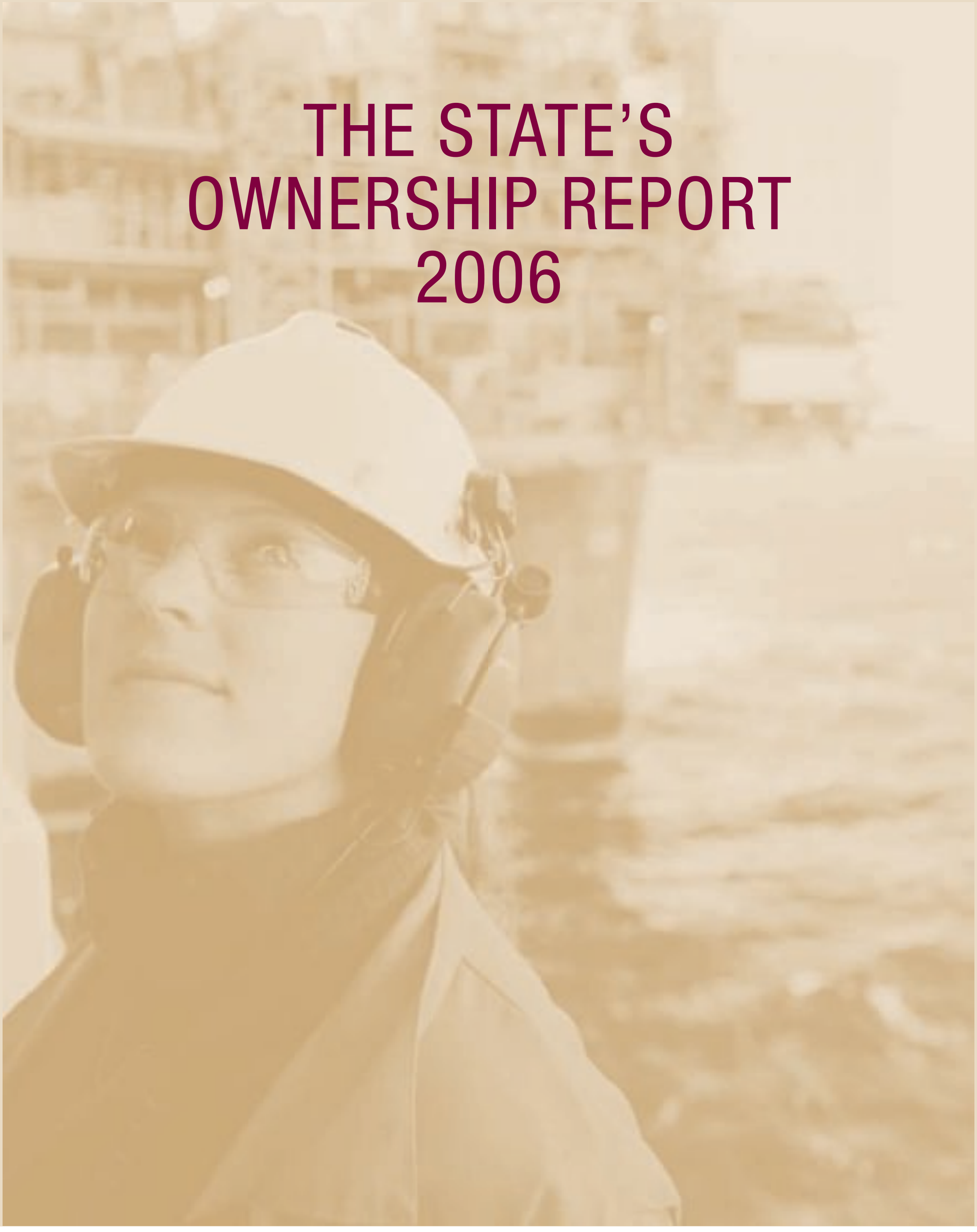
NORWEGIAN MINISTRY
OF TRADE AND INDUSTRY

THE STATE'S OWNERSHIP REPORT 2006



The Norwegian State Ownership Report 2006 comprises 52 companies in which the ministries administer the State's direct ownership interests. The companies presented in this report include both companies with commercial objectives and the largest, most important companies with sectoral policy objectives.

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Front cover: Photo: Helge Hansen/Hydro Media
The picture is edited

* Not included in Report no 13 (2006-2007) to the Storting.

Norwegian State Ownership Report 2006

The objective of the State Ownership Report is to provide an overview of State ownership, the administration of this ownership and the developments in the companies in which the State owns stakes. We hope that this report will increase awareness of how the ministries administer State ownership, as well as improve the insight into the way in which the companies' assets are managed.

The Ownership Report is divided into two main sections. The first section contains comments and overviews of the previous year as well as articles about the State's exercise of its ownership function. The second section contains descriptions of the companies owned wholly or in part by the State. In this Owner Report, the companies are divided into four categories depending on the objective of State ownership:

- Companies with commercial objectives
- Companies with commercial objectives and ensuring head office functions in Norway
- Companies with commercial objetives and other specific, defined objectives
- Companies with sectoral policy objectives

The companies are grouped according to the categorisation of the companies in which the State owns a stake in Report no. 13 (2006-2007) to the Storting – An active and long-term ownership.

In addition to the printed Norwegian and English versions, the State Ownership Report 2006 is also available on the Internet: www.ownershipreport.net

The report is up to date as at 31 March 2007.

As from this year, the Ministry of Trade and Industry will also publish its own, annual document on the Government's ownership policy parallel to the publication of the State Ownership Report. This new document provides a full presentation of the ownership policy and the frameworks that apply to it. This means that the Ownership Report will hereafter be more fact-oriented than before.

Main figures for the companies referred to in the State's Ownership Report 2006

Mill. NOK	*Listed companies*	*Non-listed companies (categories 1-3) [1)]*	*Companies with sectoral policy objectives (category 4) [2)]*	*Total*
State ownership share - value [3)]	*533 685*	*64 066*	*n/a*	*597 751*
Weighted rate of return past year [4)]	*35 %*			
Profit (loss) [5)]	*92 274*	*8 255*	*1 895*	*102 424*
Weighted return on equity [6)]	*31 %*	*14 %*	*4 %*	
Dividend [7)]	*21 393*	*7 102*	*524*	*29 019*
Sales proceeds	*1 685*	*0*	*0*	*1 685*
Capital contribution, share purchases	*0*	*-82*	*-545*	*-627*

1) Includes Secora AS which was not included in Report no. 13 (2006-2007) to the Storting
2) Includes the regional health enterprises and Innovasjon Norge and Norfund. Innovasjon Norge and Norfund were not included in Report no. 13 (2006–2007)
3) For listed companies, the values are based on the share prices as at 31 December 2006 and the State's ownership shares on the same date. For Entra Eiendom AS, the value is calculated on the basis of the net asset value published by the company. For the other non-listed companies in categories 1-3, the book equity as at 31 December 2006 is used
4) Change in market value plus dividend received, adjusted for share issues and repurchases of shares. The return is weighted in relation to the value of the State's ownership share as at 31.12.2006
5) Profit (loss) after taxes and minority interests
6) Weighted in relation to the value of the State's ownership share as at 31.12.2006
7) Dividend payable to the state that has been set aside for the 2006 financial year and will be disbursed in 2007

The State – an active, long-term owner

State ownership is important for several reasons. It ensures command over our common natural resources and that important companies are anchored in Norway. Great value is linked to State ownership – almost 30 per cent of the value of the shares on the Oslo Stock Exchange. This makes up a considerable part of the State's assets and is a major source of income for society. Many of the companies in which the State owns a stake are our foremost and leading industrial locomotives.

The State's ownership policy will hereafter be reported annually in a separate document: "The Government's Ownership Policy". This will ensure openness and greater clarity regarding the State's objectives and expectations linked to its ownership of each company. It is orderly and important for the State, as a leading owner, to in this way contribute to creating openness regarding its ownership policy.

In December 2006, the Government presented Report no. 13 (2006-2007) to the Storting, entitled "An active and long-term ownership", which provides a broad presentation of the Government's ownership policy. The Storting debated this report in April 2007 and agreed to its main points.

The report underlined that the main purpose of State ownership is to contribute to the companies' long-term value creation and industrial development. Only if companies are competitive over time can they continue with and further develop their role in the Norwegian economy and society. One of the main reasons for the State wishing to remain an owner of many of the companies is the importance these companies have in Norway.

Companies that are to be competitive over time must take into account considerations that go beyond short-term profit maximisation. These companies must not at least invest sufficiently in research and development work and in developing the competence of their employees. It will over time be difficult for a company to carry out reorganisation measures with the necessary speed and scope if it does not handle such processes well. Companies in which the State owns a stake must also handle environmental considerations well. Similarly, the company must develop diversity in management at all levels, otherwise the ability to understand the company's surroundings will be weakened. High ethical

standards in all matters will be necessary to maintain the company's values and legitimacy. The salary conditions and any other compensation schemes for the company's management must be reasonable and moderate. They must be competitive, but not wage-leading in a Norwegian context, and must be transparent in order to prevent the management's general authority and shareholders' assets from being weakened.

An active ownership policy means that the State formulates clear expectations as to the development in these areas, and that this is openly communicated to the companies. This provides an important additional dimension to the general business management requirements regarding return and dividends, and is intended to support the goal of long-term value creation and good industrial development.

State ownership contributes considerable revenues to the Norwegian welfare society each year. The Government is interested in society's resources being managed well. The State is not just a major owner of Norwegian industry, it must also be a good and predictable owner in the business sector.

Kind regards

Dag Terje Andersen
Minister of Trade and Industry


Foto: John Lerskau

The Year 2006 for the State as Shareholder

The Norwegian economy in general, and the companies with a State owner share, performed well in 2006. In 2006 the State had a return of 30 percent on its investments in listed companies. Companies where commercial operation is one of the objectives (categories 1-3), had total annual profits after taxes and minority interests of NOK 100.5 billion, and the State will receive NOK 28.5 billion in dividends from these companies for the 2006 accounting year. The State will also receive NOK 524 million in dividends for 2006 from the companies with sectoral policy objectives (category 4). During 2006 and the first part of 2007 the State has been involved in a number of ownership transactions, including in connection with the ownership structure in Statoil and Hydro, the regional health enterprises, BaneTele and Nammo. In December 2006 the Government submitted Report No. 13 (2006-2007) to the Storting -An active, long-term ownership. In this white paper, the Government lays down guidelines and primary objectives that will serve as the basis for the administration of State ownership interests during the current Storting period.

Financial trends

The Norwegian economy showed good results in 2006. Growth in BNP for mainland-Norway was 4.6 percent, which was the third consecutive year with an economic growth rate higher than 4 percent[1]. Low unemployment and continued low interest rates contributed to a large increase in private demand and investments, as well as good economic performance in Norwegian trade and industry as a whole.

Listed companies

Good macro-economic performance, strong international economic expansion and high oil prices, especially in the second quarter, resulted in a strong performance by the Oslo Stock Exchange in 2006. The main index, measured by the OSEBX index (adjusted for dividends), rose in 2006 by 32 percent compared with 40 percent in 2005. During 2006 the total value of shares traded on the Oslo Stock Exchange rose by over NOK 500 billion to NOK 1 915 billion at year-end. The Oslo Stock Exchange also showed good performance in 2006 when compared with international exchanges. During 2006 the value of the State's shares on the Oslo Stock Exchange rose by 25 percent, from NOK 427.7 billion to NOK 533.7 billion. This good performance also resulted in an increase in dividends to the State from the listed companies to a total of NOK 21.3 billion for the 2006 accounting year compared with NOK 18.9 billion for 2005. The State also received NOK 1.685 billion in 2006 for the sale of shares related to the proportional cancellation of shares in connection with the buy-back programmes in Norsk Hydro ASA, Telenor ASA and Yara International ASA. Altogether these transactions gave the State a return of 30 percent on its investments in the listed companies in 2006.

Non-listed companies (categories 1-3)[2]

The non-listed companies in categories 1-3 also showed good performance in 2006, although the performance of the different companies varied somewhat. These companies had total annual profits after taxes and minority interests of NOK 8.2 billion in 2006 compared with NOK 8.5 billion in 2005 Weighted average return on equity for these companies was 14 percent compared with 15 percent the previous year. Statkraft was clearly the most valuable non-listed company, and the company's book equity accounted for over 50 percent of the total book equity for all the non-listed companies in categories 1-3. Based on the proposals submitted,

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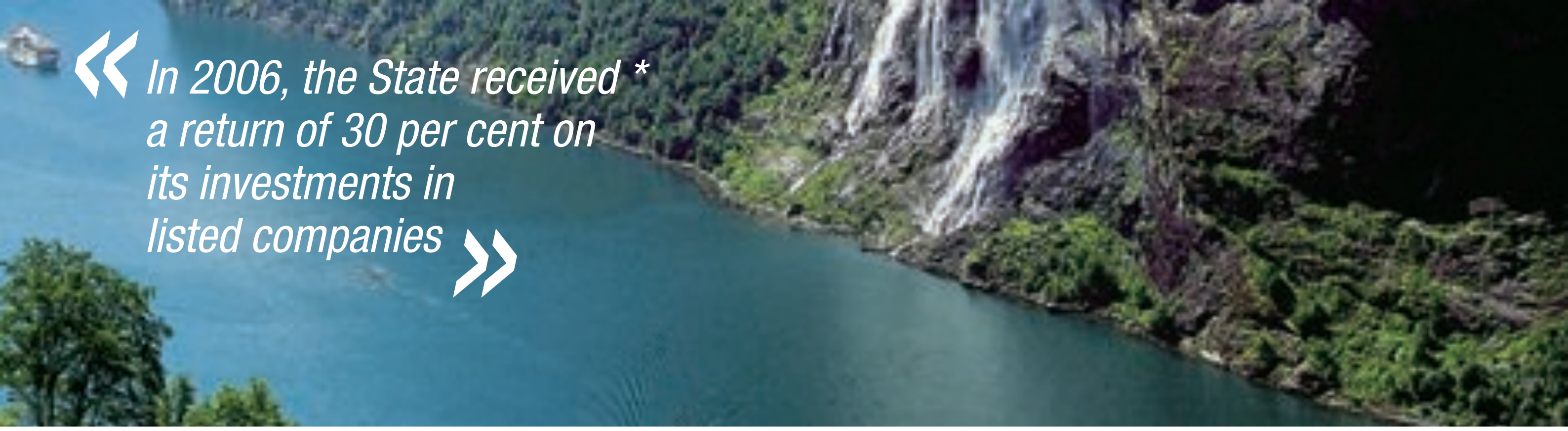
1 Source: Statistics Norway

2 Includes Secora AS, which was not included in Report no. 13 (2006–2007) to the Storting



the State will receive NOK 7.1 billion in dividends for the 2006 accounting year from the non-listed companies in categories (1-3) compared with NOK 5.2 billion from the same companies in 2005. For all 52 companies presented in this report, the State will receive NOK 29.0 billion in dividends for 2006 compared with NOK 24.3 billion from the same companies in 2005.

Companies with sectoral policy objectives (category 4)[3]

Although the main aims of companies with sectoral policy objectives are not commercial in nature, corporate profitability nonetheless plays an important role in these companies. The companies are required to operate in an efficient manner and to ensure that societal objectives are achieved through an effective use of resources. Several of the sectoral policy companies had a high turnover in 2006. For example, the regional health enterprises had a turnover of NOK 79.7 billion compared with NOK 74.3 billion in 2005. Total profits for the sectoral policy companies, excluding the regional health enterprises, came to NOK 3.8 billion in 2006. Norsk Tipping AS showed the greatest surplus in 2006 with NOK 2.8 billion, which will be distributed primarily to socially beneficial initiatives in the areas of culture, sports and health.

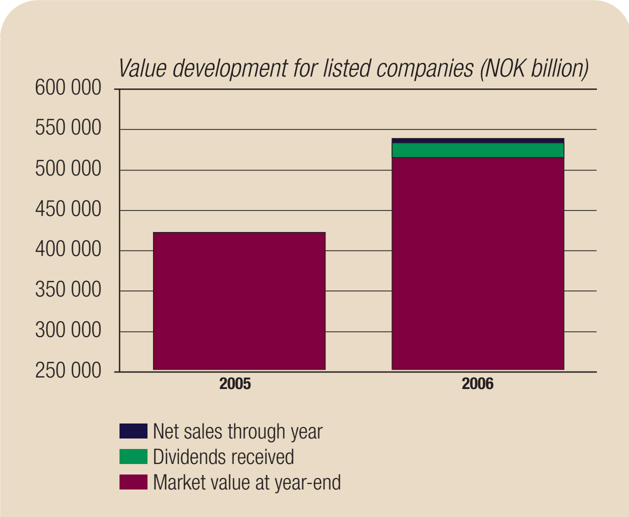
[3] Includes Innovasjon Norge and Norfund which were not included in Report no. 13 (2006–2007) to the Storting

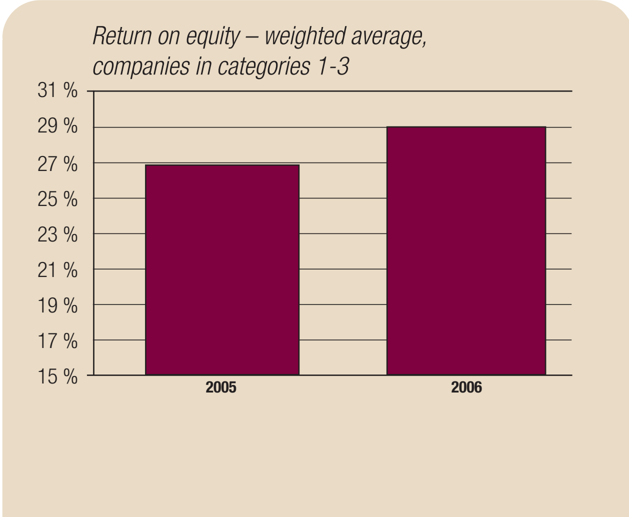
Capital contribution and transactions

In autumn 2005 the Swedish company Saab AB came to an agreement with Patria Oyj to sell its shares in Nammo AS to Patria. The State exercised its right of first refusal and acquired 5 percent of the shares from Saab AB for NOK 61.8 million; cf. Proposition No. 25 and Recommendation No. 70 (2005-2006) to the Storting. The agreement was signed on 23 December 2005, and the sale was completed on 3 February 2006. As a result of this transaction, Patria and the Norwegian State each own 50 percent of Nammo.

In 2005 Statnett sought an injection of NOK 2 billion in new equity capital on the basis of the company's investment plan. Following an overall assessment, the Government determined that a capital injection was not necessary. The Government pointed out that Statnett, as the network company with systems responsibility for the Norwegian power system, has been directed to carry out important societal tasks, which includes making socially beneficial investments in the network. Statnett's investments should not be influenced by the decision not to inject new capital. The matter was deliberated in the Storting in connection with the revised national budget for 2006; cf. Proposition No. 66 (2005-2006) to the Storting.

Due to unexpected accounting provisions for future pension obligations in Statskonsult AS, the Government found it necessary to strengthen the equity capital in the company by





NOK 20 million. The matter was deliberated in the Storting in connection with the changes to the national budget for 2006; cf. Proposition No. 28 (2006-2007) to the Storting.

Other ownership matters

On 14 December 2005, the EFTA Surveillance Authority (ESA) ruled that Entra Eiendom AS had received unlawful government support in the form of exemptions on payments of document duties in connection with the establishment of the company. As the owner of Entra Eiendom AS, the Ministry of Trade and Industry decided not to bring this decision to the EFTA court. In accordance with the ESA decision, Entra Eiendom paid NOK 99 million in document duties to the state treasury in June 2006. This sum includes accrued interest.

In January 2006 new boards of the regional health enterprises were appointed at the general meetings. The appointments were made following a process whereby the county authorities and the Sámi Parliament were invited to propose suitable candidates from among the elected officials at the municipal and county levels. A majority of board members selected by the shareholders were appointed from among the proposed candidates. The changes in the composition of the boards were implemented as a measure in the Government's follow-up of the Soria Moria declaration and were intended to enhance the level of understanding of social issues and local knowledge among the board members. Despite these changes, requirements were maintained regarding board members' qualifications, and gender balance considerations remained a high priority. Similar changes in the boards of the regional health enterprises at the local level were also implemented in spring 2006.

In spring 2006 the Ministry of Trade and Industry commissioned a valuation of the Statkraft SF group. Based on public information, Lehman Brothers estimated the value of the company to be NOK 129-157 billion. This estimate suggests that Statkraft has had positive growth in value in recent years and is one of Norway's most valuable companies.

In June 2006 the general meeting gave NRK AS the authority to participate as an owner in NTV Pluss AS as well as in any capital expansion of the company with up to NOK 150 million. Since that time, NTV Pluss has changed its name to RiksTV. RiksTV AS is charged with providing pay-TV through the digital broadcasting network for television. The general meeting also agreed that, provided certain conditions are fulfilled, NRK may enter into an agreement with RiksTV AS on the discontinuation of the company's analogue television broadcasts through the network. The decisions taken by the general meeting give NRK the necessary authority to implement a quick transition from analogue to digital distribution of television broadcasts.

In June 2006 the Storting voted to rescind the previous decision to dissolve the monopoly held by Posten effective from 1 January 2007; cf. Proposition No. 58 (2005-2006) to the Storting.

In 2005 the Storting adopted the Finnmark Act. As a result, the private legal entity known as the Finnmark Estate was established, and on 1 July 2006 the Finnmark Estate acquired at no charge the property rights to and administration of the properties owned by Statskog SF in the county. The area administered by Statskog SF was therefore reduced from 110.000 km^2 to about 70.000 km^2, a reduction of 36 percent. The employees of Statskog Finnmark have been transferred to the Finnmark Estate and the Norwegian Nature Inspectorate.

As an outcome of the deliberations on Proposition No. 74 (2005-2006) to the Storting, the Government received the Storting's consent to enter into agreements with Bredbåndsalliansen AS and its six underlying shareholders to implement an industrial collaboration between these parties and BaneTele AS. In November 2006 a private offering of Bredbåndsalliansen was issued in which BaneTele AS received an injection of NOK 625 million in new equity capital. As a result of the offering, Bredbåndsalliansen increased its owner share in BaneTele AS to 50 percent, while the State's owner share in the company was reduced from 100 to 50 percent.

In January 2007 the Government decided to merge two of the health regions and establish the South-Eastern Norway Regional Health Enterprise. The purpose of the merger is to ensure cohesive management and better utilisation of resources within the specialist health services in the Oslo region and across the two regions. The merger is now being planned for the establishment of the new region and the dismantling of the two existing regional health enterprises on 1 June 2007. In addition, in 2006 a study was initiated to assess the possible coordination of staff and support functions across all the regional health enterprises.

On 18 December 2006 the boards of Statoil ASA and Norsk Hydro ASA announced that they agreed to recommend to their shareholders that Hydro's petroleum activities and Statoil undergo a merger. In the opinion of the boards, combining the companies' resources and knowledge will result in a financially and technologically solid company that will play an even greater role on the international market than each of the companies on their own. In March 2007 the two companies deliberated and signed a plan for the demerger of Norsk Hydro ASA as a step in the merger of Hydro's petroleum activities with Statoil. The planned merger will be brought before the general meetings of both companies. Plans call for extraordinary general meetings in the companies to be held in July 2007, and it is expected that the merger will be carried out during autumn 2007. Until that time, Statoil and Hydro will continue to operate as independent companies. On 30 March 2007 the Ministry of Petroleum and Energy submitted Proposition No. 60 (2006-2007) to the Storting, which presents the Government's assessment of the merger in its role as owner and administrator of resources.

Photo: John Lerskau

In 2003 the Storting voted that Norsk Tipping would be granted a monopoly on the placement of lottery machines. The objective was to provide lottery machines in a socially responsible form and to improve control of the lottery machine market. Both the EFTA Surveillance Authority (ESA) and the lottery machine industry filed a lawsuit to force an overturn of the Storting's decision based on Norway's obligations under the EEA agreement. On 14 March 2007 the EFTA court handed down its ruling in the case, in which the State prevailed on all counts. As a consequence, Norsk Tipping may be granted a monopoly to operate lottery machines in accordance with the Storting's decision in 2003. Eight other EEA countries supported Norway's arguments in the EFTA court. In addition, the Borgarting Court of Appeals ruled in a judgment in August 2006 that the establishment of a monopoly on lottery machines for Norsk Tipping did not violate the EEA agreement, although the decision was appealed by the lottery machine industry. As of March 2007 the Supreme Court has not completed its deliberations on Norsk Tipping's operation of lottery machines. In a written argument, the State has asked the Supreme Court to hand down its decision as soon as possible and in accordance with the EFTA court's ruling. The lottery machines currently in use will be removed before 1 July 2007, and Norsk Tipping will prepare the placement and operation of its lottery machine beginning on 1 January 2008.

Shares redeemed by the State in 2006

	No. of shares	Revenue (NOK)	Date of redemption
Norsk Hydro ASA	*3 644 685*	*471 260 719*	*14.7.06*
Telenor ASA	*14 190 541*	*765 923 292*	*1.8.06*
Yara International ASA	*4 257 712*	*448 285 416*	*20.9.06*
Sum		*1 685 469 427*	

Buy-back of own shares for cancellation

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

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

In 2006 the State redeemed shares in Norsk Hydro ASA, Telenor ASA and Yara International ASA in connection with the companies' deletion of the bought-back shares. The shares purchased by the companies were acquired on the basis of authorisation granted by the general meetings in 2005.

The table above shows the number of shares redeemed and the State's proceeds as a result of the redemptions.

The State entered into similar agreements on proportional deletion in connection with the authority to buy back shares in DnB NOR ASA, Norsk Hydro ASA, Telenor ASA, Statoil ASA and Yara International ASA, which was granted by the general meetings in 2006. Authority was granted for the first time in 2006 to Statoil to buy back its own shares for cancellation, a decision that must be viewed in connection with the company's revised dividend policy. During 2007 the State has entered into agreements on proportional deletion in connection with the authority granted to buy back shares in DnB NOR ASA, Statoil ASA, Telenor ASA and Yara International ASA.

Photo: John Lerskau

Rates of return and values

At the end of 2006, the value of the State's direct ownership of shares listed on the Oslo Stock Exchange amounted to NOK 533.7 billion. This represents an increase of NOK 106.0 billion over year-end 2005. The State's share of the accounting value of the non-listed companies in categories 1 – 3 amounted to NOK 64.1 billion at the end of 2006 compared to NOK 60.8 billion at year-end 2005. This gives a total estimated value of NOK 597.8 billion of the State's share in the 26 companies where commercial operation is one of the objectives (categories 1 – 3)[1] at the end of 2006.

The total return on equity is determined by the company's dividend and rise in value adjusted for any contributions to and divestments of capital. The value of a company can be assessed in several ways, and the different methods may produce different results. Nevertheless, one should employ a method of assessing a company's value that yields consistent results over time in order to produce comparable results.

This report uses share prices as a means of assessing the value of the listed companies, while book equity less the value of minority interests is used to estimate the value of the non-listed companies in categories 1-3. The exception is Entra Eiendom AS which is required to undertake annual valuations of its assets and state these values in its annual reports. Entra employs two external firms to assess the market value of all its properties as the basis for estimating the market value of its equity. This method has consequently been used to assess the value of the shares in Entra Eiendom. At the end of 2006, Entra's value-adjusted equity was estimated at NOK 9.1 billion, while the book value came to NOK 1.5 billion.

With regard to the other non-listed companies in categories 1-3, the market value is, as already mentioned, assumed to be equal to the value recorded in the accounts. In other words, it is assumed that the price-book ratio (P/B) is equal to 1, which may not necessarily give a correct view of the market value of a company. This can be seen as a somewhat conservative valuation, although it is consistent over time.

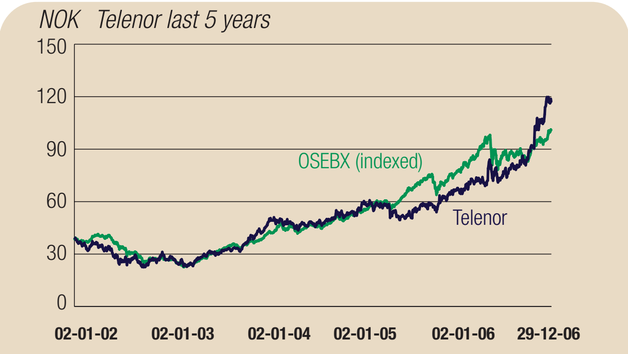
Less emphasis is placed on the rate of return in the case of companies with sectoral policy objectives and no assessments of value have been included in this report. The accounts of these companies are presented in the article on the financial development as well as in the description of each individual company.

