,00	74,75		
Provision for dividend	11 481	6 390		
State's share of dividend	8 139	5 222		
Dividend share	46 %	37 %		
Avg dividend share last 5 years	43 %			
Return including last year's dividend	31 %	33 %		
Average return over last 3 years	15 %			
Sales revenue to the State	9 859	0		

	2004		2003	
<b>Other information</b>				
Number of employees	23 899	19 326		
State's shareholding at year-end	76 %	82 %		
Proportion of women on board	44 %	44 %		
Proportion of shareholder-elected women on board	50 %	50 %		

**Company contact details**

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N-0032 Oslo  
Telephone: +47 22 45 10 00  
Internet: www.statskonsult.no

**Managing Director**

Gunnar Bakkeland

**Chairman**

Kari Gjestebø

**Board members**

Cato Hellesjø, Annette Selmer, Anne Sæterdal, Steinar Hopland (resigned Januar 2005), Inger Johanne Sundby \* and Ellen Hov Aanæs \*

\* Employees' representatives

**Auditors**

Ernst & Young AS

**State ownership**

100% (The Ministry of Modernisation)

	NOK mill
<b>Profit and loss account</b>	<b>2004</b>
Operating revenues	63,1
Operating costs	100,7
<b>Operating profit</b>	<b>-37,6</b>
Net financial items	1,5
<b>Profit before tax</b>	<b>-36,1</b>
Tax	0,0
<b>Profit after tax</b>	<b>-36,1</b>
<b>Balance sheet</b>	<b>2004</b>
Intangible fixed assets	0,1
Fixed assets	2,7
Financial assets	0,9
<b>Total fixed assets</b>	<b>3,8</b>
Current assets	102,2
<b>Total assets</b>	<b>106,0</b>
Subscribed equity	67,7
Earned/other equity	0,0
<b>Equity</b>	<b>67,7</b>
Deffered tax	0,0
Provision for commitments	15,9
Long-term liabilities	0,0
Current interest-bearing liabilities	0,0
Current interest-free liabilities	22,4
<b>Total liabilities and commitments</b>	<b>38,3</b>
<b>Total equity and liabilities</b>	<b>106,0</b>
<b>Cash flow</b>	<b>2004</b>
Operational activities	-10,0
Investment activities	-1,5
Financing activities	109,5
<b>Change in assets</b>	<b>98,0</b>
<b>Key indicators</b>	<b>2004</b>
Capital employed	68
EBITDA	-35
EBIT	-36
Equity ratio	64 %
Return on equity	-53 %
Return on capital employed	-53 %
<b>Values in and out of the company</b>	<b>2004</b>
Capital contribution from the State	103,8
Provision for dividend	0
State's share of dividend	0
<b>Other information</b>	<b>2004</b>
Number of employees	80
State's shareholding at year-end	100 %
Proportion of women on board	83 %
Proportion of shareholder-elected women on board	50 %

# STATSKONSULT AS

Statskonsult AS was established as a limited company on 19 December 2003 with fiscal effect from 1 January 2004, wholly owned by the State, as represented by the Ministry of Modernisation. The company offers consulting, assistance, analysis and reports in strategy, e-governance and competence, targeted in particular at the development of State administration in Norway. The customers are primarily ministries, directorates and other administrative bodies.

## Key events

The basis for the transformation of Statskonsult into a limited company is given in Parliamentary Bill no. 1 2003-2004. The adaptation from a directorate to a limited company is expected to result in a deficit for the company during a transition period. The owner's intentions on establishing the company are that it should go into profit no later than 2007. The establishment of the company pointed up the need for a thorough efficiency improvement in, and restructuring of, the company, with considerable staff cutbacks, to allow it to adjust to market conditions. Accordingly, during 2004, the company's staff was reduced by around one third.

Gunnar Bakkeland was appointed as the company's new Managing Director in July 2004.

## Financial trends

In 2004, operating revenues were NOK 63.1 million. Profit after tax for 2004 was NOK -36.1 million. The loss is less than expected at start-up and is due to lower costs. A major restructuring of the company was carried out in 2004 and the company is set to go into profit by 2007 at the latest. On its setup, the com-

pany was injected with NOK 103.8 million of equity. At the beginning of 2005, the company has equity of NOK 67.7 million.

# STORE NORSKE SPITSBERGEN KULKOMPANI AS

Store Norske Spitsbergen Kulkompani A/S (SNSK) was founded in 1916. The company operates a coal-mining company on Svalbard through a wholly-owned subsidiary called Store Norske Spitsbergen Grubekompani AS (SNSG). Around 95 per cent of the production is exported. Mining activities are presently concentrated primarily around operations in Svea Nord. Mining operations are to be operated independent of State subsidies. SNSG has a staff of 265 and is budgeting for a production volume in 2005 of 3 million tonnes of coal.

The aim of State ownership in Store Norske Spitsbergen Kulkompani is, through the group's activities, to assist in the maintenance and development of Longyearby society in a way that supports the overall objectives of Norway's policy for Svalbard.

## Key events

In 2004, SNSG completed a transport and water bilge tunnel, some 6 km long, from the Svea Nord mine to Braganza Bay at Svea. The investment costs amount to approx. NOK 280 million. The reorganisation of this land-based coal transport is expected to provide a significant reduction in annual transport costs, as well as useful benefits for the environment and safety.

Having evaluated a number of potential purchasers, in June 2004, the board of Store Norske Spitsbergen Kulkompani made a recommendation to the Ministry of Trade and Industry to end the work on a possible part-privatisation of coal-mining activities. The Ministry of Trade and Industry endorsed the recommendation from the board.

## Financial trends

In 2004 Store Norske Spitsbergen Kulkompani achieved group operating revenues of NOK 1,315 million and an annual profit of NOK 219 million. The equivalent figures for 2003 were NOK 945 million and NOK 64 million. The volume of production for the two years was at the same level; 2.9 million tonnes. The increase in profit is due primarily to higher coal prices on the world market and the grading of the coal-quality has resulted in that the company sells a higher proportion of its production to metallurgical industry, where the prices are higher. The parent company paid out a dividend of NOK 107 million for the financial year of 2004, against NOK 7.5 million for the previous year.

1) Only last three years, because the company got contributions in 2000 and 2001.

*Store Norske Spitsbergen Kulkompani*

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Telephone: +47 79 02 52 00  
Internet: www.snsk.no

**Managing Director**  
Robert Hermansen

**Chairman**  
Steinar Høgaas

**Board members**  
Ole Fredrik Hienn, Atle Fornes, Esther Kostøl, Lise Chatwin Olsen, Anita Johansen \*, Sverre Henning Engh \* and Jarle Haagensen \*

\* Employees' representatives

**Auditors**  
KPMG AS

**State ownership**  
99,94% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	1 315	945
Operating costs	1 091	876
<b>Operating profit</b>	<b>224</b>	<b>69</b>
Net financial items	3	5
<b>Profit before tax and minority int.</b>	<b>227</b>	<b>74</b>
Tax	-9	-10
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>219</b>	<b>65</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	52	15
Fixed assets	784	690
Financial assets	854	14
<b>Total fixed assets</b>	<b>864</b>	<b>719</b>
Current assets	314	187
<b>Total assets</b>	<b>1 168</b>	<b>906</b>

Subscribed equity	164	164
Earned/other equity	250	127
Minority interests	0	0
<b>Equity</b>	<b>414</b>	<b>292</b>
Provision for commitments	20	9
Long-term liabilities	390	447
Current interest-bearing liabilities	0	49
Current interest-free liabilities	349	109
<b>Total liabilities and commitments</b>	<b>754</b>	<b>614</b>
<b>Total equity and liabilities</b>	<b>1 168</b>	<b>906</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	312	45
Investment activities	-183	-164
Financing activities	-79	76
<b>Change in assets</b>	<b>51</b>	<b>-43</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	804	787
EBITDA	310	164
EBIT <sup>1)</sup>	225	100
Operating margin	17 %	7 %
Equity ratio	35 %	32 %
Return on equity	53 %	22 %
Avg. return on equity last 3 years <sup>1)</sup>	34 %	
Return on capital employed	28 %	13 %

	2004	2003
<b>Dividend</b>		
Provision for dividend	107	8
Dividend share	47 %	12 %
Avg. dividend share last 3 years <sup>1)</sup>	23 %	
State's share of dividend	107	8

	2004	2003
<b>Other information</b>		
Number of employees	265	233
State's shareholding at year-end	100 %	100 %
Proportion of women on board	38 %	38 %
Proportion of shareholder-elected women on board	40 %	40 %

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	61 302	53 121
Operating costs	54 700	45 561
<b>Operating profit</b>	<b>6 602</b>	<b>7 560</b>
Net financial items	2 244	-134
<b>Profit before tax and minority int.</b>	<b>8 846</b>	<b>7 426</b>
Tax	-2 244	-2 376
Minority interests	1 244	490
<b>Profit after tax and minority int.</b>	<b>5 358</b>	<b>4 560</b>

	2004		2003	
<b>Balance sheet</b>				
Intangible fixed assets	25 963	18 610		
Fixed assets	37 676	35 722		
Financial assets	7 720	14 014		
<b>Total fixed assets</b>	<b>71 359</b>	<b>68 346</b>		
Current assets	16 735	17 764		
<b>Total assets</b>	<b>88 094</b>	<b>86 110</b>		

Subscribed equity	28 037	29 480		
Earned/other equity	9 557	7 757		
Minority interests	4 074	3 646		
<b>Equity</b>	<b>41 668</b>	<b>40 883</b>		
Provision for commitments	3 120	1 645		
Long-term liabilities	21 174	26 130		
Current interest-bearing liabilities	3 991	386		
Current interest-free liabilities	18 141	17 066		
<b>Total liabilities and commitments</b>	<b>46 426</b>	<b>45 227</b>		
<b>Total equity and liabilities</b>	<b>88 094</b>	<b>86 110</b>		

	2004		2003	
<b>Cash flow</b>				
Operational activities	18 991	13 676		
Investment activities	-13 031	-3 454		
Financing activities	-8 255	-7 887		
Currency effect	268	-45		
<b>Change in assets</b>	<b>-2 563</b>	<b>2 380</b>		

	2004		2003	
<b>Key indicators</b>				
Capital employed	66 833	67 399		
EBITDA	24 686	20 192		
EBIT	10 467	9 450		
Equity ratio	47 %	47 %		
Return on equity	14 %	12 %		
Avg. return on equity last 5 years	7 %			
Return on capital employed	16 %	14 %		

	2004		2003	
<b>Values and dividend</b>				
Market value at year-end	96 250	78 475		
Price/book	2,6	2,1		
Closing price	55,00	43,50		
Provision for dividend	2 624	1 776		
State's share of dividend	49 %	39 %		
Dividend share	25 %			
Avg. dividend share last 5 years	1 417	959		
Return including last year's dividend	29 %	69 %		
Average return over since IPO	8 %			
Sales proceeds to the State from sale of shares and deleted shares	9 085	8 082		

	2004		2003	
<b>Other information</b>				
Number of employees	21 750	20 190		
State's shareholding at year-end	54 %	63 %		
Proportion of women on board	40 %	40 %		
Prop. shareh.-elec. women on board	43 %	43 %		

# TELENOR ASA

Telenor is the largest telecommunications company in Norway and has significant mobile operations abroad. Telenor's business is based on the provision of voice services, information, expertise and entertainment to end-users through a wide range of modern communications services. The services are based on both wireless communications platforms such as mobile, satellite and broadcast networks, and fixed platforms such as telephony, IP and cable networks. The group's four business areas are Mobile, Fixed, Broadcast and other units.

Telenor was listed on the Oslo and New York Stock Exchange on 4 December 2000.

## Key events

On 29 March 2004, the Government sold Telenor shares, reducing its shareholding to 53.15 per cent. Telenor subsequently deleted its own shares that the company was allocated in respect of the stock exchange listing in 2000, and issued shares to use for the company's employees' shares scheme and options programme. As a result the State's shareholding is now 53.96 per cent. In connection with Telenor's buy-back of its own shares for deletion, the State redeemed 14 million shares at the 2004 AGM, receiving NOK 695 million in consideration. This was in accordance with the agreement between Telenor and the Ministry of Trade and Industry designed to ensure that the buy-back for deletion did not alter the State's shareholding. A new buy-back agreement has been signed expiring no later than 1 July 2005.

Telenor sold its remaining 9 per cent holding in the Greek mobile operator Cosmote, with

a profit of NOK 2.6 billion before tax. Telenor acquired up to a 100 per cent share in two mobile operators, Sonofon of Denmark and ProMonte of Montenegro. The company also increased its share of GrameenPhone in Bangladesh to 62 per cent.

In 2004, Telenor acquired a licence to operate a new mobile network in Pakistan for a period of 15 years. This network became operational in March 2005.

## Financial trends

Operating revenues were NOK 61.3 billion, against NOK 53.1 billion in the previous year. Profit before tax and minority interests came to NOK 5.3 billion, including a write-down of NOK 2.4 billion for the investment in Sonofon. Profit nonetheless rose by NOK 0.8 billion over the preceding year, due largely to a growth in revenue without a concomitant increase in costs. The group is financially very solid. At year-end 2004, the equity ratio was approx. 47 per cent and the ratio between net interest-bearing debt and adjusted EBITDA was 0.90. It is anticipated that an increasing proportion of Telenor's operating revenues and financial profits in the years ahead will derive from mobile activities outside of Norway. The State will receive NOK 1,4 billion in dividend for the financial year 2004.

# VENTUREFONDET AS

Venturefondet AS was founded on 12 July 2000. The business invests in shares and provides subordinated loan capital to investment and venture companies. Venturefondet currently owns shares in 3 regional investment companies: Nordnorsk Vekst AS, Sikon Øst ASA and Trøndelag Vekst AS. In Nordnorsk Vekst AS and Trøndelag Vekst AS there exists a decision of closure.

In connection with the sale of SND Invest AS, all shares in Venturefondet AS were transferred to the Ministry of Trade and Industry in December 2003. The company has no employees and is managed by its board.

Venturefondet aims to terminate its commitments, either by closing or winding up funds, in which it has shareholdings or through the sale of the State's share.

## Key events

During 2004, Venturefondet disposed of its shares in Bergen Industriutvikling AS and BTV fond.

## Financial trends

2004 is the company's fifth year of operations, and resulted in a loss of NOK 16 million. This is partly due to losses realised on the sale of shareholdings and partly to writing down the value of remaining shares.

## Venturefondet

### Company contact details

Address: P.O. Box 35 Lindeberg Gård, N-1007 Oslo  
Telephone: + 47 22 01 75 02

### Chairman

Thor Svegården

### Board members

Jon Melle, Anders Thuve, Kristine Klaveness, Ida Espolin Johnsen

### Auditors

PricewaterhouseCoopers DA

### State ownership

100% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	4	1
Operating costs	18	20
<b>Operating profit</b>	<b>-14</b>	<b>-19</b>
Net financial items	1	0
<b>Profit before tax and minority int.</b>	<b>-14</b>	<b>-18</b>
Tax	-2	-2
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>-16</b>	<b>-17</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	0	2
Fixed assets	0	0
Financial assets	0	0
<b>Total fixed assets</b>	<b>0</b>	<b>2</b>
Current assets	92	106
<b>Total assets</b>	<b>92</b>	<b>109</b>
Subscribed equity	92	108
Earned/other equity	0	0
Minority interests	0	0
<b>Equity</b>	<b>92</b>	<b>108</b>
Provision for commitments	0	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	0	1
<b>Total liabilities and commitments</b>	<b>0</b>	<b>1</b>
<b>Total equity and liabilities</b>	<b>92</b>	<b>109</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	92	108
EBITDA	2	-1
EBIT	-14	-18
Equity ratio	100 %	99 %
Return on equity	-18 %	-15 %
Avg. return on equity last 5 years	-16 %	
<b>Return on capital employed</b>	<b>-15 %</b>	<b>-18 %</b>

	2004	2003
<b>Values and dividend</b>		
Provision for dividend	0	0
Dividend share	0 %	0 %
Avg. dividend share last 5 years	0 %	
State's share of dividend	0	0
Value of shares the State received in connection with the sale of SND Invest	0	113

	2004	2003
<b>Other information</b>		
Number of employees	0	0
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	0 %
Proportion of shareholder-elected women on board	40 %	0 %



#### Company contact details

Address: P.O. Box 8109 Dep., N-0032 Oslo

Telephone: +47 22 96 11 00

Internet: www.veso.no

#### Managing Director

Arne Ruud

#### Chairman

Bjørn Kolltveit

#### Board members

Kristin Woje Ellingsen, Reidun Ann Støle, Anne Cecilie Holm, Per Folkestad, Hans Hekland, Even Thoen

\* and Arnfinn Aunsmo \*

#### Auditors

ESS Revisjon AS

#### State ownership

51% (Ministry of Agriculture and Food)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	184,0	168,0
Operating costs	181,3	163,1
<b>Operating profit</b>	<b>-0,4</b>	<b>2,0</b>
Net financial items	0,4	1,0
<b>Profit before tax</b>	<b>0,0</b>	<b>2,9</b>
Tax	-0,4	0,4
<b>Profit after tax</b>	<b>0,4</b>	<b>2,5</b>

	2004	2003
<b>Balance sheet</b>		
Fixed assets	19	20
Financial assets	0	0
<b>Total fixed assets</b>	<b>19</b>	<b>20</b>
Current assets	50	44
<b>Total assets</b>	<b>69</b>	<b>64</b>

Subscribed equity	5	5
Earned/other equity	30	30
<b>Equity</b>	<b>35</b>	<b>35</b>
Deferred tax	0	0
Provision for commitments	0	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	34	29
<b>Total liabilities and commitments</b>	<b>34</b>	<b>29</b>
<b>Total equity and liabilities</b>	<b>69</b>	<b>64</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	15	-4
Investment activities	-2	-4
Financing activities	-2	0
<b>Change in assets</b>	<b>11</b>	<b>-8</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	35	35
EBITDA	3	6
EBIT	0	3
Equity ratio	51 %	55 %
Return on equity	1 %	7 %
Avg. return on equity last 5 years	4 %	
Return on capital employed	0 %	9 %

	2004	2003
<b>Dividend</b>		
Provision for dividend	1,5	1,5
State's share of dividend	0,8	0,8
Utbytte andel	375 %	60 %
Avg. dividend share last 5 years	103 %	

	2004	2003
<b>Other information</b>		
Number of employees	48	55
State's shareholding at year-end	51 %	51 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	38 %	38 %

# VETERINÆRMEDISINSK OPPDRAGSSENTER AS

Veterinærmedisinsk Oppdragscenter AS is a high-tech company with a specialist base in Norwegian veterinary medical and related environments. A significant proportion of activities are linked to supplies to Norwegian livestock and aquaculture enterprises. These include sales of veterinary vaccines and related products. The company is also a world leader in performing controlled infection experiments and field experiments on fish. Veterinærmedisinsk Oppdragscenter has also collaborated with the Directorate for Nature Management in various projects in the wild salmon problem.