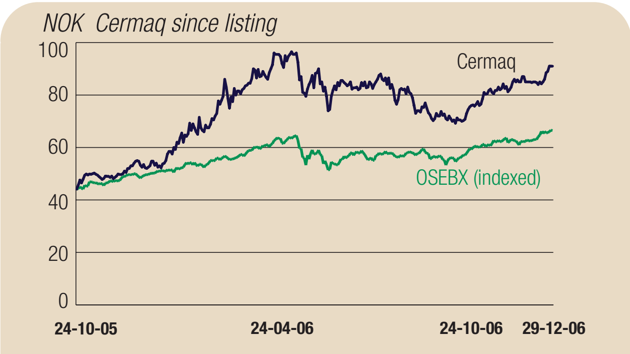
[1] Includes Secora AS, which was not included in Report no13 (2006–2007) to the Storting

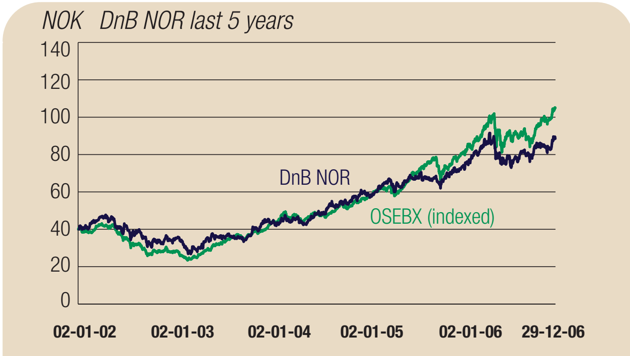
Development of the listed companies during 2006

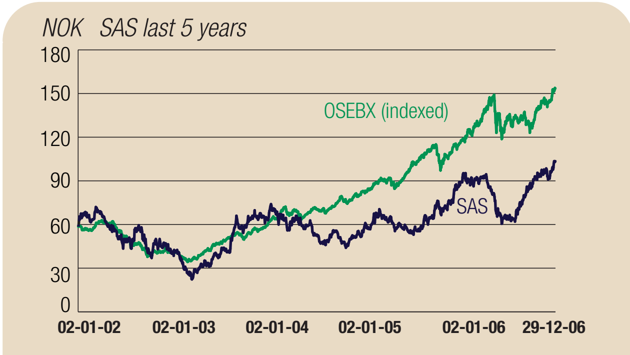
The value of shares on the Oslo Stock Exchange grew strongly in 2006, against the background of strong growth in the Norwegian economy, a period of strong economic growth internationally, and relatively high oil prices, especially in the second quarter. Meassured by the all-share index (OSEBX), the value increase on the Oslo Stock Exchange was however somewhat less than in the previous year. The index rose by 32% compared to 40% in 2005.

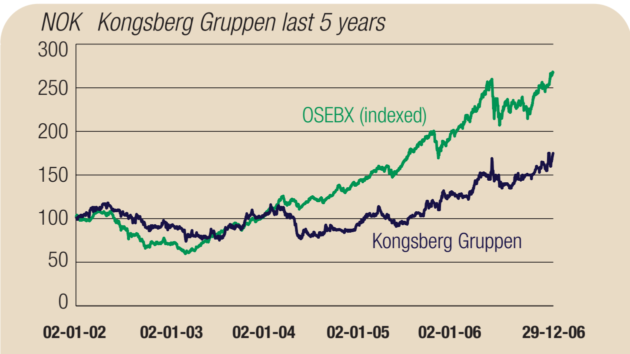
Telenor had the largest share price gains in 2006, producing an 80% rate of return on shares including dividends. The annual rate of return on its shares for 2006 has been significantly greater than the average of 26% for the previous five years. **Cermaq ASA** produced the second highest return on shares of all the listed companies with State ownership in 2006. At the end of 2006, the share price stood at NOK 91 resulting in a 70% rate of return on the shares. Cermaq ASA's opening share price was fixed at NOK 44 when the company was first listed on 24 October 2005. The average annual rate of return since listing has been 90 %. **Yara International ASA** was first listed on 25 March 2004, since when the company has produced an average annual rate of return of 59% including dividends. The 2006 rate of return came to 47%, somewhat lower than the average since listing but conside-

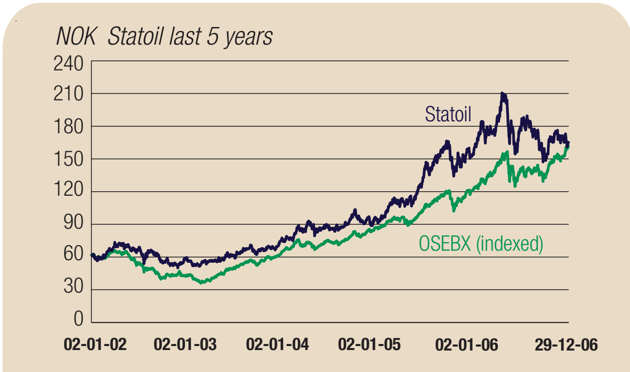


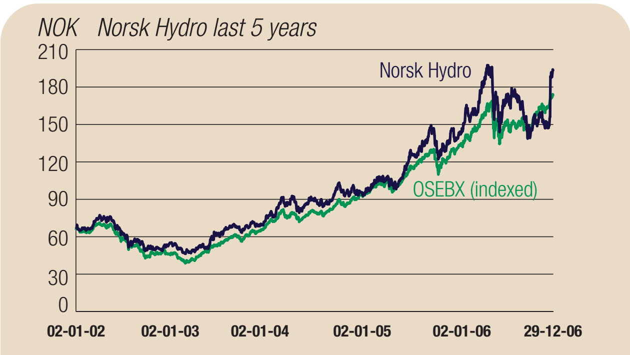












rably better than the corresponding figure of 26% for last year. **Kongsberg Gruppen ASA** achieved a rate of return on its shares (including dividends) of 43% for 2006, a significant improvement over the 27% rate of return recorded for 2005. The average annual rate of return including dividends has amounted to 14% over the last five years. **Norsk Hydro** presented a rate of return on its shares (including dividends) of 43% for 2006, somewhat lower than the figure of 50% in 2005. The average annual rate of return including dividends has been 26% over the last five years. The rate of return on the **DnB NOR ASA** shares in 2006 was 28% including dividends. Although this represents a improvement on the average rate of 21% for the last five years, it was nevertheless lower than the rate of return achieved by the Oslo Stock Exchange all-share index. **SAS AB** attained a rate of return on its shares including dividends of 19% for 2006, compared to 53% in 2005. Its share price did, however, start 2005 at a very low level following several years of weak financial results. The average annual rate of return on its shares during the last five years is at 12%. SAS did not pay a dividend to its shareholders for the fiscal year 2006 either. Of all the listed companies with State ownership, **Statoil ASA** achieved the lowest rate of return (12 per cent) on its shares in 2006 . The corresponding figure for 2005 was 69 per cent, while the average annual rate of return on its shares during the last five years is at 25 per cent.

Net share divestments and capital contributions

In 2006 the State earned the net amount of NOK 1058.7 million from the sale of shares, capital contributions and purchases of shares in the companies with State ownership. Capital contributions and acqcusitions of shares made by the State totalled NOK 627 million in 2006, comprising NOK 495 million to Norfund, NOK 50 million to SIVA and NOK 20 million to Statskonsult. The sole acquisition of shares by the State in 2006 was its purchase of 5% of the shares in Nammo AS from SAAB AB for NOK 61.8 million. This agreement was signed on 23 December 2005, and the purchase became effective as of 3 February 2006. Consequently, the State increased its shareholding in Nammo from 45 per cent to 50 per cent.

During 2006, the State redeemed shares in Norsk Hydro ASA, Telenor ASA and Yara International ASA as part of the process of deleting shares repurchased by these companies in order to maintain its shareholdings in these companies. These repurchases were made in light of the authority granted by the respective annual general meetings in 2005. The redemption of these shares resulted in NOK 1 685.5 million in income for the State.

Dividends

For the fiscal year 2006, the State will receive NOK 29.0 billion in dividends, an increase of NOK 4.7 billion (or 19 per cent) compared to the previous year. The largest of these dividends will be received from Statoil (NOK 14.0 billion), Statkraft (NOK 5.875 billion) and Norsk Hydro (2.819 billion).

With regard to the listed companies, the State will receive NOK 21.4 billion in dividends compared to NOK 18.9 billion last year. All the listed companies with the exception of SAS, which again will not be paying a dividend for 2006, have increased the dividend per share. The share of dividends as a percentage of the annual profits of these companies after tax and minority interests has increased for most of these companies. However, Telenor, Statoil and Yara experienced a decrease. Cermaq and Telenor are responsible for the greatest relative increase in dividend payments amount to the State at 130 per cent and 23 per cent respectively.

The non-listed companies in categories 1 – 3 will pay the State dividends totalling NOK 7.1 billion for the fiscal year 2006, an increase of NOK 1.9 billion or 36 per cent compared to 2005. The Statkraft SF dividend of NOK 5.857 billion represents 82.0 per cent of the dividends received from the non-listed companies in categories 1-3. Mesta AS and Store Norske Spitsbergen Kullkompami AS will not pay any dividend for 2006 due to negative annual financial results. Flytoget AS and Posten Norge AS, both of which for different reasons did not pay a dividend in 2005, will pay the State dividends totalling NOK 520 million for 2006, of which NOK 488 million come from Posten Norge AS. As part of the revised 2007 National Budget process, it has been proposed that the State will not receive any dividend from Kommunalbanken AS for the fiscal year 2006.

In 2006, dividends receivable by the State from companies with sectoral policy objectives (Category 4) amount to NOK 524 million compared to NOK 168 million from the same companies in 2005. The increase is mainly due to higher dividends from Avinor and Statnett, which also pay the higest dividends amongst the companies with sectoral policy objectives, with NOK 324.5 million and NOK 152 million, respectively. Norsk Tipping AS will not be paying any ordinary dividend. From Norsk Tipping's annual surplus of NOK 2.8 billion, a total of NOK 198 million will be given to the foundation Helse og rehabilitering, while NOK 2.5 billion will be given to sports and cultural purposes. In addition, a total of NOK 12 million of Norsk Tipping's surplus was set aside for research into, the provision of information on and the prevention and treatment of gambling addiction.

Return and values 2006

MNOK	Market value 1)	State ownership share 1)	Value of the the State's ownership share	Dividends payable to the State for the 2006 financial year 2)	The State's sales proceeds, capital contributions and share purchases 3)	Return in 2006, including dividends	Average annual return including dividend, last 5 years 4)
Listed companies							
Cermaq ASA	8 418	43.5 %	3 665	171	0	70 %	90 %
DnB NOR ASA	118 313	34.0 %	40 226	1 818	0	28 %	21 %
Kongsberg Gruppen ASA	5 250	50.0 %	2 625	38	0	43 %	14 %
Norsk Hydro ASA	248 929	43.8 %	109 090	2 819	471	43 %	26 %
SAS AB	17 026	14.3 %	2 433	0	0	19 %	12 %
Statoil ASA	357 955	70.9 %	253 776	14 006	0	12 %	25 %
Telenor ASA	197 012	54.0 %	106 308	2 267	766	80 %	26 %
Yara International ASA	42 947	36.2 %	15 551	274	448	47 %	59 %
Total listed companies	**995 850**		**533 685**	**21 393**	**1 685**	**35 %**	

MNOK	Book equity 5)	State ownership share 1)	Book value of the State's ownership, share	Dividends payable to the State for the 2006 financial year 2)	The State's sales proceeds, capital contributions and share purchases 3)
Non-listed companies (categories 1-3)					
Argentum Fondsinvesteringer AS	3 336	100.0 %	3 336	131	0
Baneservice AS	162	100.0 %	162	3	0
Eksportfinans ASA	2 601	15.0 %	390	33	0
Entra Eiendom AS 6)	9 100	100.0 %	9 100	140	0
Flytoget AS	761	100.0 %	761	32	0
Mesta AS	2 084	100.0 %	2 084	0	0
Venturefondet AS	98	100.0 %	98	0	0
Nammo AS	819	50.0 %	409	37	-62
BaneTele AS	722	50.0 %	361	0	0
Electronic Chart Centre AS	15	100.0 %	15	1	0
Kommunalbanken AS	1 098	80.0 %	878	0	0
NSB AS	6 451	100.0 %	6 451	380	0
Posten Norge AS	5 589	100.0 %	5 589	488	0
Statkraft SF	33 844	100.0 %	33 844	5 857	0
Statskonsult AS	43	100.0 %	43	0	-20
Store Norske Spitsbergen Kulkompani AS	468	100.0 %	468	0	0

MNOK	Book equity [5]	State ownership share [1]	Book value of the State's ownership, share	Dividends payable to the State for the 2006 financial year [2]	The State's sales proceeds, capital contributions and share purchases [3]
Veterinærmedisinsk oppdragssenter AS	*37*	*51.0 %*	*19*	*1*	*0*
'Secora AS [7]	*58*	*100.0 %*	*58*	*0*	*0*
Total non-listed companies (categories 1-3)	***67 285***		***64 066***	***7 102***	***-82***
Total all companies in categories 1-3	***1 051 470***		***597 751***	***28 495***	***1 604***

MNOK	Dividends payable to the State for the 2006 financial year [2]	The State's sales proceeds, capital contributions and share purchases [3]
Companies with sectoral policy objectives (category 4) [8]		
Avinor AS	*324.5*	*0*
Norsk Eiendomsinformasjon AS	*7.4*	*0*
SIVA SF	*0.0*	*-50*
Statnett SF	*152.0*	*0*
Statskog SF	*5.2*	*0*
AS Vinmonopolet	*35.1*	*0*
Norfund [7]	*0.0*	*-495*
Total companies with sectoral policy objectives (category 4)	***524.2***	***-545.0***
Total all companies in categories 1-3	***28 495***	***1 604***
Capital to (+)/from(-) the State during the period	***29 019***	***1 059***

1) As at 31.12.2006
2) Proposed dividends - may be changed at the general meetings in the spring of 2007
3) Sales proceeds and reductions in capital (when the capital has been distributed to the owners) are shown with a plus sign, while capital contributions and share purchases are shown with a minus sign
4) Taking into account the rise in the value of dividend. The last 5 years or since listing on a stock exchange
5) Book equity as at 31.12.2006
6) For Entra, the net asset value is stated instead of the book equity. Entra Eiendom achieved a return of 29 per cent in 2006. The average annual yield for the past five years is 20 per cent
7) Not included in Report no. 13 (2006–2007) to the Storting
8) Companies with sectoral policy objectives which distribute dividend or from which the State has received sales proceeds, contributed capital or bought shares. No estimated value is stated for these companies

Return and values 2005

MNOK	Market value 1)	State ownership share 1)	Value of the State's ownership share	Dividends paid to the State for the 2005 financial year	The State's sales proceeds, capital contribution and share purchases 2)
Listed companies					
Cermaq ASA	5 064	43.5 %	2 205	75	1 289
DnB NOR ASA	96 255	34.0 %	32 727	1 591	-212
Kongsberg Gruppen ASA	3 720	50.0 %	1 860	32	0
Norsk Hydro ASA	179 455	43.8 %	78 644	2 497	981
SAS AB	14 312	14.3 %	2 045	0	0
Statoil ASA	335 752	70.9 %	238 035	12 593	12 500
Telenor ASA	113 060	54.0 %	61 013	1 842	1 185
Yara International ASA	30 923	36.2 %	11 198	268	120
Total listed companies	**778 541**		**427 726**	**18 897**	**15 863**

MNOK	Book equity 3)	State ownership share 1)	Book value of the State's ownership share	Dividends paid to the State for the 2005 financial year	The State's sales proceeds, capital contribution and share purchases 2)
Non-listed companies (categories 1-3)					
Argentum Fondsinvesteringer AS	3 080	100.0 %	3 080	0	-200
Baneservice AS	163	100.0 %	163	4	-138
Eksportfinans ASA	2 577	15.0 %	387	17	0
Entra Eiendom AS 4)	7 170	100.0 %	7 170	120	0
Flytoget AS	734	100.0 %	734	0	0
Mesta AS	2 252	100.0 %	2 252	77	0
Venturefondet AS	96	100.0 %	96	0	0
Nammo AS	681	45.0 %	306	46	0
BaneTele AS	131	100.0 %	131	0	-120
Electronic Chart Centre AS	12	100.0 %	12	1	0
Kommunalbanken AS	1 011	80.0 %	809	0	0
NSB AS	6 176	100.0 %	6 176	246	0
Posten Norge AS	4 739	100.0 %	4 739	0	0
Statkraft SF	34 061	100.0 %	34 061	4 720	0
Statskonsult AS	38	100.0 %	38	0	0
Store Norske Spitsbergen Kulkompani AS	553	100.0 %	518	7	0
Veterinærmedisinsk oppdragssenter AS	36	51.0 %	18	1	0
Secora AS 5)	52	100.0 %	52	0	0

MNOK	Book equity [3]	State ownership share [1]	Book value of the State's ownership share	Dividends paid to the State for the 2005 financial year	The State's sales proceeds, capital contribution and share purchases [2]
Total non-listed companies in (categories 1-3)	**63 561**		**60 776**	**5 238**	**-458**
Total all companies in categories 1-3	**842 103**		**488 503**	**24 135**	**15 405**

MNOK	Dividends paid to the State for the 2005 financial year	The State's sales proceeds, capital contribution and share purchases [2]
Companies with sectoral policy objectives (category 4) [6]		
Avinor AS	26.4	0
Norsk Eiendomsinformasjon AS	10.4	0
SIVA SF	0.0	-50
Statnett SF	87.0	0
Statskog SF	7.3	0
AS Vinmonopolet	36.5	0
Norfund [5]	0.0	-485
Total companies with sectoral policy objectives goals (category 4)	**167.6**	**-535.0**
Total all companies in categories 1-3	**24 135**	**15 405**
Capital to (+)/from(-) the State during the period	**24 302**	**14 870**

1) As at 31.12.2005
2) Sales proceeds and a reduction in capital (when the capital is distributed to the owners) are shown with a plus sign, capital contributions and share purchases are shown with a minus sign
3) Book equity as at 31.12.2005
4) For Entra, the net asset value is stated instead of the book equity
5) Not included in Report no. 13 (2006–2007) to the Storting
6) Companies with sectoral policy objectives which distribute dividend or from which the State has received sales proceeds, contributed capital or bought shares. No estimated value is stated for these companies

Economic development in the companies

The State monitors financial developments in all companies incorporating a public ownership share. This article will mainly focus on the companies where commercial operation is one of the objectives (categories 1 – 3). Nevertheless, the State is also concerned that the companies with sectoral policy objectives are efficiently managed and that political and social objectives are met by employing resources efficiently. A brief overview of the financial development of the companies with sectoral policy objectives is provided at the end of this review.

COMPANIES WHERE COMMERCIAL OPERATION IS ONE OF THE OBJECTIVES (CATEGORIES 1 – 3)

Solid growth in turnover and a considerable enhancement of the operational efficiency in 2006

The 26 companies in categories 1-3 had a total turnover of NOK 922.7 billion in 2006, an increase of 12 per cent compared to 2005. These companies produced total operating profits of NOK 217.1 billion for 2006, an increase of NOK 31.7 billion, or 17 per cent, compared to the year before. As in previous years, Statoil and Norsk Hydro had the highest turnovers in 2006 at NOK 431 billion and NOK 195 billion, respectively. The operating profits for 2006 for these two companies increased by 9 per cent and 14 per cent respectively. High oil and gas prices, especially in the second quarter of 2006, contributed to the growth in income of these two companies, as did strong economic expansion internationally. Statoil's operating profit for 2006 increased to NOK 114 billion, up 18 per cent compared to 2005. Likewise, Norsk Hydro's operating profit rose to NOK 50.7 billion, up 11 per cent compared to 2005.

Of the listed companies Cermaq and Telenor experienced the largest percentage increase in turnover during 2006. Cermaq achieved a 40 per cent growth in operating revenues due to higher prices and volumes in its fish farming and fish feed operations. Its operating profit came to NOK 1 288 million, an increase of 50 per cent. Telenor's operating revenues rose by 32 per cent as a result of a strong growth in subscribers to its international mobile phone companies in Asia and Ukraine, while operating profits increased by NOK 6 billion, or 51 per cent, to NOK 17.7 billion in 2006. Among the listed companies in which the State owns a stake, Yara produced the smallest increases in turnover at 4 per cent. However, SAS did achieve the largest growth in operating profits (198 per cent) of all the companies in categories 1-3 as a consequence of major cost reductions and rationalisation.

Of the non-listed companies in categories 1-3 Posten Norge AS and Statkraft SF had by far the largest turnover of NOK 23.7 billion and 15.4 billion, respectivly. The Statkraft Group's operating revenues increased by NOK 840 million (or 6 per cent) partially due to high electricity prices during 2006, especially in the first three quarters of the year. Furthermore, the company achieved a considerably improved operating profit of NOK 10 billion, an increase of NOK 1.5 billion (or 17 per cent). In 2006 Secora had the largest relative growth in turnover – 46 per cent - due to positive developments in the construction industry. The company was established in 2005, and its first operating year was characterised by reorganisation and restructuring.

Good development in profits in 2006, especially for the listed companies

Satisfactory macroeconomic developments, strong economic expansion internationally, and high prices for energy and raw materials led to good financial developments in the companies where commercial operation is on of the objectives (categories 1-3) during 2006. Several of them, including Statoil, Norsk Hydro, Telenor and Statkraft, actually presented their best-ever annual results that year. Total profits for the 26 companies in categories 1 – 3 after tax and minority interests amounted to NOK 100.5 billion in 2006. This represents an increase of 29 per cent compared to 2005.

The highest profits after tax and minority interests were achieved by Statoil (NOK 39.1 billion), Norsk Hydro (NOK 16.3 billion) and Telenor (NOK 15.9 billion). Their respective annual profits increased by 22 per cent, 7 per cent, and 108 per cent. In 2006 SAS AB achieved an annual profit of NOK 3 997 billion after tax and minority interests compared to NOK 150 million the previous year. The increase can principally be attributed to the income recorded from the sale of its shareholding in the Rezidor Hotel Group. After adjusting for this transaction, SAS made a profit of NOK 40 million in 2006, which is in line with the previous year's figures.

Consolidated accounting figures 2006 - Companies in categories 1-3

MNOK	State ownership share [1]	Operating revenues	Operating profit (loss)	Profit (loss) for the year [2]	Capital employed	Balance sheet total
Listed companies						
Cermaq ASA	43.5 %	7 534	1 288	938	5 265	6 895
DnB NOR ASA	34.0 %	28 493	14 689	11 665	n/a	1 320 242
Kongsberg Gruppen ASA	50.0 %	6 720	448	249	2 689	7 356
Norsk Hydro ASA	43.8 %	195 108	50 679	16 252	118 662	227 663
SAS AB	14.3 %	52 560	973	4 222	30 019	46 733
Statoil ASA	70.9 %	431 112	114 449	39 065	138 631	312 430
Telenor ASA	54.0 %	91 077	17 708	15 920	111 739	148 376
Yara International ASA	36.2 %	48 261	3 352	4 188	22 679	33 264
Total listed companies		**860 865**		**92 274**		**2 102 959**
Non-listed companies (categories 1-3)						
Argentum Fondsinvesteringer AS	100.0 %	396	309	389	3 338	3 342
Baneservice AS	100.0 %	495	8	5	207	339
Eksportfinans ASA	15.0 %	511	333	243	n/a	165 183
Entra Eiendom AS	100.0 %	1 137	618	171	9 976	10 692
Flytoget AS	100.0 %	627	157	104	1 016	1 243
Mesta AS	100.0 %	5 939	-312	-190	2 084	4 340
Venturefondet AS	100.0 %	3	-1	1	98	98
Nammo AS	50.0 %	1 991	270	186	903	1 750
BaneTele AS	50.0 %	593	2	-34	794	966
Electronic Chart Centre AS	100.0 %	13	2	4	15	18
Kommunalbanken AS	80.0 %	221	160	115	n/a	110 949
NSB AS	100.0 %	9 168	668	507	8 746	13 339
Posten Norge AS	100.0 %	23 668	1313	862	8 298	15 769
Statkraft SF	100.0 %	15 435	9 997	5 976	71 555	97 175
Statskonsult AS	100.0 %	52	-16	-15	43	76
Store Norske Spitsbergen Kulkompani AS	100.0 %	1 266	-41	-77	1 504	1 744
Veterinærmedisinsk oppdragssenter AS	51.0 %	166	3	3	50	67
Secora AS [3]	100.0 %	150	6	7	62	95
Total non-listed companies		**61 830**		**8 255**		**427 186**
Total all companies in categories 1-3		**922 695**		**100 529**		**2 530 145**

[1] State ownership share 31.12.2006
[2] Annual profit (loss) after taxes and minority interests
[3] Not included in Report no. 13 (2006-2007) to the Storting

The Statkraft SF Group achieved profits of NOK 5 976 million after tax and minority interests. This favourable result was due to high electricity prices during 2006 and to the phasing out of industrial contracts. The high spot price for electricity, however, also led to a reduction in the hedged income and higher taxation costs. The group's annual profits after tax and minority interests increased by 2 per cent in 2006.

Among the smaller companies, Flytoget and Eksportfinans showed a good development in their financial situation during 2006. Flytoget reported annual profits of NOK 104 million, an improvement of 93 per cent compared to 2005. This positive development can be attributed both to an increase in passenger numbers of well over 10 per cent and to strong emphasis on controlling cost increases. Eksportfinans achieved an annual profit of NOK 243 million, an increase of 89 per cent compared to 2005, having experienced positive growth in most of its market segments.

Mesta showed the most marked negative set of annual results for 2006. After tax the company made a loss of NOK 190 million, compared to a profit of NOK 216 million in 2005. These negative figures resulted from substantial accounting provisions in the fourth quarter and from the fact that the company operates in a market affected by overcapacity, strong competition and relatively low operating margins.

The annual results of Kongsberg Gruppen, Argentum, BaneTele, Posten, and Store Norske Spitsbergen Kulkompani also declined in 2006 compared to 2005. The annual results of these four companies fell by NOK 11 million, NOK 68 million, NOK 10 million, NOK 57 million and NOK 123 million respectively compared to the previous year.

Higher return on equity

The average return on equity for the 26 companies in categories 1 – 3 increased from 27 per cent in 2005 to 29 per cent in 2006. Return on equity is measured as the profit after tax and minority interests divided by the majority shareholders' average equity. The average is weighted according to the value of the State's ownership share at year-end 2006.

The listed companies had an average weighted return on equity of 31 per cent. The highest returns on equity were achieved by Statoil (39 per cent) and SAS AB (32 per cent). However, once adjustments have been made for the sale of the SAS shareholding in the Rezidor Hotel Group, which was recorded as income in 2006, SAS's return on equity drops to only 0.3 per cent. Telenor and Yara had returns on equity of approximately 30 per cent in 2006, up from 18 per cent and 26 per cent respectively in 2005. Cermaq achieved a return on equity of 25 per cent in 2006 compared to 27 per cent in 2005. DnB NOR and Norsk Hydro had exactly the same return on equity in 2006 as in 2005, namely 19 per cent and 18 per cent respectively. Kongsberg Gruppen saw a reduced return on equity of 16 per cent compared to 18 per cent in 2005.

As far as the non-listed companies were concerned, the average return on equity was 14 per cent in 2006, although relatively large variations could be noted among the companies. The highest returns on equity for the non-listed companies were achieved by ECC (Electronic Chart Centre) at 31 per cent and Nammo at 25 per cent. ECC can attribute this positive development to improved results due to a 60 per cent increase in the number of charts available for sale and to a 130 per cent increase in the number of ships using the company's electronic chart services. The revenue from navigational charts consequently rose by 123 per cent in comparison to 2005. Statkraft had an 18 per cent return on equity, which is in line with the 17 per cent achieved in the previous year. BaneTele, Mesta, Statskonsult and Store Norske Spitsbergen Kulkompani had negative returns on equity for 2006.

As the State takes a long-term perspective on its ownership it is also relevant to view a company's return on equity over time as well as the results for one single year.

If one examines the average return on equity over the last five years, then Statoil has attained the highest rate at 35 per cent followed by Yara (31 per cent), Cermaq (20 pst), and DnB NOR (16 per cent). In addition, Norsk Hydro (15 pst), Telenor (13 per cent) and Kongsberg Gruppen (12 per cent) have had average returns on equity of over 10 per cent in recent years. SAS AB has a average return on equity over the last five years around 0, despite producing positive annual results in both 2005 and 2006.

As for the non-listed companies in categories 1 – 3 Statskonsult (despite the fact that its loss for 2006 is considerably lower than in 2005) and BaneTele continue to produce negative returns on equity. Flytoget is in the process of reversing the negative trend with a positive return on equity of 14 per cent for 2006. Mesta's negative 2006 results contributed to a lower average return on equity for the company over the last five years.

Dividend ratio

The dividend ratio is that part of the company's annual profits which is paid out to the owners. That part of the company's annual profits not paid out as dividends is added to book equity. The table below presents the dividend ratio for last year as well as the average dividend ratio for the last five years. The average is calculated as the total dividend amount of each company for the last five years divided by the total profit after tax and minority interests for the last five years. Some of the companies publish their dividend ratio as a share of their standardised or adjusted profits. This has not been used in the

Photo: John Lerskau

Consolidated accounts figures 2006 - Companies in categories 1-3

MNOK	Cash flow operations	Dividend ratio	Average dividend ratio past 5 years [1]	Return on equity	Average return on equity past 5 years [2]	Equity ratio [3]
Listed companies						
Cermaq ASA	1 133	42 %	35 %	25 %	20 %	62 %
DnB NOR ASA	-74 932	46 %	45 %	19 %	16 %	7 %
Kongsberg Gruppen ASA	605	30 %	32 %	16 %	12 %	23 %
Norsk Hydro ASA	38 727	38 %	36 %	18 %	15 %	42 %
SAS AB	1 920	0	0	32 %	1 %	32 %
Statoil ASA	60 543	50 %	48 %	39 %	35 %	35 %
Telenor ASA	30 641	26 %	44 %	31 %	13 %	42 %
Yara International ASA	3 854	18 %	19 %	29 %	31 %	48 %
Weighted average listed companies				**31 %**		
Non-listed companies in categories 1-3						
Argentum Fondsinvesteringer AS	-229	34 %	40 %	12 %	10 %	100 %
Baneservice AS	-34	55 %	65 %	3 %	3 %	50 %
Eksportfinans ASA	-290	90 %	78 %	9 %	8 %	8 %
Entra Eiendom AS	290	82 %	133 %	13 %	7 %	14 %
Flytoget AS	220	31 %	21 %	14 %	5 %	61 %
Mesta AS	-239	0 %	40 %	-9 %	6 %	48 %
Venturefondet AS	n/a	0 %	0 %	1 %	-3 %	99 %
Nammo AS	169	39 %	32 %	25 %	21 %	47 %
BaneTele AS	82	0 %	0 %	-8 %	-51 %	75 %
Electronic Chart Centre AS	n/a	30 %	36 %	31 %	10 %	80 %
Kommunalbanken AS	88	0 %	22 %	11 %	11 %	6 %
NSB AS	1 617	75 %	52 %	8 %	4 %	50 %
Posten Norge AS	2 065	57 %	45 %	17 %	12 %	55 %
Statkraft SF	6 392	98 %	88 %	18 %	13 %	37 %
Statskonsult AS	-12	0 %	0 %	-37 %	-45 %	56 %
Store Norske Spitsbergen Kulkompani AS	-235	0 %	41 %	-15 %	22 %	27 %
Veterinærmedisinsk oppdragssenter AS	4	61 %	96 %	7 %	4 %	55 %
Secora AS [4]	10	0 %	0 %	12 %	3 %	61 %
Weighted average non-listed companies (categories 1-3)				**14 %**		
Weighted average all companies in categories 1-3				**29 %**		

[1] Geometric average for the past 5 years or from start-up date
[2] Arithmetic average for the past 5 years or from start-up date
[3] Equity as a percentage of the total assets. For financial enterprises, core capital coverage is used
[4] Not included in Report no. 13 (2006-2007) to the Storting

table, where we keep to the figures detailed in all the companies' accounts. In 2006, the dividend ratio has been highest in Statkraft at 98 per cent, while Entra Eiendom, Veterinærmedisinsk oppdragssenter, Statkraft and Eksportfinans have had the highest average dividend ratio over the last five years.

COMPANIES WITH SECTORAL POLICY OBJECTIVES (CATEGORY 4)

Turnover

The companies with sectoral policy objectives, excluding the regional health enterprises, had a turnover of NOK 38.3 billion in 2006, an increase of NOK 3.8 billion or 11 per cent compared to 2005. Among these companies (excluding the regional health enterprises), the largest turnovers in 2006 were achieved by Norsk Tipping with NOK 9.8 billion and AS Vinmonopolet with NOK 9.2 billion. Statnett and NRK also had significant turnovers of NOK 6.5 billion and NOK 3.9 billion respectively.

The regional health enterprises had a total operating revenue of NOK 79.7 billion compared to NOK 74.3 billion in 2005.

Profit (loss) / surpluses

Although the State as an owner does not have pure business aims in connection with its ownership of companies with sectoral policy objectives, it still requires these companies to be run effectively and that political and social goals are attained with the most effective use of resources possible. In 2006 the combined surplus of the companies with sectoral policy objectives, excluding the regional health enterprises, amounted to NOK 3.8 billion. The corresponding figures for 2005 were NOK 3.7 billlion. Norsk Tipping produced the largest individual surplus of NOK 2.8 billion in 2006. These results should be viewed in the context of Norsk Tipping's gambling monopoly. The profits are distributed for socially beneficial purposes in the fields of culture, sports and health.

Statnett achieved an annual profit of NOK 303 million compared to NOK 174 million in 2005. The main reason for these improved results lies in the increase in revenues generated by electricity grid activities in 2006 and the income from constructing the transmission lines between Fræna and Nyhamna on behalf of Hydro ASA.

Avinor also improved its results in comparison to 2005, with profits after tax of NOK 433 million.

Statskog made a profit of NOK 7 million in 2006 compared to NOK 26 million in the previous year. The decline was caused by the Finnmark Estate being separated from Statskog as of 1 July 2006 as well as by the consequent reorganisation process the company is going through. Statskog's revenues from Finnmark fell by NOK 26 million from 2005 to 2006, while the remainder of the company has experienced a very slight increase in revenues.

AS Vinmonopolet also presented lower profits for 2006 than for 2005, with a reduction of 4 per cent, from NOK 91 million to NOK 88 million.

Public procurements and subsidies as part of sectoral policy

Several of the companies with sectoral policy objectives perform services at prices and in areas that are not commercially profitable. The State therefore pays these companies to perform certain services in accordance with its desire to achieve the sectoral policy objectives related to its ownership of such companies. One example of such public procurements is the purchase of services from Avinor in order to maintain unprofitable airports. Public procurements also include the purchase of health services from the regional health enterprises, representing the bulk of their revenues.

Some of the companies in category 3 are also required to carry out work and provide services that further sectoral policy objectives. This is frequently done by way of public procurements, for example in NSB. In the case of companies such as Avinor or Posten, public procurements represent only a relatively small part of the company's activities, while the State's purchase of transport services from NSB's passenger transport division represents 23 per cent of the company's total turnover in 2006.

The 52 companies covered by this report received a combined total of NOK 78.6 billion in subsidies and income from the State's purchases of services. The largest share of this amount was spent on financing health services, with a total of NOK 75.3 billion, NOK 10.3 billion going to Central Norway

Consolidated accounts figures 2006 - Companies with sectoral policy objectives (category 4)

MNOK	State ownership share [1]	Operating revenues	Operating profit (loss)	Profit (loss) for the year [2]	Equity	Balance sheet total	State subsidy/ government procurements
Avinor AS	100.0 %	6 198	942	433	7 480	22 410	0
Bjørnøen AS	100.0 %	237	2	0	4 041	4 149	0
Enova SF	100.0 %	39	0	0	9	20	0
Gassco AS	100.0 %	0	0	1	13	267	11
Industritjeneste AS	53.4 %	37	1	1	6	13	0
Kings Bay	100.0 %	37	0	0	7	19	13
KITH	80.5 %	31	0	0	11	15	0
Norsk Eiendomsinformasjon AS	100.0 %	192	12	9	43	103	0
NRK AS	100.0 %	3 882	-18	-4	1 554	3 209	0
NSD AS	100.0 %	36	2	3	18	33	21
Norsk Tipping AS	100.0 %	9 798	2 750	2 838	1 374	4 524	0
Petoro AS	100.0 %	185	15	17	33	81	180
Simula AS	80.0 %	70	4	4	6	19	49
SIVA SF	100.0 %	252	54	-6	590	2 178	86
Statnett SF	100.0 %	6 848	580	303	4 918	13 978	0
Statskog SF	100.0 %	220	-6	7	253	323	20
Uninett AS	100.0 %	74	7	13	138	287	53
UNIS AS	100.0 %	79	5	5	12	58	95
AS Vinmonopolet	100.0 %	9 161	90	88	287	2 335	0
Innovasjon Norge [3]	100.0 %	859	77	37	776	16 534	644
Norfund [3]	100.0 %	76	-59	18	3 299	3 415	0
Total		**38 311**		**3 765**			**1 172**
Accounting figures - the Regional Health Enterprises							
Helse Midt-Norge	100.0 %	11 049	-880	-711[4]	3 794	13 967	10 344
Helse Nord	100.0 %	9 561	-727	-433[4]	6 272	9 883	9 068
Helse Sør	100.0 %	18 176	-986	-307[4]	12 123	21 000	16 663
Helse Vest	100.0 %	14 214	-880	-405[4]	8 071	14 170	13 563
Helse Øst	100.0 %	26 686	-832	-15[4]	14 671	25 370	25 639
Total		**79 686**		**-1 870**			**75 277**

[1] State ownership share 31.12.2006 [2] Profit (loss) for the year after taxes and minority interests [3] Not included in Report no. 13 (2006-2007) to the Storting [4] Adjusted profit

Regional Health Authority, NOK 9.1 billion going to Northern Norway Regional Health Authority, NOK 16.7 billion going to Southern Norway Regional Health Authority, NOK 13.5 billion going to Western Norway Regional Health Authority and NOK 25.6 billion going to Eastern Norway Regional Health Authority.

Neither Avinor nor Posten had any income resulting from public procurements in 2006, while NSB and Statskonsult earned NOK 2.1 billion and NOK 9.0 billion respectivly from public procurements and subsidies.

Other factors

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

Auditors' fees

The task of the auditor is to audit the company's accounts to ensure that these reflect the actual state of company and its financial situation. For the owners, this is an important task since it ensures that an independent and critical review of the accounts has been conducted. In order to ensure that the auditor is an independent and critical party, it is essential that the auditor is not involved to any substantial degree in the execution of the activities to be audited. In addition, the auditor should not carry out advisory assignments of such a scope or nature that the auditor's independence may be questioned.

Some of the companies use several auditing firms to perform partial assignments in their group. The table on page 26-27 provides an overview of the fees paid to the companies' main auditors at group level. The auditing fees are divided into four categories: statutory audits, services related to audits, services related to tax matters and other services. Practices may vary between companies as to how they split the auditor fees, and not all companies split the fees into the four categories outlined above. For companies that do not distinguish between audit-related and tax-related services in their reports, the fee is included in the services related to audits, even though parts of the fee may be related to tax matters.

When a fee other than the fee for the statutory audit comprises a considerable share of the total fee to the company's chosen auditor, there may be grounds for questioning the auditor's independence. However, there are situations in which it is expedient to use an auditor for tasks where there is no conflict with the independence linked to the ordinary auditing assignment. For example, this applies to transactions where a confirmation of assets may follow from the auditor. When other fees account for a substantial proportion of the auditors' total fees, the State seeks to obtain information on the nature of these fees. This information is often specified by the companies in the notes to the accounts.

Board composition

One of an owner's key tasks is to appoint board members. The State as an owner places a great deal of emphasis on ensuring that the board as a whole possesses expertise suited to the company's challenges and market situation. In order to strengthen efforts related to the composition of the boards, the State has actively contributed to the establishment of nomination committees in the major companies. The nomination committee scheme is not a statutory one and should therefore be stipulated in each company's articles of association.

The nomination committees comprise representatives of the owners, who jointly propose candidates for the board and possibly the corporate assembly. In wholly State-owned companies, the work of preparing for elections is carried out by the ministry that manages the State ownership.

The board composition should be such that it safeguards the shareholders' interests in the best possible way. Both short-term and more long-term owner interests must be taken into account. The State places emphasis on the companies having to take into account a number of considerations in order to develop their assets in the longer term. For a more detailed description of this, confer to the document entitled "The Government's Ownership Policy". The State also places emphasis on the boards having sufficient diversity to be able to safeguard such considerations. Representation of both genders on the boards of wholly State-owned companies and public limited companies is regulated in the company legislation and was introduced with effect from 1 January 2006.

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

Remuneration to the Chief Executive Officer and directors

The companies are required by the Accounting Act to disclose the total remuneration paid to the Chief Executive Officer in the annual report. This includes regular salary, additional pension savings, bonus premiums paid, earned option schemes, direc-


Photo: John Lerskau

tors' fees for wholly owned subsidiaries and other taxable benefits. The reason for the companies being obliged to publish information on the remuneration to their senior executives is that there is to be openness regarding remuneration. The board is responsible for hiring the CEO and determining his/her remuneration. The remuneration to the board members is to be determined by the general meeting and should reflect the board's responsibilities and expertise, the time spent on this work by the directors and the company's complexity.

In December 2006, the State adopted guidelines regarding the remuneration to senior executives in companies in which the State is an owner. For further information on this, confer to the Government's owner policy.

The table below shows the total directors' fees paid by the parent company.

Number of employees

At year-end 2006, the 52 companies referred to in this report employed around 290 000 people. The corresponding figure at year-end 2005 was 284 000. Some companies report the number of man-years, while others use the actual number of employees they have. However, the figures for each company are consistent over time and can therefore be compared. The table below shows an overview of the number of employees or number of man-years depending on how the companies themselves report these. The companies in categories 1-3 had about 189 000 employees at year-end 2006, of which 49 per cent worked in Norway, while the sector-policy companies, excluding the regional health enterprises, had about 11 000 employees on the same date. The corresponding figure for the regional health enterprises was about 93 000.

Measured in number of employees, Telenor is the largest company in which the State owns a stake, with 35 600 employees. This is followed by Norsk Hydro, with nearly 34 000 employees, and Eastern Norway Regional Health Authority with about 29 000 employees. Telenor saw the largest increase in its number of employees compared to last year, with an increase of 8 000 linked to acquisitions in Serbia and Sweden, followed by Posten and Norsk Hydro. SAS AB had the largest decline in its number of employees in 2006, due to the sale of the Rezidor Hotel Group. On average, the companies, including the regional health enterprises, had 5 600 employees at year-end 2006 compared to nearly 5 500 at year-end 2005.

Other factors - Remuneration

NOK thousand	Total remuneration to CEO [1]	Board fees, total	Statutory audit, group	Audit-related services, group	Tax-related services, group	Other services, group
Listed companies						
Cermaq ASA	4 132	1 483	4 698	233	288	455
DnB NOR ASA	11 961	4 507	13 299	3 106	2 889	2 766
Kongsberg Gruppen ASA	3 922	1 280	7 274	550	578	1 217
Norsk Hydro ASA	15 219	2 875	103 341	1 115	6 349	1 915
SAS AB [4]	12 068	3 079	19 000	6 900	0	0
Statoil ASA	9 852	2 525	35 800	6 600	0	0
Telenor ASA	8 404	2 588	78 100	19 200	6 000	0
Yara International ASA	6 662	1 750	19 501	1 486	2 480	1 587
Non-listed companies (categories 1-3)						
Argentum Fondsinvesteringer AS	2 687	545	234	53	20	214
Baneservice AS	952	1 350	442	0	28	180
Eksportfinans ASA	3 224	1 320	1 146	3 177	153	388
Entra Eiendom AS	3 658	1 200	2 358	98	163	1 083
Flytoget AS	1 832	780	256	220	0	0
Mesta AS	2 973	1 350	1 150	174	0	28
Venturefondet AS	0	185	38	0	0	0
Nammo AS	3 698	1 147	1 804	126	32	1 144
BaneTele AS [3]	1 878	91 5	757	123	16	26
Electronic Chart Centre AS	951	226	11	20	0	0
Kommunalbanken AS	1 662	512	375	111	0	335
NSB AS	3 327	1 230	4 075	206	397	2 786
Posten Norge AS	4 534	2 680	8 774	1 148	1 436	2 262
Statkraft SF	5 311	2 185	7 238	932	650	198
Statskonsult AS	1 128	460	134	15	17	0
Store Norske Spitsbergen Kulkompani AS	2 460	1 024	685	125	0	0
Veterinærmedisinsk oppdragssenter AS	1 257	315	103	16	0	0
Secora AS [2]	703	480	75	0	0	111

NOK thousand	Total remuneration to CEO [1]	Board fees, total	Statutory audit, group	Audit-related services, group	Tax-related services, group	Other services, group
Companies with sectoral policy objectives (category 4)						
Avinor AS	1 300	1 600	800	0	100	500
Bjørnøen AS	0	49	8	0	0	6
Enova SF	900	463	147	0	0	149
Gassco AS	2 963	981	595	0	1 552	30
Industritjeneste AS	1 007	173	98	29	0	0
Kings Bay	719	290	79	0	0	24
KITH	871	110	52	29	0	0
Norsk Eiendomsinformasjon AS	1 651	549	90	11	0	0
NRK	2 501	937	847	64	81	315
NSD	713	153	66	10	0	0
Norsk Tipping	1 550	580	0	0	0	0
Petoro	3 013	1 250	280	0	0	0
Simula	1 258	296	73	0	0	36
SIVA SF	1 355	515	782	5	74	101
Statnett SF	3 022	1 515	575	349	223	669
Statskog SF	874	529	281	6	29	126
Uninett AS	903	150	150	0	0	0
UNIS	1 000	175	62	7	0	0
AS Vinmonopolet	1 739	978	781	0	0	0
Innovasjon Norge [2]	1 689	930	772	128	367	1954
Norfund [2]	1 961	525	845	0	0	76
The regional health enterprises						
Helse Midt-Norge	2 101	1 204	2 224	552	16	32
Helse Nord	1 563	1 051	1 475	1 682	13	161
Helse Sør	1 679	1 174	3 030	2 567	55	1 428
Helse Vest	2 130	1 086	1 940	357	20	281
Helse Øst	1 609	1 148	2 521	1 248	81	243

1) Includes regular salary, bonus premiums paid, additional pension savings, other benefits and the value of new opiton schemes in 2006 at the time when they are given
Norsk Hydro ASA CEO Eivind Reiten has exercised option rights for a value of NOK 4.4 million in 2006
Telenor ASA CEO Jon Fredrik Baksaas has exercised option rights for a value of NOK 15.9 million in 2006
2) Not included in Report no. 13 (2006-2007) to the Storting
3) Severence pay of NOK 1.4 million to former CEO Bjørn Kristiansen is not included
4) Remuneration to SAS CEO consist of pay for two CEOs, totally 13 months, due to overlap. The used currency rate is NOK/SEK 115.63

Other factors - Employees and the percentage of women on the board

	No. of employees 2006	No. of employees 2005	% of women on the board, total	% of women on the board, shareholder elected[1]
Listed companies				
Cermaq ASA	3 937	3 681	25 %	40 %
DnB NOR ASA	12 187	11 716	45 %	43 %
Kongsberg Gruppen ASA	3 650	3 372	25 %	40 %
Norsk Hydro ASA	33 605	32 765	33 %	50 %
SAS AB	26 554	32 363	30 %	29 %
Statoil ASA	25 435	25 644	50 %	57 %
Telenor ASA	35 600	27 600	40 %	50 %
Yara International ASA	7 060	6 586	38 %	40 %
Non-listed companies (categories 1-3)				
Argentum Fondsinvesteringer AS	9	9	40 %	40 %
Baneservice AS	328	245	25 %	40 %
Eksportfinans ASA	100	94	38 %	43 %
Entra Eiendom AS	140	123	40 %	40 %
Flytoget AS	275	265	38 %	40 %
Mesta AS	3 237	3 293	38 %	60 %
Venturefondet AS	0	0	33 %	33 %
Nammo AS	1 276	1 230	13 %	17 %
BaneTele AS	143	167	38 %	33 %
Electronic Chart Centre AS	13	12	67 %	67 %
Kommunalbanken AS	37	34	43 %	60 %
NSB AS	10 474	10 646	25 %	40 %
Posten Norge AS	22 273	20 541	50 %	50 %
Statkraft SF	2 087	2 021	44 %	50 %
Statskonsult AS	63	63	57 %	60 %
Store Norske Spitsbergen Kulkompani AS	366	310	50 %	60 %
Veterinærmedisinsk oppdragssenter AS	48	46	40 %	20 %
Secora AS [2]	97	75	40 %	20 %

	No. of employees 2006	No. of employees 2005	% of women on the board, total	% of women on the board, shareholder elected[1]
Companies with sectoral policy objectives				
(category 4)				
Avinor AS	2 990	2 716	33 %	50 %
Bjørnøen AS	0	0	40 %	40 %
Enova SF	37	31	40 %	50 %
Gassco AS	155	143	50 %	50 %
Industritjeneste AS	130	130	50 %	33 %
Kings Bay	23	22	40 %	40 %
KITH	29	28	50 %	67 %
Norsk Eiendomsinformasjon AS	65	56	57 %	60 %
NRK	3 470	3 440	44 %	50 %
NSD	62	57	33 %	40 %
Norsk Tipping	324	367	43 %	40 %
Petoro	53	53	43 %	40 %
Simula	76	80	43 %	40 %
SIVA SF	32	32	57 %	57 %
Statnett SF	613	599	44 %	50 %
Statskog	165	197	50 %	50 %
Uninett AS	48	42	50 %	50 %
UNIS	66	52	71 %	60 %
AS Vinmonopolet	1 743	1 701	55 %	67 %
Innovasjon Norge [2]	693	664	55 %	56 %
Norfund [2]	31	26	60 %	60 %
The regional health enterprises				
Helse Midt-Norge	12 643	12 291	54 %	56 %
Helse Nord	12 289	11 776	55 %	50 %
Helse Sør	20 776	20 576	54 %	56 %
Helse Vest	17 534	17 220	55 %	36 %
Helse Øst	29 426	28 911	50 %	51 %
Total/average	***292 467***	***284 111***	***44 %***	***47 %***

[1] % of board members elected by the shareholders or appointed by the owners
[2] Not included in Report no. 13 (2006-2007) to the Storting

The State's management of its ownership stakes

The State is the largest owner of companies in Norway and the ministries manage the State's ownership stakes in a total of 82 companies. This report describes the companies where commercial operation is one of the objectives (categories 1-3) and the most important companies with sectoral policy objetives (category 4). This comprises a total of 52 companies, including the regional health enterprises.

One of the main objectives of the owner management of the companies in categories 1-3 is to maximise the value of the State's shares and contribute to the good industrial development of these companies. In addition, the management of the State's ownership stake in some of these companies has other objectives, such as anchoring the head office in Norway or some other specific, defined goal. The management of the ownership in most of the companies where the main objectives with State ownership are commercial operation is managed by the Ownership Department in the Ministry of Trade and Industry. This department managed the State's ownership interests in 18 companies where commercial operation is one of the objectives (categories 1-3) and 2 companies with sectoral policy objectives (category 4) at year-end 2006. The State ownership of the other companies in category 1-3 is managed by the Ministry of Fisheries and Coastal Affairs (Secora AS), the Ministry of Government Administration and Reform (Statskonsult AS), the Ministry of Local Government and Regional Development (Kommunalbanken AS), the Ministry of Agriculture and Food (Veterinærmedisinsk Oppdragssenter AS), the Ministry of Petroleum and Energy (Statoil ASA) and the Ministry of Tranport and Communications (Baneservice AS, NSB AS and Posten AS).

The sector-policy companies are companies in which the State owns a stake, which have sectoral policy and social objectives, and where the main objectives of State ownership are not commercial (category 4). These companies are managed by the individual ministries that are responsible for the sector policy in the various areas. For example, the State ownership of Norfund and NRK is managed by the Ministry of Foreign Affairs and the Ministry of Culture and Church Affairs respectively. Examples of objectives which form the basis for the State ownership of the sector-policy companies include the control of sales of

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alcoholic beverages (AS Vinmonopolet), the provision of safe, environmentally friendly, good travel opportunities throughout Norway to the general public (Avinor AS), or the provision of good, equal, specialist health services to all those who require these (the regional health enterprises). Although the sector-policy companies' main objectives are not commercial ones, financial results and the efficient use of society's resources are also important in these companies. These companies' financial results must be weighed up against the sectoral policy objectives, and the State as an owner is interested in achieving sectoral policy objectives in the most efficient way possible. The sector-policy companies' degree of commercial orientation varies. For example, NRK operates in a market characterised by competition, while AS Vinmonopolet manages a sales monopoly.

This report refers to 52 companies in which the ministries administer the State's direct ownership interests. The companies presented in this report include both companies with commercial objectives and the largest, most important companies with sector-policy objectives. However, the State's ownership interests comprise more than just this. The table below shows a combined overview of 82 companies in which the State's ownership interests are administered directly by the ministries. In the table, these companies are attached to the ministries that own them. Ownership interests that are administered by subordinate agencies are not included in the table. Please contact the ministry responsible if you require more information on these companies.

Ministry of Labour and Social Inclusion

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

Ministry of Finance

Nordiske Investeringsbanken	19.1 %

Ministry of Fisheries and Coastel Affaires

Eksportutvalget for fisk AS	100 %
NOFIMA	100 %
Secora AS	100 %
Protevs AS	66.0 %
Norsk institutt for fiskeri- og havbruksforskning AS (Fiskeriforskning)	49.0 %
NORUT Gruppen AS	11.6 %
Institutt for akvakulturforskning AS (Akvaforsk)	5.0 %

Ministry of Government Administration and Reform

Statskonsult AS	100 %

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 %
AS Vinmonopolet	100 %
Kompetansesenter for IT i helse- og sosialsektoren AS (KITH AS)	70.0 %

Ministry of Justice and the Police

Norsk Eiendomsinformasjon AS	100 %
Industritjeneste AS	46.1 %

Ministry of Local and Regional Development

Husbanken	100 %
Kommunalbanken AS	80.0 %

Ministry of Culture and Church Affairs

Hundreårsmarkeringen-Norge 2005	100 %
Nationaltheatret AS	100 %
Norsk Rikskringkasting AS	100 %
Norsk Tipping AS	100 %
Den norske Opera AS	90.0 %
Norsk Filmstudio AS	77.6 %
Carte Blanche AS	70.0 %
Den Nationale Scene AS	66.7 %
Rogaland Teater AS	66.7 %
Trøndelag Teater AS	66.7 %
Beaivvas Sami Teahter AS	40.0 %
Norsk opplagskontroll AS	33.0 %
Rosenkrantzgt. 10 AS	3.0 %

Ministry of Education and Research

Norsk Samfunnsvitenskapelige Datatjeneste AS	100 %
Norsk Syklotronforskning AS	100 %
Uninett AS	100 %
Universitetssenteret på Svalbard (UNIS)	100 %
Simula Research Laboratory AS	80.0 %

Ministry of Agriculture and Food

Staur gård AS	100 %
Statskog SF	100 %
Veterinærmedisinsk Oppdragssenter AS	51.0 %
Kimen Såvarelaboratoriet AS	51.0 %
Instrumenttjenesten AS	45.0 %
Graminor AS	34.0 %
Bioparken AS	8.0 %
Institutt for akvakulturforskning AS (Akvaforsk)	5.0 %

Ministry of Trade and Industry

Argentum Fondsinvesteringer AS	100 %
BaneTele AS	50 %
Bjørnøen AS	100 %
Electronic Chart Centre AS	100 %
Entra Eiendom AS	100 %
Flytoget AS	100 %
Innovasjon Norge	100 %
Kings Bay AS	100 %
Mesta AS	100 %
SIVA SF	100 %
Statkraft SF	100 %
Venturefondet AS	100 %
Store Norske Spitsbergen Kulkompani AS	99.9 %
Telenor ASA	54.0 %
Kongsberg Gruppen ASA	50.0 %
Nammo AS	50.0 %
Norsk Hydro ASA	43.8 %
Cermaq ASA	43.5 %
Yara International ASA	36.2 %
DnB NOR ASA	34.0 %
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	70.9 %

Ministry of Transport and Communications

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

Ministry og Foreign Affairs

Norfund	100 %

The administration of State ownership is being developed and reformed

Several countries have a large State-owned portfolio of commercial companies. Within the OECD, there has been a particular focus on the work of privatisation, which has for many countries been important as part of the process of improving their budget balance. Gradually, this work has also included strengthening the State's administration of such ownership interests, and within the OECD a working group has prepared a set of guidelines for good corporate governance of State-owned companies. This group has consisted of civil servants from most OECD countries who have wide experience of administering State ownership interests. Norway has been represented by the Ministry of Trade and Industry. Meetings have been held with colleagues from similar fields in many countries that were not members of the OECD. Some international conferences and seminars relating to this field have also been held.

A considerable portfolio of commercial companies has been a matter of course for a number of East European States as a consequence of nationalisation and developments following the Second World War. However, there has also been a strong State sector in a number of other European countries, including the Nordic ones, among other things as a result of industrial expansion after the war. Infrastructure operations, such as postal, telephone, railway, energy production and supply services, have also often been State-owned. The privatisation of such State ownership interests has long been regarded as a priority issue to be raised within the OECD; both in order to improve the efficiency of these operations and because an economically significant reduction in shareholdings became important in order to improve the countries' budget balances.