The State aims for the company to be an active provider of competence and services from the veterinary research environments and the field of veterinary medicine.

#### Key events

A report and recommendation on a fisheries/ agricultural food alliance was published in December 2004. New wholesale regulations concerning the sale of serum vaccines and commodities for animals were introduced. There was a change in the treatment method for the salmon parasite, Gyrodactylus Salaris in the Lærdal rivercourse.

#### Financial trends

Operating revenues in 2004 were NOK 184 million, against NOK 168 million in 2003. Profit after tax was NOK 400,000, against NOK 2.5 million in 2003. 2004's profit was weakened since the Viken and Trondheim divisions had a decline in revenues. The other divisions were in line with expectations. Veterinærmedisinsk Oppdragscenter is paying out NOK 1.5 million in dividends for the financial

year 2004, of which the State will receive NOK 0.77 million.



#### Company contact details

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Internet: www.yara.com

#### CEO

Thorleif Enger

#### Chairman

Øyvind Lund

#### Board members

Åse Aulie Michelet, Lone Fønss Schrøder, Leiv Ner-  
gaard, Jørgen Ole Haslestad, Arthur Frank Bakke \*,  
Charlotte Dyrkorn \* and Frank Andersen \*

\* Employees' representatives

#### Auditors

Deloitte Statsautoriserte Revisorer AS

#### State ownership

36,21% (The Ministry of Trade and Industry)

# YARA INTERNATIONAL ASA

Yara International ASA was established on 24 March 2004 through the demerger of Norsk Hydro's agribusiness.

Yara is a chemicals company, focused primarily on production, distribution and trade in nitrogen-based chemicals. The primary use of these products is as fertilisers. Yara is the world's leading supplier of mineral fertilisers and holds a particularly strong position in nitrogen-based fertilisers. Yara is also well placed in European industrial markets as a supplier of nitrogen-based chemical products and is the leading supplier of liquid CO<sub>2</sub> to, amongst others, the Scandinavian and European brewing industries. The company has offices in around 50 countries across the globe, and sells more than 20 million tonnes of mineral fertilisers annually in more than 120 countries.

#### Key events

Yara International ASA was listed on the Oslo Stock Exchange on 25 March 2004 at a value of NOK 41 per share. At year-end, the share price was NOK 79.75 per share.

The Qafco-4 plant in Qatar, of which Yara owns 25 per cent was opened in 2004. In February 2005, an agreement of intent for the establishment of Qafco-5 was signed. The Qafco industrial area is the world's largest in terms of urea production and ammonia, based on gas supplies from the Persian Gulf. Capacity is around 2.8 million tonnes of urea and 2.0 million tonnes of ammonia per annum. Qafco-5 will increase this capacity to 3.9 million tonnes and 3.0 millions tonnes per annum, respectively.

An Extraordinary General Meeting of Yara of

16 June 2004 gave the company a mandate to buy back up to 5 per cent of its own outstanding shares, with the aim of deleting them. On 14 October 2004, an agreement with the State was signed, whereby the State commits to redeem a number of shares proportionate to the resolution to delete the shares bought back.

#### Financial trends

2004 is Yara's first financial year. All accounting figures shown are group figures, on a proforma basis. The company's first year of operations was a good one. Profit after tax and minority interests was NOK 3.8 billion, compared with NOK 2.8 billion in 2003. EBITDA was NOK 5.7 billion in 2004 compared with NOK 4.7 billion in 2003. Yara's operating revenues were NOK 43.3 billion in 2004, an increase of 12 per cent over 2003. Most of the increase in profit is due to fertiliser prices and productivity improvements.

The company will pay a dividend of NOK 2.25 per share for the financial year 2004 and the State will receive NOK 260 million. In 2005, Yara's share price has shown a further positive trend, at more than NOK 100 per share.

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	43 252	38 481
Operating costs	39 667	35 730
<b>Operating profit</b>	<b>3 584</b>	<b>2 751</b>
Net financial items	1 342	404
<b>Profit before tax and minority int.</b>	<b>4 927</b>	<b>3 156</b>
Tax	-1 185	-966
Minority interests	-20	3
<b>Profit after tax and minority int.</b>	<b>3 762</b>	<b>2 190</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	1 646	1 024
Fixed assets	6 786	7 219
Financial assets	3 709	3 580
<b>Total fixed assets</b>	<b>12 141</b>	<b>11 822</b>
Current assets	15 345	14 769
<b>Total assets</b>	<b>27 486</b>	<b>26 592</b>
Subscribed equity	4 241	4 246
Earned/other equity	6 473	5 349
Minority interests	63	96
<b>Equity</b>	<b>10 777</b>	<b>9 691</b>
Provision for commitments	3 313	2 888
Long-term liabilities	4 494	7 488
Current interest-bearing liabilities	951	531
Current interest-free liabilities	7 950	5 993
<b>Total liabilities and commitments</b>	<b>16 708</b>	<b>16 900</b>
<b>Total equity and liabilities</b>	<b>27 486</b>	<b>26 591</b>
<b>Cash flow</b>	<b>2004</b>	<b>2003</b>
Operational activities	3 772	1 628
Investment activities	-986	-734
Financing activities	-2 851	-964
<b>Change in assets</b>	<b>77</b>	<b>7</b>
<b>Key indicators</b>	<b>2004</b>	<b>2003</b>
Capital employed	16 222	17 710
EBITDA	5 732	4 651
EBIT	4 524	3 504
Equity ratio	39 %	36 %
Return on equity	35 %	23 %
Avg. return on equity last 5 years	n/a	
Return on capital employed	28 %	20 %
<b>Values and dividend</b>	<b>2004</b>	<b>2003</b>
Market value at year-end	25 520	n/a
Price/book	2,4	n/a
Closing price	79,75	n/a
Provision for dividend	712	n/a
State's share of dividend	19 %	n/a
Dividend share	19 %	n/a
Avg. dividend share last 5 years	260	n/a
Return since IPO	95 %	n/a
Average return over last 5 years	n/a	
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees	7 067	n/a
State's shareholding at year-end	36 %	n/a
Proportion of women on board	38 %	n/a
Proportion of shareholder-elected women on board	40 %	n/a

# COMPANIES WITH OTHER OBJECTIVES

State ownership in the interests of pursuing sectoral policy and societal objectives remains important. In these cases, the companies will serve as instruments within specific policy areas, in addition to the commercial objectives the State has for them. For some companies, it will be a question of having their books balance (health care enterprises), while for others the objective will be the best possible result on condition that the sectoral policy objectives are achieved (Norway Post).

The State imposes requirements on the companies to ensure that the sectoral policy objectives underlying ownership are achieved as effectively as possible. One example of this would be Vinmonopolet, which is used by the State in its alcohol policy to restrict and control the availability of alcohol in Norway. Other notable examples are the objective of increased use of public transport through ownership of NSB (Norwegian National Railways), of ensuring delivery of mail throughout Norway through ownership of Norway Post, and better and more efficient health services through ownership of health care enterprises.

In this ownership report, the following companies with other objectives will be covered:

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Posten Norge AS	77
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Helse Nord RHF	85
Helse Midt Norge RHF	86
Helse Vest RHF	87
Helse Sør RHF	88
Helse Øst RHF	89



# AVINOR AS

Avinor AS was established on 1 January 2003. The company's main task consists of planning, constructing and operating 46 national airports, aircraft safety services for civil and military aviation and ensuring safe and efficient aviation. Avinor's activities are financed in the main through user payments (flight taxes) and commercial revenues. In addition, the State procures regional airport services. The Avinor group comprises the parent company, Avinor AS, and Oslo Lufthavn AS, Oslo Lufthavn Eiendom AS, Avinor Parkeringsanlegg AS, Flesland Eiendom AS and Værnes Eiendom AS are subsidiaries.

## Key events

Avinor faces major commercial, technical and financial challenges. In order to meet these, in December 2003, the Board adopted a comprehensive efficiency-improvement plan with the aim of reducing annual operating costs by around NOK 400 million as of 2006, compared with the 2002 cost levels. This project entails considerable staff cutbacks and it was also decided to reduce the number of control centres from four to two. The implementation of these measures are going as planned. In 2003 and 2004, major investments were made in measures to improve flight safety, including measures to reduce the terrorist and sabotage risks at the airports. A revision of the regulation for the design of airfields entails a considerable need for investment.

In 2004, Avinor's equity was reduced by NOK 113 million and covers the Civil Aviation Authority's accounts with the State. When Avinor's equity was established, the plan was for Avinor to pay the Authority's liabilities to the State as at 31.12.2003.

## Financial trends

The Avinor group's operating profit was NOK 995 million, compared with NOK -346 in 2003. The improvement in profit is due primarily to increased operating revenues, efficiency gains, a reduction in restructuring liabilities and reduced value-added depreciations. The group's annual profit after tax was NOK 463 million, compared with NOK -577 million in 2003. Total investments came to NOK 720 million. Avinor will be paying a dividend of NOK 152 million to the State for the financial year 2004.

## Objective and role

For Avinor, there are also other objectives of State ownership than the pure maximisation of commercial value. These include having the company contribute to providing the general public with safe, environmentally friendly and high-quality travel propositions to all parts of the country. The company will also fulfil its social obligations in a sound and cost-efficient manner in accordance with legislation, licences, etc., including planning and reporting within the aviation sector and emergency preparedness activities.

Every alternate year, the Ministry of Transport reports to the Storting on Avinor's activities; see White Paper no. 36 (2003-2004). The ownership report provides the basis for proprietary control in the coming years. In the report, the Ministry briefs about important matters decided on or implemented and about the company's main challenges, strategies, and plans for the future.

- 1) Regularity (Percentage of planned departures carried out)  
2) Punctuality (Share of departures carried out within 15 minutes of delay)



AVINOR

Company contact details om selskapet  
Address: Christian Frederiks plass 6, Oslo  
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Internet: www.avinor.no

Managing Director  
Randi Flesland

Chairman  
Anders Talleraas

Board members  
Bård Martin Mikkelsen, Atle Hamar, Grete Willumsen, Kristin Vangdal, Magne Jerpstad \*, Helge Løbergli \* and Bjørn Tore Mikkelsen \*

\* Employees' representatives

Auditors  
PricewaterhouseCoopers AS

State ownership  
100% (The Ministry of Transport)

	2004	2003
<b>Profit and loss account</b>		
Operating revenues	5 076	4 548
Operating costs	4 080	4 894
Operating profit	995	-346
Net financial items	-438	-394
Profit before tax and minority int.	557	-740
Tax	94	-163
Minority interests	0	0
Profit after tax and minority int.	463	-577

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	336	4 006
Fixed assets	19 086	25 454
Financial assets	6	5
Total fixed assets	19 428	29 465
Current assets	2 515	2 155
Total assets	21 943	31 620

Subscribed equity	5 905	7 018
Earned/other equity	1 108	-204
Equity	7 012	6 814
Deferred tax	0	0
Provision for commitments	5 734	15 598
Long-term liabilities	7 823	8 064
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 373	1 144
Total liabilities and commitments	14 931	24 806
Total equity and liabilities	21 943	31 620

	2004	2003
<b>Cash flow</b>		
Operational activities	1 374	1 321
Investment activities	-721	-607
Financing activities	-232	-521
Change in assets	421	194

	2004	2003
<b>Key indicators</b>		
Capital employed	14 835	14 879
EBITDA	2 162	1 082
EBIT	1 058	-235
Equity ratio	32 %	22 %
Return on equity	7 %	-8 %
Avg. return on equity last 2 years	-1 %	
Return on capital employed	7 %	-2 %
Regularity <sup>1)</sup>	98 %	98 %
Punctuality <sup>2)</sup>	86 %	89 %
Traffic (Total number of passengers)	31 196	28 995

	2004	2003
<b>Public procurements</b>		
regional airport services	264	250

	2004	2003
<b>Values in and out of the company</b>		
Depreciation of capital	113	0
Provision for dividend	152	0
Dividend share	33 %	0 %
State's share of dividend	152	0
Average dividend share last 2 years	16 %	

	2004	2003
<b>Other information</b>		
Number of employees	2 732	3 072
State's shareholding at year-end	100 %	100 %
Proportion of women on board	25 %	25 %
Proportion of shareholder-elected women on board	40 %	40 %



#### Company contact details

Address: 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, Roald G. Bergsaker, Kirsten Broch Mathisen and Pål Prestrud

#### Auditors

Ishavsbyen Revisjon AS

#### State ownership

100% (The Ministry of Trade and Industry)

	NOK thousand	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	163	215
Of which contribution from Kings Bay AS	149	200
<b>Operating costs</b>	163	168
Operating profit	0	47
Net financial items	0	0
<b>Profit before tax and minority int.</b>	0	47
Tax	0	0
Minority interests	0	0
<b>Profit after tax and minority int.</b>	0	47

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	0	0
Fixed assets	3 900	3 900
Financial assets	0	0
<b>Total fixed assets</b>	3 900	3 900
Current assets	192	141
<b>Total assets</b>	4 092	4 041

Minority interests	4 000	4 000
Subscribed equity	41	41
Earned/other equity	0	0
<b>Equity</b>	4 041	4 041
Provision for commitments	0	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	51	0
<b>Total liabilities and commitments</b>	51	0
<b>Total equity and liabilities</b>	4 092	4 041

	2004	2003
<b>Other information</b>		
Number of employees	0	0
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

## BJØRNØEN AS

Bjørnøen AS owns all the land and some cultural heritage buildings on the Arctic island of Bjørnøya. The company's objective is to supervise the operation and use of its properties. I/S Bjørnøen Kulkompani was founded on 3 June 1918. The company was taken over by the Norwegian State in 1932 and in 1967 was subordinated administratively to Kings Bay AS, which also provides administrative services to the company. Parts of the State's subsidy to Kings Bay are transferred for the running of Bjørnøen. The company has the same board and Managing Director as Kings Bay, and no employees.

Bjørnøen AS leases property to the meteorological service, Avinor and Telenor kystradio (coastal radio). Some research activity takes place on the island. The Bjørnøya nature reserve was created on 16 August 2002, and the conservation order covers the entire island with the exception of a small tract of land.

#### Financial trends

The company's operating revenues derive from the lease of property and amounted to NOK 14,687 in 2004. Operating costs which exceed these are covered by a subsidy transferred from Kings Bay AS and covered by the national budget. In 2004, the subsidy amounted to NOK 148,605.

#### Objective and role

Bjørnøen's task is social, with both national and international dimensions. Because of the special considerations that apply to national ownership of the Svalbard area, Bjørnøen AS will remain a wholly State-owned company.

# GASSCO AS

Gassco is a wholly owned State limited company which operates pipelines and transport-related gas processing installations. This duty comprises the operation of the gas transport system and its development. Gassco also has special operating responsibility for the overall operation of the gas transport system and for ensuring that the transport and processing installations serve all the gas producers and contribute to an effective overall utilisation of gas resources.

Gassco has a key role in the future development of the gas transport system. This includes, amongst other things, coordinating processes for the development of the gas transport and processing infrastructure on the Norwegian Continental Shelf. Part of Gassco's remit is also to allocate capacity in the transport system to gas shippers.

Gassco does not itself own the transport system, which is owned by a partnership comprising gas-producing companies on the Norwegian Continental Shelf. The infrastructure owners finance Gassco's costs relating its operating activities and Gassco requests the necessary funds in advance. The activities the company performs are considered to be executed on behalf of the partnerships on their account and at their risk, and Gassco therefore has no earnings. Companies wishing to transport gas pay transport tariffs which provide investments in the transport system with a reasonable return.

Gassco is situated at Bygnes in the municipality of Karmøy. At the end of 2004, the company had 129 employees.

## Key events

According to Gassco's figures, the volume of gas transported to the European market was 75 billion cubic metres. This is an increase over 2003 of nearly 6 per cent. In 2004, Gassco operated the gas transport system with a regularity of 99.82 per cent. As in the previous year, in 2004, nearly all gas deliveries were made within agreed quality specifications.

In 2004, Gassco prepared a cost improvement programme for the Gassled partnership, where the ambition is to reduce operating costs for existing installations by NOK 500 million per annum by 2009. This equates to a reduction of nearly 20 per cent compared with the 2004 budget.

As of 1 February 2004, the processing plant at Kollsnes was incorporated into Gassled and Gassco took over operating responsibility at the same time.

## Objective and role

The objectives in setting up Gassco:

- Transport and processing installations should serve all gas producers and contribute to an efficient overall exploitation of the resources on the Norwegian Continental Shelf.
- The one responsible for operation of the gas transport systems should act in a neutral fashion vis-à-vis all of their users.
- The one responsible for operations have a key role in terms of future development of the transport system.