In the early 1990s, the OECD appointed a working group to look into the privatisation of State-owned companies. Several countries, especially the Nordic ones, gradually stated that they did not see it as necessary to privatise all State-owned business operations. These were an important part of these countries' industries. Economic and national considerations indicated that the State should keep considerable ownership interests in such companies. The working group's operations were thus extended as from 1999 to also include good corporate governance of State-owned companies. Work was started to produce a set of guidelines for administration in this field, and this work was completed in the spring of 2005.

State-owned business operations have in many countries had an unclear legal status and corporate structure, and there has been a need for reforms and a better structure. In some countries, the State ownership interests have been organised in accordance with normal company law, like equivalent private companies, but this has been the exception rather than the rule. Many countries have their own legislation for State-owned companies, and also often separate laws for each individual company. Combined with the fact that the employees of such companies have often had the same status – including salaries, pensions and other terms – as civil servants, this has been a type of company that it is difficult to restructure and make more efficient. These are often companies that also have their own financial and result reporting systems, and in which the systems need to be considerably reorganised and upgraded in order to improve the companies' operations. At times, the company auditing work has been defective. There is normally also a statutory provision that such companies cannot go into liquidation.

The working group's advice has been to try to simplify the company's legal status and reform the way it operates, with the aim of creating a company that can to a greater degree be compared with corresponding private companies. This is important in order to achieve unambiguous results and set targets for the State-owned companies and in order to be able to compare them with corresponding private companies. These are often companies that operate in the same sectors as private companies, and here it has also been important to create a level playing field. It has been proven that measures related to the organisation of companies and their management and the improvement of financial reporting also often contribute to improved results for these companies and make circumstances more secure for the employees.

It has been important to create a greater understanding of the State's various roles – as a political authority, a control body and the owner and manager of companies. There has been a lot to deal with here. In many countries, several of the State-owned companies are regarded as a strategic, integral part of the State's operations. It is considered self-evident that the ministries are to play an active role in their management, including in commercial issues. Such considerations are naturally strengthened if the company is making a loss and is dependent on regular State subsidies.

It is often stipulated by law and/or fixed practice that such State-owned companies are to have State employees on their boards, often from all the ministries involved: the professional ministry concerned, the Ministry of Finance and the Ministry of Economy. In some countries, directors who are representatives of the ministries hold separate meetings in advance in order to agree what they are to vote in favour of at the board meeting. In other countries, a State representative cannot vote on a board matter without the written instructions of the ministry. It is often regarded as important that a leading politician is the chairman of the company's board.

The need to get independent directors into State-owned companies is not rejected but it is nonetheless clear that some people in many countries' ministries do not look forward to such a trend and work to oppose it. The reasons stated for this strong state representation on boards are in part the need to have control and obtain information, and in part the lack of qualified independent directors in the country in question.

This discussion also became part of the work of strengthening the board's role in State-owned companies. The working group believes that a strong, independent board is important for creating efficient, businesslike companies. The board must be able to lead the company with expertise and integrity and be responsible for its results. A key part of the board's authority must also be the appointment of the chief executive officer, agreeing on this person's terms and, if necessary, dismissing this person. In several countries, it is the ministry, or in some cases the republic's president, that appoints the company's chief executive officer. This creates uncertainty regarding the board's role and may reduce its sense of responsibility. This naturally also creates problems for the State unit that is administering the State ownership.

Several countries need to formulate a clearer ownership policy. An important element of this is to strengthen the State in its role as the owner and administrator of commercial companies. Some countries have a centralised ownership function, while in others the ownership is exercised by several ministries. However, it is necessary for the State ownership to be carried out professionally and predictably and in accordance with guidelines that are known and with which compliance can be verified. The working group has recommended the creation of a clearly identifiable ownership unit, which may possibly also coordinate other ministries that have ownership functions. Part of this work will include the publication of regular reports on the companies owned by the State, their operations and their results. It is also important to create a good structure for the process relating to the appointment of directors.

A clearly identified State ownership policy will in time increase the value of the State's share portfolio. Openness combined with respect for minority shareholders can create a basis for part-privatisation with the assistance of national and international investors, for example combined with a listing on a stock exchange which may also be positive for many State-owned companies.

An underlying area of tension that has been noticeable in many countries relates to the relationship between various political groups' views on the State-owned companies' operations and what can be called a more professional, business-economics approach taken by civil servants. Naturally, many State-owned companies must have sectoral or regional policy objectives, but these should then be clearly stated in the objects clause of the company's articles of association. In some cases, it will also be preferable for companies to be compensated for their public tasks in the national budget.

In this context it also cannot be denied that in some countries State-owned companies have been a source of financing for political leaders or parties, so that a reform of the management model and greater transparency regarding their operations and results may help to reduce corruption, camaraderie and other negative financial cultures. The working group actually believes that the work of reforming State-owned companies may also lead to more democratic developments in some countries.

The Nordic countries on the whole comply with identical principles for managing enterprises in which the State is an owner, and form in many ways a reference centre in this field. We can state our views on this field based on our experience and systems. The work in the group has provided a unique opportunity to monitor State ownership policies and how owners are organised within the OECD and, later on, in several non-member countries. Participation has created useful contact between State ownership environments in various countries and provided insight which also allows us in Norway to better evaluate the way in which we administer our ownership. It is worth noting that representatives of the EU, IMF and World Bank, as well as the OECD's advisory bodies relating to trade unions and employers, have attended several of the working group's meetings and contributed useful experiences, well-considered views and a lot of expertise.

In Norway, we have on many occasions particularly pointed out our long experience of having a statutory right for the employees to elect directors; not only in State-owned but also in private Norwegian limited companies. We have stated that this is a scheme which most people believe has been very positive for the board's work and for the development of good cooperation between the management and employees of the companies. We have also urged diversity on the board; ie, a greater number of female directors. This has been a fixed rule in Norwegian companies in which the State is involved for a long time, and a corresponding rule has now been introduced for public limited companies. Despite the fact that both employee-elected directors and a greater number of female directors have produced positive experiences in Norway and strengthened the boards' insight and varied expertise, it is unfortunately probably difficult to obtain general support for this in most other countries.

As previously mentioned, the working group presented recommended guidelines for the administration of State-owned companies in the spring of 2005 and these were approved by the OECD's supreme body. The guidelines have been received with positive interest in many countries. The group is now aiming to disseminate knowledge of these guidelines and discuss them within the OECD countries. There are also some countries that are not a member of OECD but which have an important State-owned business sector and are interested in raising and discussing this issue. There are groups working on corporate governance questions in Russia, Asia and Latin America, as well as in North Africa/the Middle East. Some of the working group's members have already attended seminars at which matters relating to the administration of State ownership in various parts of the world have been discussed. Private organisations have also been established to work on these issues. The World Bank uses the recommended guidelines as guides in countries in which it has invested.

The work programme for 2007-2008 entails following up the guidelines by especially discussing measures that may improve the results of State-owned companies, giving the companies better directors, and creating greater transparency and better information on State-owned companies' administration and operations.

Foto: John Lerskau

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The content of this article do not necessarily represent the view of the Norwegian Ministry of Trade and Industry

Directors' independence – should the norwegian model be changed?

The number of independent directors seems to be increasing in Norway and abroad, but is this having the desired effect? Why have these independent board members not managed to limit senior executives' option gains, protect minority interests from attacks by majority shareholders and improve the companies' results as the shareholders expect? Are the new corporate governance norms any use at all for businesses or is this something politicians and researchers focus on for their own sake? Why does it take so long for the boards in the listed companies to live up to the norms for good corporate governance? Is it because they listen to the researchers? Would they have implemented anything at all if the Oslo Stock Exchange did not have demanded it? In this article, I will take a closer look at directors' independence in norms, research and practice in Norway and some other countries. Who is independent? Can we rely on the director really being as independent as the directors' report states? What is required of an independent director? Is it enough that the board is filled up by independent directors? What is the situation in other countries? What distinguishes the Norwegian model from most foreign ones?

Industry's voluntary norms are subject to pressure

Industry's own voluntary corporate governance norms, referred to internationally as good corporate governance (CG), are being challenged from two sides. Lawyers and politicians are driving forces to turn the norms' recommendations into new Acts and regulations, while researchers are struggling to find out what influences and does not influence changes in shareholder value. Companies' boards and managers are reluctant to comply with the new voluntary norms that have been developed in Norway by nine business organisations. Naturally, they are asking themselves: is this necessary? Is it useful? Some researchers reply that the norms for good CG are based on beliefs, with no empirical basis or academic analysis, and are therefore of no value to industry. Politicians are getting impatient over the boards not dealing with situations may violating good corporate governance, and reacting with making new laws.

International norms and recommendations

A lot of the constantly increasing focus on good CG is due to a few companies' undesirable conduct. Hostile takeovers financed by junk bonds in the 1980s, fat salary packages in the 1990s, and bankruptcies due to criminal acts after the millennium weakened people's faith in the capital markets and led to other players in industry and politicians reacting. The subsequent investigation reports and analyses have regularly given politicians, institutional fund managers, academics, managers and directors with an interest in society new motivation to put forward proposals regarding ways in which listed companies, in particular, should be managed and controlled.

For some, this is about recapturing power as an owner by balancing the power better between the owners, board and management. For others, the objective of good CG is to enhance the efficiency of decision-making processes and create the best possible value creation for the shareholders. For others again, the needs of the companies' interest groups and society's need for clear rules are the driving force when new recommendations regarding the work and composition of boards of directors are tabled. My motive for taking part in the development of the Norwegian Code of Practice for Corporate Governance has been my desire for the players to have a more conscious attitude to what is desirable and what is unacceptable conduct in the Norwegian capital market. Not everything that is lawful is a clever thing to do if you want to maintain society's confidence in you.

Two factors in particular have influenced the work of developing better CG.

- One is the Internet's importance for spreading real-time information on a company's actions, developments and results to all its shareholders. The volume of information has also increased in more traditional channels, with segment reporting and a much greater degree of openness. In 1950, an average annual report in the USA (Form 10-K) for a major company was 16 pages long, while in 2000 it contained around 126 pages.
- The other is the growth of professional owners in the form of institutional investors and their considerable increase in and use of their power as owners. This trend is illustrated below.

Both these factors have led to increased demands for greater openness and for the same information to be provided to the players in the market. They have also affected how issues are dealt with in boardrooms.

The legislature's role

A lawyer friend of mine believes that the Norwegian Code of Practice for Corporate Governance should have been submitted to the Norwegian parliament and adopted as an Act. On a more serious note, there are driving forces in many countries for making the voluntary norms into regulations and Acts. One benefit of this may be clearer boundaries between what is permitted and not permitted. The drawback is that some players may act in a way that is very close to the defined outer limits. Politicians, and not business itself, would set the boundaries. The players' own norms for sensible conduct would be irrelevant. The market's attitudes to what is good business practice and value-creating CG may be reduced to the question of what is legal and illegal. The framework for industry would in such case become narrower than it is at present.

The initiatives to improve roles played by the owners, board and management through voluntary norms adapted to local conditions may be taken over by the legislature - with good reason. Scandals due to a lack of control, information, crime or stupidity in relation to immoderate remuneration make politicians worldwide impatient. It is enough to mention the costly measures for listed companies that Messrs Sarbanes and Oxley have managed to implement in the USA over the past few years.

This worries me as a practitioner. In Norway, the new rule that 40% of a large company's directors must be women is an understandable political reaction to the fact that industry has reacted too late to society's signals. More rules may be implemented unless the boards themselves more or less immediately stop the growth in the overall remuneration to the top executives of our largest banks and industrial companies. Now that the Act relating to female representation on boards is coming into force, there are still relatively few women with experience of leading positions and/or of sitting on the board of major companies to choose among. Following a transitional period, that problem will be over. However, it is unfortunate that industry, boards, managers, authorities and unions did not at a far earlier stage make conditions more suitable so that more women actually want to become senior executives in industry, as is the case in politics. Now they have to be assigned a quota. This will lead to some of them displacing other, more experienced, expertise.

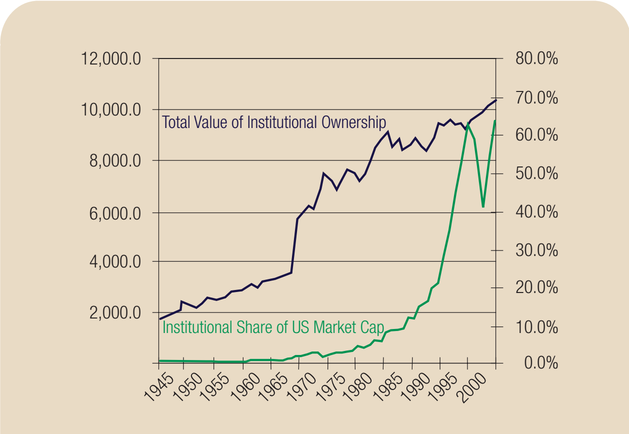
The same political moves will be seen in other areas that are currently voluntary norms in the Norwegian Code of Practice for Corporate Governance unless the chairmen of companies' boards start to make efforts to implement the Code of Practice in their own companies.

Researchers are struggling to get the real value of good corporate governance

Researchers are struggling to find out which norms for good CG can be said to give shareholders a better increase in value over time. That is perhaps not so strange when they have to compare quantitative sizes relating to the size of the board, gender distribution, number of independent members, etc, against the company's profits and/or share price developments from outside the boardroom. The results so far are roughly that small boards (6-9 directors) make better decisions than large ones (15+ directors), while boards with independent directors, women, employees and owners have not been shown to achieve better results – rather the contrary. Very few studies have so far looked at what takes place inside the boardroom.

After more than 30 years in various boardrooms, I have observed different chairmen, directors and their interaction as a team in "good and bad cases". So I have great understanding for the fact that researchers are having difficulty finding out which composition or management system produces the best results over time. The hierarchical group processes that take place in a boardroom are, in my opinion, more crucial to the outcome of an issue than the number of one thing or the other.

The division of roles between the chairman and CEO, the complexity of the company's situation and the issues



(source: ECGI Law Working Paper No. 74/2006)

presented to the board, the relationship of trust between the owners, board and management, the mutual respect for each other's roles and expertise, the willingness to listen with an ability to find constructive, better solutions together, the chairman's ability to lead the debate and draw conclusions, etc, are in my opinion of far greater importance to the decisions and results.

The board's composition and independence

In the 1950s, it was not uncommon in many countries for a board of directors to be made up of people from the company's management, banking connection, legal advisers and some other people the management had appointed. Today, the relationships are not as close. Many of the codes of practice I have read are characterised by a desire to have more control over the management. The answer to how to achieve better control over acquisition situations, avoid high executive salaries, protect minority interests against attacks from majority shareholders and make information from the company more accessible is usually more independent directors.

I believe the need for independent directors depends on the situation. In an association, it is the members themselves that decide. The statutes regulate authorisations and the election process. Companies with a widespread ownership structure and large shareholders on the board should have independent directors that are able to safeguard the minority interests. Their individual independence is, however, not enough. This does not determine whether a director will oppose a doubtful board resolution in a particular case. Expertise, experience and sufficient confidence to state and win support for one's objections can be just as important. This can lead to the rest of the board obtaining the counter-arguments they need to reverse their decision in time. Board work is not only about numbers and quotas, it is also about putting together a competent team that can understand both the perspective and details of the issues they are to discuss.

It takes a long time to become a good, valuable director. One must understand the company's operations and situation in order to make a valuable contribution. In the hunt for independent directors, one must in my opinion always demand sufficient expertise and experience. A board must be adapted to fit the company's actual situation and needs.

Independence also has a personal dimension. How important is this directorship for the individual. Is it a "position" in itself, or does this director have his/her own position? Will this director follow power or his/her conviction if the price to be paid is the loss of a valuable position?

The most valuable directors I have met have themselves had operations management experience from companies of a certain size in industries that are subject to competition. They have worn those shoes and can – usually far better than others – contribute their own experiences and advice to the boardroom situation in question. An understanding of business is important. What advice and guidance do the management need in order to do a better job. The control side is also important, but this can be better taken care of by auditors and internal controls systems. The board should instead make use of specialist professional expertise as required.

Control of directors' independence

The many different countries' voluntary CG codes of practice have in common the fact that they ask companies' boards to state which directors are counted as being independent of the company's management and (often) major shareholders. A research study conducted in March 2006 (Santella, Paone and Drago) of 284 directors of 40 Italian

Classification of directors' independence

	2003	*2007*
Japan	*3 %*	*8 %*
Tyrkia, Syd Korea, Taiwan, Hellas, Tsjekoslovakia, Fillipinene, Russland, Argentina, Brazil, Kina, Hong Kong		*18 – 36%*
Portugal	*27%*	*39%*
Poland, Thailand		*40%*
Spania	*35%*	*43%*
Tyskland	*44%*	*44%*
Danmark, Egypt, Østerrike, Ungarn, Singapore, India		*46-52%*
Frankrike	*44%*	*52%*
SydAfrika		*52%*
Sverige	*52%*	*52%*
Chile, Mexico, Peru, Belgia, Irland, Venezuela, New Zealand		*52-58%*
UK	*51%*	*58%*
Colombia, Malaysia		*58-59%*
Italia	*28%*	*66%*
Norge		*66%*
Australia	*60%*	*67%*
Canada	*76%*	*71%*
Sveits	*70%*	*73%*
Israel		*73%*
USA	*69%*	*74%*
Finland	*73%*	*76%*
Jordan		*82%*
Nederland	*62%*	*86%*
Indonesia		*91%*

listed companies who had declared themselves to be independent in 2003 shows that such self-declarations may be rather doubtful. A comparison with the local Preda Code and the EU's international recommendations in this area (EC Recommendations 2005) shows that only 58% of the directors comply with Preda's five criteria and 52% meet the EU's 11 criteria. Based on the information provided, the researchers could only state with certainty that five out of the 284 directors met all five criteria for independence stated in the Preda Code while 18 met four out of the five criteria. Only four satisfied the EU's 11 criteria for director independence.

The researchers claim that information on each director must improve if the directors' self-declaration that they are independent is to be verifiable by third parties. They believe it should be a task for the stock exchange to demand and check such information. I believe such a quantitative practice may be costly and not add any particular value for investors.

Classification of directors' independence

New services have appeared for international investors. For example,
GovernanceMetrics International (GMI) was established in 2000. In cooperation with institutional investors, directors,

managers and CG specialists, GMI has developed a tool for measuring whether companies meet its definitions of good CG irrespective of country or local norms. Its reports are claimed to provide an independent evaluation of these factors.

Directors' independence is measured according to an extensive definition based on statutory requirements and voluntary norms in many countries. I include the following as an illustration of how comprehensive the external, quantitative control of such factors seems to be:

GMI believes directors are only completely independent if they do not have any relationships with the company other than their directorship and director's fee. The objective is to measure degrees of independence and inform investors about this. The analysis is of each director and all board committees. GMI's classification is shown in the box (figure 2) – refer to the annex. The list is extensive and intended to be quantitatively measurable. I assume that Norwegian managers will ask GMI to adjust the amounts stated to suit their local circumstances in each country. Based on these criteria, GMI states that the share of independent directors in selected companies in selected countries varies as follows: With the exception of Canada, where the figures show a reversal, and Germany and Sweden, where the figures are standing still, comparable figures from 2003 show that the trend is in the direction of more and more directors who are independent according to GMI's definitions. Norway scores satisfactorily high on this list. We are only surpassed in the Nordic region by Finland, which was right at the top even in 2003. I would think that countries and companies with less than a 50% share of independent directors will be more carefully assessed on the basis of other CG criteria and their transactions by vigilant portfolio managers and analysts. A weakness of such international surveys is that they are not adapted to the local markets' company sizes, legislation or CG norms. If such surveys and future research reports are to have any opportunity to converge in their perception of reality, the information on a number of detailed factors relating to directors must be made known to the general public in a quite different and more extensive manner than they are at present. I am very doubtful that this will produce better results or have a justifiable cost/benefit ratio. However, it will take place.

What is the difference between the Norwegian and international norms?

In Norway, we were lucky enough to create 3-4 good ideas that were widely supported by industry. With good help from the ministries, the work of preparing a common national norm became part of a good consensus process. With nine active organisations at the forefront and numerous constructive anchoring points behind, the Norwegian Code of Practice for Corporate Governance was presented in January 2003. Later, the workgroup has been changed to the Norwegian Corporate Governance Board (NUES) (see www.nues.no), which annually monitors and renews the national norms in accordance with developments in the legislation, the capital markets' views and other trends in society.

I believe the Norwegian model is different from most other European norms in one important area. Independence. In some fundamentally important points in the Norwegian Code of Practice, there is a requirement of an independent division of roles when important decisions are to be made. Practical experience indicates that the decisions will in such case be better. Below are a few examples:

In Norway, it is recommended that the general meeting itself appoints its independent nomination committee, which is to contain people that are not themselves candidates for the posts that are up for election. It is easier to replace the chairman of the board and other directors with others that have better, more suitable expertise if the board is not itself responsible for appointing the nomination committee and/or does not appoint people to this as is common in many countries. After all, it is rare for a chairman of a board or a member of a nomination committee to propose that he/she should resign from an important position.

In Norway, as perhaps the only country, it is recommended that the board's evaluation of its own work is to be sent to an independent nomination committee for assessment and a decision on measures. With such an "external" recipient with the power to make changes, the directors will naturally be more attentive to their duties than otherwise.

In Norway, we have many examples of the fact that general meetings should be chaired by an independent person, not the chairman of the board. The fundamental basic view of this is that good procedural work necessitates distinguishing between the submitter of a proposal and the decision maker. The same person/body should not submit the proposal, chair the debate and draw the conclusions on a matter.

The same ideas form the basis for the recommendation that all boards should have a vice chairman that can ensure the board will deal impartially with cases if the chairman of the board joins the management in important negotiations regarding a merger or acquisition. My own observations in the boardroom have supported my view that an independent meeting chairman leads to better discussions, more objections being raised, better decisions and less of a risk of losing assets and positions. Perhaps every board meeting should appoint a devil's advocate so that the same director does not have to assume this role every time?

For the same fundamental reason, the CEO should not be a member of the board and must naturally not be the chairman of the board: however, such schemes in other countries seem to provide the same yield for shareholders as our and other countries' bipartite management model. There is a larger number of independent directors on such boards, but this has thus no proven effect.

I am not a supporter of the OECD's thesis that the CEO should not take over as the chairman of a company's board. Many countries have included this in their norms. Although such a chairman of the board is not defined as being independent in any norm, the requirement of an independent chairman of the board is also not a prominent one anywhere. Some of the best companies I know in the banking/finance and manufacturing fields in the Nordic region have had a tradition for decades of the CEO being promoted to the chairman of the board – and with good results. Such companies also have a strong corporate culture and the new CEO is always recruited from within the company. Again, it is important to take a practical approach.

Several norms allow for directors to receive profit-based remuneration. The hypothesis is that this will give the board and owners the same financial interests. I believe considerations relating to independent monitoring and control of the accounts and the company's performance mean that the board should not have such incentives.

Independent professional expertise on the board auditing and compensation committees is important to ensure a more thorough treatment and independent assessment for the board as a whole. Nonetheless, we still see many cases of unnecessarily large salary increases and generous options packages far in excess of that which is obviously necessary for skilled executives to remain in their jobs and be motivated to work for the company's best. Where were the independent directors that were supposed to prevent this? Did they have an opportunity, due to their independence, to better understand that the share prices could actually reach such a high level? I think more knowledge of options schemes and a clearer board attitude to setting a limit on profit-based pay would have been of greater help.

For me, it is more important that companies have a good system for dealing with issues independently in the case of elections and in the relationship between the board and management than it is to stipulate measurable demands relating to the directors' independence from the company, management, shareholders and suppliers.

What more remains?

The Norwegian model still has weaknesses. Our mandatory corporate assembly is an excellent body for improving contact and cooperation between owners and employees. However, it should be deprived of its responsibility for choosing the board. Proposals regarding candidates for the board should be submitted directly to the company's owners at the general meeting and directors should be elected there.

The indirect choice of directors, a closed process in the corporate assembly, which is often rather randomly composed and has no personal responsibility or risk, has in practice not led to many replacements of directors or in the corporate assemblies themselves. I believe it is about time to change this and allow the shareholders, including the minority interests who do not normally get a place in the corporate assembly, to reassume their right to choose the company's most important body – directly.

In this era of general shortages of professional expertise, it may once more be time to propose that the companies' boards establish an expertise committee. Such a committee was proposed in 2002 by the Norwegian Society of Financial Analyst's CG committee. At that time, the proposal was too premature to be included in the national Code of Practice. One of the main tasks for an expertise committee is to ensure that the company has sufficient expertise and managerial capacity. The company should have several qualified internal candidates ready to take over if the CEO or other important executives or key personnel leaves. Often, in practice, it is found that there are no internal candidates to take over after so-called strong leaders. Could it be that these have been "cowboy managers"? "This company is not big enough for both of us"? Such a board committee should also maintain an overview of the company's human resources and how the management administers these. The committee should consist of 2-3 independent directors with organisational and management expertise. It should prepare clear principles governing the company's recruitment policy based on the company's need for expertise, operations and competition circumstances, and it should monitor the company's recruitment, dismissals/resignations, sickness absence rate, etc. The expertise committee should ensure that the company has a good physical working environment, a positive atmosphere and first-rate internal collaboration, since this increases the company's ability to create value. Control measures should also be established to ensure that the board is made aware of and can implement measures that resolve internal conflicts resulting from vague divisions of responsibility or personal conflicts. Many companies suffer from a fuzzy organisation, weak management, internal conflicts and low levels of efficiency, while the CEO believes the company's internal business is his or her domain. The board is responsible for managing the company's resources. An expertise committee will be able to increase the board's insight and the company's ability to achieve better results.

Conclusion

The Norwegian Code of Practice for Corporate Governance has attracted the attention of the largest listed companies. No one knows how much attention it would have received without the Oslo Stock Exchange's "comply or explain" principle. How strict will the stock exchanges be in the future regarding to those of their companies not following or having insufficient explanations why they are not following the norms? After the privatisation of the stock exchanges, corporate governance also has made impact on these institutions. If the implementation of good corporate governance is supposed to have any real effects, the investors and board members, as well as the whole business sector, have to react more strongly against companies violating good corporate governance. I have no doubt that the companies' owners, boards and managements will achieve better results and enjoy greater confidence if they place emphasis on complying with these recommendations, which nine Norwegian organisations have prepared and more have been involved in. It is important that all the listed companies now give priority to complying with the recommendations in practice, and thus avoid negative articles in the media. Such compliance must also be achieved quickly – before politicians once more lose patience and submit new draft legislation to tighten up this field. In addition, boardrooms should be made more accessible to researchers. We would all benefit from more knowledge about what happens in the boardroom.

This article is written by Ludvik Sandnes, partner in Rokade AS and co-founder and member of the Norwegian Corporate Governance Board.
The content of this article do not necessarily represent the view of the Norwegian Ministry of Trade and Industry

GMI's criteria for independence

(This table may be abbreviated or put into a separate box. It illustrates what is required of details and information if measuring independence is given too great emphasis)

A director is not independent if he/she

1. has been employed by the company during the past five years (apart from an independent director that has agreed to be employed temporarily, for example as an interim executive for less than one year).
2. owns 10% of the shares or is employed by such a shareholder group that also has business connections, etc, with the company. A representative of a 10% (or larger) shareholder without any links other than its investment in the company is defined as independent.
3. is an employee or director of a subsidiary in which the parent company has more than 10% of the votes (apart from a director of a holding company who is also an independent director of a wholly owned subsidiary).
4. has been employed during the past five years by an acquired company or a company that has been merged with the company and which comprised more than 50% of the new company's revenues or assets at the time of the merger.
5. provides personal or professional advice to the company or its management for more than USD 120.000 per annum.
6. has during the past three years been an owner, partner, employee or paid adviser of a firm that provides services (legal, accounting, auditing, insurance, banking, IT or other consulting activities) to the company or management for more than USD 120.000 per annum.
7. is an owner, partner or employee of or paid adviser to a firm that has sold goods or services for more than 1% of its own revenue. GMI also assesses directors that have similar relationships with the company's customers, but such relationships are regarded as being less problematical than they are for suppliers.
8. has been employed during the past three years by a firm where one of the employees of the company in question is a director (cross relationship).
9. is one of the company's founders, irrespective or his/her present relationship with or ownership of the company.
10. has during the past five years been employed by or some other representative of a previous parent company, irrespective of the current ownership or link.
11. has been nominated by an owner that has more than 5% of the voting rights or is represented in the management.
12. is a "non-executive" chairman of the board who receives cash remuneration of more than either 1) 50% of the salary and bonus paid to one of the company's executives or 2) more than five times that paid to other directors.
13. is employed by a company that is owned or managed by another independent director or member of the management.
14. is related to any of the abovementioned.

Other circumstances and transactions that are known are also taken into consideration.

Mesta shows the way

After 180 years of operations in road construction and management, the production division of the Norwegian Public Roads Administration was de-merged and exposed to market competition on 1 January 2003. This policy decision led to the establishment of Mesta, Norway's largest roads contractor. In addition to building and maintaining most of Norway's road network, the company has given the country more road for its money by reducing costs by about NOK 1 billion annually.

Mesta is wholly-owned by the Norwegian Ministry of Trade and Industry, and was established as a result of the second Bondevik Government's programme for improving efficiency in and restructuring of the public sector.

Parallel with the establishment of Mesta, the activities of the Norwegian Public Roads Administration related to the operation, maintenance and expansion of the road network were exposed to competition on the open market, a move that was expected to yield more road for the money. From day one Mesta had to compete for new contracts for road construction and surfacing. Contracts involving operation and maintenance were exposed to competition over a four-year period, and during 2006 all these contracts had to compete on the open market.

Staff adjustments

The production division of the Norwegian Public Roads Administration had about 5.000 employees when Mesta was established. To strengthen the builder-owner function in the Norwegian Public Roads Administration, 250 of these employees remained in that organisation, leaving Mesta with 4.750 employees at its start-up. To increase Mesta's ability to compete on the open market, the Storting and the Government directed Mesta to implement efficiency measures and reduce its staff. It was uncertain how many employees needed to be cut, and one estimate put the number at 1.500 employees. Initial plans called for Mesta to complete the restructuring within a three-year period.

It was important that the employees whose positions were eliminated received fair treatment and that their rights were respected. The staff reduction presented enormous challenges and incurred substantial costs for the company. In response, the company implemented a number of measures. Emphasis was placed on ensuring that as many employees as possible who left the company did so voluntarily. Measures such as severance pay, termination packages and retraining would be covered by the company's own capital, and this was taken into account in the opening balance when the company was established.

In addition, the Storting voted to allocate NOK 1.468 million to the company in 2003-2005 to cover Mesta's expenses related to early retirement, retention of the special retirement age for certain professions, and the pension scheme in the Norwegian Public Service Pension Fund. The restructuring funds are intended to compensate for expenses arising from the agreement negotiated between the labour organisations and the Ministry of Transport and Communication with a view to facilitating a well-managed staff reduction process. The funds are earmarked as an extraordinary expenditure not normally part of the establishment of a company.

Mesta has achieved better results than anticipated. The need for restructuring funds was reduced to NOK 1.2 billion. Mesta has not been allocated more than the NOK 994 million earmarked for restructuring. This means that the remaining restructuring costs of over NOK 200 million must be covered by the company's own capital.

The first phase of restructuring has now been completed. The initial years have been dedicated to defining goals, directions and objectives. Efforts have been targeted at developing strategic awareness and customer orientation, fostering confidence and the desire to succeed, and reorganising contractors and subcontractors.

A staff reduction has been implemented, and the company had 3.300 employees at the start of 2007. In addition to adjusting the staff size to the market, the restructuring process required the company to enter new markets, cooperate across areas of activity, establish a common value platform and new production methods, enhance expertise, merge districts and exploit economies of scale.

Focus on roads

The establishment of Mesta as a company subject to market competition represented a rapid dismantling of the state monopoly. Just 13 months following the Storting's decision to expose the production activity in the Norwegian Public Roads Administration to competition, the decision was implemented. The transition from a public administration organisation to a profit-oriented business, which occurred over night, placed extremely high demands on the pace of decision-making and the ability to implement the plans.

From the outset, Mesta determined that the company's strategy would focus on roads. The company's business concept is to be a turnkey supplier of safe roads. The Norwegian Public Roads Administration is Mesta's largest customer, but Mesta has established a position in new markets as well. The company carries out construction and maintenance assignments for national, municipal and private customers. The company is Norway's largest roads contractor – a local contractor with a presence throughout the country. Mesta is organised as a company with four areas of activity: Construction, Operations, Surfacing, and Electro.

In Mesta's four years as a commercial contractor, the company has shown significant positive development. Mesta has made great strides in its restructuring efforts and has already managed to become the strongest brand name in the industry and a recognised contractor with a foothold in a growing number of markets.

To ensure that Mesta remains competitive and is able to adapt to market conditions, the restructuring efforts have been implemented at a rapid pace. Power and authority have been positioned in the operational segment closest to the customer. Precise systems of measurement have been introduced, and investments have been made in new machinery inventory.

Four years after its establishment, Mesta is characterised by optimism about the future and a strong internal company culture. Based on expectations, the financial results have been satisfactory, the number of injuries has been reduced considerably, absence due to illness is low, and morale is high.

Mesta is a values-driven company with a special focus on ethics and external environment. The company is developed, operated and governed according to the company values of focus, willingness to change, overall responsibility and honesty. These values are used as practical tools and mental checklists on a daily basis. The company's vision, values and ethical guidelines apply to everyone in the company, regardless of function, level or geographic location. After the extensive efforts to incorporate these values into the company took hold, over 90 per cent of the employees today say that these values are used and lived out every single day. Mesta has defined these values as the very cornerstone of all its business and personnel-related activities in Mesta.

The company has committed substantial resources to reducing the number of injuries. Working with and on roads entails a high risk of injury, and initially the company experienced a large number of injuries. In the past year, this number has dropped dramatically – by almost 70 per cent in the course of 2006.

As a large, machinery-based company, Mesta has made a conscious decision to take responsibility for the burden it places on the environment. The objective of Mesta's environmental efforts is to produce positive environmental effects and benefits for customers and society, as well as for the company. It is an internal company objective to demonstrate that effective environmental efforts result in good profitability. Key focus areas include the implementation of an environmental strategy, the enhancement of expertise, and the use of new environmental technology.

Mesta continues to face challenges. Efforts are ongoing to improve profitability and buying power. Nonetheless, the company's long-term prognosis is excellent, and the market is very good – and will remain so in the foreseeable future.

Industrialisation

Although Mesta has shown satisfactory results in the initial years, which coincides with expectations, goals for the company have been set even higher. On this basis the company has begun extensive efforts to industrialise its contracting activity through Mesta's production system.
A review of work processes has shown that up to 85 per cent of all operations are so similar that they can be standardised. This standardisation is the most central element in Mesta's production system. The purpose of the system is not to perform more work or at a faster pace, but to work smarter through better planning and an overview of all aspects of the operations. The objective is improved profitability, productivity and employee morale.

The management is also undergoing a maturation process. All managers in Mesta have participated in development programmes and will continue to hone their skills so that they become more adept at filling their roles as administrators, strategists and developers. Employees of Mesta are required to show advancement in their professional development.
The contracting industry is characterised by a shortage of management resources and, consequently, by tough competition for skilled managers and industry experts. For each project manager Mesta recruits, the company is able to employ approximately five to ten professional and construction workers. Successful recruitment is therefore necessary for continued growth.

This article is written by CEO in Mesta AS, Kyrre Olaf johansen, and the content do not necessarily represent the view of the Norwegian Ministry of Trade and Industry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Companies where commercial operation is one of the objectives

(categories 1-3)

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

CATEGORY 1 – Companies with commercial objectives

50 Argentum Fondsinvesteringer AS
51 Baneservice AS
52 Eksportfinans ASA
53 Entra Eiendom AS
54 Flytoget AS
55 Mesta AS
56 SAS AB
57 Venturefondet AS

CATEGORY 2 – Companies with commercial objectives and ensuring head office functions in Norway

58 Cermaq ASA
59 DnB NOR ASA
60 Kongsberg Gruppen ASA
61 Nammo AS
62 Norsk Hydro ASA
63 Statoil ASA
64 Telenor ASA
65 Yara International ASA

CATEGORY 3 – Companies with commercial objectives and other specific, defined objectives

66 BaneTele AS
67 Electronic Chart Centre AS
68 Kommunalbanken AS
69 NSB AS
70 Posten Norge AS
71 Statkraft SF
72 Statskonsult AS
73 Store Norske Spitsbergen Kulkompani AS
74 Veterinærmedisinsk oppdragssenter AS
75 Secora AS*

* Not included in Report no 13 (2006–2007) to the Storting.

Argentum Fondsinvesteringer AS

ARGENTUM

COMPANIES

ADDRESS: P.O. Box 3965 Dreggen, NO-5835 Bergen
TELEPHONE: +47 55 54 70 00
INTERNET: www.argentum.no

MANAGING DIRECTOR: Joachim Høegh-Krohn

CHAIRMAN: Widar Salbuvik

BOARD MEMBERS: Knut Borch, Ada Kjeseth, Marie Jore Ritterberg and Bjørnar Skjevik.

AUDITOR: PricewaterhouseCoopers AS

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

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	396	500
Operating costs	87	68
Operating profit (loss)	**309**	**432**
Net financial items	56	45
Profit before tax and minority interests	**365**	**477**
Tax	25	-20
Minority interests	0	0
Profit after tax and minority interests	**389**	**457**
BALANCE SHEET		
Intangible assets	5	0
Tangible fixed assets	1	2
Fixed asset investments	1 364	835
Total fixed assets	**1 371**	**836**
Current assets	1 971	2 277
Total assets	**3 342**	**3 114**
Subscribed equity	2 650	2 650
Retained earnings/other equity	687	430
Minority interests	2	0
Equity	**3 338**	**3 081**
Provisions for liabilities and charges	0	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	4	33
Total liabilities	**4**	**33**
Total equity and liabilities	**3 342**	**3 114**
CASH FLOW		
Operational activities	-226	6
Investment activities	465	-192
Financing activities	-133	175
Change in liquid assets	**103**	**-11**
KEY FIGURES		
Capital employed	3 338	3 081
EBITDA	366	478
EBIT	366	478
Equity ratio	99.9 %	99 %
Annual return on equity	12 %	16 %
Average return on equity over past 5 years	10 %	
Return on capital employed	11 %	17 %
DIVIDEND, ETC		
Provisions for dividend	131	130
Dividend ratio	34 %	28 %
Average dividend ratio over past 5 years	40 %	
Dividend payable to the State	131	0
Capital contributed by the State	0	200
OTHER INFORMATION		
No. of employees	9	9
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	40 %	40 %
% of female shareholder-elected directors	40 %	40 %

Argentum Fondsinvesteringer AS is an investment company that holds minority shares in specialised active investment funds. By actively selecting private equity funds and developing the management, Argentum aims to achieve a high return and enhance the competitiveness of the Norwegian industry. The presence of such fund management environments is a prerequisite if innovative companies are to have long-term access to risk capital.
Argentum's investments are based on commercial criteria and its return is to be in line with those of the best private equity funds-in-funds in Europe. The company was established in 2001 and its head office is in Bergen. Argentum had 11 employees at the end of 2006.

Key events

Argentum reinforced its position in the Nordic region in 2006, among other things by investing in Denmark's Axcel III (2.5 per cent stake), Finland's Eqvitec Technology Fund III (14.1 per cent) and Sweden's EQT V (0.7 per cent). EQT and Eqvitec are two leading players in their separate fields that are investing more actively in Norway. EQT, is establishing an office in Norway. Eqvitec has entered into contracts with IT-Fornebu's incubator and Sintef's incubator environment and has already made its first venture investment.
The fund-management environment in Stavanger developed positively with respect to both return and quality in 2006. As the largest investor in HitecVision Private Equity IV (20.1 per cent), Argentum is continuing to invest in this fund, which specialises in oil technology. Northzone V (Argentum's stake is 11.3 per cent) attracted investors such as AlpInvest Partners, Pantheon Ventures, BNP Paribas Private Equity, LGT Capital Partners, Access Capital Partners and Swiss Re. This fund invests considerably in Norwegian and Nordic founders of technology, software and telecommunications companies. Borea Opportunity is a new Norwegian private equity fund based in Bergen that was established in 2006. The new fund focuses on industry in western Norway. It has established a considerable industrial network and Argentum owns a 9.6 per cent stake.
The funds made several successful exits in 2006. It is worth mentioning that HitecVision Private Equity III, in which Argentum owns 29.1 per cent, sold 70 per cent of Scandpower Petroleum Technology for 9.6 times the amount invested.
Several of Argentum's funds won or were nominated for international sector prizes in 2006. HitecVision was awarded the prize for "Nordic Mid-Market Exit of the Year" for its sale of Scandpower Petroleum Technology. Northzone V was chosen as "Nordic Fundraiser of the Year".
At the end of 2006, Argentum was involved in 21 Norwegian and Nordic investment funds and had committed to invest NOK 3.2 billion.

Financial trends

Argentum made a profit for 2006 of NOK 389 million, compared to NOK 457 million in 2005. The company's revenues consisted of gains on its fund investments, short-term placements in certificates and bonds, and interest income. In addition, the unrealised value of the fund investments increased by around NOK 120 million. Any increase in Argentum's profitability in the future is mainly dependent on how the value of the funds in which it has invested develops and in how the interest on the financial investments develops.
The financial income increased in 2006 due to increased interest rates, despite the fact that Argentum's residual obligations were reduced during the year. At the end of March 2007, Argentum had committed itself to invest NOK 3.2 billion in private equity funds. Of this amount, around NOK 1.36 billion was paid in as shares in private equity funds, while NOK 1.83 billion was short-term placements in bonds and certificates. The residual obligations will be paid in as the funds gradually make investments in companies. The company has no interest-bearing liabilities and its equity ratio equalled around 99.9 per cent at the year-end 2006. The national budget for 2007 assumes a dividend of around NOK 131 million from Argentum for the 2006 financial year.

Baneservice AS

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

MANAGING DIRECTOR: Lars Skålnes

CHAIRMAN: Thor Svegården

BOARD MEMBERS: Eli Giske, Anita Kåveland, Are Langemoen and Olaf Melbø, Jon Jessesen*, Geir Wilhelm Røer* and Ove Snarheim*, * Employee representative

AUDITOR: PricewaterhouseCoopers AS.

STATE OWNERSHIP: 100% (Ministry of Transport and Communications)

100 %

© Baneservice AS

Baneservice AS was demerged from the Norwegian National Rail Administration on 1 January 2005. The company is the largest turnkey supplier for technical railway construction contracts in Norway. Its main market is the Norwegian railway network and its most important customer is the Norwegian National Rail Administration. Baneservice also provides railway-related services to private track owners as well as for trams and underground trains.

Baneservice was established as part of the plan to improve efficiency in the Norwegian railway sector. Parallel to the decision to demerge Baneservice from the Norwegian National Rail Administration, the Storting adopted a plan to open more of the national railway's services to competition. However, this plan was stopped following the change in government in the autumn of 2005. This led to a reduction in the estimated total market of around NOK 500 million. To compensate for this reduction, the company has increased the rate at which it is investing outside Norway.

Key events

In line with its international strategy, Baneservice acquired 51 per cent of the shares in Sweden's Scandinavian Track Group (STG) in the summer of 2006. This company has a strong position in the Swedish Railway's rail-welding market.

In connection with the transfer of operations from the Norwegian National Rail Administration, the owner granted NOK 45.6 million for restructuring operations. Since it started in 2005, the company has carried out many restructuring operations in order to adapt to market conditions. A significant part of the restructuring funds is linked to early retirement pensions. However, the restructuring process has had a clear goal of avoiding offering employees early retirement, and so far it has succeeded in finding alternative solutions for those affected. In line with the Storting's decision, the surplus restructuring funds can be repaid to the owner.

Financial trends

The Group achieved a profit before tax of NOK 8.9 million. Its operating revenue came to NOK 495.2 million. Since the Group's share of the profits from Sweden's STG only reflects the period from 30 May to 31 December 2006, the result presented is better than if it had reflected the entire year's operations. The parent company's profit before tax came to NOK 4.4 million, compared to NOK 5.8 million in 2005, while its operating revenue was NOK 459.7 million, compared to NOK 372.1 million the previous year. This produced an operating margin of 0.9 per cent, compared to 1.6 per cent in 2005. The dividend to the State for the 2006 financial year was determined by the ordinary general meeting to be NOK 2.67 million.

The overall result for the year is regarded as satisfactory for a developing company. The results are much better than were expected when the company was formed.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	495.2	372.1
Operating costs	487.4	367.8
Operating profit (loss)	**7.8**	**4.4**
Net financial items	1.1	1.4
Profit before tax and minority interests	**8.9**	**5.8**
Tax	2.2	1.1
Minority interests	1.8	0.0
Profit after tax and minority interests	**4.9**	**4.6**
BALANCE SHEET		
Intangible assets	26.5	18.7
Tangible fixed assets	84.8	60.7
Fixed asset investments	0.9	0.3
Total fixed assets	**112.2**	**79.7**
Current assets	226.6	266.4
Total assets	**338.8**	**346.1**
Subscribed equity	138.0	138.0
Retained earnings/other equity	30.4	24.5
Minority interests	6.7	0.0
Equity	**168.4**	**162.5**
Defferred tax	0.0	19.8
Provisions for liabilities and charges	44.9	43.8
Long-term liabilities	38.6	38.3
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	86.9	101.5
Total liabilities	**170.4**	**203.4**
Total equity and liabilities	**332.1**	**365.9**
CASH FLOW		
Operational activities	-33.9	50.5
Investment activities	-45.5	-8.4
Financing activities	-1.7	-1.1
Change in liquid assets	**-81.1**	**40.9**
KEY FIGURES		
Capital employed	200	201
EBITDA	28	20
EBIT	11.4	7.4
Equity ratio	49 %	47 %
Annual return on equity	3.0 %	2.9 %
Average return on equity over past 2 years	2.9 %	
Return on capital employed	5.7 %	3.7 %
VALUES AND DIVIDEND		
Provisions for dividend	2.7	3.5
Dividend ratio	55 %	76 %
Average dividend ratio over past 2 years	65 %	
Dividend payable to the State	2.7	3.5
Capital contributed by the State	0	137.9
State loan	0	38.3
OTHER INFORMATION		
No. of employees	328	245
% of employees in Norway	78 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	25 %	22 %
% of female shareholder-elected directors	40 %	40 %

COMPANIES

EKSPORTFINANS

Eksportfinans ASA

ADDRESS: P.O. Box 1601 Vika, NO-0119 Oslo
TELEPHONE: +47 22 01 22 01
INTERNET: www.eksportfinans.no

MANAGING DIRECTOR: Tor F. Johansen

CHAIRMAN: Erik Borgen
BOARD MEMBERS: Baard Syrrist, Live Haukvik Aker, Leif Johan Laugen, Bodil P. Hollingsæter, Cato A. Holmsen, Gunvor Ulstein, Tor F. Johansen and Tor Østbø*
* Employee representative

AUDITOR: PricewaterhouseCoopers AS

STATE OWNERSHIP: 15%
(Ministry of Trade and Industry)

15 %

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Interest received	5 356	3 285
Interest costs	4 872	2 930
Net interest and credit revenues	**484**	**356**
Other operating revenues	27	14
Operating costs	178	188
Net loss	0	0
Operating profit (loss)	**333**	**182**
Tax	-91	-53
Profit after tax	**243**	**128**
BALANCE SHEET		
Cash and receivables from credit inst.	9 409	9 851
Net loans	90 314	73 608
Securities	63 403	49 830
Other assets	2 057	2 646
Total assets	**165 183**	**135 935**
Liabilities to credit institutions	0	0
Contributions from customers	0	0
Other liabilities and commitments	161 326	131 917
Subordinated loan capital	1 255	1 441
Total liabilities	**162 582**	**133 358**
Subscribed equity	1 756	1 756
Earned equity	845	821
Total equity	**2 601**	**2 577**
Total equity and liabilities	**165 183**	**135 935**
CASH FLOW		
Operational activities	-177	-553
Investment activities	-35 383	-21 711
Financing activities	34 670	22 656
Currency effect	-20	12
Change in liquid assets	**-910**	**404**
KEY FIGURES		
Core capital coverage	8.3	9.8
Capital coverage	12.2	13.1
Cost/income ratio	35 %	51 %
Provision for loss as %age of gross lending	0 %	0 %
Loss as %age of lending	0 %	0 %
Annual return on equity	9 %	5 %
Average return on equity over past 5 years	8 %	
DIVIDEND		
Provisions for dividend	218	115
Dividend ratio	90 %	90 %
Average dividend ratio over past 5 years	78 %	
Dividend payable to the State	32.7	17.3
OTHER INFORMATION		
No. of employees	100	94
% of employees in Norway	100 %	100 %
State shareholding at year-end	15 %	15 %
Total % of women on the board	38 %	33 %
% of female shareholder-elected directors	43 %	43 %

Eksportfinans ASA was established in 1962 on the initiative of the Ministry of Finance and the Norwegian Bankers' Association. The commercial banks in Norway established Eksportfinans to serve as an affiliated institution specialising in long-term financing and export credit. In recent years, savings banks have also become shareholders and Eksportfinans is owned by 26 commercial and savings banks in addition to the State. The State, via the Ministry of Trade and Industry, purchased a shareholding of 15 per cent in 2001 through a private placement. The group has 100 employees, all of whom work in Norway.

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

Key events

In 2006, the volume of new lending increased by 60 per cent compared to the previous year. New export-related lending increased by more than 100 per cent, primarily as a result of very good market conditions in the maritime sector and oil and gas industry. The volume of new loans provided by Kommunekreditt Norge AS increased by 10 per cent in 2006.

In June 2006, Eksportfinans launched eFunding, a trading platform that is an in-house developed web-based solution for the issuance and documentation of structured bond loans. The objective of eFunding is to achieve favourable borrowing conditions by simplifying the work of pricing and automatically processing transactions. eFunding enables banks to issue

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a bond loan in the name of Ekspoertfinans 24 hours a day, seven days a week.

In January 2007, Eksportfinans was chosen as IFR Borrower of the Year 2006 and Sovereign/Supranational/Agency/Regional Borrower of the Year 2006. These prizes are awarded each year to the world's most innovative borrowers by IFR – International Financing Review, an internationally acclaimed financial magazine.

Financial trends

Eksportfinans's profits increased in 2006 and most of its market segments developed positively during the year.

In 2006, the group achieved a consolidated profit of NOK 243 million, compared to NOK 128 million in 2005. This increase is mainly due to higher net interest income. The operating costs as a share of the average total assets came to 0.12 per cent in 2006, compared to 0.15 per cent in 2005. The return on equity after tax was 9.4 per cent, compared to 5 per cent in 2005.

The group disbursed NOK 35.9 billion in new loans in 2006, compared to NOK 22.4 billion in 2005. These new loans were divided as follows: NOK 23.6 billion for financing Norwegian export industries and NOK 12.3 billion for financing municipalities and counties. At the end of 2006, the group had a total lending volume of NOK 99 billion. The State will receive NOK 32.7 million in dividend from Eksportfinans for the 2006 financial year.

COMPANIES

Entra Eiendom AS

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

ACTING MANAGING DIRECTOR: Torodd Bøystad

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

AUDITOR: PricewaterhouseCoopers DA

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

100 %

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

Entra Eiendom's main objectives are to have satisfied customers, give its owners the return that is normal in the market, be leading in its prioritised markets and offer challenging, attractive jobs. The company's strategy is to primarily have a presence and be a significant player in Norway's seven largest cities. At year-end 2006, the company had 143 employees.

Since its establishment in 2000, Entra Eiendom has experienced significant growth and development and has become a key player in the Norwegian real estate market. The floor space managed by Entra Eiendom has increased from roughly 600 000 m^2 when the company was established to 990 000 m^2 at year-end 2006.

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

Key events

In 2006, the Office of the Auditor General of Norway conducted a management audit of Entra Eiendom. The Ministry of Trade and Industry will, in collaboration with the company's board and management, follow up the critical items pointed out in the Storting's comments.

Entra Eiendom bought Hydro's premises at Kjørbo outside Oslo and will formally take over this property in the summer of 2007. Entra Eiendom is going to erect a new building for Asker and Bærum police district on this site. The company won the competitive tendering for this construction project in 2006.

Several major projects were completed in 2006. Kunnskapsparken (the Knowledge Park) in Drammen was handed over to the tenants in December. This real estate project, which encompasses a total of 21 000 m^2, is owned by Papirbredden Eiendom AS, in which Entra Eiendom AS owns 60 per cent and Drammen Eiendom KF owns 40 per cent. In December, Skattens Hus (Tax House) in Sandvika, outside Oslo, was also handed over to its tenants, Asker and Bærum tax offices.

Financial trends

The Group's profit before tax in 2006 came to NOK 236 million, compared to NOK 230 million in 2005. Rental income and other operating revenue increased by NOK 84 million, mainly due to projects being completed. The gain on the sale of property in 2006 came to NOK 12 million, compared to NOK 32 million in 2005. The Group's total revenues came to NOK 1 137 million in 2006, compared to NOK 1 072 million in 2005. Entra Eiendom's operating costs increased by NOK 37 million in 2006, mainly due to the company having a larger property portfolio than in 2005. NOK 27 million of the increase in costs was due to higher depreciation amounts. In total, this produced an operating profit of NOK 618 million, up from NOK 591 million in 2005. Entra Eiendom intends to pay NOK 140 million in dividend for the 2006 financial year, equal to a payout ratio of 82 per cent of the profit after tax. Entra Eiendom values its assets each year and estimates its net asset value on this basis. At year-end 2006, its net asset value was NOK 9.1 billion, up from NOK 7.2 billion at year-end 2005. The net asset value ratio was 49 per cent at year-end 2006.

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	1137	1072
Operating costs	518	481
Operating profit (loss)	**618**	**591**
Net financial items	-382	-361
Profit before tax and minority interests	**236**	**230**
Tax	-65	-67
Minority interests	1	0
Profit after tax and minority interests	**171**	**163**
BALANCE SHEET		
Intangible assets	15	0
Tangible fixed assets	10 040	9 152
Fixed asset investments	242	287
Total fixed assets	**10 297**	**9 439**
Current assets	395	288
Total assets	**10 692**	**9 727**
Subscribed equity	1 414	1 414
Retained earnings/other equity	-53	-84
Minority interests	141	46
Total equity	**1 502**	**1 377**
Provisions for liabilities and charges	195	104
Long-term liabilities	8 528	7 784
Current interest-bearing liabilities	0	0
Current interest-free liabilities	466	462
Total liabilities	**9 190**	**8 350**
Total equity and liabilities	**10 692**	**9 727**
CASH FLOW		
Operational activities	290	311
Investment activities	-887	-955
Financing activities	540	824
Change in liquid assets	**-57**	**180**
KEY FIGURES		
Capital employed	9 976	9 099
EBITDA	813	759
EBIT	634	607
Equity ratio	14 %	14 %
Annual return on equity	13 %	12 %
Average return on equity over past 5 years	7 %	
Return on capital employed	7 %	7 %
VALUES AND DIVIDEND		
Market value at year-end	9 100	7 170
Price/book	6.1	5.2
Provisions for dividend	140	120
Dividend ratio	82 %	74 %
Average dividend ratio over past 5 years	133 %	
Dividend payable to the State	140	120
Return including last year's dividend	29 %	23 %
Average return over last 5 years	20 %	
OTHER INFORMATION		
No. of employees	140	123
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	40 %	29 %
% of female shareholder-elected directors	40 %	40 %

Flytoget AS

Airport Express Train Flytoget
Enkleste vei til og fra Oslo Lufthavn

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

MANAGING DIRECTOR: Thomas Havnegjerde

CHAIRMAN: Endre Skjørestad
BOARD MEMBERS: Toril Bariusdotter Ressem, Trygve Gjertsen, Mari Skjærstad, Ingar Nicolai Nilsen, Mark Johnston*, Reidar Dammyr* and Randi Daltveit*.
* Employee representatives

AUDITOR: KPMG AS

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

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	627	565
Operating costs	470	453
Operating profit (loss)	**157**	**112**
Net financial items	-13	-37
Profit before tax and minority interests	**145**	**75**
Tax	-41	-21
Profit after tax and minority interests	**104**	**54**
BALANCE SHEET		
Intangible assets	384	422
Tangible fixed assets	640	676
Fixed asset investments	166	0
Total fixed assets	**1 190**	**1 097**
Current assets	53	109
Total assets	**1 243**	**1 206**
Subscribed equity	692	692
Retained earnings/other equity	68	41
Equity	**761**	**734**
Provisions for liabilities and charges	118	58
Long-term liabilities	255	335
Current interest-bearing liabilities	0	0
Current interest-free liabilities	109	80
Total liabilities	**482**	**473**
Total equity and liabilities	**1 243**	**1 206**
CASH FLOW		
Operational activities	220	178
Investment activities	-192	-8
Financing activities	-80	-155
Change in liquid assets	**-52**	**15**
KEY FIGURES		
Capital employed	1 016	1 059
EBITDA	236	195
EBIT	160	113
Equity ratio	61 %	61 %
Annual return on equity	14 %	8 %
Average return on equity over past 4 years	5 %	
Return on capital employed	15 %	10 %
DIVIDEND		
Provisions for dividend	32	0
Dividend ratio	31 %	0 %
Average dividend ratio over past 4 years	21 %	
Dividend payable to the State	32	0
OTHER INFORMATION		
No. of employees	275	265
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	38 %	25 %
% of female shareholder-elected directors	40 %	40 %

Flytoget AS was founded in 1992 under the name NSB Gardermobanen AS. NSB Gardermobanen AS began operations when Oslo Airport Gardermoen opened in 1998.