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**Managing Director**  
 Brian Bjordal

**Chairman**  
 Brit Kristin Sæbø Rugland

**Board members**  
 Trygve Refvem, Odd Håkon Hoelsæter, Margaret Elin Nystad, Elisabeth Krokeide, Kjellaug Høie Jonassen \* and Asbjørn Eik-Nes \*

\* Employees' representatives

**Auditors**  
 Deloitte Statsautoriserte Revisorer AS

**State ownership**  
 100% (Ministry of Petroleum and Energy)

	2004	2003
<b>Profit and loss account</b>		
Operating revenues	0,0	0,0
Operating costs	0,0	0,0
<b>Operating profit</b>	<b>0,0</b>	<b>0,0</b>
Net financial items	0,2	0,5
<b>Profit before tax</b>	<b>0,2</b>	<b>0,5</b>
Tax	-0,4	0,0
<b>Profit after tax</b>	<b>0,5</b>	<b>0,4</b>
<b>Balance sheet</b>		
Intangible fixed assets	0,1	0,0
Fixed assets	49,5	40,6
Financial assets	30,4	30,4
<b>Total fixed assets</b>	<b>80,0</b>	<b>66,8</b>
Current assets	186,2	107,8
<b>Total assets</b>	<b>266,3</b>	<b>174,6</b>
Subscribed equity	10,0	10,0
Earned/other equity	1,8	1,2
<b>Equity</b>	<b>11,8</b>	<b>11,2</b>
Deferred tax	0,0	0,3
Provision for commitments	19,2	18,5
Long-term liabilities	18,8	26,3
Current liabilities	216,6	118,4
<b>Total liabilities and commitments</b>	<b>254,5</b>	<b>163,4</b>
<b>Total equity and liabilities</b>	<b>266,3</b>	<b>174,6</b>
<b>Cash flow</b>		
Operational activities	97,2	43,8
Investment activities	-21,0	-12,5
Financing activities	-7,5	33,8
<b>Change in assets</b>	<b>68,7</b>	<b>65,0</b>
<b>Key indicators</b>		
Pipeline system – no. of km	6 600	6 600
Regularity	99,82	99,83
Gas transported to onshore terminals in Europe (billions of scm)	75	71
Largest daily delivery (mill scm)	265	248
<b>Dividend</b>		
Provision for dividend	0	0
State's share of dividend	0	0
<b>Other information</b>		
Number of employees	129	121
State's shareholding at year-end	100	100
Proportion of women on board	57 %	43 %
Proportion of shareholder-elected women on board	60 %	60 %



**Company contact details selskapet**  
 Address: P.O. Box 436, Økern, N-0513 Oslo  
 Telephone: +47 23 37 17 00  
 Internet: www.industritjeneste.no

**Managing Director**  
 Arne Smith

**Chairman**  
 Sissel Ose Pedersen

**Board members**  
 Ellen Bjercke, Olav Råmunddal, Lillian-Kramer Johansen, Torgrim Svensson \* and Morten Andersen \*

\* Employees' representatives

**Auditors**  
 Revisjonsfirmaet Åsvang & Co AS

**State ownership**  
 46,1% (Ministry of Justice) and 7,3% (Ministry of Labour and Social Affairs)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	39,5	40,0
Operating costs	38,9	38,2
<b>Operating profit</b>	<b>0,6</b>	<b>1,8</b>
Net financial items	0,0	-0,1
<b>Profit before tax</b>	<b>0,6</b>	<b>1,7</b>
Tax	0	0
<b>Profit after tax</b>	<b>0,6</b>	<b>1,7</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	3,4	3,4
Fixed assets	4,0	4,6
Financial assets	3,8	3,6
<b>Total fixed assets</b>	<b>11,2</b>	<b>11,6</b>
Current assets	2,1	1,9
<b>Total assets</b>	<b>13,3</b>	<b>13,4</b>

Subscribed equity	0,7	0,7
Earned/other equity	5,6	5,0
<b>Equity</b>	<b>6,3</b>	<b>5,7</b>
Defferred tax	0,0	0,0
Provision for commitments	0,0	0,0
Long-term liabilities	0,0	0,1
Current interest-bearing liabilities	0,0	0,0
Current interest-free liabilities	7,0	7,6
<b>Total liabilities and commitments</b>	<b>7,0</b>	<b>7,8</b>
<b>Total equity and liabilities</b>	<b>13,3</b>	<b>13,4</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	6,3	5,8
EBITDA	0,7	1,9
EBIT	0,7	1,9
Equity ratio	47 %	42 %
Return on equity	10 %	30 %
Avg. return on equity last 5 years	1 %	
Return on capital employed	11 %	33 %

	2004	2003
<b>Dividend</b>		
Provision for dividend	0	0
State's share of dividend	0	0

	2004	2003
<b>Other information</b>		
Number of employees	138	157
State's shareholding at year-end	53,4 %	53,4 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	75 %	75 %

## INDUSTRITJENESTE AS (ITAS)

Industritjeneste AS is a labour market/rehabilitation company established in 1965. The company's objective is to make provisions for job coaching, assessment, training and qualification in order to enable people with a substantial impediment to normal employment and other job-seekers who are difficult to find placements for to gain employment in a stable workplace in normal working life, or in extended sheltered workplaces. Industritjeneste AS's activities are in industry and services, including provision of employee assessment, training and rehabilitation services to Aetat, the Norwegian Public Employment Service.

In accordance with its articles of association, the company does not pay dividends and profits are retained in the company to develop the business.

### Key events

Itas introduced a new course in rehabilitation and renewed an agreement with IKEA on vocational qualification placements in 2004. The openings in Oslo prison's auto-repair shop and GVO (Grønland Voksenopplæring, the prisons and probation adult education centre) were closed down and the sheltered workplaces rehabilitation initiative was reduced from 38 to 30, while the number of places available in adapted workplaces rose from 15 to 25. In 2004, Itas was a leader in Oslo in terms of providing placements for permanent employment, and the rehabilitation portal in Oslo: [www.minjobb.no](http://www.minjobb.no) was launched.

### Financial trends

Industritjeneste returned a profit of NOK 0.61 million in 2004, a fall of NOK 1.1 million from

2003. This fall is due to an increase in the charges for group pensions insurance. The business also saw the lapse of authorisations from Aetat for sheltered workplace rehabilitation activities in phase II. The year's profit was transferred to other equity. Industritjeneste is not liable for tax.

# KINGS BAY AS

Kings Bay owns the land and most of the properties in Ny-Ålesund on Svalbard. The company is responsible for the town's infrastructure, including the protection of the environment and heritage. The company's operations aim to provide services to, and promote, research and scientific activities. Within the last decade, Ny-Ålesund has evolved into a centre for arctic research and the place has undergone major development. Kings Bay's aim is to assist Ny-Ålesund in being a well-coordinated international research environment. The company's employees perform around 25 man-years of labour on Svalbard.

## Key events

2004 was an important year for the company. The foundation stone of the Marine Laboratory was laid on 29 June. The Chinese Arctic research station was officially opened on 30 July. Additionally, Kings Bay and Telenor agreed on a contract that will provide Ny-Ålesund with a high-speed data connection by 1 June 2005.

## Financial trends

The financial objective of Kings Bay AS is for the operating accounts to balance, while large investments and other extraordinary costs incurred through the company's special commitments are covered by State subsidies. The State subsidy for 2004 was NOK 13 million.

The ordinary result for 2004 was a loss of NOK 954,990. The deficit was halved compared with 2003.

## Objective and role

Kings Bay AS is a key player as a neutral organiser of infrastructure services for the various

research environments in Ny-Ålesund. The increasing interest in establishing and extending research in Ny-Ålesund imposes requirements on how the company organises its services. Research activities and the organisation of infrastructure is prioritised in accordance with the intentions expressed in a local strategic plan for the town, jointly prepared by the company and the Norwegian Polar Institute. Other activities must be adjusted to the framework that the research activities demand.



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**Managing Director**  
 Oddvar Midtkandal

**Chairman**  
 Knut M. Ore

**Board members**  
 Ann-Kristin Olsen, Roald G. Bergsaker, Kirsten Broch Mathisen and Pål Prestrud

**Auditors**  
 Ishavsbyen Revisjon AS

**State ownership**  
 100% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	30,4	26,7
Operating costs	31,4	28,8
<b>Operating profit</b>	<b>-1,1</b>	<b>-2,0</b>
Net financial items	0,1	0,0
<b>Profit before tax and minority int.</b>	<b>-0,9</b>	<b>-2,1</b>
Tax	0,0	0,0
Extraordinary posts	0,0	2,1
<b>Profit after tax and Extraord. posts</b>	<b>-1,0</b>	<b>0,1</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	0,3	0,3
Fixed assets	2,3	2,7
Financial assets	0,0	0,0
<b>Total fixed assets</b>	<b>2,6</b>	<b>3,0</b>
Current assets	18,7	12,9
<b>Total assets</b>	<b>21,3</b>	<b>15,9</b>
Subscribed equity	2,0	2,0
Earned/other equity	0,2	0,2
Minority interests	0,0	0,0
<b>Equity</b>	<b>2,2</b>	<b>2,2</b>
Provision for commitments	0,0	0,0
Long-term liabilities	1,9	2,7
Current interest-bearing liabilities	0,0	0,0
Current interest-free liabilities	17,3	11,1
<b>Total liabilities and commitments</b>	<b>19,2</b>	<b>13,8</b>
<b>Total equity and liabilities</b>	<b>21,3</b>	<b>15,9</b>
<b>Cash flow</b>	<b>2004</b>	<b>2003</b>
Operational activities	2,7	6,1
Investment activities	0,0	0,0
Financing activities	-0,9	-0,4
Change in assets	1,8	5,7
<b>Contribution from State</b>	<b>2004</b>	<b>2003</b>
Contribution from the State	13,0	13,0
Extraordinary contribution regarding the Marine Laboratory from the Research Council	16,0	0,0
Contribution to Bjørnøen	-0,1	-0,2
<b>Total contribution to Kings Bay AS</b>	<b>28,9</b>	<b>12,8</b>
<b>Sponsor funds from Conoco Phillips</b>	<b>6,0</b>	<b>0,0</b>
<b>Total assets</b>	<b>28,9</b>	<b>12,8</b>
Utilization of contribution		
Investments	27,7	7,9
Transferred from prior years	-6,3	-3,5
Transferred to next year	6,5	6,3
Coverage of loss	1,0	2,1
<b>Total utilization</b>	<b>28,9</b>	<b>12,8</b>
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees	21	25
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

#### Company contact details

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 Internet: www.norfund.no

#### Managing Director

Per Emil Lindøe

#### Chairman

Arve Johnsen

#### Board members

Borger A. Lenth, Grete Faremo, Gunn Wenche  
 Andersgaard og Erik Århus

#### Auditors

KPMG AS

#### State ownership

100% (The Royal Norwegian Ministry of Foreign  
 Affairs)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	49	61
Operating costs	87	76
<b>Operating profit</b>	<b>-37</b>	<b>-15</b>
Net financial items	28	63
<b>Profit before tax and minority int.</b>	<b>-9</b>	<b>48</b>
Tax	0	0
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>-9</b>	<b>48</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	0	0
Fixed assets	2	1
Financial assets	477	488
<b>Total fixed assets</b>	<b>478</b>	<b>489</b>
Current assets	1 857	1 285
<b>Total assets</b>	<b>2 335</b>	<b>1 775</b>

Subscribed equity	2 115	1 630
Earned/other equity	114	125
<b>Equity</b>	<b>2 229</b>	<b>1 755</b>
Deferred tax	0	0
Provision for commitments	0	0
Long-term liabilities	0	1
Current interest-bearing liabilities	0	0
Current interest-free liabilities	106	18
<b>Total liabilities and commitments</b>	<b>106</b>	<b>20</b>
<b>Total equity and liabilities</b>	<b>2 335</b>	<b>1 775</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	118	100
Investment activities	-241	-36
Financing activities	492	488
<b>Change in assets</b>	<b>369</b>	<b>552</b>

	2004	2003
<b>Values in and out of the company</b>		
Capital contribution from the State	485	485
Provision for dividend	0	0
State's share of dividend	0	0
Average dividend share last 5 years	0 %	

	2004	2003
<b>Other information</b>		
Number of employees	23	22
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

# NORFUND

The Norwegian Investment Fund for the Developing Countries (NORFUND) was established in 1997. NORFUND's remit is to provide investment capital, loans and guarantees for the development of profitable and sustainable private enterprises in countries which do not otherwise have ready access to commercial financing due to high risks. Together with Actis, a UK private equity investor in emerging markets, NORFUND owns the Aureos Capital fund management company, which manages local funds in developing countries aimed at small and medium-sized enterprises. Through the company Statkraft NORFUND Power Invest AS (SN Power), set up by NORFUND in conjunction with Statkraft, NORFUND contributes to increased investment in the development of sustainable power in developing countries.

#### Key events

In 2004 NORFUND decided to invest in a new fund and an investment facility set up by Aureos: Aureos South East Asia Fund and Aureos South Asia Interim Fund. An agreement was also signed for an investment in Fundo de Investimento Privado-Angola. In partnership with CDC, the Aureos South Asia Interim Fund was set up as a precursor of the Aureos South Asia Fund. In addition, an equity investment was made in the DFCU bank in Uganda. This bank has a development-oriented profile with a focus on small enterprises. In Latin America, a loan agreement was signed with the Latin American Agribusiness Development Corporation (LAAD), which provides loans for agricultural projects throughout the region, in particular in the production and export of fruit and vegetables. In August 2004, NORFUND established a tender guarantee scheme for the partial reimbursement of charges relating to participation in international tender

rounds for aid-financed projects in developing countries. This scheme is managed by GIEK.

#### Financial trends

In 2004, activities resulted in a loss of NOK 9.2 million after write-downs of NOK 26.9 million. The result reflects in particular a considerable currency exchange risk linked to the fund's activities in currencies other than the Norwegian Kroner. In the national budget for the 2004 budget period, NORFUND was awarded NOK 341.25 million as a general capital fund for investment in developing countries, as well as NOK 143.75 million as a provision for losses. At year-end 2004, NORFUND had a capital base of NOK 2.3 billion, including the estimated value of the loan portfolio (previously NORAD). At 31 December 2004, NORFUND had contracted for NOK 1.6 billion in investments in businesses and in investment funds (including businesses under joint control). In 2004 Aureos was fully subscribed for three new funds in Africa. At 31 December 2004, the Aureos system was managing a total of 17 local and regional investment funds with a total capital of NOK 2.4 billion, of which NOK 1.8 billion was furnished by investors other than NORFUND.

#### Objective and role

The State owns 100 per cent of NORFUND (a special law company). The fund is to exercise its activities in accordance with the fundamental principles governing Norwegian development policy. The fund is accumulated through annual subsidies from the national budget. In the longer term, the aim is for NORFUND's operations to be financed through its ongoing capital income and investment returns.



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**CEO**  
 Einar Enger

**Chairman**  
 Ingeborg Moen Borgerud

**Board members**  
 Christian Brinch, Bård Norheim, Bente Hagem, Tore Heldrup Rasmussen, Øystein Aslaksen \*, Ole Reidar Rønningen \* and Ole Roger Berg \*

\* Employees' representatives

**Auditors**  
 PricewaterhouseCoopers AS

**State ownership**  
 100% (The Ministry of Transport)

# NORGES STATS BANER AS

Norges Statsbaner (NSB) is Norway's largest transport group, with traditions dating back to 1854. As of 1 July 2002, NSB has been organised as a state-owned limited company. The group currently comprises the parent company, NSB AS, and subsidiaries including Nettbuss AS, NSB Eiendom AS, ROM Eiendomsutvikling AS, CargoNet AS and Mantena AS.

The group operates passenger transport by rail and bus and freight transport by rail. The basis of the passenger transport facility are rail services, while the bus service business is coordinated with the rail service business where this provides a better service to customers and better profitability for the group. NSB's domestic market for passenger transport by rail and bus is Scandinavia. The business area for the group's rail freight transport is Europe. NSB runs transport services by rail and bus for the State and the counties through a public procurement scheme for passenger transport services. Revenue from the State amounts to around 40 per cent of NSB's total turnover for passenger transport by rail.

## Key events

In 2004, the Norwegian national rail service celebrated its 150th anniversary, and this was a positive year for NSB. In 2004, the number of passengers on NSB's trains increased by 3 per cent and freight activities showed growth of 18 per cent in the transport of containers and semi-trailers. Punctuality improved and customer satisfaction is now better than it was.

In 2004, NSB acquired 34 per cent of the shares in Svenska Tågkompaniet AB. This acquisition is a stage in the group's targeting of a Nordic

rail passenger transport market which is gradually opening up to competition.

## Financial trends

In 2004, the group's operating revenues were NOK 8,242 million. This is an increase of 3.4 per cent over 2003. The group's profit before tax was NOK 170 million, an improvement of NOK 58 million compared with 2003. The annual profit fell from NOK 150 million in 2003 to NOK 90 million in 2004, as a result, in part, to increased tax costs. Profitability is still not at a satisfactory level. NSB has therefore initiated systematic measures to improve this.

## Objective and role

Every alternate year, the Ministry of Transport reports to the Storting on NSB's activities; see White Paper no. 6 (2004-2005). In the report, the Ministry briefs about important matters decided on or implemented and about the company's main challenges, strategies, and plans for the future. The report provides the basis for ownership control of NSB in the coming years.

In its ownership control of NSB, the Ministry of Transport is committed to the company providing a public-friendly and reliable train service, as well as providing the greatest possible value-creation for the State over time.

1) Share of trains arriving ending station on time

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	8 242	7 973
Operating costs	7 976	7 973
Operating profit	266	0
Net financial items	-96	112
<b>Profit before tax and minority int.</b>	<b>170</b>	<b>112</b>
Tax	91	-36
Minority interests	-11	-2
<b>Profit after tax and minority int.</b>	<b>90</b>	<b>150</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	195	250
Fixed assets	8 772	9 370
Financial assets	229	265
<b>Total fixed assets</b>	<b>9 196</b>	<b>9 885</b>
Current assets	3 702	2 830
<b>Total assets</b>	<b>12 898</b>	<b>12 715</b>
Subscribed equity	5 536	5 536
Earned/other equity	280	195
Equity	5 816	5 731
Minority interests	203	222
Deferred tax	164	77
Pension engagement	73	124
Long-term liabilities	4 031	4 455
Current interest-bearing liabilities	23	17
Current interest-free liabilities	2 588	2 089
<b>Total liabilities and commitments</b>	<b>7 082</b>	<b>6 984</b>
<b>Total equity and liabilities</b>	<b>12 898</b>	<b>12 715</b>
<b>Cash flow</b>	<b>2004</b>	<b>2003</b>
Operational activities	1 330	708
Investment activities	-43	-162
Financing activities	-475	-167
Change in assets	2 111	1 299
<b>Key indicators</b>	<b>2004</b>	<b>2003</b>
Capital employed	9 870	10 203
EBITDA	1 308	1 239
EBIT	397	350
Equity ratio	47 %	47 %
Return on equity	1,5 %	2,6 %
Avg. return on equity last 5 years	-0,9 %	
Return on capital employed	4 %	3 %
No. of travellers, passenger traffic	46,5	45,0
Tonnes per km, freight	2 199	2 091
Punctuality <sup>1)</sup>	90 %	87 %
<b>Public procurements</b>	<b>2004</b>	<b>2003</b>
State procurements	1 436	1 381
Municipal procurements	510	433
<b>Total public procurements</b>	<b>1 946</b>	<b>1 814</b>
<b>Values in and out of the company</b>	<b>2004</b>	<b>2003</b>
Capital contribution from the State	0	200
Depreciation of the States capital	0	670
Provision for dividend	0	0
Avg. dividend share last 5 years	0 %	
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees	10 432	10 364
State's shareholding at year-end	100 %	100 %
Proportion of women on board	25 %	38 %
Prop. shareh.-elec. women on board	40 %	40 %

**Company contact details**

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Internet: www.eiendomsinfo.no

**Managing Director**

Per Christian Selmer

**Chairman**

Erik Keiserud

**Board members**

Tore V. Knudsen, Kari Johanne Bjørnøy, May-Britt Nordli and Bjørn Kjellin

**Auditors**

KPMG AS

**State ownership**

100% (The Ministry of Justice)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	155	127
Operating costs	140	116
Operating profit	15	12
Net financial items	1	2
<b>Profit before tax</b>	<b>16</b>	<b>14</b>
Tax	5	4
<b>Profit after tax</b>	<b>11</b>	<b>9</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	1,3	3,8
Fixed assets	14,2	10,6
Financial assets	6,0	5,4
<b>Total fixed assets</b>	<b>21,6</b>	<b>19,7</b>
Current assets	69,4	66,6
<b>Total assets</b>	<b>90,9</b>	<b>86,3</b>
Subscribed equity	6,0	6,0
Earned/other equity	32,8	30,6
<b>Equity</b>	<b>38,8</b>	<b>36,6</b>
Deffered tax	0,0	0,0
Provision for commitments	1,1	0,9
Long-term liabilities	0,0	0,0
Current interest-bearing liabilities	0,0	0,0
Current interest-free liabilities	51,0	48,7
<b>Total liabilities and commitments</b>	<b>52,1</b>	<b>49,7</b>
<b>Total equity and liabilities</b>	<b>90,9</b>	<b>86,3</b>
<b>Cash flow</b>	<b>2004</b>	<b>2003</b>
Operational activities	7	21
Investment activities	-9	-7
Financing activities	-8	-9
<b>Change in assets</b>	<b>-9</b>	<b>5</b>
<b>Dividend</b>	<b>2004</b>	<b>2003</b>
Provision for dividend	8,7	7,5
Dividend share	80 %	80 %
State's share of dividend	8,7	7,5
Avg. dividend share last 5 years	96 %	
<b>Key indicators</b>	<b>2004</b>	<b>2003</b>
Capital employed	39	37
EBITDA	21	19
EBIT	16	14
Equity ratio	43 %	42 %
Return on equity	28 %	26 %
Avg. return on equity last 5 years	26 %	
Return on capital employed	40 %	37 %
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees	53	40
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

# NORSK EIENDOMSINFORMASJON AS

Norsk Eiendomsinformasjon AS (NE) is a limited company, which, under agreements with the Ministry of Justice and the Ministry of the Environment, as represented by the Norwegian Mapping Authority, has the right and the obligation to impart information from, respectively, the register of deeds (Grunnboken) and Grunneiendoms-, Address- and Bygningsregisteret (GAB) (the register of land, addresses and buildings). The company has taken over this dissemination remit of base mapping information from the Norwegian Mapping Authority. Dissemination is achieved primarily through service providers who offer prepared information to users. NE is responsible for the operation and system administration of the register of deeds and GAB. Data from these registers is available online through the EDR property register.