In 2003 the company was demerged from the NSB Group and became an independent limited company owned by the Ministry of Transport and Communications. In 2004, administration of the State's ownership functions was transferred to the Ministry of Trade and Industry. The company has 16 trains that can reach speeds of 210 km per hour. The travel time between Oslo Central Station and Oslo Airport is 19 minutes. In 2006, Flytoget carried around 4.9 million passengers, equivalent to a market share of 34 per cent. The company had 270 employees at year-end 2006.

The company's objective is to operate the airport express train service to Oslo Airport Gardermoen and to make investments and financial placements and provide services in connection with this. One of Flytoget's tasks is to contribute to a high percentage of those travelling to Oslo Airport choosing public transport.

Key events

Punctuality is crucial if customers are to have confidence in the company. In 2006, the airport express train service achieved a 96 per cent on-time arrival rate at Oslo Airport. Flytoget further reinforced its position as one of Norway's leading service companies by coming second in the Norwegian Customer Satisfaction Barometer 2006. Its strong brand is the core of Flytoget's success and this applies to all parts of the value chain. The company has upgraded all its trains with new furnishings and a new logo in 2006. This has also led to new uniforms for employees. These two visible product elements have helped to give Flytoget an upgraded, more modern profile.

The company measures customer satisfaction among its passengers four times a year, and the results for 2006 showed an index of 93 (source: Research International). This is an exceedingly high score, regardless of industry.

The sharp rise in Flytoget's passengers over the past few years – including a 10 per cent increase in traffic in 2006 – has led to the need for more seating capacity in order to serve customers in the best possible manner. The company therefore entered into a contract with Bombardier Transportation in 2006 for the purchase of 16 new railway carriages which will be phased into the operations as from the end of 2008.

Health, Environment and Safety work is an important part of Flytoget's operations and the company has focused on measures to reduce the sickness absence rate and number of accidents in 2006. In addition, the company has focused on ensuring access to Flytoget for the disabled.

Financial trends

In 2006, Flytoget had operating revenue of NOK 627 million and profit after tax of NOK 104 million. This equals a return on equity of 13.9 per cent, compared to 7.5 per cent in 2005. The reasons for the improved results are the 10.1 per cent growth in the number of passengers compared to 2005 and that the company's costs are under control. Flytoget's equity ratio was 61.2 per cent at the end of 2006, compared to 60.8 per cent in 2005.

The direct negative impact on equity of the adjustment of the fair value of the company's pension liabilities came to NOK 45 million and was mainly due to an adjustment to the actuarial calculation assumptions and factual deviations from these. Flytoget reduced its interest-bearing long-term debt by NOK 80 million to NOK 255 million in 2006. The company has posted NOK 68 million in deferred tax assets in its balance sheet.

The company has set aside NOK 32 million for dividend for the 2006 financial year.

Mesta AS

ADDRESS: P.O. Box 5133, NO-1503 Moss
TELEPHONE: 05 200
INTERNET: www.mesta.no

MANAGING DIRECTOR: Kyrre Olaf Johansen

CHAIRMAN: Frode Alhaug
BOARD MEMBERS: Mari Skjærstad, Tuva Barnholt, Ingrid Dahl Hovland, Jon L. Gjemble, Jens Petter Hermansen*, Ingar Eira* and Frode Aalerud*
* Employee representatives

AUDITOR: Ernst & Young AS

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

100 %

Foto: Bo Mathisen

Mesta AS was demerged from the Norwegian Public Roads Administration on 1 January 2003, becoming an independent, wholly State-owned limited company. The company is the largest Norwegian contractor in the area of road construction, operation and maintenance. Mesta has operations throughout Norway, with headquarters and a regional office at Lysaker and regional offices in Bergen and Bodø. In 2006, the company consisted of three business areas: Construction, Surfacing and Materials Production, and Operations. With effect from 1 January 2007, the company established another business area: Electro. The company had 3 237 employees at the year-end 2006.

Key events

Mesta AS continued to reorganise its operations in 2006. With effect from September 2006, the company became fully exposed to competition. Mesta is continuing to modernise its machinery and invested more than NOK 500 million in this in 2006.

Mesta AS has in total been paid NOK 993.6 million by the State to cover the costs relating to organizational restructuring. In its annual report for 2006, the company has estimated it will incur total costs of NOK 1 145 million for restructuring measures. In the national budget for 2007, the Storting decided not to grant any further restructuring funds because the company has had a much better earnings ability than that assumed in 2002. The company has therefore set aside NOK 129 million for future liabilities in the 2006 accounts.

The Ministry of Trade and Industry continued in 2006 to reply to inquiries from the EFTA Surveillance Authority (ESA) relating to the company's opening balance sheet, transitional contracts and restructuring measures.

Financial trends

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

In its fourth year of operation, Mesta AS made a loss for the first time. Its operating revenues came to NOK 5 939 million, compared to NOK 6 076 million in 2005. The company made a loss for the year after tax of NOK 190 million, compared to a profit of NOK 216 million in 2005. This loss was due to considerable accounting provisions in 2006 and the fact that the company is operating in a market characterised by overcapacity and intense competition with relatively low operating margins. At the year-end, the company had total assets of NOK 4 340 million and an equity ratio of 48 per cent. Due to the loss made for the year, Mesta will not pay any dividend for the 2006 financial year.

MNOK

PROFIT AND LOSS ACCOUNT	2006	2005
Operating revenues	5 939	6 076
Operating costs	6 251	5 822
Operating profit (loss)	**-312**	**254**
Net financial items	50	48
Profit before tax and minority interests	**-262**	**302**
Tax	72	-85
Profit after tax	**-190**	**216**
BALANCE SHEET		
Intangible assets	222	113
Tangible fixed assets	1 209	873
Fixed asset investments	0	0
Total fixed assets	**1 431**	**986**
Current assets	2 909	3 658
Total assets	**4 340**	**4 644**
Subscribed equity	1 922	1 900
Retained earnings/other equity	162	352
Total equity	**2 084**	**2 252**
Defferred tax	0	0
Provision for commitments	838	874
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 418	1 518
Total liabilities	**2 256**	**2 391**
Total equity and liabilities	**4 340**	**4 644**
CASH FLOW		
Operational activities	-239	244
Investment activities	-548	-322
Financing activities	-77	-77
Change in liquid assets	**-863**	**-154**
KEY FIGURES		
Capital employed	2 084	2 252
EBITDA	-43	454
EBIT	-261	303
Equity ratio	48 %	49 %
Annual return on equity	-9 %	10 %
Average return on equity over last 4 years	6 %	
Return on capital employed	-12 %	14 %
DIVIDEND		
Provisions for dividend	0.0	76.5
Dividend ratio	0 %	35 %
Average dividend ratio last 4 years	63 %	
Dividend payable to the State	0.0	76.50
CONTRIBUTION FROM STATE		
Contribution for restructuring	0.0	280.1
OTHER INFORMATION		
No. of employees	3 237	3 293
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	38 %	25 %
% of female shareholder-elected directors	60 %	40 %

SAS AB

SAS Group

ADDRESS: SE-195 87 Stockholm
TELEPHONE: + 46 8 797 00 00
INTERNET: www.sasgroup.net

CEO: Mats Jansson

CHAIRMAN: Egil Myklebust
BOARD MEMBERS: Jacob Wallenberg, Berit Kjøll, Timo Peltola, Fritz H. Schur, Anitra Steen, Jens Erik Christensen, Olav H. Lie*, Ulla Gröntvedt* and Verner L. Jensen*
* Employee representatives

AUDITOR: Deloitte & Touche AB

STATE OWNERSHIP: 14.3%
(Ministry of Trade and Industry)

14.3 %

	MNOK [1] 2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	52 560	47 881
Operating costs	51 586	47 555
Operating profit (loss)	**973**	**326**
Net financial items	-721	-114
Profit before tax and minority interests	**253**	**212**
Tax	-111	-66
Minority interests	-102	-70
Disposed business	3 957	497
Profit after tax and minority interests	**3 997**	**150**
BALANCE SHEET		
Intangible assets	2 678	3 284
Tangible fixed assets	13 647	16 545
Fixed asset investments	12 163	11 156
Total fixed assets	**28 488**	**30 986**
Current assets	18 245	18 348
Total assets	**46 733**	**49 333**
Subscribed equity	1 502	1 958
Retained earnings/other equity	13 446	7 824
Minority interests	20	491
Total equity	**14 969**	**10 273**
Provisions for liabilities and charges	3 886	3 716
Long-term liabilities	12 416	16 359
Current interest-bearing liabilities	2 634	5 962
Current interest-free liabilities	12 829	13 024
Total liabilities	**31 764**	**39 060**
Total equity and liabilities	**46 733**	**49 333**
CASH FLOW		
Operational activities	1 920	1 301
Investment activities	6 837	864
Financing activities	-6 794	-2 120
Change in liquid assets	**1 963**	**45**
KEY FIGURES		
Capital employed	30 019	32 600
EBITDA	3 180	2 924
EBIT	1 482	1 048
Equity ratio	32 %	21 %
Annual return on equity	32 %	2 %
Average return on equity over last 5 years	1 %	
Return on capital employed	5 %	5 %
VALUES AND DIVIDEND		
Market value at year-end	17 026	14 312
Price/book	1.1	1.5
Closing price	103.5	87.00
Provisions for dividend	0	0
Dividend ratio	0 %	0 %
Average dividend ratio over past 5 years	0 %	
Dividend payable to the State	0	0
Return including last year's dividend	19 %	53 %
Average return over last 5 years	12 %	
OTHER INFORMATION		
No. of employees	26 554	32 363
% of employees in Norway	27 %	28 %
State shareholding at year-end	14.3 %	14.3 %
Total % of women on the board	30 %	30 %
% of female shareholder-elected directors	29 %	29 %

[1] *The figures are in NOK. calculated from SAS's groupe figurs in SEK. NOK/SEK exchange rate used: closing: 109.45. average: 115.63*

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

Following the sale of the Rezidor Hotel Group, the SAS Group consists of three business areas. SAS Scandinavian Airlines comprises the national companies - SAS Norge, SAS Danmark, SAS Sverige – as well as SAS International. SAS Individually Branded Airlines comprises the following airlines: Spanair, Widerøe, Blue1 and airBaltic. SAS's stakes in Newco Airport Services, Estonian Airlines, Air Greenland, Skyways and British Midland are also included in this business area. The third business area is SAS Aviation Services, which comprises SAS Ground Services, SAS Technical Services and SAS Cargo Group. In 2007, the SAS Group will have more than 1 500 daily departures to 164 destinations.

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

The SAS Group had 26 554 employees at the end of 2006, of whom 7 278 were employed in Norway.

Key events

Former CEO Jørgen Lindegaard resigned on 1 August 2006. From 1 August until 31 December, Gunnar Reitan was the acting CEO. The new CEO of SAS is Mats Jansson, who took up his position on 1 January 2007.

© SAS Group

The Rezidor Hotel Group was listed on the Stockholm Stock Exchange at the beginning of December 2006. SAS sold 91 per cent of its 75 per cent shareholding in this company for SEK 5.1 billion. At the year-end, SAS still had a 6.7 per cent stake in the company but this was sold in May 2007. It can also be mentioned that SAS sold SAS Flight Academy in February 2007 for SEK 750 million.

Financial trends

The Group made a profit for the 2006 financial year of SEK 4 740 million, compared to SEK 255 million for 2005. After adjusting for the sale of the shares in the Rezidor Hotel Group, the profit came to SEK 164 million in 2006, compared to a loss of SEK 322 million in 2005. The improved result is due to higher earnings on more passengers in 2006. The operating revenue for the year (adjusted to take account of Rezidor) came to SEK 60 777 million, compared to SEK 55 501 million in 2005. The operating profit before depreciation (EBITDA) for the year as a whole came to SEK 3 090 million, compared to SEK 2 548 million in 2005. The SAS Group's total assets as at 31 December 2006 equalled SEK 51 164 million, compared to SEK 58 016 million as at 31 December 2005. The Group's equity increased by SEK 4 307 million to SEK 16 388 million during the period. This was due to the revenue from the sale of Rezidor. The equity ratio rose from 20.8 per cent at the beginning of the year to 32 per cent at the year-end.

Venturefondet AS

Venturefondet

ADDRESS: Thor Svegården, Bregneveien 15, NO-2609 Lillehammer.
TELEPHONE: + 47 91 62 15 41
INTERNET: thor.svegarden@eidsivaenergi.no

CHAIRMAN: Thor Svegården

BOARD MEMBERS: Jon Melle, Ida Espolin Johnsen

AUDITOR: PricewaterhouseCoopers AS

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

100 %

Venturefondet AS was established on 12 July 2000. In connection with the sale of SND Invest AS, all the shares in Venturefondet were transferred to the Ministry of Trade and Industry in October 2003. The company has no employees and is managed by its board.

Venturefondet has no operations of its own, but manages investments in regional funds. The company is in a liquidation phase, which began when it was owned by SND Invest AS. In April-May 2006, the company's shareholding in Nordnorsk Vekst AS was sold at a gain of NOK 3.2 million. The portfolio therefore now only consists of Sikon Øst ASA (5 per cent) and Trøndelag Vekst AS (37.9 per cent).

The considerations which were the previous reasons for the establishment of Venturefondet AS are now safeguarded by new fund solutions. Venturefondet AS currently has no employees and limited assets and capital. The State will therefore continue with the liquidation of the fund that has taken place over the past few years. The capital will be returned to the Treasury as soon as the fund's investments have been wound up. At the company's general meeting on 25 April 2007, it was decided to reduce the capital by NOK 75 million with repayment to the owner via the Ministry of Trade and Industry.

Venturefondet AS aims to wind up its remaining investments in 2007.

Financial trends

The annual accounts showed a profit of NOK 1.4 million. This is due to realised gains and other financial income. The company has no interest-bearing debt. The book value of its equity came to NOK 98 million at year-end 2006.

MNOK

PROFIT AND LOSS ACCOUNT	2006	2005
Operating revenues	3.2	3.8
Operating costs	4.0	0.8
Operating profit (loss)	**-0.8**	**3.0**
Net financial items	2.4	1.4
Profit before tax and minority interests	**1.6**	**4.4**
Tax	-0.3	0.0
Minority interests	0.0	0.0
Profit after tax and minority interests	**1.4**	**4.4**
BALANCE SHEET		
Intangible assets	0.0	0.0
Tangible fixed assets	0.0	0.0
Fixed asset investments	0.0	0.0
Total fixed assets	**0.0**	**0.0**
Current assets	98.1	96.5
Total assets	**98.1**	**96.5**
Subscribed equity	91.9	91.9
Retained earnings/other equity	5.7	4.4
Total equity	**97.6**	**96.2**
Provisions for liabilities and charges	0.0	0.0
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	0.5	0.3
Total liabilities	**0.5**	**0.3**
Total equity and liabilities	**98.1**	**96.5**
KEY FIGURES		
Capital employed	97.6	96.2
EBITDA	2.1	4
EBIT	1.6	4.4
Equity ratio	99.5 %	99.7 %
Annual return on equity	1 %	5 %
Average return on equity over past 5 years	-3 %	
Return on capital employed	2 %	5 %
DIVIDEND		
Provisions for dividend	0	0
Dividend ratio	0 %	0
Average dividend ratio over past 5 years	0 %	
Dividend payable to the State	0	0
OTHER INFORMATION		
No. of employees	0	0
% of employees in Norway	n/a	n/a
State shareholding at year-end	100 %	100 %
Total % of women on the board	33 %	50 %
% of female shareholder-elected directors	33 %	50 %

COMPANIES

ADDRESS: Grev Wedels Plass 5,
P.O. Box 144 Sentrum, NO-0102 Oslo
TELEPHONE: +47 22 31 75 80
INTERNET: www.cermaq.com

CEO: Geir Isaksen

CHAIRMAN: Sigbjørn Johnsen
BOARD MEMBERS: Finn Jebsen, Kjell Frøyslid, Wenche Kjølås, Astrid Evenseth Sørgaard, Jan Helge Førde*, Jim-Egil Hansen * and Nils Inge Hitland *
* Employee representatives

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 43.54%
(Ministry of Trade and Industry)

43.5 %

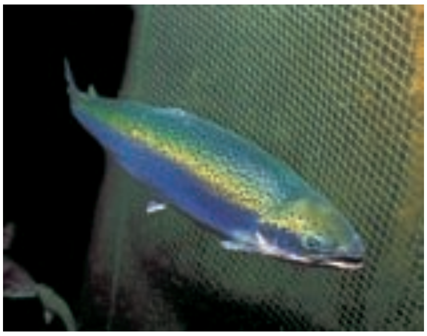
MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	7 534	5 367
Operating costs	6 222	4 731
Unrealised fair value adjustments	-24	223
Operating profit (loss)	**1 288**	**858**
Net financial items	-47	-61
Profit before tax and minority interests	**1 240**	**767**
Tax	-303	-59
Minority interests	0	2
Profit after tax and minority interests	**938**	**738**
BALANCE SHEET		
Intangible assets	1 873	1 970
Tangible fixed assets	1 451	1 480
Fixed asset investments	214	244
Total fixed assets	**3 538**	**3 694**
Current assets	3 357	3 055
Total assets	**6 895**	**6 749**
Subscribed equity	1 860	2 606
Retained earnings/other equity	2 401	1 017
Minority interests	0.0	0.4
Equity	**4 262**	**3 623**
Provisions for liabilities and charges	405	251
Long-term liabilities	929	1 393
Current interest-bearing liabilities	74	419
Current interest-free liabilities	1 225	1 064
Total liabilities	**2 633**	**3 127**
Total equity and liabilities	**6 895**	**6 749**
CASH FLOW		
Operational activities	1 133	542
Investment activities	-353	-541
Financing activities	-880	-90
Currency effect	-24	24
Change in liquid assets	**-125**	**-65**
KEY FIGURES		
Capital employed	5 265	5 334
EBITDA	1 582	1 140
EBIT	1 325	903
Equity ratio	62 %	54 %
Annual return on equity	25 %	26 %
Average return on equity over past 3 years	20 %	
Return on capital employed	25 %	19 %
VALUES AND DIVIDEND		
Market value at year-end	8 418	5 064
Price/book	2.0	1.4
Closing price	91.00	54.75
Provisions for dividend	393	170
Dividend ratio	42 %	24 %
Average dividend ratio over past 3 years	35 %	
Dividend payable to the State	171	75
Return since quotation	70 %	
Average return over last 5 years	90 %	
The State's share purchase	0	1 289
OTHER INFORMATION		
No. of employees	3 937	3 681
% of employees in Norway	11 %	12 %
State shareholding at year-end	43.5 %	43.5 %
Total % of women on the board	25 %	25 %
% of female shareholder-elected directors	40 %	40 %

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

Key events

Following its successful listing on the Oslo Stock Exchange in October 2005, the company has made efforts to strengthen its position as a leading aquaculture company. The positive developments in the global aquaculture industry in 2005 continued in 2006. In October 2006, Cermaq bought all the shares in Langefjordlaks AS, which produces 2 500 tonnes of salmon each year in Finnmark under four licences. In December 2006, Cermaq bought all the shares in Polarlaks AS and Hammerfest Lakseslakteri AS. The company is now in a position to increase its production close to the Russian market. In total, this led to the Cermaq Group selling 115 000 tonnes of red farmed fish in 2006.

The company's share price increased strongly in 2006. The share price was NOK 54.75 at the beginning of the year and NOK 91 at the year-end, equivalent to an increase of 66 per cent.



© Cermaq ASA

Financial trends

Cermaq's operating revenues came to NOK 7.5 billion in 2006, compared to NOK 5.4 billion in 2005. This is an increase of almost 40 per cent, which was due to both the Mainstream and Ewos companies achieving higher volumes and prices in 2006. The operating revenues rose by more than the costs, and the operating profit before adjusting the value of the biomass increased from NOK 636 million in 2005 to NOK 1 311 million in 2006. The profit after taxes and minority interests came to NOK 937.5 million, which is NOK 200 million more than in 2005. The company is paying NOK 393 million in dividend for the financial accounting year 2006, which is equivalent to a payout ratio of 42 per cent. The State will receive NOK 171.2 million of this.

DnB NOR ASA

ADDRESS: Stranden 21, N-0021 OSLO
TELEPHONE: 03000/+47 915 03000
INTERNET: www.dnbnor.com

CEO: Rune Bjerke

CHAIRMAN: Olav Hytta
BOARD MEMBERS: Bjørn Sund, Anne Carine Tanum, Berit Kjøll, Per Terje Vold, Bent Pedersen, Heidi M. Petersen, Ingjerd Skjeldrum*, Nina Britt Husebø*, Jørn O. Kvilhaug* and Per Hoffmann*, * Employee representatives

AUDITOR: PriceWaterhouseCoopers AS

STATE OWNERSHIP: 34.0% (Ministry of Trade and Industry)

34 %

Foto: Stig B. Fiksdal

DnB NOR is Norway's largest financial group and is the result of the merger between DnB Holding and Gjensidige NOR in 2003. The Group consists of the following business areas: Corporate Banking, Retail Banking, DnB NOR Markets, Asset Management and Life & Pension (Vital). DnB NOR has Norway as its core market, but is international in the shipping, energy and fisheries sectors and accompanies Norwegian customers abroad. Through DnB NORD (a 51 per cent stake), the Group also has operations in the Baltic region, Poland, Denmark and Finland. The amounts lent to the retail and corporate markets are approximately the same. In the corporate market, the largest groups of borrowers are real estate (14 per cent of total lending), international shipping (9 per cent) and the service sector (8 per cent). The Group includes many brand names, such as DnB NOR, Postbanken, Vital, Nordlandsbanken, Carlson and Cresco. The Group's expressed goal is to have a return on equity of at least 15 per cent, a cost level of below 50 per cent by 2008, a core capital adequacy ratio of 6.5 per cent and a payout ratio of around 50 per cent.

Key events

The merger between DnB Holding and Gjensidige NOR has now been carried out. As from 1 January 2007, Rune Bjerke has succeeded Svein Aaser as Group CEO. Bjerke was previously the CEO of Hafslund ASA. DnB NOR's board was authorised at the general meeting on 25 April 2006 to buy back own shares for cancellation. The deletion will take place in connection with the next ordinary general meeting. In relation to this, the State, represented by the Ministry of Trade and Industry, entered into an agreement to redeem a proportionate share so that the State's ownership share remains unchanged at 34 per cent. The Board has exercised its authorisation and bought just under 2.8 million of the company's own shares. The State then redeemed just over 1.4 million shares, in accordance with the agreement.

In December 2006, DnB NOR entered into an agreement to buy BISE Bank in Poland through its partly owned subsidiary DnB NORD. This acquisition means that DnB NORD now also has retail market customers in Poland.

Financial trends

DnB NOR achieved a good annual profit after taxes and minority interests of NOK 11.7 billion in 2006, up 15 per cent compared to 2005. This progress is due to yet another good year for the Norwegian economy and the fact that DnB NOR has extracted considerable cost synergies in connection with the merger. As a result of the good developments in the Norwegian economy, DnB NOR now has record-low provisions for defaults on loans. DnB NOR will pay a dividend of NOK 4 per share, equivalent to 46 per cent of the profit per share. The State, which owns 34 per cent, will receive NOK 1.8 billion in dividend for the 2006 financial year, up from NOK 1.6 billion for the 2005 financial year.

DnB NOR's lending volume developed well in 2006, especially in the corporate market. This has counteracted the fall in the bank's lending portfolio margin. DnB NOR Markets, Corporate Banking and Vital in particular have experienced good progress in 2006.

	MNOK	
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Interest received	42 381	29 973
Interest costs	27 092	16 363
Net interest and credit revenues	**15 289**	**13 610**
Other operating revenues	13 204	11 725
Operating costs	14 427	12 864
Net loss	623	638
Operating profit (loss)	**14 689**	**13 109**
Tax	-2 881	-2 965
Profit from discontinuing operations	0	0
Minority interests	143	13
Profit after tax and minority interests	**11 665**	**10 131**
BALANCE SHEET		
Cash and receivables from credit inst.	82 544	62 083
Net loans kunder	827 947	697 579
Securities	362 716	281091
Other assets	47 035	40 675
Total assets	**1 320 242**	**1081191**
Liabilities to credit institutions	124 372	108 053
Contributions from customers	474 526	410 991
Other liabilities and commitments	620 955	477 916
Subordinated loan capital	33 977	26 112
Total liabilities	**1 253 830**	**1023075**
Subscribed equity	25 304	25 332
Earned equity	38 907	32 075
Minority interests	2 201	946
Total equity	**66 412**	**58 353**
Total equity and liabilities	**1 320 242**	**1081191**
CASH FLOW		
Operational activities	-74 932	-39 472
Investment activities	-844	-241
Financing activities	69 655	49 830
Change in liquid assets	**-6 121**	**10 116**
KEY FIGURES		
Core capital coverage	6.7 %	7.4 %
Capital coverage	10.0 %	10.2 %
Cost/income ratio	39 %	51 %
Provision for loss as %age of gross lending	0.45 %	0.63 %
Loss as %age of lending	-0.03 %	0.02 %
Annual return on equity	19 %	19 %
Average return on equity over past 5 years	16 %	
VALUES AND DIVIDEND		
Market value at year-end	118 313	96 255
Price/book	1.8	1.7
Closing price	88.50	72.00
Provisions for dividend	5 336	4 679
Dividend ratio	46 %	46 %
Average dividend ratio over past 5 years	45 %	
Dividend payable to the State	1 818	1 591
Return including last year's dividend	28 %	25 %
Average return over last 5 years	21 %	
Sales commission State/deletion of shares	0	-212
OTHER INFORMATION		
No. of employees	12 187	11 716
% of employees in Norway	78 %	85 %
State shareholding at year-end	34 %	34 %
Total % of women on the board	45 %	45 %
% of female shareholder-elected directors	43 %	43 %

COMPANIES

Kongsberg Gruppen ASA

KONGSBERG

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

CEO: Jan Erik Korssjøen

CHAIRMAN: Finn Jebsen

BOARD MEMBERS: Benedicte Berg Schilbred, Erik Must, Siri Hatlen, John Giverholt, Roar Marthiniussen*, Kai Johansen* and Audun Solås*, * Employee representatives

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 50.001%
(Ministry of Trade and Industry)

50 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	6 720	5 791
Operating costs	6 272	5 420
Operating profit (loss)	**448**	**371**
Net financial items	-58	-57
Profit before tax and minority interests	390	314
Tax	-138	-99
Profit from discontinued operations	**0**	**47**
Minority interests	3	2
Profit after tax and minority interests	**249**	**260**
BALANCE SHEET		
Intangible assets	1 358	1 135
Tangible fixed assets	1 068	1 001
Fixed asset investments	380	254
Total fixed assets	**2 806**	**2 390**
Current assets	4 550	4 196
Total assets	**7 356**	**6 586**
Subscribed equity	982	982
Retained earnings/other equity	692	513
Minority interests	10	10
Total equity	**1 684**	**1 505**
Provisions for liabilities and charges	1 366	1 192
Long-term liabilities	1 005	1 016
Current interest-bearing liabilities	0	2
Current interest-free liabilities	3 301	2 871
Total liabilities	**5 672**	**5 081**
Total equity and liabilities	**7 356**	**6 586**
CASH FLOW		
Operational activities	605	631
Investment activities	-503	307
Financing activities	-127	-375
Change in liquid assets	**-25**	**563**
KEY FIGURES		
Capital employed	2 689	2 523
EBITDA	633	545
EBIT	454	380
Equity ratio	23 %	23 %
Annual return on equity	16 %	18 %
Average return on equity over last 5 years	12 %	
Return on capital employed	17 %	14 %
VALUES AND DIVIDEND		
Market value at year-end	5 250	3 720
Price/book	3.1	2.5
Closing price	175	124
Provisions for dividend	75	65
Dividend ratio	30 %	25 %
Average dividend ratio over past 5 years	32 %	
Dividend payable to the State	37.5	32
Return including last year's dividend	43 %	27 %
Average return over last 5 years	14 %	
OTHER INFORMATION		
No. of employees	3 650	3 372
% of employees in Norway	83 %	85 %
State shareholding at year-end	50 %	50 %
Total % of women on the board	25 %	25 %
% of female shareholder-elected directors	40 %	40 %

The Kongsberg Group is a multinational, knowledge-based group with 3 650 employees in more than 20 countries. The group supplies high-tech systems to demanding customers in the offshore oil and gas production, merchant marine, defence and space industries. The group's head office is in Kongsberg and it achieved a revenue of NOK 6.7 billion in 2006. The Group is listed on the Oslo Stock Exchange and the State is its largest owner, with a 50.001 per cent ownership share.