Infoland® is the company's Internet portal and system for counting, authorisation and invoicing. The system permits direct ordering by municipalities, housing cooperatives and other information providers, as well as consultation of EDR. Through Infoland®, NE offers direct access to, for example, site plans, municipal plans, information about property tax and municipal charges.

## Key events

As commissioned by the Ministry of Justice, NE has developed an entirely new registration system for the registration of real estate. The system was put into operation in April 2005 through the Norwegian Mapping Authority's land registration department. The development work began in 2001, and a total of some 63,000 man-hours were devoted to the task.

The system is designed for the use of electronic documents, and this will be an important foundation for NE's future information provision from the register of deeds. NE also assists the Ministry of Justice in implementing the Storting's decision concerning the transfer of land registration from the courts to the Norwegian Mapping Authority. In parallel with the transfer, the data in the register of deeds is being converted from the old registration system to the new one. The transfer has so far been successful and the quality of entries in the register is being maintained at the same level as before.

## Financial trends

In 2004, NE had a turnover of NOK 155 million, an increase of 22 per cent over 2003. Operating profit for 2004 was NOK 15 million, or 10 per cent of turnover and profit after tax was NOK 11 million, up from NOK 9 million in 2003. At 31.12.2004, NE had an equity ratio of 43 per cent. For the 2004 financial year, Norsk Eiendomsinformasjon will be paying out 80 per cent of its profit after tax as dividends, amounting to NOK 8.7 million.

## Objective and role

The company was established with the objective of providing society with secure access to reliable information about real estate. The company's objective is to maintain and enhance the EDR property register and other related activities. The company will perform tasks of social significance to ensure the operation, maintenance and system development of the register of deeds. There is no mandate to sell the whole or parts of NE.



# NORSK RIKSKRINGKASTING AS

Norsk Rikskringkasting AS (NRK), the Norwegian Broadcasting Corporation is organised as a limited company in which the State owns all the shares. Ownership is administrated by the Ministry of Culture and Church Affairs. NRK's core activity is to produce and transmit public service broadcasting by radio, television and interactive media.

NRK's share of radio audiences increased to 60 per cent in 2004, against 59 per cent the previous year, and the share of TV viewers increased to 44 per cent. NRK is by a long way the leader in news coverage, both in terms of support and its public image. In sum, this makes NRK the dominant broadcaster in Norway.

## Key events

New articles of association were adopted at the Annual General Meeting in June 2004. The remit and task of public service broadcasting were defined more precisely than before. It was also decided that programme activities should continue to cover all programme areas, including sport and entertainment.

In 2004, the Storting resolved that NRK and the commercial channel, TV2, should be allowed to terminate the current analogue TV broadcasts, but not before some clearly defined requirements for new digital ground signals are met. This will gradually give the channels the opportunity to concentrate their resources on digital distribution, which, in a next round, will provide all Norwegian households with a wider offering, in terms of both channels and new types of service.

In 2004, NRK paid out between 6 and 7 per

cent of its TV budget to external producers. The aim is to increase this to 10 per cent during 2006. In this way, NRK will contribute to strengthening the television production environment in Norway.

## Financial trends

Operating revenues in 2004 were NOK 3,689 million, against NOK 3,447 million in 2003. For the fourth consecutive year, NRK was able to balance its operating accounts. Including a one-off revenue relating to final settlement of a property sale, the overall accounts show a profit of slightly more than NOK 100 million. The broadcast licence fee, which is politically determined and set by the Storting, accounts for more than 90 per cent of total operating revenues. Income from NRK's commercial activities, organised through NRK Aktivum, has been gradually increasing in recent years. NRK aims to increase the proportion of total financial resources available for programme activities. Since 2000, this increase has been more than 12 per cent, while costs relating to administration, distribution, etc. have only increased by around 3 per cent.

## Objective and role

Public service broadcasting is a key instrument in Norwegian cultural and media policy. The State's involvement in NRK is based on ensuring that NRK retains an important social role. This applies to public ownership, licence funding and programme requirements. NRK has a particular responsibility to promote democratic, social and cultural values in society.



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**Managing Director**  
John G. Bernander

**Chairman**  
Eldbjørg Løwer

**Board members**  
Thor Bjarne Bore, Christine B. Meyer, Kåre Lilleholt, Pia Svendsgaard, Stig Magnus Herbern, Else Barratt-Due \*, Geir Helljesen \* and Per Asbjørn Ravnaas \*

\* Employees' representatives

**Auditors**  
PricewaterhouseCoopers AS

**State ownership**  
100% (The Ministry of Culture and Church Affairs)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	3 689	3 447
Operating costs	3 381	3 453
<b>Operating profit</b>	<b>88</b>	<b>-6</b>
Net financial items	18	40
<b>Profit before tax and minority int.</b>	<b>106</b>	<b>34</b>
Tax	2	2
Minority interests	-7	-5
<b>Profit after tax and minority int.</b>	<b>97</b>	<b>27</b>

	2004		2003	
<b>Balance sheet</b>				
Intangible fixed assets	5	0		
Fixed assets	1 304	1 305		
Financial assets	152	126		
<b>Total fixed assets</b>	<b>1 461</b>	<b>1 431</b>		
Current assets	1 582	1 421		
<b>Total assets</b>	<b>3 043</b>	<b>2 852</b>		

Subscribed equity	1 000	1 000		
Earned/other equity	559	462		
Minority interests	2	3		
<b>Equity</b>	<b>1 561</b>	<b>1 465</b>		
Deferred tax	0	0		
Provision for commitments	348	314		
Long-term liabilities	0	0		
Current interest-bearing liabilities	0	0		
Current interest-free liabilities	1 134	1 073		
<b>Total liabilities and commitments</b>	<b>1 482</b>	<b>1 387</b>		
<b>Total equity and liabilities</b>	<b>3 043</b>	<b>2 852</b>		

	2004		2003	
<b>Cash flow</b>				
Operational activities	260 875	189 899		
Investment activities	-162 678	-313 999		
Financing activities	0	0		
<b>Change in assets</b>	<b>98 197</b>	<b>-124 100</b>		

	2004		2003	
<b>Key indicators</b>				
Capital employed	1 561	1 465		
EBITDA	330	276		
EBIT	110	40		
Equity ratio	51 %	51 %		
Return on equity	6 %	2 %		
Avg. return on equity last 5 years	0 %			
Return on capital employed	7 %	3 %		
Licence fees as percentage of total revenue	90,8 %	90,7 %		
Licence fees per year per household	1 910	1 850		
Market share NRK Radio	60	59		
Market share NRK TV	44	43		

	2004		2003	
<b>Other information</b>				
Number of employees	3 481	3 493		
State's shareholding at year-end	100 %	100 %		
Proportion of women on board	44 %	44 %		
Proportion of shareholder-elected women on board	50 %	50 %		



#### Company contact details

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#### Managing Director

Bjørn Henriksen

#### Chairman

Bernt Aardal

#### Board members

Knud Knudsen, Hans Viggo Sæbø, Mette Vestli,  
Inger Njølstad and Kirstine Kolsrud \*

\* Employees' representatives

#### Auditors

Ernst & Young AS

#### State ownership

100% (The Ministry of Education and Research)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	30,6	24,7
Operating costs	26,7	24,2
Operating profit	4,0	0,6
Net financial items	0,2	1,0
<b>Profit before tax</b>	<b>4,2</b>	<b>1,6</b>
Tax	0	0
<b>Profit after tax</b>	<b>4,2</b>	<b>1,6</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets		
Fixed assets	0,8	0,8
Financial assets	1,5	0,0
<b>Total fixed assets</b>	<b>2,3</b>	<b>0,8</b>
Current assets	25,9	17,2
<b>Total assets</b>	<b>28,2</b>	<b>18,1</b>

Subscribed equity	7,4	7,4
Earned/other equity	5,9	1,6
<b>Equity</b>	<b>13,2</b>	<b>9,0</b>
Defferred tax	0,0	0,0
Provision for commitments	0,0	0,0
Long-term liabilities	0,0	0,0
Current interest-bearing liabilities	5,9	5,4
Current interest-free liabilities	9,1	3,7
<b>Total liabilities and commitments</b>	<b>15,0</b>	<b>9,1</b>
<b>Total equity and liabilities</b>	<b>28,2</b>	<b>18,1</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	19	14
EBITDA	5	2
EBIT	4	2
Equity ratio	47 %	50 %
Return on equity	32 %	18 %
Return on capital employed	23 %	12 %

	2004	2003
<b>Other key figures</b>		
Number of publications with data from NSD	29	45

	2004	2003
<b>Contribution from State</b>		
Contributions from UFD and other ministries	5,2	6,7
Contribution from NFR	14,3	11,0
<b>Total Contribution</b>	<b>19,5</b>	<b>17,7</b>

	2004	2003
<b>Other information</b>		
Number of employees	48	48
State's shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	33 %	33 %

# NORSK SAMFUNNSVITENSKAPELIG DATATJENESTE AS

Norsk Samfunnsvitenskapelig datatjeneste (NSD), Norwegian Social Science Data Services, was established in 1971, and up until 2002 was linked institutionally to the Research Council of Norway (NFR). With effect from 1 January 2003, NSD was organised as a limited company. Activities are organised on the basis of NSD's national responsibility for supervising key and important data services for Norwegian research. NSD works to ensure access to data for researchers and students by collecting, preparing, archiving, maintaining and distributing data to research environments.

The number of users of NSD's services has increased greatly, with the majority being linked to social science research. To an increasing extent, the company also serves other disciplines, especially medicine and health. NSD owns 50 per cent of NESSTAR Ltd in the UK. The other owner is Wivenhoe Technolandies with in turn is owned by the University of Essex. The NESSTAR (Networked Social Science Tools and Resources) system facilitates the localisation of data, data analysis and the downloading of datasets over the Internet.

#### Key events

The future organisation of NESSTAR was evaluated in 2004. In this connection, NSD is in dialogue with the company's other shareholder, the University of Essex.

#### Financial trends in 2004

In 2004, NSD AS made a profit of NOK 4.2 million, against NOK 1.6 million in 2003. The company has solid liquidity and an equity ratio of 46.9 per cent. The Research Council of Norway funds 26 per cent of activities and 47 per cent

of the total subsidy when project support is included. Own sales revenues account for 20 per cent of funding, while the Ministries, the EU and other private and public commissions fund the remainder. In 2004, there was an increase in the number of clients of NSD's services in general. The largest increase relates to clients at educational and research institutions.

#### Objective and role

The primary objective is to improve the potential and working conditions for empirical research that depends on access to data. NSD is one of the world's largest archives of research data and provides data to researchers and students in Norway and abroad. NSD is also a competence centre which provides instruction to researchers in relation to data collection, data analysis, methodologies, protection of privacy and research ethics.

# NORSK TIPPING AS

Norsk Tipping was created in 1946 and since 1993 has been a wholly owned State company (special law company). Norsk Tipping's core activity is to hold and organise cash games in socially acceptable formats under public control. The company has a monopoly on the provision of sporting games and certain lottery games in Norway.

The national cash gaming policy is under continual great pressure from private actors seeking to offer their cash games in Norway. In 2004, the company's market share continued to fall after yet another year of growth in the market for gaming machines and international Internet gambling. In 2004, the company's market share was around 23 per cent.

## Key events

In 2003, the Storting resolved that Norsk Tipping should be granted an exclusive right to install and operate cash gaming machines. The aim is thereby to bring gaming machine propositions into line with responsible social policy criteria and to strengthen regulation of the gaming machine market. The gaming machine sector has brought an action against the State with a contention that the Storting's resolution is in contravention of the EEA agreement. So far, the Oslo City Magistrate's Court has upheld the gaming machine sector's contention, but the State has appealed the judgement. Norsk Tipping's gaming machine activities are therefore in abeyance pending a clarification from the Borgarting Court of Appeal.

Turnover for Norsk Tipping's gaming activities has stagnated somewhat over the last year. The fall is due largely to the authorities' leg-

islative restrictions aimed at avoiding excessive gambling by individuals.

## Financial trends

In 2004, operating revenues were NOK 9,763 million, 1.3 per cent lower than in 2003. Profit after tax was NOK 2,748 million, a fall of 10.5 per cent compared with 2003. The fall is due especially to write-downs and provisions relating to the deferral of the cash gaming machine monopoly. Norsk Tipping's ordinary activities, excluding the gaming machine division, were, in operational terms, better in 2004 than in 2003, even with the fall in operating revenues. The main reason for this is cost reductions resulting from a keener focus on cost-efficient operations. Of Norsk Tipping's NOK 2.75 billion profit, NOK 137 million are earmarked for the investment fund, NOK 199 million for Helse and Rehabilitering (the health and rehabilitation foundation) (the proceeds from the Extra game) and NOK 2.4 billion for sport and culture.

## Objective and role

The State's ownership of Norsk Tipping is founded in the company channelling the Norwegian nation's desire to gamble into a moderate and responsible offer that does not give rise to social problems. Within the frameworks set out by the authorities, the company will offer responsible gaming amusement with the aim of preventing negative consequences of cash gaming and generating a profit for socially beneficial purposes. The desire for the largest possible profit will however never be the State's most important objective. The authorities' aim is for Norsk Tipping to be an actor who contributes to developing the gaming market in a socio-politically responsible direction.

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**Managing Director**  
Reidar Nordby jr.

**Chairman**  
Sigmund Thue

**Board members**  
Anni Onsanger, Torgeir Mjør-Grimsrud, Berit Fosshem, Kjersti Langseth \* and Marit Skaugen Holmberg \*

\* Employees' representatives

**Auditors**  
Riksrevisjonen

**State ownership**  
100% (The Ministry of Culture and Church Affairs)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	9 763	10 000
Operating costs	7 046	6 991
<b>Operating profit</b>	<b>2 717</b>	<b>3 009</b>
Net financial items	32	60
<b>Profit before tax and minority int.</b>	<b>2 748</b>	<b>3 069</b>
Tax	0	0
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>2 748</b>	<b>3 069</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	0	0
Fixed assets	497	176
Financial assets	42	52
<b>Total fixed assets</b>	<b>539</b>	<b>228</b>
Current assets	3 642	3 853
<b>Total assets</b>	<b>4 181</b>	<b>4 081</b>

Subscribed equity	0,15	0,15
Earned/other equity	1 054	902
<b>Equity</b>	<b>1 054</b>	<b>902</b>
Deferred tax	0	0
Provision for commitments	0	0
Long-term liabilities	214	151
Current interest-bearing liabilities	0	0
Current interest-free liabilities	2 913	3 028
<b>Total liabilities and commitments</b>	<b>3 115</b>	<b>3 179</b>
<b>Total equity and liabilities</b>	<b>4 181</b>	<b>4 081</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	2 733	3 259
Investment activities	-460	-107
Financing activities	-2 682	-2 976
<b>Change in assets</b>	<b>-409</b>	<b>176</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	1 268	1 053
Equity ratio	25 %	22 %
Total profit	2 748	3 069
Profit Health and rehabilitation	199	203
Profit Norsk Tipping AS	2 549	2 866
Provision for investment fund	137	166
Provision for preventing gaming problems	12	0
Profit allocated to sport and culture	2 400	2 700
<b>Total utilized</b>	<b>2 549</b>	<b>2 866</b>

	2004	2003
<b>Other information</b>		
Number of employees	349	305
State's shareholding at year-end	100 %	100 %
Proportion of women on board	67 %	67 %
Proportion of shareholder-elected women on board	67 %	67 %



#### Company contact details

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#### Managing Director

Kjell Pedersen

#### Chairman

Bente Rathe

#### Board members

Jørgen Lund, Ingelise Arntsen, Olav K. Christiansen, Jan M. Wennesland, Elen Carlson \* and John Magne Hvidsten \*

\* Employees' representatives

#### Auditors

Erga Revisjon AS

#### State ownership

100% (Ministry of Petroleum and Energy)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	163	163
Operating costs	167	168
<b>Operating profit</b>	<b>-4</b>	<b>-5</b>
Net financial items	1	2
<b>Profit before tax and minority int.</b>	<b>-3</b>	<b>-3</b>
Tax	0	0
Minority interests	0	0
<b>Profit after tax and minority int.</b>	<b>-3</b>	<b>-3</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	0	0
Fixed assets	17	16
Financial assets	0	0
<b>Total fixed assets</b>	<b>17</b>	<b>16</b>
Current assets	63	77
<b>Total assets</b>	<b>80</b>	<b>93</b>

Subscribed equity	10	10
Earned/other equity	5	8
<b>Equity</b>	<b>15</b>	<b>18</b>
Deffered tax	0	0
Provision for commitments	33	24
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	32	51
<b>Total liabilities and commitments</b>	<b>32</b>	<b>51</b>
<b>Total equity and liabilities</b>	<b>80</b>	<b>75</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	-9	16
Investment activities	-6	-15
Financing activities	0	0
<b>Change in assets</b>	<b>-15</b>	<b>1</b>

	2004	2003
<b>Dividend</b>		
Provision for dividend	0	0
State's share of dividend	0	0
Avg. dividend share last 5 years	0 %	

	2004	2003
<b>Contribution from State</b>		
Contribution from State	164	177
Used for salaries and social costs	75	73
Used for IKT	12	16
Used for general manager fee	4	1
Used for accounting services	17	21
Used for offices	10	12
Used for others	49	45
<b>Total usage of contribution</b>	<b>167</b>	<b>168</b>

	2004	2003
<b>Other information</b>		
Number of employees	59	55
State's shareholding at year-end	100 %	100 %
Proportion of women on board	43 %	43 %
Proportion of shareholder-elected women on board	40 %	40 %

## PETORO AS

The State limited company Petoro AS attends to the State's direct financial interest (SDFI) on behalf of the State. This activity is regulated by chapter 11 of the Act relating to Petroleum Activities.

The plan is to arrive at a relatively small, flexible organisation of 60 employees. The operating budget in 2004 was NOK 203 million.

Petoro is a licensee and not an owner of shares on the continental shelf. The company is not an operator. The company follows up the SDFI in partnerships in a similar way to other licensees. As a licensee for this considerable portfolio, Petoro has the possibility of serving as a driving force for value-creation measures with a particular focus on regional approaches and the coordination of fields to achieve optimal efficiency gains, cost reductions and increased recovery.

Statoil conducts the marketing of the State's petroleum jointly with its own. Petoro has a value-maintenance perspective, through, amongst other things, ensuring the highest possible revenues for the State through monitoring Statoil's marketing of the State's oil and gas. Petoro does not receive revenues from its management activities. All costs and revenues generated by the SDFI are channelled through the national budget. Revenues from Statoil's marketing goes direct from Statoil to the State's account.

The substantial assets being managed also dictate Petoro's focus on sound financial management, including maintaining the accounts, of the SDFI portfolio.

### Financial trends

Petoro is operated on the basis of State subsidies. Separate accounts are maintained for the operation of Petoro. There is a clear distinction between the financial aspects relating to SDFI and Petoro's operation.

### Objective and role

The primary objective of administration of the SDFI portfolio is to achieve the greatest possible income for the State. The objective of Petoro is to attend to the commercial aspects related to the state's direct involvement in petroleum activities on the NCS, and all activities related hereto.

### SDØE

The SDFI scheme was established with effect from 1985. SDFI is owned by the State. The scheme implies that the State participates as an investor in the petroleum activities on the Norwegian continental shelf. Per 31.12.2004 the State had a share in 93 production licenses and in 11 pipeline and onshore installation partnerships. The Storting pass each year the SDFI's budget and framework. In 2004, the net cash flow from SDFI was NOK 80.2 billion, which was an increase from NOK 67.5 billion in 2003. Total revenues in 2004 were NOK 120.9 billion. Costs during the same period were NOK 40.7 billion. The net cash flow from the SDFI is transferred to the Government Petroleumfund.

The present value of the portfolio per 31.12.2004 was NOK 630 billion. Compared to the beginning of 2004, the value was NOK 411 billion.

# POSTEN NORGE AS

Norway acquired its own postal service in 1647 and it has been state-owned since 1719. As of 1 January 2002, Norway Post has been organised as a state-owned limited company. The group currently comprises the parent company Posten Norge AS and Ergogroup AS, City Mail Sweden, Nor-Cargo Holding AS, BoxGroup AS, OCS AS/Wajens AS, Nettlast AS, Nettlast Hadland AS and PLN AB (50 per cent).

Norway Post operates postal and logistical activities and other activities related to these. Through its licence, the company has the obligation to operate socially oriented postal services and offer basic banking services throughout the postal network. This means that Norway Post is obliged to ensure the efficient provision of postal services at reasonable prices and of a high standard nationwide. Norway Post's revenues are financed chiefly through commercial activities. In order to ensure satisfactory postal services in all parts of the country, the State covers the company's additional costs relating to the provision of socially oriented postal services in unprofitable areas. State purchases of socially oriented unprofitable postal services amounted to around 2 per cent of the group's total turnover in 2004.

## Key events

In 2004, Norway Post acquired Nor-Cargo Holding AS. The acquisition was an important step in the company's initiative towards becoming a full-service supplier of logistics services in the Norwegian market. Norway Post signed an agreement with a supplier for the development of a new shop data solution for the company's 1,500 offices. This new solution will offer more efficient processing of customers. In the

spring of 2005, the Storting endorsed the Government's proposal to wind up as of 1 January 2007 Norway Post's monopoly on the handling of addressed letter post within a specific price and weight limit.

## Financial trends

The group's operating revenues in 2004 were NOK 17,959 million, an increase of some 15 per cent over 2003. Adjusted for the disposal and acquisitions of businesses, in 2004 operating revenues increased by 4.3 per cent. The group's profit before tax was NOK 1,078 million, an improvement of NOK 622 million over 2003. The return on equity after tax was 14.6 per cent, an improvement of 6.2 per cent over 2003. Norway Post is paying NOK 516 million in dividends to the State for the financial year 2004, against NOK 241 million in 2003.

## Objective and role

Every alternate year, the Ministry of Transport reports to the Storting on Norway Post's activities; see White Paper no. 11 (2003-2004). In the report, the Ministry briefs about important matters decided on or implemented and about the company's main challenges, strategies, and plans for the future. The ownership report provides the basis for ownership control in the coming years. In its ownership control of Norway Post, the Ministry of Transport is committed to the company providing the State with the greatest possible value-creation over time and fulfilling its socially oriented and regional obligations in a sound and cost-effective manner.



posten

## Company contact details

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## CEO

Kåre Frydenberg

## Chairman

Arvid Moss

## Board members

Liv Stette, Inger Marie Gulvik Holten, Terje Christoffersen, Gry Mølleskand, Asbjørn Birkeland, Odd Christian Øverland \*, Ingeborg Anne Sætre \*, Paul Magnus Gamlemshaug \* and Jacqueline Hopkinson \*

\* Employees' representatives

## Auditors

Ernst & Young AS

## State ownership

100% (The Ministry of Transport)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	17 959	15 559
Operating costs	16 588	15 105
<b>Operating profit</b>	<b>1 136</b>	<b>512</b>
Net financial items	-58	-56
<b>Profit before tax and minority int.</b>	<b>1 078</b>	<b>456</b>
Tax	375	182
Minority interests	4	28
<b>Profit after tax and minority int.</b>	<b>699</b>	<b>246</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	1 852	1 282
Fixed assets	3 436	3 516
Financial assets	2 530	2 423
<b>Total fixed assets</b>	<b>7 818</b>	<b>7 221</b>
Current assets	3 830	2 831
<b>Total assets</b>	<b>11 648</b>	<b>10 052</b>

Subscribed equity	4 680	4 680
Earned/other equity	175	78
Minority interests	24	18
<b>Equity</b>	<b>4 879</b>	<b>4 776</b>
Provision for commitments	681	263
Long-term liabilities	1 527	1 233
Current interest-bearing liabilities	252	134
Current interest-free liabilities	4 309	3 646
<b>Total liabilities and commitments</b>	<b>6 769</b>	<b>5 276</b>
<b>Total equity and liabilities</b>	<b>11 648</b>	<b>10 052</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	2 043	-915
Investment activities	-1 633	-70
Financing activities	133	819
<b>Change in assets</b>	<b>543</b>	<b>-166</b>

	2004	2003
<b>Public procurements</b>		
Unprofitable post services	316	305

	2004	2003
<b>Key indicators</b>		
Equity ratio	42 %	48 %
EBITDA	2 314	1 636
EBIT	1 251	632
Return on equity	14 %	6 %
Avg. return on equity last 5 years	1 %	
Return on capital employed	19 %	10 %
Manned stations	1 529	1 503
Delivery quality A-post	87,5	87,7
Customer satisfaction in the expedition network (points max 100)	80	74
Volume development A- and B-post	-7 %	-1 %

	2004	2003
<b>Values in and out of the company</b>		
Capital contribution from the State	0	600
Provision for dividend	516,4	241
Dividend share	73 %	88 %
State's share of dividend	516,4	241
Avg. dividend share last 5 years	45 %	

	2004	2003
<b>Other information</b>		
Number of employees	24 398	24 544
State's shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	40 %
Proportion of shareholder-elected women on board	50 %	50 %

**Company contact details**

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**Managing Director**

Professor Aslak Tveito

**Chairman**

Berit Svendsen

**Board members**

Cecilie Ohm, Kjell Bratbergsengen, Lars Holden,  
 Mette Vestli, Tore VorrenMagne Jørgensen \*, Amela  
 Karahasanovic \*, Ragni Piene and Tor Skeie \*

\* Employees' representatives

**Auditors**

Lundes revisjonskontor DA

**State ownership**

80% (The Ministry of Education and Research)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	58,3	55,5
Operating costs	60,7	56,5
Operating profit	-2,5	-0,9
Net financial items	0,1	0,8
Profit before tax	-2,4	-0,2
Tax	0,0	0,0
<b>Profit after tax</b>	<b>-2,4</b>	<b>-0,2</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	0,0	0,0
Fixed assets	5,4	5,8
Financial assets	1,4	0,0
Total fixed assets	6,7	5,8
Current assets	7,9	10,4
<b>Total assets</b>	<b>14,6</b>	<b>16,2</b>
Subscribed equity	1,5	1,5
Earned/other equity	2,3	4,7
Equity	3,8	6,2
Deffered tax	0,0	0,0
Provision for commitments	0,0	0,0
Long-term liabilities	0,0	0,0
Current interest-bearing liabilities	0,1	0,0
Current interest-free liabilities	10,6	10,1
<b>Total liabilities and commitments</b>	<b>10,8</b>	<b>10,1</b>
<b>Total equity and liabilities</b>	<b>14,6</b>	<b>16,2</b>
<b>Key indicators</b>	<b>2004</b>	<b>2003</b>
Capital employed	3,9	6,2
EBITDA	0,1	1,0
EBIT	-2,3	-0,2
Driftsmargin	-63 %	-15 %
Equity ratio	26 %	38 %
Return on equity	-62 %	-3 %
Avg. return on equity last 5 years	-32 %	
Return on capital employed	-57 %	-3 %
<b>Other key figures</b>	<b>2004</b>	<b>2003</b>
Publication		
Books and doctoral thesis	5	4
Articles in journals with referee	26	17
Proceedings with referee and chapters in books	38	47
Number of post-graduate fellowships	23	23
Number of post doc.	10	8
<b>Contribution from State</b>	<b>2004</b>	<b>2003</b>
Contribution to research	49,0	48,5
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees	58	48
State's shareholding at year-end	80 %	80 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	40 %	40 %

# SIMULA RESEARCH LABORATORY AS

Simula Research Laboratory is a charitable, non-profit enterprise. Its aim is to conduct basic, long-term research in specific areas of software and communications Technology domains and hence to contribute to innovation in business and industry.

## Key events

Simula was evaluated in 2004, with the evaluation report being published in November 2004. This gave a positive report on Simula's scientific quality, its efficient operation and its visibility to the media and society, confirming that the centre is a research unit with a growing international reputation.

On 4 May 2004, Simula set up a wholly owned subsidiary, Simula Innovation AS (SI), the purpose of which is to supply commercial services and produce innovations based on the Simula centre's research activities. The company will also decide on acquisitions and the administration of shares in companies, and manage the Simula centre's other commercial interests. As of 31 March 2005, SI had participated in setting up two new businesses.

In 2004, SI carried out a pilot project that led to a major research project in partnership with Norsk Hydro ASA. The project aims to develop new technologies and methods for oil exploration based on simulation expertise developed in Simula's Scientific Computing division. The project involves Hydro funding a number of PhD and post-doctoral students over a five-year period. The final contract for the project is due to be signed during May 2005.

## Financial trends

In 2004, Simula received subsidies of NOK 57 million for its activities. Of this amount, NOK 49 million came from the base grant from the Research Council of Norway (NFR) and some NOK 7 million from project support from NFR and the EU. In 2004, the company incurred a loss of NOK 2.355 million, against a loss in 2003 of NOK 160,000. At 31 December 2004, the company had equity of NOK 3.809 million, corresponding to an equity ratio of 26 per cent.

## Objective and role

Simula was established by a Storting resolution as part of the Fornebu IT centre of excellence initiative. Simula AS was established on 11 June 2002. One of the company's main aims, in addition to long-term fundamental research, is the training and coaching of students on post-graduate, non-university programmes, PhD and post-doctoral scholars in cooperation with Norwegian universities.

# SIVA SF

SIVA SF, the Industrial Development Corporation of Norway, operates within business areas as real estate and innovation. The company is an active driving force and facilitator for innovation and value-creation environments nationwide.

As part of its real estate activities, SIVA has invested in approx. 440,000 m<sup>2</sup> of floorage, spread over more than 90 buildings/properties. Innovation activities include competence initiatives, investment activity and network building. The company is engaged in business parks, science parks, research parks, incubators, industrial parks and network projects nationwide.

## Key events

In March 2004, SIVA's 50 per cent shareholding in Argentum Fondsinvesteringer AS was returned to the Ministry of Trade and Industry, subsequent to a Storting resolution.

On 18 June 2004, the Ministry of Trade and Industry published White Paper no. 46 (2003-2004) on SIVA's future activities. The White Paper was debated in the Storting on 23 November 2004 and it was resolved that the company's future role would be to offer coordinating ownership and networks for innovation. The White Paper proposed to furnish SIVA with equity of NOK 150 million over a number of years to pay off its debts to the treasury. This was conditional on SIVA itself making a further repayment of NOK 100 million, all of which the company paid back in 2004. In March 2005, NOK 50 million of public debt was converted to invested capital. In December 2004, the Storting resolved to furnish SIVA SF with NOK 90 million through a debt conversion to invest-

ed capital since SIVA SF was facing a number of major development projects.

In December 2004, SIVA signed a comprehensive partnership agreement with the state-owned Innovation Norway and the Research Council of Norway. This will be implemented in 2005.

## Financial trends

SIVA shall balance financially. In recent years, they have produced significant losses. During the year, the Board implemented measures to improve the financial outlook. This included staff cutbacks of around 30 per cent and being restrictive on investments in innovation activities that do not produce the requisite return.

The financial year 2004 shows a loss of NOK 217 million for the group. NOK 100 million of this is due to extraordinary depreciations relating to the transfer of properties from the parent company to SIVA Eiendom Holding AS. NOK 73 million is ascribed to the reversal of previous tax benefit provisions, and NOK 30 million derives from SIVA's shareholding in IT Fornebu AS. The loss from ordinary activities is hence NOK 13 million. In comparison, the loss from ordinary activities in 2003 was NOK 38.4 million (excluding a positive effect of NOK 42 million from the holding in Argentum Fondsinvesteringer AS).

## Objectives and role

The Storting has determined that SIVA will remain a State company and that its areas of activities will be real estate and innovation.



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**Managing Director**  
 Harald Kjelstad

**Chairman**  
 Siri Beate Hatlen

**Board members**  
 Kirsten Inger Huser Leschbrandt, Bertil Tiusanen, Per N. Hagen, Tor Læg Reid, Hilde Rolandsen and Sidsel H. Meyer

**Auditors**  
 Noraudit DA

**State ownership**  
 100% (The Ministry of Trade and Industry)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Contribution	59	75
Other revenues	199	178
Total operating revenues	258	252
Operating costs	286	199
<b>Operating profit</b>	<b>(28)</b>	<b>53</b>
Net financial items	(177)	(89)
<b>Profit before tax and minority int.</b>	<b>(205)</b>	<b>(36)</b>
Tax	(10)	11
Minority interests	2	1
<b>Profit after tax and minority int.</b>	<b>(217)</b>	<b>(26)</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	43	50
Fixed assets	1 192	1 443
Financial assets	704	1 938
<b>Total fixed assets</b>	<b>1 939</b>	<b>3 430</b>
Current assets	284	226
<b>Total assets</b>	<b>2 222</b>	<b>3 657</b>

Subscribed equity	617	527
Earned/other equity	(173)	31
Minority interests	48	46
<b>Equity</b>	<b>492</b>	<b>604</b>
Deferred tax	0	0
Provision for commitments	21	24
Long-term liabilities	792	798
Current interest-bearing liabilities	14	1
Current interest-free liabilities	63	12
<b>Total liabilities and commitments</b>	<b>890</b>	<b>2 113</b>
<b>Total equity and liabilities</b>	<b>2 222</b>	<b>3 657</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	9	3
Investment activities	62	(226)
Financing activities	(16)	190
<b>Change in assets</b>	<b>55</b>	<b>(32)</b>

	2004	2003
<b>Key indicators</b>		
Equity ratio	22 %	17 %
Return on equity	-49 %	-5 %
Avg. return on equity last 5 years	-11 %	
Return on capital employed	-7 %	6 %

	2004	2003
<b>Other key figures</b>		
State loan limit	850 000	940 000
State loans	840 000	940 000
Interests on state loans	52 644	52 933

	2004	2003
<b>Values in and out of the company</b>		
Capital contribution from the State	90	3,3
Depreciation of the States capital (Argentum)	0	1 375
Provision for dividend	0	0
Avg. dividend share last 5 years	0 %	

	2004	2003
<b>Other information</b>		
Number of employees	40	45
State's shareholding at year-end	100 %	100 %
Proportion of women on board	57 %	43 %
Proportion of shareholder-elected women on board	57 %	43 %

#### Company contact details

Address: P.O. Box 5192 Majorstuen, N-0302 Oslo  
 Telephone: +47 22 52 70 00  
 Internet: www.statnett.no

#### Managing Director

Odd Håkon Hoelsæter

#### Chairman

Grete Faremo

#### Board members

Kjell Olav Kristiansen, Grethe Høiland, Thor Håkstad,  
 Liv Monica Bargem Stubholt, Sverre Aam, Kirsten  
 Faugstad \*, Steinar Jøråndstad\* and Ole Bjørn  
 Kirstihagen \*

\* Employees' representatives

#### Auditors

Ernst & Young AS

#### State ownership

100% (Ministry of Petroleum and Energy)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	5 215	5 885
Operating costs	4 421	4 879
<b>Operating profit</b>	<b>794</b>	<b>1 006</b>
Net financial items	225	243
<b>Profit before tax</b>	<b>569</b>	<b>777</b>
Tax	158	201
<b>Profit after tax</b>	<b>411</b>	<b>576</b>

	2004		2003	
<b>Balance sheet</b>				
Intangible fixed assets	127	159		
Fixed assets	10 190	9 893		
Financial assets	157	153		
<b>Total fixed assets</b>	<b>10 474</b>	<b>10 205</b>		
Current assets	1 567	1 478		
<b>Total assets</b>	<b>12 041</b>	<b>11 683</b>		

Subscribed equity	2 700	2 700		
Earned/other equity	1 885	1 844		
<b>Equity</b>	<b>4 585</b>	<b>4 544</b>		
Provision for commitments	109	117		
Long-term liabilities	4 983	5 120		
Current interest-bearing liabilities	1 179	513		
Current interest-free liabilities	1 185	1 389		
<b>Total liabilities and commitments</b>	<b>7 456</b>	<b>7 139</b>		
<b>Total equity and liabilities</b>	<b>12 041</b>	<b>11 683</b>		

	2004		2003	
<b>Cash flow</b>				
Operational activities	1 019	1 429		
Investment activities	-936	-694		
Financing activities	13	-991		
Change in assets	96	-256		

	2004		2003	
<b>Key indicators</b>				
Capital employed	10 747	10 177		
EBITDA	1 503	1 773		
EBIT	857	1 102		
Equity ratio	38 %	39 %		
Return on equity	9 %	13 %		
Avg. return on equity last 5 years	10 %			
Return on capital employed	8 %	11 %		

	2004		2003	
<b>Dividend</b>				
Provision for dividend	370	518		
Dividend share	90 %	90 %		
State's share of dividend	370	518		
Avg. dividend share last 5 years	81 %			

	2004		2003	
<b>Other information</b>				
Number of employees	636	590		
State's shareholding at year-end	100 %	100 %		
Proportion of women on board	44 %	44 %		
Proportion of shareholder-elected women on board	50 %	67 %		

## STATNETT SF

Statnett SF was established on 1.1.1992, with the remit of being the network company with systems responsibility for the Norwegian power system. The company has the duty to ensure that there is at all times a balance between production and consumption of electrical power in Norway. Statnett also contributes to ensuring that the central power transmission network is constructed in a rational manner in accordance with socio-economic criteria. Statnett currently owns around 85 per cent of the central network in Norway, as well as the international connections. Statnett owns 50 per cent of the Nordic power exchange Nord Pool ASA. Statnett is a monopoly business regulated by the energy authorities. This means that Norway's water and energy directorate sets a permitted annual revenue for the company.