The Kongsberg Group's two business areas, Kongsberg Maritime and Kongsberg Defence & Aerospace, work in the same technology areas. Both have special expertise in signal processing, cybernetics, software development and system integration. Both supply decision-support systems; from command- and weapons-control systems to communications solutions and automation and surveillance systems.

Key events

The Group as a whole experienced improved volume and profitability last year. Its operating revenues increased by 16 per cent in 2006 and its operating profit rose by 22.8 per cent compared to the previous year.

Defence & Aerospace's largest development project, a new naval strike missile (NSM) is going according to plan and the last two test launches were carried out very successfully in January 2007. The Protector remote weapons station (RWS) has now been sold to seven countries. In 2006, contracts worth approximately NOK 1.2 billion were entered into for this system. In December 2006, a contract for anti-aircraft systems was entered into with the Royal Netherlands Army. This contract has a total value of NOK 345 million.

A large number of new Offshore & Merchant Marine orders were obtained in 2006. A record high NOK 1.2 billion worth of new orders were place for dynamic positioning systems. In addition, many contracts were entered into for deliveries to rigs. The company has signed a letter of intent with Aker Kvaerner regarding deliveries to the Gjøa, a floating production vessel. In January 2007, Kongsberg Maritime won a contract for deliveries to the world's largest cruise ship. This is counted as a breakthrough for Kongsberg Maritime's products in the cruise market.

Financial trends

In 2006, the Group's operating revenues came to NOK 6.7 billion, which is 16 per cent more than in 2005. The operating profit (EBITA) came to NOK 464 million, compared to NOK 378 million in 2005, an increase of 22 per cent. The earnings per share were NOK 8.30 and the board proposed paying a dividend of NOK 2.50 per share for 2006. This will give the State a dividend of NOK 37.5 million.
The Group received orders worth NOK 7 672 million in 2006, an increase of 35 per cent compared to 2005. The order reserve rose steadily throughout 2006.

The Group's total assets came to NOK 7 356 million at the year-end 2006, compared to NOK 6 586 million as at 31 December 2005. The Group had equity of NOK 1 684 million, which produces an equity ratio of 22.9 per cent compared to 22.9 per cent last year. The main reason for the increase in equity is the profit for the year and the increase in the fair value of financial instruments. The amount of NOK 85 million relating to actuarial deviations in estimates linked to pensions was debited to equity in 2006. The net interest-bearing liabilities came to NOK 294 million in 2006, up NOK 12 million compared to 2005.
The price of the Kongsberg share rose from NOK 124 at the beginning of 2006 to NOK 175 at the year-end. The volume and liquidity of the Group's shares are at a low level.

Nammo AS

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

CEO: Edgar Fossheim

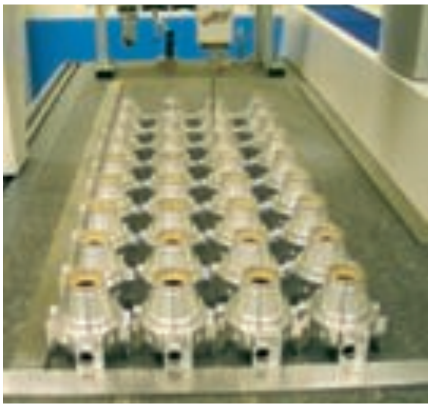
CHAIRMAN: Jorma Wiitakorpi

BOARD MEMBERS: Karl Glad, Jarmo Puputti, Seppo Seppälä, Jan T. Jørgensen, Tone Lindberg, Einar Linnerud* and Juha Eväsoja*
* Employee representatives

AUDITOR: KPMG AS

STATE OWNERSHIP SHARE: 50% (Ministry of Trade and Industry)

50 %



Kilde: Nammo AS

Nammo is involved in the development, production and sale of ammunition, rocket engines and demilitarisation services. Nammo's vision is to be a customer-driven supplier of ammunitions and rocket engines with a a strong international presence. Nammo is owned by the Norwegian State (50 per cent) and Finland's Patria Oyj (50 per cent).

Nammo has four business units: Small caliber division, Medium & Large caliber division, Missile Products division and Demil division. Nammo has operations in Norway, Sweden, Finland, Germany, Switzerland and the USA. At the end of 2006, the company had 1 311 employees, of whom 587 are employed in Norway.

Key events

In the autumn of 2005, Svenske Saab AB agreed with Patria Oyj to sell its shareholding in Nammo to Patria. The State exercised its right of pre-emption and purchased 5 per cent of the shares from Saab AB for NOK 61.8 million; see Report No. 25 (2005–2006) to the Storting and Recommendation No. 70 (2005–2006) to the Storting. The agreement was signed on 23 December 2005 and the sale was completed on 3 February 2006. As a result of this transaction, Patria and the Norwegian State each own 50 per cent of Nammo.

In January 2006, the medium-calibre and large-calibre divisions were merged to form one business unit.

On 30 November 2006, Nammo entered into a contract to buy US weapons manufacturer Talley Defense Systems Inc (TDS). The acquisition of TDS is a continuation of a collaboration with Nammo that has existed for more than 20 years and which relates to the M72, a shoulder-fired anti-tank rocket. The acquisition was finalised in March 2007. TDS will be included in Nammo as it's fifth business unit.

Financial trends

Nammo's operations improved considerably compared to the previous year. The operating revenues increased by 21 per cent from NOK 1.6 billion in 2005 to NOK 2.0 billion in 2006. The operating profit rose by 24 per cent from NOK 217 million in 2005 to NOK 270 million in 2006. The company's order reserve grew by 7 per cent in 2006. This provides a long-term foundation for stable and efficient production. An important contribution to these positive developments has been the focus on greater efficiency and better quality.

At the end of 2006, Nammo did not have any interest-bearing liabilities and its net financial items came to NOK 0.6 million. The profit after taxes and minority interests came to NOK 186 million. The board has proposed distributing a dividend for the 2006 financial year of NOK 74.3 million, equal to 40 per cent of the company's consolidated profits after taxes and minority interests. This means a dividend to the State of NOK 37 million.

The international market has become increasingly important, and Nammo is focusing on continuing to strengthen its international position. Fifty-four per cent of the company's exports went to countries outside the Nordic region in 2006.

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	1 991	1 641
Operating costs	1 721	1 435
Operating profit (loss)	**270**	**206**
Net financial items	0	11
Profit before tax and minority interests	**270**	**217**
Tax	-84	-33
Profit after tax og minoriteter	**186**	**184**
BALANCE SHEET		
Intangible assets	79	79
Tangible fixed assets	335	310
Fixed asset investments	29	21
Total fixed assets	**444**	**410**
Current assets	1 307	1 099
Total assets	**1 750**	**1 508**
Subscribed equity	359	359
Retained earnings/other equity	460	322
Total equity	**819**	**681**
Provisions for liabilities and charges	124	120
Long-term liabilities	1	0
Current interest-bearing liabilities	82	0
Current interest-free liabilities	724	827
Total liabilities	**932**	**827**
Total equity and liabilities	**1 750**	**1 508**
CASH FLOW		
Operational activities	169	218
Investment activities	-86	-93
Financing activities	-85	2
Change in liquid assets	**-2**	**127**
KEY FIGURES		
Capital employed	903	681
EBITDA	345	266
EBIT	282	216
Equity ratio	47 %	45 %
Annual return on equity	25 %	29 %
Average return on equity over past 5 years	21 %	
Return on capital employed	21 %	34 %
DIVIDEND		
Provisions for dividend	74	92
Dividend ratio	39 %	50 %
Average dividend ratio over past 5 years	32 %	
Dividend payable to the State	37	46
Buy shares	62	0
OTHER INFORMATION		
No. of employees	1 276	1 230
% of employees in Norway	46 %	46 %
State shareholding at year-end	50 %	45 %
Total % of women on the board	13 %	14 %
% of female shareholder-elected directors	17 %	20 %

HYDRO

Norsk Hydro ASA

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

CEO: Eivind Reiten

CHAIRMAN: Jan Reinås
BOARD MEMBERS: Elisabeth Grieg, Grete Faremo, Håkan Mogren, Lena Olving, Kurt Anker Nielsen, Geir Nilsen*, Sten Roar Martinsen*, and Terje Friestad*.
* Employee representatives

AUDITOR: Deloitte Statsautoriserte revisorer AS

STATE OWNERSHIP: 43.82% (Ministry of Trade and Industry)

43.8 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	195 108	171 032
Operating costs	144 429	125 246
Operating profit (loss)	**50 679**	**45 784**
Net financial items	2 933	-349
Profit before tax and minority interests	53 611	45 436
Tax	-37 280	-30 317
Profit from discontinued operations	**167**	**174**
Minority interests	246	118
Profit after tax and minority interests	**16 252**	**15 174**
BALANCE SHEET		
Intangible assets	5 309	5 572
Tangible fixed assets	124 682	128 113
Fixed asset investments	20 272	19 612
Total fixed assets	**150 263**	**153 296**
Current assets	77 400	64 401
Total assets	**227 663**	**217 697**
Subscribed equity	14 223	15 078
Retained earnings/other equity	80 414	73 258
Minority interests	751	981
Total equity	**95 389**	**89 317**
Provisions for liabilities and charges	49 977	52 667
Long-term liabilities	19 619	21 387
Current interest-bearing liabilities	3 654	5 037
Current interest-free liabilities	59 025	49 289
Total liabilities	**132 275**	**128 380**
Total equity and liabilities	**227 663**	**217 697**
CASH FLOW		
Operational activities	38 727	27 385
Investment activities	-31 727	-24 318
Financing activities	-11 152	-6 797
Currency effect	315	-173
Disposed business	181	0
Change in liquid assets	**-3 656**	**-3 903**
KEY FIGURES		
Capital employed	118 662	115 741
EBITDA	76 087	65 132
EBIT	53 251	48 780
Equity ratio	42 %	41 %
Annual return on equity	18 %	18 %
Average return on equity over past 5 years	15 %	
Return on capital employed	45 %	44 %
VALUES AND DIVIDEND		
Market value at year-end	248 929	179 455
Price/book	2.6	2.0
Closing price	193.5	138.6
Provisions for dividend	6 131	5 503
Dividend ratio	38 %	36 %
Average dividend ratio over past 5 years	36 %	
Dividend payable to the State	2 819	2 497
Return including last year's dividend	43 %	50 %
Average return over last 5 years	26 %	
The State's share purchase	471.3	981.1
OTHER INFORMATION		
No. of employees	33 605	32 765
% of employees in Norway	31.2 %	35.5 %
State shareholding at year-end	43.8 %	43.8 %
Total % of women on the board	33 %	22 %
% of female shareholder-elected directors	50 %	33 %

Norsk Hydro ASA is an energy and aluminium company established in 1905. The company has 33 000 employees in almost 40 countries. Norsk Hydro is the world's third-largest integrated supplier of aluminium, with operations in all continents, and is one of the world's foremost offshore producers of oil and gas. The company's shares are listed on the stock exchanges in Oslo, New York, London, Paris and Frankfurt. Norsk Hydro is Norway's largest industrial company.

It has been proposed to merge Norsk Hydro's petroleum operations with Statoil. Following this, Norsk Hydro will be a purely aluminium company. However, it will own considerable electricity generation assets. The company's three new business areas will be metal production, processing and hydropower.

Key events

The boards of Statoil ASA and Norsk Hydro ASA gave notice on 18 December 2006 that they recommended a merger of Norsk Hydro's petroleum operations and Statoil. The boards believed, among other things, that the combination of the companies' resources and knowledge will contribute to a financially and technologically sound company that will be a stronger international player than the companies are individually. The merger can be expected to be implemented in the autumn of 2007. Until then, Statoil and Norsk Hydro will be run as independent companies. The Ministry of Petroleum and Energy presented Proposition no. 60 (2006-2007) to Storting on 30 March 2007. This Proposition states the Government's views on the merger as an owner and manager of resources.

British prime minister Tony Blair and Norwegian prime minister Jens Stoltenberg officially opened the Langeled gas pipeline in London on 16 October 2006, with Norsk Hydro as the host. Langeled forms an important part of the Hydro-operated Ormen Lange development. The 1 200 km long pipeline is the world's longest submarine gas pipeline and links the Ormen Lange field's gas facility at Nyhamna in Aukra municipality with the reception terminal at Easington on the north-east coast of England. The Ormen Lange field in the North Sea will be able to supply 20 per cent of the UK's gas requirements once it comes into production in October 2008.

In 2006, Norsk Hydro radically restructured its aluminium division and signed a number of contracts regarding the sale of operations. In addition to the contracts to sell Automotive Castings and Meridian Technologies, the process of selling Automotive Structures was started.

In connection with Norsk Hydro's repurchase of its own shares for deletion, the State redeemed just over 3.6 million shares at the general meeting in 2006 in return for a payment of NOK 471 million. This took place in accordance with an agreement entered into between Norsk Hydro ASA and the Ministry of Trade and Industry which ensures that the State's stake is not altered by repurchases and deletions.

Financial trends

Norsk Hydro's results have shown stable growth over the past few years, and the company achieved its strongest result ever in 2006. Its profit after tax increased by 7 per cent in 2006 compared with 2005 and came to NOK 16 252 million. The operating profit for 2006 increased to NOK 50.7 billion, a rise of 11 per cent compared to 2005. Higher prices for oil, gas and aluminium, combined with efficient operations, lifted the result for 2006 to a record level.

At year-end 2006, Norsk Hydro's return on average capital employed was 14.9 per cent, compared to 16.6 per cent in 2005. The earnings per share came to NOK 14, compared to NOK 12.5 in 2005. The dividend for 2006 is NOK 5 per share, which produces a total dividend payment of around NOK 6.4 billion. Of this, the State receives some NOK 2.8 billion. The dividend for 2005 was NOK 4.4 per share.

Statoil ASA

ADDRESS: NO-4035 Stavanger
TELEPHONE: +47 51 99 00 00
INTERNET: www.statoil.com

CEO: Helge Lund

CHAIRMAN: Jannik Lindbæk
BOARD MEMBERS: Kaci Kullmann Five, Knut Åm, Finn A. Hvistendahl, Grace R. Skaugen, Marit Arnstad, Ingrid Wiik, Lill-Heidi Bakkerud*, Morten Svaan* and Claus Clausen*.
* Employee representatives

AUDITOR: Ernst & Young

STATE OWNERSHIP: 70.9% (Ministry of Petroleum and Energy)

70.9 %

Statoil is an integrated oil and gas company with operations in 33 countries. The company is an operator for 60 per cent of Norwegian oil and gas production and its international production is increasing. 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 partially privatised and listed on the Oslo and New York stock exchanges. The State's shareholding in the company is 70.9 per cent. As at 31 December 2006, Statoil had 25 435 employees, including 13 911 employees in Norway.

Key events

The boards of Statoil ASA and Norsk Hydro ASA gave notice on 18 December 2006 that they recommended a merger of Hydro's petroleum operations and Statoil to their shareholders. The boards believed that the combination of the companies' resources and knowledge will contribute to a financially and technologically sound merged company that will be a stronger international player than the companies are individually. The merger plan is to be presented to each company's general meeting for approval. Extraordinary general meetings of the two companies will be held at the end of June 2007, and the merger can be expected to be implemented in the autumn of 2007.
Statoil's total oil and gas production in 2006 came to 1 135 000 barrels of oil equivalents (o.e.) per day. Statoil's production from the Norwegian Continental Shelf was an average of 958 000 barrels o.e. per day. This is 27 000 barrels o.e. less than in 2005. This reduction was due to production being postponed owing to demanding reservoirs and complicated well operations. Four new fields came into production in 2006: the In Almenas gas field in Algeria, the Dalia oil field in Angola, the Shah Deniz gas field and the second of two phase-two developments in the Azeri-Chirag-Gunashli oil field in Azerbaijan. Statoil strengthened its position in the Gulf of Mexico by buying stakes in discoveries and exploration areas from Plains Exploration & Production and Anadarko Petroleum Corporation.

At the general meeting on 10 May 2006, Statoil's board was authorised to purchase the company's own shares in order to delete them. Statoil's revised dividend policy states total capital distribution targets over time and emphasises that the capital can be distributed to the company's owners both in cash dividends and as the repurchase of the company's own shares. Statoil repurchased its own shares several times in the market in the autumn of 2006. The State will redeem a number of shares that is in proportion to the number the company has repurchased in the market so that the State's percentage stake in Statoil remains unchanged. At the ordinary general meeting in May 2007, the board was granted a new authorisation to acquire the company's own shares in order to delete them.

Financial trends

Statoil presented its best annual result ever in 2006. The company achieved a net profit of NOK 39 billion, compared to NOK 32 billion in 2005. This increase was mainly due to higher oil and gas prices. Statoil's total operating revenues came to NOK 431 billion in 2006, compared to NOK 394 billion in 2005.

Statoil's return on average capital employed was 27.1 per cent at the year-end 2006, compared to 27.6 per cent in 2005. The earnings per share came to NOK 18.79, compared to NOK 14.19 in 2005.

Statoil proposes paying a dividend of NOK 9.12 per share for 2006, of which NOK 5.12 per share is an extraordinary dividend. This produces a total dividend payment of around NOK 19.7 billion, of which the State will receive NOK 14.0 billion.

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	431 112	393 718
Operating costs	-316 663	296 779
Operating profit (loss)	**114 449**	**96 939**
Net financial items	4 859	-3 712
Profit before tax and minority interests	**119 308**	**93 227**
Tax	-79 523	60 453
Minority interests	-720	765
Profit after tax and minority interests	**39 065**	**32 009**
BALANCE SHEET		
Intangible assets	1 717	2 060
Tangible fixed assets	209 231	181 481
Fixed asset investments	29 590	27 949
Total fixed assets	**240 538**	**211 490**
Current assets	71 892	73 338
Total assets	**312 430**	**284 828**
Subscribed equity	16 735	17 770
Retained earnings/other equity	90 550	73 170
Minority interests	1 465	1 492
Total equity	**108 750**	**92 432**
Defferred tax	46 595	40 422
Provision for commitments	35 804	26 264
Long-term liabilities	26 831	29 469
Current interest-bearing liabilities	3 050	3 312
Current interest-free liabilities	91 400	92 929
Total liabilities and commitments	**203 680**	**192 396**
Total equity and liabilities	**312 430**	**284 828**
CASH FLOW		
Operational activities	60 543	56 250
Investment activities	-39 714	-37 664
Financing activities	-20 536	-16 514
Change in liquid assets	**293**	**2 072**
KEY FIGURES		
Capital employed	138 631	125 213
EBITDA	139 166	120 957
EBIT	117 239	99 801
Equity ratio	35 %	32 %
Annual return on equity	39 %	39 %
Average return on equity over past 5 years	35 %	
Return on capital employed	89 %	85 %
VALUES AND DIVIDEND		
Market value at year-end	357 955	335 752
Price/book	3.3	3.6
Closing price	165.25	155.00
Provisions for dividend	19 702	17 756
Dividend ratio	50 %	55 %
Average return on equity over last 5 years	48 %	
Provisions for dividend til staten	14 006	12 593
Return including last year's dividend	12 %	69 %
Average return over last 5 years	25 %	
The State's share purchase	0	12 500
OTHER INFORMATION		
No. of employees	25 435	25 644
% of employees in Norway	55 %	51 %
State shareholding at year-end	71.0 %	70.9 %
Total % of women on the board	50 %	44 %
% of female shareholder-elected directors	57 %	50 %

Telenor ASA

telenor

ADDRESS: Snarøyveien 30, NO-1331 Fornebu
TELEPHONE: +47 810 77 000/678 90 000
INTERNET: www.telenor.com

CEO: Jon Fredrik Baksaas

CHAIRMAN: Thorleif Enger
BOARD MEMBERS: Bjørg Ven, Hanne de Mora, Jørgen Lindegaard, Paul Bergquist, John Giverholt, Liselott Kilaas, Per Gunnar Salomonsen*, Irma Tystad* and Harald Stavn*
* Employee representatives

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 53.97%
(Ministry of Trade and Industry)

54.0 %

MNOK [1]		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	91 077	68 927
Operating costs	73 369	57 222
Operating profit (loss)	**17 708**	**11 705**
Net financial items	3 820	886
Profit before tax and minority interests	21 528	12 591
Tax	-3 148	-3 453
Profit from discontinued operations	**155**	**0**
Minority interests	2 615	1 488
Profit after tax and minority interests	**15 920**	**7 650**
BALANCE SHEET		
Intangible assets	59 762	44 997
Tangible fixed assets	46 093	43 958
Fixed asset investments	16 653	9 691
Total fixed assets	**122 508**	**98 646**
Current assets	25 868	25 749
Total assets	**148 376**	**124 395**
Subscribed equity	24 360	28 235
Retained earnings/other equity	33 633	18 164
Minority interests	4 735	7 134
Total equity	**62 278**	**53 533**
Provisions for liabilities and charges	7 644	6 037
Long-term liabilities	40 211	27 719
Current interest-bearing liabilities	9 952	11 908
Current interest-free liabilities	27 841	25 198
Total liabilities	**85 648**	**70 862**
Total equity and liabilities	**148 376**	**124 395**
CASH FLOW		
Operational activities	30 641	22 340
Investment activities	-39 716	-19 998
Financing activities	7 370	-832
Currency effect	-179	215
Change in liquid assets	**-1 884**	**1 725**
KEY FIGURES		
Capital employed	111 739	92 580
EBITDA	39 114	26 277
EBIT	24 135	14 146
Equity ratio	42 %	43 %
Annual return on equity	31 %	18 %
Average return on equity over past 5 years	13 %	
Return on capital employed	24 %	18 %
VALUES AND DIVIDEND		
Market value at year-end	197 012	113 060
Price/book	3.2	2.4
Closing price	117.25	66.25
Provisions for dividend	4 200	3 419
Dividend ratio	26 %	44 %
Average dividend ratio over past 5 years	44 %	
Dividend payable to the State	2 267	1 842
Return including last year's dividend	80 %	23 %
Average return over last 5 years	26 %	
The State's share purchase	766	1 185
OTHER INFORMATION		
No. of employees	35 600	27 600
% of employees in Norway	31 %	40 %
State shareholding at year-end	54 %	54 %
Total % of women on the board	40 %	40 %
% of female shareholder-elected directors	50 %	43 %

[1] Includes estimated figures from the Kyivstar operations

Telenor is one of the world's largest mobile phone companies. The companies in which Telenor owns a considerable stake have more than 120 million customers. Telenor's operations are based on providing voice services, information, knowledge and entertainment to end users through a wide range of modern communication services. These services are based on wireless communication platforms such as mobile, satellite and broadcast networks and fixed platforms such as telephony, IP and cable networks. In the Nordic region, Telenor provides mobile, fixed network and broadcasting services, while it offers mobile services outside its domestic market. Telenor operates or has stakes in mobile phone companies in Norway, Sweden, Denmark, Pakistan, Bangladesh, Malaysia, Thailand, Ukraine, Hungary, Serbia, Montenegro, Austria and Russia.

Telenor was formed when Televerket was converted into a limited company in 1994. The company was listed on the stock exchange in 2000 and the State now owns 54 per cent.

Key events

In connection with Telenor's buy-back of its own shares for cancellation, the State redeemed around 14.2 million shares following the annual general meeting in 2006 in return for a payment of approximately NOK 766 million. This took place in accordance with a contract entered into between Telenor and the Ministry of Trade and Industry to ensure that the buy-back did not alter the State's shareholding. A new agreement was entered into in connection with the authorisation granted to Telenor's board by the general meeting on 23 May 2006.

Telenor has made significant investments in 2006, in the form of both investments in the markets in which it operates and the acquisition of companies. In July, Telenor bought what is now called Telenor Serbia for NOK 11.9 billion. Telenor has also bought Vodafone's Swedish mobile phone operations for NOK 7.5 billion. In

Foto: Frederic Boudin

the autumn of 2006, Telenor sold Telenor Satellitt Service and its stake in Bravida.

As a result of a preliminary injunction from a court in Ukraine, Telenor has not been given access to auditor-approved accounting figures from Ukrainian mobile company Kyivstar as from the end of the fourth quarter 2006. Telenor owns 56.6 per cent of this company.

Financial trends

For 2006, Telenor's profit after taxes and minority interests came to NOK 15.9 billion . This is Telenor's best result ever and is an increase of around NOK 8.3 billion, or 108 per cent, compared to 2005. This good result is due to increased revenues due to a sharp rise in the number of subscribers of the international mobile phone companies in Asia and Ukraine, and to considerable non-recurring items in 2006. These non-recurring items include that the Norwegian Supreme Court agreed with Telenor that the write-down of a loss on an internal sale of shares in Sonofon Holding A/S in 2001 was a tax deduction. This made a positive contribution to the financial income and led to a considerable reduction in the tax cost in 2006. Telenor has also taken to income the gain on the sale of Bravida and has included a non-recurring gain in its financial items. The total revenue came to NOK 91 billion, up from NOK 67 billion in 2005. For the 2006 financial year, the State will receive around NOK 2.3 billion in dividend.

Yara International ASA

ADDRESS: Bygdøy Allé 2,
P.O. Box, NO-2464 Solli
TELEPHONE: +47 24 15 70 00
INTERNET: www.yara.com

CEO: Thorleif Enger

CHAIRMAN: Øivind Lund
BOARD MEMBERS: Elisabeth Harstad, Jørgen Ole Haslestad, Lone Fønss Schrøder, Leiv L. Nergaard, Arthur Frank Bakke*, Charlotte Dyrkorn* and Frank Andersen*
* Employee representatives

AUDITOR: Deloitte Statsautoriserte revisorer AS

STATE OWNERSHIP: 36.21%
(Ministry of Trade and Industry)

36.2 %

Yara International ASA (Yara) is a chemicals company, most of whose products are used to make fertiliser. The company was demerged from Norsk Hydro ASA and listed on the Oslo Stock Exchange on 25 March 2004. Yara has operations in more than 50 countries and its products are distributed to more than 120 countries. Its core activities are the production and marketing of compound fertiliser and nitrogen fertiliser. The company has an approximately 6 per cent share of the global market.

The company has two Norwegian production companies, one at Glomford and one at Herøya. The company had around 7 060 employees at the end of 2006, of whom 1 200 worked in Norway.

Key events

In April, Yara announced that owning ammonia ships was no longer a key part of its fertiliser operations. The company therefore sold its shipping fleet to Bergesen Worldwide Gas, and received the net amount of approximately NOK 1.5 billion for this. Yara was responsible for one third of the global freight of ammonia prior to the sale, but has now entered into a cooperation agreement stating that Bergesen Worldwide will take care of these shipping operations.

Yara acquired Fertibras, a Brazilian company, in 2006. Fertibras sells almost 1 million tonnes of fertilizer each year. Following this acquisition, Yara is the second largest fertiliser company in Brazil. Fertibras also has a minority shareholding in Fosfertil, the most important upstream company in the Brazilian fertiliser industry. Through this acquisition, Yara gained access to local production operations and a distribution network that complements the company's existing market position.

In April, Yara opened the world's largest independent ammonia factory at Burrup in Western Australia. Yara owns 30 per cent of the factory and is responsible for all the marketing of and sales from the facility. The factory has an annual production capacity of 760 000 tonnes of liquid ammonia and will have around 100 employees when fully operational.

In connection with Yara's repurchase of its own shares, a reduction in capital was carried out in 2006. The company acquired 7 500 200 shares in the market and these were deleted along with 4 257 712 shares that were owned by the State via the Ministry of Trade and Industry. The State's ownership share of 36.21 per cent remains unchanged.

Financial trends

Yara achieved a profit after tax for 2006 of NOK 4 188 million, equal to NOK 13.86 per share. The corresponding figure for 2005 was NOK 3 198 million, or NOK 10.20 per share. This is the strongest result in Yara's history. Its EBITDA was NOK 6 472 million, compared to NOK 6 618 million last year.

The industrial segment experienced sound growth, and ended up with a 10 per cent higher volume than last year. More stringent environmental requirements continue to increase the demand for industrial products; sales to reduce NOx emissions increased by 25 per cent compared to the previous year. The increased energy costs for the European factories were not fully compensated for by increased fertiliser prices. In 2006, the company experienced very sound developments. At the year-end, the share price was NOK 141.75, compared to NOK 98.25 the previous year.