The Ministry of Petroleum and Energy's formal control of Statnett is exercised through the corporate assembly. The corporate assembly establishes the articles of association, elects the board and nominates a user council. The user council is intended to ensure users have a genuine insight into the company's activities and to supplement the authorities' monopoly control.

#### Key events

In December 2004, the Ministry of Petroleum and Energy awarded Statnett a licence for power exchange between Norway and The Netherlands. Statnett and the Dutch TenneT systems operator have decided to construct a cable between the two countries.

After a number of years of low investment levels, where focus has been on optimal utilisation

of the existing network, Statnett now faces a period where there will be a need for considerable investment in increased transmission capacity in the central network. Accordingly, in January 2005, Statnett applied to the Ministry of Petroleum and Energy for an extension to its equity of NOK 2,5 billion.

In response to the Storting's debate of White Paper no. 18 (2003-2004) On electric reliability, etc., Statnett was assigned extended responsibility for the reliability of electricity supply in Norway, and will evaluate measures for dealing with severely strained power scenarios.

#### Financial trends

In 2004, the Statnett group returned a profit after tax of NOK 411 million, against NOK 576 million in the previous year. The fall in profit from 2003 is as expected and is due, amongst other things, to a reduced revenue framework and increased costs for systems services and depreciations. In 2004, Statnett's return on equity was 9 per cent. For 2004, the Storting has decided to extract a dividend of 90 per cent from Statnett, corresponding to NOK 370 million. Statnett's equity ratio will then be approximately 37 per cent.

#### Objective and role

In order to achieve an efficient power market, it is important that the systems responsibility is exercised efficiently. Statnett is a neutral actor in the market. This is crucial since Statnett's decisions can have major financial consequences for many actors. It is also crucial for the efficiency of the power market.



# STATSSKOG SF

Statskog SF was created in 1993 to operate and develop the State's properties and natural resources. On its foundation Statskog was transferred the register of deeds' titles to the areas that were previously managed by the Directorate for State Forests and thereby became the country's largest landowner. The properties cover 1/3 of Norway's surface area. Statskog's vision is to promote the sustainable operation and development of national forest and mountain properties and to be a competitive service provider on the basis of its core competences. The strategy operates with a well-defined objective for the company's social and environmental responsibilities.

Activities include shooting, fishing and other outdoor leisure pursuits, forestry and other operations, the development of properties, safeguarding the State's ownership and rights, and local business development. Beyond these commercial activities, Statskog performs a range of administrative tasks under an agreement with the Ministry of Agriculture and Food.

## Key events

The report "Et fremtidig Statskog" (Tomorrow's Statskog) was presented at the corporate assembly in 2004. The report sets out the need for a greater emphasis on Statskog as an instrument for achieving national objectives in respect of the general public interest and local business development.

In 2004, a cooperation agreement was signed between the Directorate for Nature Management and Statskog concerning the work of forest protection of Statskog's properties. In February 2005, a proposal was submitted for

consultation regarding the conservation of 500 square kilometres of Statskog's lands. If adopted, the proposal will mean a significant increase in forest conservation in Norway.

## Financial trends

Annual turnover in recent years has been in the order of NOK 220 million. Operating profit has been between NOK 8 million and NOK 28 million and the annual dividend to the owners between NOK 6 million and NOK 13 million. Operating revenues in 2004 were NOK 224 million, against NOK 204 million in 2003. Operating profit in 2004 was NOK 26.9 million, against NOK 21.5 million in 2003. The reason for the high level of operating profits in the last two years is increased sales in order to round off property and compensation from coniferous forest protection. After extraordinary provisions for the stabilisation of mines, profit after tax in 2004 was NOK 15 million, against NOK 28 million in 2003.

## Objective and role

In Statskog SF's articles of association dated 18.12.1992, the following objective for the company was adopted: "Statskog SF's object is per se, through participation or in partnership with others, to manage, operate and develop national forest and mountain properties and their associated resources and other naturally adjacent activities. The properties will be operated efficiently with the aim of achieving a satisfactory financial result. An active nature conservation policy will be implemented and account will be taken of outdoor leisure pursuits. Resources will be exploited in a balanced fashion and renewable resources will be safeguarded and developed."



## Company contact details selskapet

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## Managing Director

Asbjørn Mathisen

## Chairman

Kirsti Kolle Grøndahl

## Board members

Svein Alsaker, Trond Lande, Anne Kathrine Slungård, Helene Falch Fladmark, Knut Røst \*, Olaf Landsverk \* and Bjørn Hugo Kristoffersen \*

\* Employees' representatives

## Auditors

Ernst & Young AS

## State ownership

100% (Ministry of Agriculture and Food)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	224	204
Operating costs	199	184
Operating profit	26	20
Net financial items	9	12
<b>Profit before tax and minority int.</b>	<b>35</b>	<b>32</b>
Tax	3	4
Extraordinary costs - Provisions for securing mines	15	
<b>Profit after tax and ex.ord. costs</b>	<b>16</b>	<b>28</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	12	13
Fixed assets	88	89
Financial assets	23	20
<b>Total fixed assets</b>	<b>123</b>	<b>122</b>
Current assets	182	171
<b>Total assets</b>	<b>305</b>	<b>294</b>

Subscribed equity	111	111
Earned/other equity	131	121
<b>Equity</b>	<b>242</b>	<b>232</b>
Long-term liabilities	5	6
Current interest-bearing liabilities	0	0
Current interest-free liabilities	59	56
<b>Total liabilities and commitments</b>	<b>64</b>	<b>62</b>
<b>Total equity and liabilities</b>	<b>305</b>	<b>294</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	22	18
Investment activities	-1	1
Financing activities	-10	-14
<b>Change in assets</b>	<b>12</b>	<b>6</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	247	238
EBITDA	39	39
EBIT	35	35
Equity ratio	79 %	79 %
Return on equity	7 %	12 %
Avg. return on equity last 5 years	8 %	
Return on capital employed	14 %	15 %

	2004	2003
<b>Andre nøkkeltall</b>		
Revenue from outdoor leisure activities, hunting and fishing	13 %	13 %
Number of hunting and fishing permits sold	37 758	33 931
Contribution from State (NOK mill)	2,7	1,2

	2004	2003
<b>Dividend</b>		
Provision for dividend	n/a <sup>1)</sup>	9,5
Dividend share	n/a <sup>1)</sup>	34 %
Dividend share 2000 -2003	58 %	
State's share of dividend	n/a	9,5

	2004	2003
<b>Other information</b>		
Number of employees	187	190
State's shareholding at year-end	100 %	100 %
Proportion of women on board	38 %	38 %
Proportion of shareholder-elected women on board	38 %	38 %

1) Dividend set on general meeting the 21th of June



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**Managing Director**  
 Petter Kongshaug

**Chairman**  
 Bjørn Inge Henrichsen

**Board members**  
 Ole Arvid Brønmo, Siri Jansen, Benedicte Rustad,  
 Inger Østensjø and Stein Ottar Nygård \*

\* Employees' representatives

**Auditors**  
 Deloitte Statsautoriserte Revisorer AS

**State ownership**  
 100% (The Ministry of Education and Research)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	148,7	152,1
Operating costs	-130,9	-143,7
<b>Operating profit</b>	<b>13,2</b>	<b>6,3</b>
Net financial items	2,4	4,5
<b>Profit before tax</b>	<b>15,5</b>	<b>10,8</b>
Tax	0	0
<b>Profit after tax</b>	<b>15,5</b>	<b>10,8</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	63,0	23,6
Fixed assets	1,4	1,7
Financial assets	5,1	2,0
<b>Total fixed assets</b>	<b>69,5</b>	<b>27,3</b>
Current assets	134,9	154,0
<b>Total assets</b>	<b>204,4</b>	<b>181,3</b>
Subscribed equity	3,0	10,7
Earned/other equity	106,6	83,4
<b>Equity</b>	<b>109,6</b>	<b>94,1</b>
Deffered tax	0,0	0,0
Provision for commitments	32,1	33,2
Long-term liabilities	20,4	0,0
Current interest-bearing liabilities	0,0	0,0
Current interest-free liabilities	42,3	54,0
<b>Total liabilities and commitments</b>	<b>94,8</b>	<b>87,2</b>
<b>Total equity and liabilities</b>	<b>204,4</b>	<b>181,3</b>
<b>Cash flow</b>	<b>2004</b>	<b>2003</b>
Operational activities	11,6	1,8
Investment activities	-43,9	-0,2
Financing activities	15,2	0
<b>Change in assets</b>	<b>-17,1</b>	<b>1,6</b>
<b>Key indicators</b>	<b>2004</b>	<b>2003</b>
Capital employed	130	94
EBITDA	11	9
EBIT	16	11
Equity ratio	54 %	52 %
Return on equity	14 %	12 %
Avg. return on equity last 5 years	17 %	
Return on capital employed	12 %	12 %
<b>Other key figures</b>	<b>2004</b>	<b>2003</b>
Number of associated Institutions	203	220
<b>Contribution from the State</b>	<b>2004</b>	<b>2003</b>
Contribution from UFD	47,1	43,6
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees	58	49
State's shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	50 %	50 %

# UNINETT AS

UNINETT AS was established in 1993. The company develops and operates the research network in Norway under contract to the Ministry of Education and Research. UNINETT supplies advanced networks and services to Norway's academic environments. The company also supplies separate experimental network environments for research into the applications of networks and network services. In conjunction with the Norwegian University of Science and Technology (NTNU), UNINETT operates a centre for future-oriented research in quantifiable quality of service. UNINETT stands out as an internationally oriented non-commercial actor, with a well-developed, documented ability to meet orders and an emphasis on a high degree of competence. The company's primary target group consists of research and higher education institutions. At year-end 2004, there were 203 institutions connected to the research network. UNINETT AS owns all the shares in the UNINETT ABC AS, UNINETT FAS AS, UNINETT Norid AS and UNINETT Sigma AS subsidiaries, as well as 22.4 per cent of the shares in the Danish NORDUnet AS company, which is a joint Nordic network organisation.

## Key events

UNINETT AS has followed up on its comprehensive connection agreement with Bane Tele AS with a series of upgrades including the first 2.5 gigabit connection to Tromsø and 1 gigabit links to a number of colleges. The UNINETT Sigma AS subsidiary was established in 2004 and is responsible for the operation and development of Norwegian supercomputing.

## Financial trends

In 2004, UNINETT made a profit of NOK 15.5

million, against NOK 10.8 million in 2003. This positive result is due primarily to revenues from UNINETT Norid AS as a result of the right to register all legal Norwegian characters in domain names under the .no domain. The UNINETT AS parent company and the group had sound liquidity and equity ratios of, respectively, 37.4 per cent and 53.6 per cent.

## Objective and role

UNINETT AS's aims include the development of an advanced nationwide electronic service network for data exchange between individual users and groups of users in Norwegian research and education, to offer them cost-efficient communications services on a par with the best available in the international academic environment. The company will stimulate research and development activity, act in cohort with institutions in the universities and colleges sector, be future-oriented and work for the long-term.

# VINMONOPOLET AS

Through its monopoly on retail sales of full-strength beers, wine and spirits, AS Vinmonopolet is an important alcohol policy instrument. Through controlled forms of trade, the company will contribute to limiting alcohol consumption and thereby the harm to individuals and society excessive alcohol consumption can entail.

Vinmonopolet is not an ordinary limited company as understood by the Public Limited Companies Act, but is regulated through Act no. 18 of 10 June 1931 on the Vinmonopolet Limited Company, which, in conjunction with Act no. 27 of 2 June 1989 on the trade in alcoholic drinks, extensively lays down the company's framework conditions. In order to meet the requirements regarding equitable treatment in the EEA agreement, there are provisions for the company's purchasing activities and an independent board has been set up to examine the company's purchasing decisions, etc.

## Key events

At the end of 2004, Vinmonopolet had 195 outlets throughout Norway. Of these, 142 were self-service shops. The aim is to convert most of the over-the-counter outlets before the end of 2006. In 2004 Vinmonopolet opened seven new self-service shops. Following a trial scheme, Vinmonopolet has decided to create a new category of shops with a limited offering, in addition to the current basic, main and full assortment outlets. The aim of the new category of outlets is better accessibility in the regions; see the Storting's request to the Government no. 314 (2001-2002).

Emphasis has also been given to reducing the

shipping time for orders via Vinmonopolet's online shop, which has the special aim of serving customers in outlying areas that are remote from the nearest Vinmonopolet outlet. Through conversion to self-service, good siting of outlets and custom operating concepts Vinmonopolet's position and role as a key instrument in Norwegian alcohol policy will be maintained.

## Financial trends

In 2004, Vinmonopolet's turnover (excl. VAT) was NOK 8.2 billion, of which NOK 4.6 billion was excise. This represents an increase in turnover over 2003 of NOK 550.2 million. Profit before payment of the Vinmonopolet tax was NOK 115.4 million, which is NOK 13.8 million higher than in 2003. This rise in profit is due primarily to new shops and productivity improvements.

The Vinmonopolet tax, paid to the State in lieu of ordinary tax, is calculated at NOK 27.6 million for 2004. The Storting has decided that, in 2004, 60 per cent of the profit after the Vinmonopolet tax deduction will go to the State. This amounts to NOK 52.7 million. Annual profit after payment of the Vinmonopolet tax came to NOK 88 million.

## Objective and role

AS Vinmonopolet is one of the most important instruments in Norwegian alcohol policy. The Ministry of Labour and Social Affairs attaches great importance to managing the company in accordance with the important sectoral policy objectives, but also with a focus on the requirements for profitability and efficiency.



VINMONOPOLET

## Company contact details

Address: P.O. Box 1944, Vika, N-0125 Oslo  
Telephone: 04560  
Internet: www.vinmonopolet.no

**Managing Director**  
Knut Grøholt

**Chairman**  
Harald Arnkvaern

## Board members

Elsbeth Tronstad, Lise Christoffersen, Arnfinn Holten, Jan Blomseth, Ingvild Strømsheim Wold, Elianne Ingebrigtsen \*, Helge Storvik \* and Juul Lyseggen \*

\* Employees' representatives

## Auditors

Ernst & Young AS

## State ownership

100% (The Ministry of Labour and Social Affairs)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	8 275	7 725
of which alcohol fee	4 636	4 308
Operating costs	8 177	7 657
Operating profit	99	68
Net financial items	17	33
<b>Profit before vinmonopol fee</b>	<b>115</b>	<b>102</b>
Vinmonopol fee	28	26
<b>Profit after vinmonopol fee</b>	<b>88</b>	<b>76</b>

	2 004	2 003
<b>Balance sheet</b>		
Intangible fixed assets	10	9
Fixed assets	313	330
Financial assets	6	6
<b>Total fixed assets</b>	<b>329</b>	<b>346</b>
Current assets	1 521	1 247
<b>Total assets</b>	<b>1 850</b>	<b>1 593</b>

Subscribed equity	0,1	0,1
Earned/other equity	578	543
<b>Equity</b>	<b>578</b>	<b>543</b>
Deferred tax	0	0
Provision for commitments	45	52
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 226	998
Total liabilities and commitments	1 271	1 050
<b>Total equity and liabilities</b>	<b>1 850</b>	<b>1 593</b>

	2 004	2 003
<b>Cash flow</b>		
Operational activities	267	52
Investment activities	-67	-62
Financing activities	1	0
<b>Change in assets</b>	<b>200</b>	<b>-9</b>

	2004	2003
<b>Key indicators</b>		
Capital employed	578	543
EBITDA	207	183
EBIT	117	104
Equity ratio	31 %	34 %
Return on equity	15 %	14 %
Avg. return on equity last 5 years	17 %	
Return on capital employed	20 %	19 %

	2004	2003
<b>Values in and out of the company</b>		
State's share of profit and dividend	52,7	30,4
Avg. profitshare and dividend last 5 years	40,0	

	2004	2003
<b>Other information</b>		
Number of employees	1 702	1 699
State's shareholding at year-end	100 %	100 %
Proportion of women on board	44 %	44 %
Proportion of shareholder-elected women on board	50 %	50 %

# HEALTH CARE ENTERPRISES

# HELSE MIDT-NORGE RHF

Helse Midt-Norge RHF was established as a regional health care business in the autumn of 2001, as part of the hospital reform. The business's vision translates as "teaming up with you for your health". Since foundation, the strategy has been to shorten the waiting lists and reduce waiting times, get control over corridor beds in Mid-Norway hospitals and bring the finances under control. To date, Helse Midt-Norge RHF has recorded that this strategy has been satisfactory.

The Helse Midt Norge health care enterprise covers Møre and Romsdal, Sør-Trøndelag and Nord-Trøndelag. Helse Midt-Norge comprises six health care businesses owned by Helse Midt-Norge RHF.

The hospitals reform which established the regional health care businesses set the objective of greater focus on proactive ownership, management, finances, structure and culture. Helse Midt-Norge RHF is working actively in all these dimensions and focusing keenly on their interaction.

## Key events

Helse Midt-Norge RHF has made important decisions concerning strategic options in the financial year 2004. These include a plan for cancer surgery and a plan for a quality strategy. A new cancer department in Ålesund and a ward for eating disorders in Levanger have also been opened. Added to these are the establishment of a paedopsychiatric unit in Levanger and district psychiatric centres in Trondheim and Orkdal.

Through the corporate assembly, the owner has

pointed to a special focus on internal control and the relationship between the regional health care business's two roles – ownership and care.

## Financial trends

Operating revenues derive in essence from the owner, the Ministry of Health and Care Services. These revenues increased by approximately NOK 900 million over 2003. At the same time, operating costs, less depreciation, have increased by some NOK 850 million. Labour costs rose by NOK 319 million.

It has been necessary to increase loans from the Ministry to finance investments from NOK 1.1 billion in 2003 to NOK 2.2 billion in 2004. It has also proved necessary to take out operating credit of NOK 144 million.

## Objective and role

The State has overall responsibility for the population being provided with the requisite specialist health services in accordance with the objectives laid down in Article 1 (1) of the Specialist Health Services Act and Article 1(1) of the Patients' Rights Act. This will be fulfilled by the creation of regional health care enterprises, which following the owner's guidelines, are to plan and organise the specialist health service and organise research and training (see Article 1 of the Health Care Businesses Act).

In 2004, the Ministry of Health and Care Services exercised its proprietary control of the regional health care businesses through the corporate assembly (AGM) and through terms governing appropriations laid down in regional steering documents on policy and performance requirements.

## Company contact details

Visiting address: Strandveien 1, 7500 Stjørdal  
Address: P.O. Box 464, N-7501 Stjørdal  
Telephone: +47 74 83 99 00  
Internet: www.helse-midt.no

## Managing Director

Paul Hellandsvik

## Chairman

Per Sævik

## Board members

Egil Hestnes, Anne-Brit Skjetne, Rigmor Austgulen, Marianne Bjerke, Anders Grimsmo Ellen Marie Wøhni \*, Helge Haarstad \* and Ingegerd S. Sandberg \*

\* Employees' representatives

## Auditors

KPMG AS

## State ownership

100% (Ministry of Health and Care Services)

	2004	2003
<b>Profit and loss account</b>		
Operating revenues	9 474	8 592
Operating costs	-10 121	-9 182
Operating profit	-647	-589
Net financial items	-1	35
<b>Profit</b>	<b>-649</b>	<b>-554</b>

<b>Adjustments</b>	150	93
<b>Adjusted Profit</b>	<b>-498</b>	<b>-461</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	96	89
Fixed assets	10 904	8 912
Financial assets	234	120
Total fixed assets	11 234	9 122
Goods	187	173
Accounts receivables	455	397
Cash and bank balances	239	976
<b>Total current assets</b>	<b>881</b>	<b>1 546</b>
<b>Total assets</b>	<b>12 114</b>	<b>10 667</b>

Subscribed equity	7 394	6 673
Earned/other equity	-2 021	-646
<b>Equity</b>	<b>5 373</b>	<b>6 026</b>
Provision for commitments	2 172	1 622
Long-term liabilities	2 293	1 142
Current liabilities	2 276	1 878
<b>Total liabilities and commitments</b>	<b>6 741</b>	<b>4 641</b>
<b>Total equity and liabilities</b>	<b>12 114</b>	<b>10 667</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	-82	-86
Investment activities	-1 530	-1 526
Financing activities	1 343	1 343
<b>Change in assets</b>	<b>-268</b>	<b>-268</b>

	2004	2003
<b>Other information</b>		
Number of employees in the enterprise	13 217	12 194
State's shareholding at year-end	100 %	100 %
Proportion of women on board	56 %	56 %
Proportion of shareholder-elected women on board	50 %	50 %

	2004	2003
<b>Key indicators</b>		
Number of inhabitants in Helse Midt-Norges area	640 000	640 000
Number of DRG points produced	148 289	141 743
Number of out-patients' consultations, somatic	610 984	605 553
Number of 24 h stay, psychic health care	162 707	157 664
Number of patients on waiting list	32 985	33 192
Number of average waiting days	84	109

#### Company contact details

Visiting address: Sjøgata 10, Bodø  
 Adresse: Helse Nord RHF, 8038 Bodø  
 Telephone: +47 75 51 29 00  
 Internet: www.helse-nord.no

#### Managing Director

Lars H. Vorland

#### Chairman

Olav Helge Førde

#### Board members

Lisbet Flågen, Stig Fossum, Johan Petter Barland-  
 haug, Nina Schmidt, Anders Eira, Odd Oskarsen \*,  
 Kari B. Sognes \* and Bente Christensen \*

\* Employees' representatives

#### Auditors

KPMG AS

#### State ownership

100% (Ministry of Health and Care Services)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	8 297	7 110
Operating costs	-8 690	-7 687
Operating profit	-393	-577
Net financial items	10	30
<b>Profit</b>	<b>-383</b>	<b>-547</b>
Adjustments	209	286
<b>Adjusted Profit</b>	<b>-174</b>	<b>-261</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	28	37
Fixed assets	8 395	8 478
Financial assets	561	386
Total fixed assets	8 984	8 900
Goods	123	121
Accounts receivables	226	171
Cash and bank balances	601	670
Total current assets	950	962
<b>Total assets</b>	<b>9 934</b>	<b>9 863</b>
Subscribed equity	8 346	8 357
Earned/other equity	-998	-756
<b>Equity</b>	<b>7 348</b>	<b>7 601</b>
Provision for commitments	598	620
Long-term liabilities	347	260
Current liabilities	1 641	1 382
<b>Total liabilities and commitments</b>	<b>2 586</b>	<b>2 262</b>
<b>Total equity and liabilities</b>	<b>9 934</b>	<b>9 863</b>
<b>Cash flow</b>	<b>2004</b>	<b>2003</b>
Operational activities	269	179
Investment activities	-555	-339
Financing activities	217	141
<b>Change in assets</b>	<b>-69</b>	<b>-19</b>
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees in the enterprise	9 946	9 884
State's shareholding at year-end	100 %	100 %
Proportion of women on board	44 %	56 %
Proportion of shareholder-elected women on board	33 %	50 %
<b>Key indicators</b>	<b>2004</b>	<b>2003</b>
Number of inhabitants in Helse Nord's area	462 000	462 000
Number of DRG points produced	109 619	109 427
Number of out-patients' consultations, somatic	396 300	401 200
Number of 24 h stay, psychic health care	145 498	137 221
Number of 24 h stay interdisciplinary treatment for intoxicant users	29 700	
Number of patients on waiting list	33 628	26 898
Number of average waiting days	100	122

# HELSE NORD RHF

Helse Nord RHF is responsible for providing the population of North Norway and Svalbard with sound and equitable health services. Helse Nord RHF is also responsible for research, education and training in the sector. Service provision is organised into six health care enterprises. These are Helse Finnmark HF, Universitetssykehuset Nord-Norge HF, Hålandalandssykehuset HF, Nordlandssykehuset HF, Helgelandssykehuset HF and Sykehusapotek Nord HF. Helse Nord RHF aims to be a regional institution with a distinctly North Norwegian profile. Our primary strategy is cooperation between the various levels and units.

#### Key events

Patient treatment was maintained at the same high level as in 2003. The waiting time for treatment in somatic health care has continued to fall and there is increased activity in mental health care, while demand has also increased strongly. A plan for targeting provisions for the chronically ill, and in geriatrics and rehabilitation was implemented in 2004. Efficiency was improved and the financial result was somewhat better than the board's target for the year. Comprehensive restructuring has been carried out/is in progress in all the health care enterprises. Considerable staff cutbacks (300 man-years of labour) were achieved in close cooperation with the unions. A new research strategy has been implemented, entailing a new drive in research. Cancer surgery has been reorganised to improve the quality of treatment.

#### Financial trends

Helse Nord's operating revenues derive in essence from the owner, the Ministry of Health

and Care Services. Operating revenues rose by around NOK 1.2 billion, while total operating costs rose by around NOK 1 billion over 2003. Labour costs rose by NOK 459 million (10.2 per cent). The growth in labour costs is largely explained by a change in employers' pay roll tax. The growth in the overall level of revenues and costs is related to taking over responsibility for ambulance services, alcohol and drug dependency care services, the Luftambulans ANS air ambulance service, a change in employers' pay roll tax and a greater commitment to psychiatry.

It has been necessary to take up a loan to finance investments. Loans from the Ministry for investment increased from NOK 259 million in 2003 to NOK 346 million in 2004.

#### Objective and role

The State has overall responsibility for the population being provided with the requisite specialist health services in accordance with the objectives laid down in Article 1 (1) of the Specialist Health Services Act and Article 1(1) of the Patients' Rights Act. This will be fulfilled by the creation of regional health care enterprises, which following the owner's guidelines, are to plan and organise the specialist health service and organise research and training (see Article 1 of the Health Care Businesses Act).

In 2004, the Ministry of Health and Care Services exercised its proprietary control of the regional health care businesses through the corporate assembly (AGM) and through terms governing appropriations laid down in regional steering documents on policy and performance requirements.

# HELSE SØR RHF

Helse Sør RHF is one of five regional health care enterprises responsible for specialist health services in Norway. It was established as a result of the State taking over responsibility for specialist health services from the county authorities on 1 January 2002.

The Helse Sør health care business group covers Vest-Agder, Aust-Agder, Telemark, Vestfold and Buskerud. In addition the group covers Rikshospitalet-Radiumhospitalet HF in Oslo. Helse Sør consists of eight health care enterprises owned by Helse Sør RHF.

## Key events

Activity in somatic health care continued to rise in 2004, but the increase was not as great as in the preceding year. In mental health care, the increase was greater, with a rise in 24-hr admissions of 5 per cent, while outpatients' consultations increased by 9 per cent. Waiting times for treatment were somewhat reduced.

Helse Sør took over responsibility for treatment provisions for alcohol and drug dependency from 1 January 2004.

The decision was made to amalgamate Rikshospitalet HF and Det norske Radiumhospital HF with effect from 1 January 2005.

Helse Sør has decided to set up joint services for transactionally intensive tasks in payrolls/finances/HR under the management of the wholly-owned organisation Sykehuspartner. At year-end 2004, the payrolls for five of the eight health care businesses were run by Sykehuspartner.

## Financial trends

Helse Sør RHF's operating revenues derive in essence from the owner, the Ministry of Health and Care Services. The provisional accounts for 2004 show an increase in operating revenues of NOK 1.1 billion compared with 2003. Operating costs excluding depreciation rose by approximately the same amount. The rise in labour and other staff costs over 2003 was NOK 579 million.

In 2004, as before, it has been necessary to take up a loan to finance investments. Loans from the Ministry for investment increased from NOK 516 million in 2003 to NOK 1.19 billion in 2004. At year-end 2004, Helse Sør had operating credit of NOK 562 million.

## Objective and role

The State has overall responsibility for the population being provided with the necessary specialist health services in accordance with the objectives laid down in Article 1 (1) of the Specialist Health Services Act and Article 1(1) of the Patients' Rights Act. This will be fulfilled by the creation of regional health care businesses which, following the owner's guidelines, are to plan and organise the specialist health service and organise research and training (see Article 1 of the Health Care Businesses Act).

In 2004, the Ministry of Health and Care Services exercised its proprietary control of the regional health care businesses through the corporate assembly (AGM) and through terms governing appropriations laid down in regional steering documents on policy and performance requirements.

## Company contact details

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Internet: www.helse-sor.no

**Managing Director**  
Bjørn Erikstein

**Chairman**  
Erling Valvik

**Board members**  
Hanne Harlem, Kristin Ørmen Johnsen, Ole Johan Bakke, Margaret Sandøy Ramberg, Knut Brautaset, Svein Øverland \*, Morten Falkenberg \* and Anne Larsen \*

\* Employees' representatives

**Auditors**  
PricewaterhouseCoopers AS

**State ownership**  
100% (Ministry of Health and Care Services)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	15 383	14 204
Operating costs	-16 800	-15 576
Operating profit	-1 417	-1 372
Net financial items	9	46
Profit	-1 408	-1 327
Adjustments	629	611
Adjusted Profit	-779	-716
<b>Balance sheet</b>	2004	2003
Intangible fixed assets	104	92
Fixed assets	18 058	18 335
Financial assets	395	211
Total fixed assets	18 557	18 638
Goods	150	138
Accounts receivables	870	657
Cash and bank balances	499	643
Total current assets	1 519	1 438
Total assets	20 076	20 076
Subscribed equity	16 877	17 176
Earned/other equity	-2 651	-1 583
Equity	14 226	15 593
Provision for commitments	624	750
Long-term liabilities	1 349	690
Current liabilities	3 877	3 043
Total liabilities and commitments	5 850	4 483
Total equity and liabilities	20 076	20 076
<b>Cash flow</b>	2004	2003
Operational activities	103	-64
Investment activities	-1 223	-1 097
Financing activities	976	257
Change in assets	-144	-904
<b>Other information</b>	2004	2003
Number of employees in the enterprise	20 397	19 812
State's shareholding at year-end	100 %	100 %
Proportion of women on board	33 %	33 %
Proportion of shareholder-elected women on board	50 %	50 %
<b>Key indicators</b>	2004	2003
Number of inhabitants in Helse Sørs area	890 000	890 000
Number of DRG points produced	219 422	218 292
Number of out-patients' consultations, somatic	845 731	858 024
Number of 24 h stay, psychic health care	252 569	216 624
Number of patients on waiting list	47 729	44 685
Number of average waiting days	87	89

#### Company contact details

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Address: P.O. Box 303 Forus, N-4066 Stavanger  
Telephone: +47 51 96 38 00  
Internet: www.helse-vest.no

#### Managing Director

Herlof Nilssen

#### Chairman

Mai Vik

#### Board members

Per Hanasand, Arne Norheim, Anni Felde, Gerd Kjellaug Berge, Jon Lekven, Ingunn Finne \*, Øyvind Watne \* and Aslaug Husa \*

\* Employees' representatives

#### Auditors

Ernst & Young AS

#### State ownership

100% (Ministry of Health and Care Services)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	12 147	11 051
Operating costs	13 027	11 964
Operating profit	-879	-912
Net financial items	-885	39
<b>Profit</b>	<b>-845</b>	<b>-873</b>

Adjustments	354	349
<b>Adjusted profit</b>	<b>-531</b>	<b>-524</b>

	2004	2003
<b>Balance sheet</b>		
Intangible fixed assets	76	71
Fixed assets	11 798	11 952
Financial assets	370	158
<b>Total fixed assets</b>	<b>12 243</b>	<b>12 182</b>
Goods	86	80
Accounts receivables	334	388
Cash and bank balances	298	526
<b>Total current assets</b>	<b>719</b>	<b>994</b>
<b>Total assets</b>	<b>12 963</b>	<b>13 176</b>

Subscribed equity	11 413	11 548
Earned/other equity	-2 134	-1 409
<b>Equity</b>	<b>9 279</b>	<b>10 139</b>
Provision for commitments	340	477
Long-term liabilities	512	462
Current liabilities	2 832	2 097
<b>Total liabilities and commitments</b>	<b>3 684</b>	<b>3 036</b>
<b>Total equity and liabilities</b>	<b>12 963</b>	<b>13 176</b>

	2004	2003
<b>Cash flow</b>		
Operational activities	134	-9
Investment activities	-827	-721
Financing activities	65	280
<b>Change in assets</b>	<b>-628</b>	<b>-450</b>

	2004	2003
<b>Other information</b>		
Number of employees in the enterprise	18 467	18 081
State's shareholding at year-end	100 %	100 %
Proportion of women on board	56 %	56 %
Proportion of shareholder-elected women on board	50 %	50 %

	2004	2003
<b>Key indicators</b>		
Number of inhabitants in Helse Vests area	940 000	940 000
Number of DRG points produced	185 657	181 935
Number of out-patients' consultations, somatic	635 154	584 798
Number of 24 h stay, psychic health care	319 319	339 571
Number of 24 h stay interdisciplinary treatment for intoxicant users	62 367	
Number of patients on waiting list	40 852	40 774
Number of average waiting days	89	128

# HELSE VEST RHF

On 1 January 2002, the specialist health services were transferred from the county authorities to the State, as represented by the regional health care services. Helse Vest RHF (regional health care enterprise) has the overall responsibility for specialist health services in Rogaland, Hordaland and Sogn and Fjordane. Helse Vest RHF owns five health care businesses; Helse Førde, Helse Bergen, Helse Fonna, Helse Stavanger and Apoteka Vest. The regional business also owns the limited company Helse Vest IKT AS.

The health care enterprises have around 21,000 employees. Specialist health services in the region comprise 45 hospitals and institutions and provide health services to 920,000 inhabitants. The gross budget for 2005 is approx. NOK 13 billion.

#### Key events

On 1 January 2004 Helse Vest RHF took over responsibility for specialist treatment for persons with alcohol and drug dependency problems from the county authorities. Later in the year, persons with dependency problems were accorded patient status and thereby the right to choose their place of treatment. Helse Vest established a public neighbourhood hospital in Florø. The neighbourhood hospital is the first of its kind and is a partnership project between the municipalities of Flora and Bremanger and Helse Førde. The IT departments in the region's health care businesses were consolidated into a single limited company, Helse Vest IKT AS. The ICT unit supplies ICT services to all the health care businesses in Helse Vest. Helse Vest RHF's board appointed a new board in the Helse Fonna HF subsidiary in March 2005.

#### Financial trends

Operating revenues derive in essence from the owner, the Ministry of Health and Care Services. Operating revenues rose by some NOK 1.1 billion over 2003. At the same time, operating costs excluding depreciations rose by NOK 1 billion. Labour costs increased by NOK 265 million.

It has been necessary to take up a loan to finance investments. Loans from the Ministry for investment increased from NOK 516 million in 2003 to NOK 675 million in 2004. It has also proved necessary to take out operating credit, and at year-end 2004 this amounted to NOK 383 million.

#### Objective and role

The State has overall responsibility for the population being provided with the requisite specialist health services in accordance with the objectives laid down in Article 1 (1) of the Specialist Health Services Act and Article 1(1) of the Patients' Rights Act. This will be fulfilled by the creation of regional health care businesses which, following the owner's guidelines, are to plan and organise the specialist health service and organise research and training (see Article 1 of the Health Care Businesses Act).

In 2004, the Ministry of Health and Care Services exercised its proprietary control of the regional health care businesses through the corporate assembly (AGM) and through terms governing appropriations laid down in regional steering documents on policy and performance requirements.



# HELSE ØST RHF

Helse Øst is the State health care enterprise that, as of 1.1.2002, was assigned responsibility for specialist health services in Oslo, Akershus, Oppland, Hedmark and Østfold. Helse Øst RHF is the largest health region with around 32,000 employees and a care service responsibility for around 1.6 million people, this being 1/3 of the country's population.

The business is organised as a parent company with seven underlying health care enterprise. In addition, Helse Øst RHF owns Sykehusapotekene ANS in conjunction with Helse Sør RHF. Helse Øst's primary tasks are patient treatment in somatic and mental health care, alcohol and drug dependency treatment, habilitation and rehabilitation, training of health personnel, patient transport, research and instruction of patients and relatives.

## Key events

In 2002, Helse Øst RHF prioritised a long-term health care business structure with the requisite control and reporting systems. In 2003, the regional health care business worked on the distribution of functions and tasks between the businesses, in order to place prioritisation, quality work and good corporate governance on the agenda in 2004 and 2005.

## Financial trends

For 2004, as for the previous year, Helse Øst can look back on a year in which its businesses maintained control of their finances, and the health care business group ended with a result in balance.

Helse Øst RHF has an annual budget of around NOK 23 billion. Operating revenues derive in

essence from the owner, the Ministry of Health and Care Services. The provisional accounting figures show that operating revenues increased by NOK 2.1 billion over 2003. At the same time, operating costs excluding depreciations rose by NOK 1.8 billion. Labour costs rose by around NOK 500 million.

It has been necessary to take up a loan to finance investments. Loans from the Ministry for investment increased from NOK 495 million in 2003 to NOK 1.18 billion in 2004. Helse Øst has no loans relating to operations.

## Objective and role

The State has overall responsibility for the population being provided with the necessary specialist health services in accordance with the objectives laid down in Article 1 (1) of the Specialist Health Services Act and Article 1 (1) of the Patients' Rights Act. This will be fulfilled by the creation of regional health care businesses which, following the owner's guidelines, are to plan and organise the specialist health service and organise research and training (see Article 1 of the Health Care Businesses Act).

In 2004, the Ministry of Health and Care Services exercised its proprietary control of the regional health care businesses through the corporate assembly (AGM) and through terms governing appropriations laid down in regional steering documents on policy and performance requirements.

## Company contact details

Visiting address: Grønneggt 52, Hamar  
Address: P.O. Box 404, N-2303 Hamar  
Telephone: +47 62 58 55 00  
Internet: www.helse-ost.no

## Managing Director

Tor Berge

## Chairman

Siri Hatlen

## Board members

Harald Norvik, Tom Veierød, Astrid Nøkleby Heiberg, Audun Holsbrekken, Anne Berit Søfteland, Egil Hverven \*, Kirsten Brubakk \* and Tor-Erik Sand \*

\* Employees' representatives

## Auditors

Ernst & Young AS

## State ownership

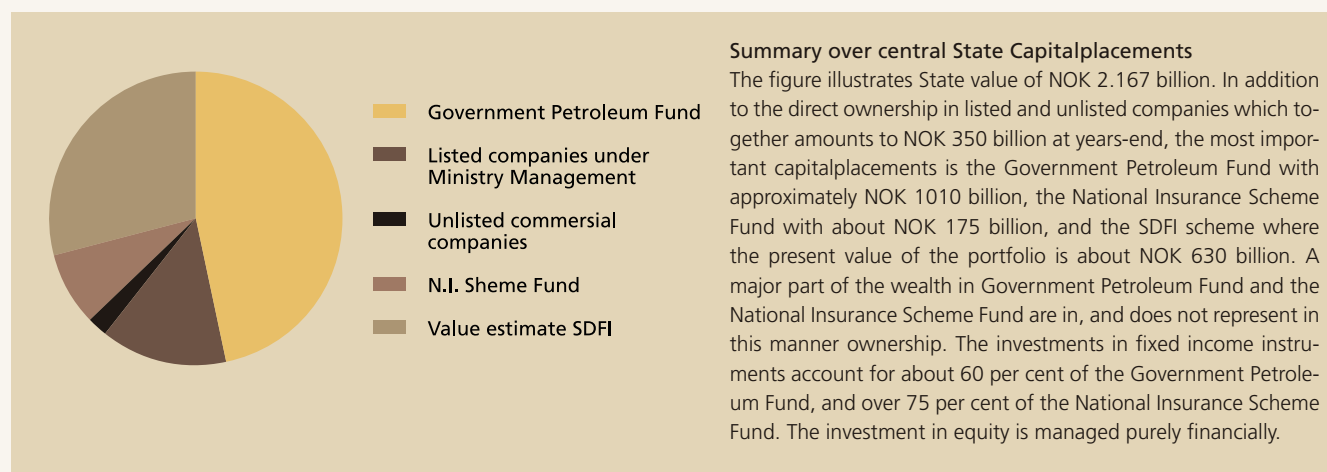
100% (Ministry of Health and Care Services)

	NOK mill	
	2004	2003
<b>Profit and loss account</b>		
Operating revenues	23 005	20 869
Operating costs	-23 494	-21 649
Operating profit	-489	-780
Net financial items	67	122
<b>Profit</b>	<b>-423</b>	<b>-659</b>
Adjustments	480	630
<b>Adjusted Profit</b>	<b>57</b>	<b>-29</b>
<b>Balance sheet</b>	<b>2004</b>	<b>2003</b>
Intangible fixed assets	216	136
Fixed assets	18 751	18 151
Financial assets	1 243	797
<b>Total fixed assets</b>	<b>20 209</b>	<b>19 084</b>
Goods	95	90
Accounts receivables	616	550
Cash and bank balances	1 831	2 098
<b>Total current assets</b>	<b>2 541</b>	<b>2 739</b>
<b>Total assets</b>	<b>22 751</b>	<b>21 824</b>
Subscribed equity	16 872	16 773
Earned/other equity	-958	-699
<b>Equity</b>	<b>15 914</b>	<b>16 074</b>
Provision for commitments	1 139	1 258
Long-term liabilities	1 197	509
Current liabilities	4 501	3 982
<b>Total liabilities and commitments</b>	<b>6 836</b>	<b>5 749</b>
<b>Total equity and liabilities</b>	<b>22 751</b>	<b>21 824</b>
<b>Cash flow</b>	<b>2004</b>	<b>2003</b>
Operational activities	1 036	949
Investment activities	-1 992	-1 246
Financing activities	688	330
Change in assets	-268	33
<b>Other information</b>	<b>2004</b>	<b>2003</b>
Number of employees in the enterprise	26 130	27 696
State's shareholding at year-end	100 %	100 %
Proportion of women on board	44 %	44 %
Proportion of shareholder-elected women on board	50 %	50 %
<b>Key indicators</b>	<b>2004</b>	<b>2003</b>
Number of inhabitants in Helse Østs area	1,6 mill	1,6 mill
Number of DRG points produced	356 972	355 539
Number of out-patients' consultations, somatic	1 051 092	1 036 630
Number of 24 h stay, psychic health care	640 946	626 512
Number of 24 h stay interdisciplinary treatment for intoxicant users	246 654	
Number of patients on waiting list	57 041	52 624
Number of average waiting days	82	90

## THE STATE'S OVERALL OWNERSHIP

The Norwegian State is the biggest individual owner of companies in Norway. The administration of its ownership is today distributed between many ministries. This ownership is in addition to the wealth the State owns through the Government Petroleum Fund, the National Insurance Scheme Fund and the SDFI scheme.

This report includes 47 companies of which the State's direct ownership is administrated by the Ministries. These are the commercial companies and the largest and most important of the companies with other objectives. The State's ownership covers more than this. The table shows a summary overview of 77 companies in which the State's ownership is administrated directly by the ministries. Ownership under the auspices of underlying departments is not included in this list. The companies are broken down by the ministry concerned. For more information about the companies, please contact the relevant ministry.



### Ministry of Labour and Social Affairs

Vinmonopolet AS	100 %
Rehabil AS	100 %
Arbeidsforskningsinstituttet AS	60 %
Blindes Produkter AS	44 %
KITH AS	11 %
Industritjeneste AS	7 %

### Ministry of Finance

Nordiske Investeringsbanken	19 %
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### Ministry of Fisheries and coastal affairs

Protevs AS	66 %
Norsk institutt for fiskeri- and havbruksforskning AS (Fiskeriforskning)	49 %
NORUT Gruppen AS	12 %
Institutt for akvakulturforskning AS (Akvaforsk)	5 %

### Ministry of Health and Care Services

Helse Midt-Norge RHF	100 %
Helse Nord RHF	100 %
Helse Sør RHF	100 %
Helse Vest RHF	100 %
Helse Øst RHF	100 %
KITH AS	70 %

### Ministry of Justice and the Police

Norsk Eiendomsinformasjon AS	100 %
Industritjeneste AS	46 %

### Ministry of Local Government and Regional Development

Kommunalbanken AS	80 %
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### Ministry of Culture and Church Affairs

Hundreårsmarkeringen-Norge 2005	100 %
Nationalteatret AS	100 %
Norsk Rikskringkasting AS	100 %
Norsk Tipping AS	100 %
Den norske Opera AS	90 %
Norsk Filmstudio AS	78 %
Carte Blanche AS	70 %
Den Nationale Scene AS	67 %
Rogaland Teater AS	67 %
Trøndelag Teater AS	67 %
Beaivvas Sami Teahter AS	40 %
Rosenkrantzgt. 10 AS	3 %

### Ministry of Agriculture and Food

Staur gård AS	100 %
Statskog SF	100 %
Veterinærmedisinsk Oppdragscenter AS	51 %
Kimen Sávarelaboratoriet AS	51 %
Instrumenttjenesten AS	45 %
Graminor AS	33 %
Bioparken AS	8 %
Institutt for akvakulturforskning AS (Akvaforsk)	5 %

### Ministry of Modernisation

Statskonsult AS	100 %
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### Ministry of Trade and Industry

Argentum Fondsinvesteringer AS	100 %
BaneTele AS	100 %
Bjørnøen AS	100 %
Electronic Chart Centre AS	100 %
Entra Eiendom AS	100 %
Flytoget AS	100 %
Innovasjon Norge	100 %
Kings Bay AS	100 %
SIVA SF	100 %
Statkraft SF	100 %
Venturefondet AS	100 %
Store Norske Spitsbergen Kullkompani AS	100 %
Cermaq ASA	79,4 %
Telenor ASA	54,0 %
Grødegaard AS	52,0 %
Kongsberg Gruppen ASA	50,0 %
Nammo AS	45,0 %
Norsk Hydro ASA	43,8 %
Yara International ASA	36,2 %
DnB NOR ASA	34,0 %
Eksportfinans ASA	15,0 %
SAS AB	14,3 %

### Ministry of Petroleum and Energy

Gassco AS	100 %
Petoro AS	100 %
Enova SF	100 %
Statnett SF	100 %
Statoil ASA	76,3 %

### Ministry of Transport and Communications

Avinor AS	100 %
BaneService AS	100 %
Mesta AS	100 %
NSB AS	100 %
Posten Norge AS	100 %
Stor-Oslo Lokaltrafikk AS	33 %

### Ministry of Education and Research

Norsk Samfunnsvitenskapelige Datatjeneste	100 %
Norsk Synkrotronforskning AS	100 %
Uninett AS	100 %
Universitetssenteret på Svalbard (UNIS)	100 %
Simula Research Laboratory AS	80 %

### Ministry of Foreign Affairs

Norfund	100 %
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# DEFINITIONS AND SPECIAL CIRCUMSTANCES

## SPECIAL CIRCUMSTANCES:

All figures are as at 31.12.2004, taken from the group accounts in question and in accordance with Norwegian standards, with the exception of SAS.

For SAS, the accounts are laid in accordance with Swedish accounting standards and converted to Norwegian Kroner in accordance with the company's stated exchange rates.

The accounting figures stated is taken from the companies' annual reports, but the key indicators are calculated using a method common to all companies in accordance with the definitions given. As a result, some of these figures may differ from those the companies themselves publish in their reports.

Boards and state shareholdings on the company pages are updated to 31 March 2005.

At the time this report went to press, the following companies had not held their Annual General Meetings: BaneTele, Bjørnøen, Entra Eiendom, Grødegaard, Kings Bay, Kommunalbanken, Nammo, NRK, Statkraft, Statnett, Statskog and the health care businesses. The figures for these companies have been audited, but not discussed and approved by the Annual General Meeting.

Health care businesses: By corrected annual profit is meant the annual profit corrected for supplementary depreciations not included in the balance requirements imposed on the businesses; see White Paper no. 63 (2003-2004) and Statement to the Storting. no. 250 (2003-2004).

Errors in base figures and calculations excepted. For more details about the individual companies, please refer to their annual reports.

## DEFINITIONS

The list below provides definitions of terms as used in this report. It should be noted that these definitions may differ from those used by the companies, since a number of these terms are defined differently by different companies.

**Return** – Used here in relation to shares. The return consists of the change in the value of the share and dividends paid out. In calculating an average annual return, a geometric average is used and this takes account of the increase in value of dividends paid out, by assuming that these are re-invested to produce a return equivalent to a 5-year government bond.

**Returns** – Used here in relation to accounting figures.

**Return on equity** – Annual profit after minority interests divided by the majority's share of posted equity

**Return on capital employed** – EBIT divided by capital employed.

In calculating the average return on equity and average dividend share, an arithmetical average is used.

**EBIT** – Operating profit plus share from related companies and financial revenue.

**EBITDA** – EBIT before depreciations and write-downs

**Capital employed** – consolidated balance corrected for interest-free liabilities and deferred tax.

**Dividend share** – dividend provision as a proportion of the group annual profit.

**Equity ratio** – equity as a percentage of total capital

**Auditor's fees for group** – ordinary audit fees to the principal auditor, incl. VAT

**Other fees to auditor** – total of other remuneration to the principal auditor for the group, incl. VAT

**Total remuneration to Managing Director** – salary, pensions and other emoluments

**Number of employees** – number of employees at year-end or average for the year. In some cases, the number of man-years of labour is used. The method used to establish this figure varies from company to company, but is consistent for each company over time.

**Board fees** – payments to board members for their work as board members, as reported in the companies' annual reports.

**Cost/income ratio** – operating costs divided by the total of net interest and credit commission income and other operating revenues.

# CONTACT DETAILS

The State's direct ownership is administrated by several ministries. The ministerial owners' contact details appear below.

## MINISTRY OF LABOUR AND SOCIAL AFFAIRS

Department of Welfare Policy  
Phone: (+47) 2 24 85 01  
Fax: (+47) 22 24 27 68  
(Vinmonopolet AS)

## MINISTRY OF HEALTH AND CARE SERVICES

The Department of Hospital Ownership  
Phone: (+47) 22 24 82 99  
Fax: (+47) 22 24 27 92  
(health care businesses)

## MINISTRY OF JUSTICE AND THE POLICE

Department of Civil Affairs  
Phone: (+47) 22 24 54 51  
Fax: (+47) 22 24 27 22  
(Norsk Eiendomsinformasjon AS)

## The Prison and Probation Department

Phone: (+47) 22 24 55 01  
Fax: (+47) 22 24 55 90  
(Industritjeneste AS)

## MINISTRY OF LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT

Department of Local Government  
Phone: (+47) 22 24 72 01  
Fax: (+47) 22 24 27 35  
(Kommunalbanken)

## MINISTRY OF CULTURE AND CHURCH AFFAIRS

Department of Administrative Affairs  
Phone: (+47) 22 24 78 11  
Fax: (+47) 22 24 78 16  
(Norsk Tipping AS)

## Department of Media Policy and Copyright

Phone: (+47) 22 24 80 07  
Fax: (+47) 22 24 80 39  
(Norsk rikskringkasting AS)

## MINISTRY OF AGRICULTURE AND FOOD

Department of Food Policy  
Phone: (+47) 22 24 94 01  
Fax: (+47) 22 24 95 59  
(Veterinærmedisinsk Oppdragssenter AS)

## Department of Forest and Natural Resource Policy

Phone: (+47) 22 24 92 51  
Fax: (+47) 22 24 27 53  
(Statskog SF)

## MINISTRY OF MODERNISATION

Department of central administration  
Phone: (+47) 22 24 49 88  
Fax: (+47) 22 24 95 17  
(Statskonsult AS)

## MINISTRY OF TRADE AND INDUSTRY

### Department of Ownership

Phone: (+47) 22 24 01 41  
Fax: (+47) 22 24 01 45

(Argentum Fondsinvesteringer AS, BaneTele AS, Bjørnøen AS, Electronic Chart Centre AS, Entra Eiendom AS, Flytoget AS, Kings Bay AS, Statkraft SF, Venturefondet AS, Store Norske Spitsbergen Kullkompani AS, Cermaq ASA, Telenor ASA, Grødegaard AS, Kongsberg Gruppen ASA, Nammo AS, Norsk Hydro ASA, Yara International ASA, DnB NOR ASA, Eksportfinans ASA, SAS AB)

### Department of Innovation and Research

Phone: (+47) 22 24 04 01  
Fax: (+47) 22 24 04 05  
(SIVA SF)

## MINISTRY OF PETROLEUM AND ENERGY

### Oil and Gas Department

Phone: (+47) 22 24 62 09  
Fax: (+47) 22 24 27 78  
(Statoil ASA, Petoro AS)

### Production and Marketing Department

Phone: (+47) 22 24 63 33  
Fax: (+47) 22 24 08 41  
(Gassco AS)

### Energy and Water Resources Department

Phone: (+47) 22 24 63 01  
Fax: (+47) 22 24 95 68  
(Statnett SF)

## MINISTRY OF TRANSPORT AND COMMUNICATIONS

### Department of Public Roads and Rail Transport

Phone: (+47) 22 24 83 01  
Fax: (+47) 22 24 56 08

(NSB AS, Mesta AS – the ownership administration of Mesta will be transferred to the ownership department of the Ministry of Trade and Industry on 1 July 2005)

### Department of Civil Aviation, Postal Services and Telecommunications

Phone: (+47) 22 24 83 53  
Fax: (+47) 22 24 56 09  
(Avinor AS and Posten Norge AS)

## MINISTRY OF EDUCATION AND RESEARCH

### Department of Higher Education

Phone: (+47) 22 24 77 01

Fax: (+47) 22 24 27 33

(Uninett AS, NSD AS, Simula Research Laboratory AS)

## MINISTRY OF FOREIGN AFFAIRS

### Department for International Development Policy

Phone: (+47) 22 24 35 66

Fax: (+47) 22 24 95 80

(Norfund)

**Photos**

Øyvind Haug (page 4, 11, 27 and 29), Johs. Bøe (page 1), Oslo Børs (page 32), Avinor (page 34 og 35), Trond Isaksen (page 37), Getty Images (page 12 and 25) and Yara International (page 38)

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