The company is paying a dividend of NOK 2.5 per share for the 2006 financial year. This equals a dividend of NOK 739 million, of which the State's share is NOK 274 million.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	48 261	46 550
Operating costs	44 909	42 728
Operating profit (loss)	**3 352**	**3 821**
Net financial items	1 691	402
Profit before tax and minority interests	**5 043**	**4 224**
Tax	-833	-1 014
Minority interests	22	11
Profit after tax and minority interests	**4 188**	**3 198**
BALANCE SHEET		
Intangible assets	1 752	1 501
Tangible fixed assets	7 600	7 536
Fixed asset investments	7 412	5 004
Total fixed assets	**16 764**	**14 041**
Current assets	16 500	16 576
Total assets	**33 264**	**30 618**
Subscribed equity	2 686	3 913
Retained earnings/other equity	12 774	9 306
Minority interests	575	77
Total equity	**16 035**	**13 219**
Provisions for liabilities and charges	3 748	3 409
Long-term liabilities	5 024	5 482
Current interest-bearing liabilities	1 620	1 176
Current interest-free liabilities	6 837	7 255
Total liabilities	**17 229**	**17 321**
Total equity and liabilities	**33 264**	**30 617**
CASH FLOW		
Operational activities	3 854	3 106
Investment activities	-1 759	-2 044
Financing activities	-2 317	-1 284
Currency effect	118	100
Change in liquid assets	**-104**	**-122**
KEY FIGURES		
Capital employed	22 679	20 658
EBITDA	6 465	6 580
EBIT	5 092	5 232
Equity ratio	48 %	43 %
Annual return on equity	29 %	26 %
Average return on equity over last 3 years	31 %	
Return on capital employed	23 %	28 %
VALUES AND DIVIDEND		
Market value at year-end	42 947	30 923
Price/book	2.7	2.3
Closing price	141.75	98.25
Provisions for dividend	739	749
Dividend ratio	18 %	23 %
Average return on equity over last 3 years	19 %	
Dividend payable to the State	274	268
Return including last year's dividend	47 %	26 %
Average return over last 3 years	59 %	
Sales commission State/deletion of shares	448	120
OTHER INFORMATION		
No. of employees	7 060	6 586
% of employees in Norway	17 %	17 %
State shareholding at year-end	36.2 %	36.2 %
Total % of women on the board	38 %	38 %
% of female shareholder-elected directors	40 %	40 %

BaneTele AS

ADDRESS: P.O. Box 4323 Nydalen, NO-0402 Oslo
TELEPHONE: +47 21 00 00 00
INTERNET: www.banetele.no
CEO: Stig Herbern (Bjørn Kristiansen until 29.11.06)

CHAIRMAN: Tormod Hermansen (as from 16.11.2006), Jan T. Jørgensen (from 30.05.-16.11.2006), Kjell G. Knutsen (until 30.05.2006)
BOARD MEMBERS: Jan T. Jørgensen, Tone Bjørnov, Bjarne Skaar, Grete Høiland, Kjell Ivar Hansen Røsnes, Asbjørn Stuestøl* and Tina Frigård*, * Employee representatives

AUDITOR: Kjelstrup & Wiggen AS

STATE OWNERSHIP: 50% (Ministry of Trade and Industry)

50 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	593	603
Operating costs	591	590
Operating profit (loss)	**2**	**12**
Net financial items	-36	-36
Profit before tax and minority interests	**-34**	**-24**
Tax	0	0
Profit after tax and minority interests	**-34**	**-24**
BALANCE SHEET		
Intangible assets	19	17
Tangible fixed assets	647	698
Fixed asset investments	0	3
Total fixed assets	**666**	**718**
Current assets	300	146
Total assets	**966**	**864**
Subscribed equity	857	232
Retained earnings/other equity	-135	-101
Total equity	**722**	**131**
Provisions for liabilities and charges	9	3
Long-term liabilities	72	560
Current interest-bearing liabilities	0	0
Current interest-free liabilities	163	170
Total liabilities	**244**	**733**
Total equity and liabilities	**966**	**864**
CASH FLOW		
Operational activities	82	6
Investment activities	-73	-119
Financing activities	137	88
Change in liquid assets	**146**	**-25**
KEY FIGURES		
Capital employed	794	691
EBITDA	130	129
EBIT	6	16
Equity ratio	75 %	15 %
Annual return on equity	-8 %	-29 %
Average return on equity over last 5 years	-51 %	
Return on capital employed	1 %	2 %
DIVIDEND, ETC		
Capital Contribution	0	120
Provisions for dividend	0	0
Dividend ratio	0 %	0 %
Average dividend ratio over past 5 years	0 %	
Dividend payable to the State	0	0
OTHER KEY FIGURES		
Loan financing from the State	0	262
Interest on loan from the State	20	19
OTHER INFORMATION		
No. of employees	143	167
% of employees in Norway	100 %	100 %
State shareholding at year-end	50 %	100 %
Total % of women on the board	38 %	43 %
% of female shareholder-elected directors	33 %	40 %

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

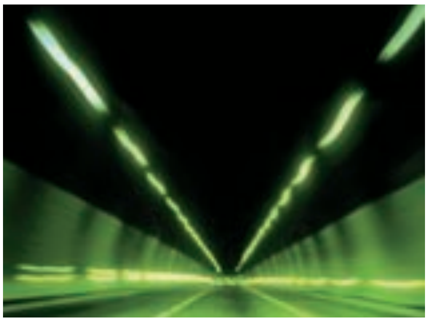
As a nationwide, content-neutral provider of high-capacity online services, BaneTele AS is an important participant in the Norwegian broadband market. The company has a nationwide, high-capacity, fibre-optic network that follows the infrastructure of the railway and power supply networks in Norway. This network is the basis for BaneTele's operations. The broadband transport network, 12 500 kilometres in length, connects cities and towns throughout the country, and the tele-network branches out into larger, city-wide networks by means of a combination of fibre-optic cables and wireless technology.

The company's objective is to expand its operations and continue to develop its position as an important competitor in the telecommunications market. BaneTele had 143 employees at the year-end 2006.

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

Key events

Through a private placement with Bredbåndsalliansen in November 2006, BaneTele raised NOK 625 million in new equity. This share issue meant that Bredbåndsalliansen obtained a 50 per cent stake in BaneTele and that the State's stake was correspondingly reduced. The integration with Bredbåndsalliansen will strengthen BaneTele's role as a service provider to national and regional customers in the corporate market. BaneTele is to be a national transport supplier for its owners and will, through this, achieve higher revenues and earnings in line with the electricity companies' expansion of their activities in the broadband market.



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In March 2007, BaneTele signed a contract to buy all the shares in Broadnet Norge AS, a broadband company, in order to safeguard BaneTele's channel strategy relating to the market. Through this acquisition, BaneTele reinforced its position and extended its investment in the market.

Financial trends

BaneTele had operating revenues of NOK 593 million in 2006, compared to NOK 603 million the year before. 2006 was characterised by an increase in revenue, especially in the second half-year. This was due to a major market offensive which led to greater focus on new customers, and the company is now reaping the benefits of this. The operating profit for 2006 came to NOK 2 million, which is less than in 2005. The company made a loss for the year of NOK 34 million, compared to a loss of NOK 24 million the year before. As a result of the increase in capital in November 2006, the company's financial position is sound. At the end of 2006, the company had book equity of NOK 722 million, equal to an equity ratio of approximately 75 per cent.

Electronic Chart Centre AS

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TELEPHONE: +47 51 93 95 00
INTERNET: www.ecc.as

MANAGING DIRECTOR: Asbjørn Kyrkjeeide

CHAIRMAN: Siri Norset Christiansen

BOARD MEMBERS: Peter Jacob Tronslin and Ingvild Sæther

AUDITOR: KPMG AS

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

100 %

Electronic Chart Centre AS (ECC) develops and operates an authorised electronic nautical chart service for the international maritime industry. ECC was established as a limited company in 1999. Operated under an agreement with the Maritime Division of the Norwegian Mapping Authority, the company currently manages authorised nautical chart data for navigation provided by 18 nautical chart publishers through the PRIMAR Stavanger collaboration. In addition, the ECC database contains electronic charts from 14 other countries that are supplied by the British mapping authority. The inter-governmental cooperation is organised and directed by the Maritime Division of the Norwegian Mapping Authority, while ECC is responsible for the daily operation and development of the countries' joint electronic chart service.

The chart service is intended to provide continual access to authorised digital nautical charts across national borders, thereby promoting safety at sea. ECC has 13 employees and is wholly owned by the Norwegian State.

The main objective of the State's ownership of ECC is to comply with Norway's obligations pursuant to international conventions on safety at sea and to meet society's needs for safe navigation by administering and making available authorised electronic nautical charts owned by the nautical mapping authorities. ECC is to act in a commercial fashion and support Norway as a seafaring nation by contributing to increased safety at sea both in Norway and internationally.

Key events

In 2006, the number of charts for sale increased by 60 per cent. The number of ships using the electronic chart service rose by 130 per cent. The sale of nautical chart data increased by 123 per cent compared to 2005.

All Norwegian pilots and some of the traffic control centres along the coast were linked to this service in 2006, so that they now always have updated nautical chart data available. The Swedish Maritime Directorate has started the trial operation of solutions similar to the Norwegian ones for its pilots and icebreakers.

A new operating agreement was entered into with the Maritime Division of the Norwegian Mapping Authority in December 2006. The new agreement has a fixed basic price plus a variable supplement that is based on the number of order transactions.

Financial trends

The company's operating result improved by 68 per cent compared to 2005. This is mainly due to higher operating revenues from the electronic chart service.

The company's profit came to approximately NOK 4.1 million, compared to some NOK 1.2 million the year before. The profit for 2006 includes the taking to income of NOK 2.2 million in changes in deferred taxes. The company has considerable deferred tax assets as a result of major losses in previous years.

ECC had no interest-bearing debt and had bank deposits of NOK 13.9 million at year-end 2006. The company's financial situation should be viewed in relation to its assignments to the Maritime Division of the Norwegian Mapping Authority, which is ECC's most important customer. The increased use of available authorised electronic nautical charts will be crucial to future market developments.

The international maritime safety organisation IMO is working to make electronic nautical charts mandatory on board ships during the next decade (2011-2012).

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	13.0	11.9
Operating costs	11.3	10.9
Operating profit (loss)	**1.7**	**1.0**
Net financial items	0.3	0.2
Profit before tax and minority interests	**1.9**	**1.2**
Tax	2.2	0.0
Minority interests	0.0	0.0
Profit after tax and minority interests	**4.1**	**1.2**
BALANCE SHEET		
Intangible assets	2.8	0.6
Tangible fixed assets	1.0	1.1
Fixed asset investments	0.0	0.0
Total fixed assets	**3.8**	**1.7**
Current assets	14.5	13.1
Total assets	**18.3**	**14.8**
Subscribed equity	10.6	10.6
Retained earnings/other equity	4.0	1.1
Minority interests	0.0	0.0
Equity	**14.6**	**11.7**
Provisions for liabilities and charges	0.0	0.0
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	3.7	3.1
Total liabilities	**3.7**	**3.1**
Total equity and liabilities	**18.3**	**14.8**
KEY FIGURES		
Capital employed	14.6	12.3
EBITDA	2.5	1.6
EBIT	1.9	1.2
Equity ratio	80 %	79 %
Annual return on equity	31 %	10 %
Average return on equity over last 5 years	10 %	
Return on capital employed	14 %	10 %
DIVIDEND		
Provisions for dividend	1.2	0.8
Dividend ratio	30 %	67 %
Average dividend ratio over past 5 years	36 %	
Dividend payable to the State	1.2	0.8
OTHER INFORMATION		
No. of employees	13	13
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	67 %	67 %
% of female shareholder-elected directors	67 %	67 %

COMPANIES

Kommunalbanken AS

ADDRESS: P.O. Box 1210 Vika, NO-0110 OSLO
TELEPHONE: +47 21 50 20 00
INTERNET: www.kommunalbanken.no

MANAGING DIRECTOR: Petter Skouen

CHAIRMAN: Else Bugge Fougner

BOARD MEMBERS: Per N. Hagen, Nanna Egidius, Bjørn Kristoffersen, Martha Takvam, Jostein Aksdal* and Petter Skouen (managing director), *Employee representative

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 80% (Ministry of Local Government and Regional Development)

80 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Interest received	3 421	2 873
Interest costs	3 209	2 697
Net interest and credit revenues	**212**	**176**
Other operating revenues	9	9
Operating costs	61	55
Net loss	0	0
Operating profit (loss)	**160**	**129**
Tax	45	37
Profit after tax	**115**	**93**
BALANCE SHEET		
Cash and receivables from credit inst.	870	86
Net loans	87 543	76 962
Securities	37 514	32 935
Other assets	696	966
Total assets	**126 623**	**110 949**
Liabilities to credit institutions	2 154	1 837
Contributions from customers	0	0
Other liabilities and commitments	122 169	106 883
Subordinated loan capital	1 201	1 219
Total liabilities	**125 524**	**109 938**
Subscribed equity	682	682
Earned equity	417	330
Equity	**1 098**	**1 011**
Total equity and liabilities	**126 623**	**110 949**
CASH FLOW		
Operational activities	88	94
Investment activities	-15 674	-21 954
Financing activities	15 586	21 861
Change in liquid assets	**0**	**0**
KEY FIGURES		
Core capital coverage	6.0 %	6.1%
Capital coverage	11.0 %	11.5%
Cost/income ratio	27.6 %	29.9 %
Provision for loss as %age of gross lending	0.0	0.0
Loss as %age of lending	0.0	0.0
Annual return on equity	10.9 %	9.6 %
Average return on equity over past 5 years	10.5 %	
DIVIDEND, ETC		
Capital contributed by the State	0.0	0.0
Provisions for dividend	0.0	0.0
Dividend ratio	0 %	0 %
Average return on equity over last 5 years	22 %	
Dividend payable to the State	0.0	0.0
OTHER INFORMATION		
No. of employees	37	34
% of employees in Norway	100 %	100 %
State shareholding at year-end	80 %	80 %
Total % of women on the board	43 %	57 %
% of female shareholder-elected directors	60 %	60 %

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

Kommunalbanken provides loans to municipalities and counties and to municipal and inter-municipal companies in return for either a municipal guarantee, State guarantee or other satisfactory security. The company may also perform other tasks closely related to its activities, such as providing consultancy services in its areas of activity and related municipal areas. The company has 37 employees.

The bank seeks to increase the competition on lending to municipalities and counties so that the municipal sector is ensured access to low-costs loans. The bank has the highest possible credit rating (AAA). State ownership contributes to Kommunalbanken's especially strong credit rating and consequently to favourable lending terms. The bank offers the same lending terms to small and medium-sized municipalities as it does to large municipalities. In the lending market as a whole, small and medium-sized municipalities would not be eligible for as favourable borrowing terms as the larger municipalities and counties.

The bank must also take commercial considerations into account. It establishes a required rate of return, adjusted every three years, to ensure that a satisfactory risk-adjusted return on equity is achieved.

Kommunalbanken has a licence to operate as a financial enterprise. The company is subject to the general legislation and regulations applicable to financial institutions, and it participates in the credit market on the same terms as other financial enterprises. Kommunalbanken is subject to the supervision of Kredittilsynet (the Financial Supervisory Authority of Norway).

Key events

Kommunalbanken is the largest lender to the municipal sector. It has a market share of just over 40 per cent of the loans made directly to municipalities and counties. When loans to municipal enterprises, inter-municipal companies and municipal private limited companies are taken into account, its market share is just over 30 per cent. In 2006, a considerable share of the loans provided was related to investments in the school sector. Other important lending purposes were sheltered housing, nursing homes, kindergartens, water, sewage and refuse facilities, roads and other infrastructure.

In 2006, Kommunalbanken borrowed NOK 38.4 billion through 400 loans in 14 different currencies. Ninety-five per cent of the amount borrowed comes from abroad, with Japan being the most important market.

Financial trends

The demand for loans was good throughout the year but increased significantly in the 4th quarter. The total lending amount was NOK 87.5 billion at the close of 2006, which is an increase in lending of NOK 10.8 billion or approximately 14 per cent. The accounts for 2006 show a net interest of NOK 231.7 million, profit before tax of NOK 159.6 million, and profit after tax of NOK 114.6 million. The profit before tax equals a return on equity of 15.8 per cent. After tax, this equals a return on equity of 11.3 per cent. During its years as a limited company, the bank's earnings have been well over the required rate of return. The bank has never had a loss from lending. A dividend of NOK 26.5 million will be paid for the 2006 financial year.

NSB AS

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INTERNET: www.nsb.no

CEO: Einar Enger

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

AUDITOR: PricewaterhouseCoopers AS

STATE OWNERSHIP: 100% (Ministry of Transport and Communications)

100 %

Norges Statsbaner AS (NSB) is one of Norway's largest transport groups, with traditions dating back to 1854. As from 1 July 2002, NSB has been organised as a State-owned limited company.

The company's objectives are railway transport, other transport operations and operations that are naturally related to these. The Group's head office is in Oslo, but the operations are spread over most of Norway and parts of Sweden. The Group's business areas are passenger trains (NSB, NSB Anbud and Tågkompaniet), buses (Nettbuss), goods trains (CargoNet), real estate (ROM eiendom) and support functions (Mantena, NSB Trafikkservice, Finse Forsikring and Arrive).

The objective of the State owning NSB is to ensure that trains are in a strong position when competing with other means of transport. This is especially important since NSB is currently the only real player that can offer passenger transport services throughout the Norwegian railway network. Railway operations have a relatively high financial risk as a result of large, fixed costs. This makes it necessary to have an owner with a long-term perspective on the development of the company's operations instead of taking short-term gains.

Every other year, the Ministry of Transport and Communications submits a report to the Storting on NSB's operations. This report, which forms the basis for the ownership management of NSB over the next few years, briefs the ministry on important issues that have been decided on or carried out, and on the company's main challenges, strategies and plans for the future, cf Report to the Storting no. 18 (2006-2007).

Key events

The MMI survey conducted in the autumn showed an improvement in NSB's reputation. The company climbed to second place among Norwegian transport companies, and from 47th to 32nd place among major Norwegian companies. A total of 48.9 million passengers travelled on NSB's passenger trains in 2006, compared to 47.3 million in 2005 - an increase of 3.4 per cent. Measured in passenger kilometres, the growth was 4 per cent. The bus operations carried 103.6 million passengers in 2006, compared to 99.1 million in 2005 - a growth of 4.5 per cent. The number of intermodal units transported by the Norwegian goods train operations rose by 12 per cent.

The NSB Anbud AS subsidiary started to operate on the Gjøvik railway line in June 2006 and has seen an increase in both the number of passengers and customer satisfaction levels during the year.

Large snow falls in weeks 3, 6 and 9 caused considerable operational and punctuality problems.

The real-estate operations have been reorganised and are gathered in one company, ROM eiendom AS, as from 1 January 2007.

In January 2007, NSB bought the remaining shares in Svenska Tågkompaniet AB, so that this is a wholly owned subsidiary of the Group as from 2007.

Financial trends

The Group's profit before tax came to NOK 767 million in 2006, compared to NOK 651 million in 2005. This was despite a 96 per cent increase in the Group's pension costs for 2006, from NOK 231 million to NOK 454 million, after adaptations to comply with the Norwegian Accounting Standards Board (NASB) and new standards for calculating pension liabilities. The return on equity after tax came to 7.8 per cent, compared to the owner's requirement of 7.2 per cent. The State will receive a dividend of NOK 380 million from NSB for the 2006 financial year.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	9 168	8 634
Operating costs	8 500	7 947
Operating profit (loss)	**668**	**687**
Net financial items	98	-36
Profit before tax and minority interests	**767**	**651**
Tax	-256	-208
Minority interests	4	2
Profit after tax and minority interests	**507**	**440**
BALANCE SHEET		
Intangible assets	234	207
Tangible fixed assets	8 337	8 198
Fixed asset investments	103	122
Total fixed assets	**8 674**	**8 527**
Current assets	4 665	3 898
Total assets	**13 339**	**12 425**
Subscribed equity	5 536	5 536
Retained earnings/other equity	915	640
Minority interests	208	203
Total equity	**6 659**	**6 379**
Defferred tax	471	348
Pension engagement	1 008	796
Provision for commitments	257	307
Long-term liabilities	1 312	2 014
Current interest-bearing liabilities	775	88
Current interest-free liabilities	2 857	2 494
Total liabilities	**6 680**	**6 047**
Total equity and liabilities	**13 339**	**12 425**
CASH FLOW		
Operational activities	1 617	1 974
Investment activities	-807	-451
Financing activities	-261	-1 541
Change in liquid assets	**550**	**-19**
KEY FIGURES		
Capital employed	8 746	8 481
EBITDA	1 680	1 676
EBIT	872	867
Equity ratio	50 %	51 %
Annual return on equity	8 %	7 %
Average return on equity over past 5 years	4 %	
Return on capital employed	10 %	9 %
No. of travellers. passenger traffic	2 517	2 440
Tonnes per km. freight	2 629	2 421
Punctuality	88 %	92 %
Number of 1.000 TEU (goods trains in Norway)	493	443
PUBLIC PROCUREMENTS		
State procurements	1 558	1 502
Muncipal procurements	579	593
Total public procurements	**2 137**	**2 095**
DIVIDEND		
Provisions for dividend	380	246
Dividend ratio	75 %	56 %
Average return on equity over last 5 years	52 %	
Dividend payable to the State	380	246
OTHER INFORMATION		
No. of employees	10 474	10 646
% of employees in Norway	90 %	92 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	25 %	25 %
% of female shareholder-elected directors	40 %	40 %

Posten Norge AS

posten

ADDRESS: 0001 OSLO
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INTERNET: www.posten.no

CEO: Dag Mejdell

CHAIRMAN: Arvid Moss
BOARD MEMBERS: Liv Stette, Eli Arnstad, Terje Christoffersen, Sigbjørn Molvik,Gry Mølleskog, Odd Christian Øverland*, Ingeborg Sætre*, Paul Magnus Gamlemshaug* and Judith Olafsen*
* Employee representatives

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 100% (Ministry of Transport and Communications)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	23 668	19 995
Operating costs	22 355	18 787
Operating profit (loss)	**1 313**	**1 208**
Net financial items	113	47
Profit before tax and minority interests	**1 200**	**1 255**
Tax	-344	-300
Minority interests	-6	36
Profit after tax and minority interests	**862**	**919**
BALANCE SHEET		
Intangible assets	5 082	3 093
Tangible fixed assets	3 624	3 475
Fixed asset investments	214	180
Total fixed assets	**8 920**	**6 748**
Current assets	6 849	6 423
Total assets	**15 769**	**13 171**
Subscribed equity	4 112	4 680
Retained earnings/other equity	1 477	59
Minority interests	15	13
Sum Equity	**5 604**	**4 752**
Provision for commitments	1 902	1 942
Long-term liabilities	2 661	1 466
Current interest-bearing liabilities	61	73
Current interest-free liabilities	5 541	4 938
Total liabilities	**10 165**	**8 419**
Total equity and liabilities	**15 769**	**13 171**
CASH FLOW		
Operational activities	2 065	2 707
Investment activities	-2 849	-1 166
Financing activities	1 050	-777
Change in liquid assets	**266**	**764**
KEY FIGURES		
Capital employed	8 298	6 271
EBITDA	2 376	2 276
EBIT	1 563	1 475
Equity ratio	36 %	66 %
Annual return on equity	17 %	20 %
Average return on equity over past 5 years	12 %	
Return on capital employed	21 %	24 %
Manned stations	1 501	1 523
Delivery quality A-post (over night delivery)	82	87
Costomer satisfaction in the expedition network (points max 100)	83	81
Volume development A- and B-post	-1 %	-6 %
PUBLIC PROCUREMENTS		
State procurements of unprofitable post services	0	326
Total procurement	**0**	**326**
DIVIDEND		
Provisions for dividend	488	0
Dividend ratio	57 %	0 %
Average return on equity over last 5 years	45 %	
Dividend payable to the State	488	0
OTHER INFORMATION		
No. of employees	22 273	20 541
% of employees in Norway	89 %	92 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	50 %	50 %
% of female shareholder-elected directors	50 %	30 %

Norway established its own postal service in 1647, and this has been owned by the State since 1719. The Group has been organised as a State-owned limited company since 1 July 2002. Norway Post is a postal and logistics group that has the Nordic region as its domestic area and operates in the postal, express, logistics and ICT segments. The Group consists of the parent company Posten Norge AS and several subsidiaries, including ErgoGroup AS and Nor-Cargo AS.

Norway Post is charged with providing mandatory postal services and basic banking services nationwide through its network of outlets, and with carrying out the tasks imposed by society in a good, cost-efficient fashion. Within this framework, the company must effectively administer the State's assets and promote good industrial development of the company. Its sectoral policy objectives are mainly safeguarded by sector-specific regulation, including a licence.

The Ministry of Transport and Communications submits a report on Norway Post's activities to the Storting every second year. In this report, which forms the basis for the ownership management over the next few years, the Ministry provides information on important issues that have been agreed on or implemented, and on the company's main challenges, strategies and plans for the future.

Key events

In June 2006, the Storting revoked its previous decision to wind up Norway Post's monopoly as from 2007. The EU Commission presented a proposal regarding a new Postal Directive to remove the monopoly rights as from 2009. The Ministry of Transport and Communications awarded a new licence for the period from 1 January 2007 to 31 December 2010. This on the whole contains the same requirements as the previous licence, but has some new requirements relating to such things as the use of the two types of Norwegian language and universal design of Norway Post's services, and introduces a maximum price scheme for the mandatory postal services not covered by the monopoly right. Norway Post established its own airfreight network for transporting mail in the main postal network. In addition, the development plan for Norway Post's building of its new south east Norway mail-sorting centre at Robsrud, Lørenskog, outside Oslo, was approved. Norway Post's board of directors agreed to a new strategy plan for the Group.

Dag Mejdell took over as the new CEO of Norway Post in January 2006.

Financial trends

Norway Post's operating revenue increased by 18.4 per cent to NOK 23.7 billion in 2006. The Logistics Segment achieved the largest growth (70.3 per cent) following the acquisition of Frigoscandia, HSD Transport AS and the Johs Lunde Group's refrigerated transport companies, among others. The ICT Segment grew by 29.3 per cent following the acquisition of Allianse ASA. The Post Segment's revenue fell by 3.8 per cent, but this segment positioned itself for future growth by, among other things, establishing CityMail in Denmark.

The Group achieved an operating profit before depreciation of NOK 2 037 million, compared to NOK 2 694 million in 2005. This reduction was in part due to no amounts being paid for government procurements and to lower revenues from banking services. The return on equity was 16.9 per cent, compared to 21 per cent in 2005. The Group's accounts show a profit before tax of NOK 1 200 million, compared to NOK 1 255 million in 2005. This is the second best result in Norway Post's history.

The State will receive a dividend of NOK 488 million for the 2006 financial year.

Statkraft SF

ADDRESS: P.O. Box 200 Lilleaker, NO-0216 OSLO
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INTERNET: www.statkraft.no

CEO: Bård Mikkelsen

CHAIRMAN: Arvid Grundekjøn
BOARD MEMBERS: Marit Büch-Holm, Gunn Wærsted, Aud Perdy Mork, Halvor Stenstadvold, Olav Fjell, Astri Botten Larsen *, Odd Vanvik * and Torbjørn Holøs *
* Employee representatives

AUDITOR: Deloitte Statsautoriserte Revisorer AS

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

100 %

The Statkraft Group is the Nordic region's third largest producer of electricity and Europe's second-largest producer of renewable energy. The Group trades in electricity from offices in both the Nordic region and the Continent. In Norway, its grid and end-user operations are run through regional companies in which Statkraft owns a stake. The Statkraft Group has an annual mean production of 42.2 TWh. This includes the electricity produced by Statkraft Energi, Statkraft Development (wind power), Trondheim Energi, Skagerak Energi (66.6 per cent). Statkraft also has minority shareholdings in two regional companies, BKK (49.9 per cent) and Agder Energi (45.5 per cent). In addition, Statkraft owns shareholdings in E.ON Sverige (44.6 per cent), SN Power (50 per cent), Naturkraft (50 per cent) and Baltic Cable (66.7 per cent).

The State's acquisition of waterfall rights at the beginning of the 20th century and large-scale power plant developments after the second world war form the basis for Statkraft's operations. Statkraft SF was spun off from Statskraftverkene in 1992, with the generation of hydropower as its most important activity. Statkraft's vision is to be a leader in Europe in the field of environmentally friendly energy.

Key events

The Ministry of Trade and Industry had a valuation of the Statkraft SF Group conducted in the spring of 2006. Lehman Brothers estimated the company to be worth around NOK 129-157 billion, based on the information that was publicly available. This estimate means that Statkraft's value has increased a lot over the past few years and that Statkraft is one of Norway's most valuable companies.

In October 2006, the generator (350 MW) at the Svartisen power plant stopped following damage incurred during a storm earlier than year. The power plant was out of operation until 9 March 2007. Statkraft is insured and will have most of the costs relating to the repair work covered. In December 2006, Statkraft decided to build a new 250 MW generator at the Svartisen power plant in addition to the existing generator.

Trondheim Energi completed the building of a district heating pipeline from Heimdal to Midtbyen in Trondheim. The heating plant is expected to be completed at the end of 2007. The company also started building the Leirfossene power plant. In October, Statkraft opened Kjøllefjord wind farm, which has an installed output of 39.1 MW and consists of 17 wind turbines.

Statkraft is currently building three gas-fired power stations – two in Germany and one at Kårstø in Norway – which are expected to be completed during the second half of 2007.

Financial trends

Statkraft achieved its best result ever in 2006, with a profit for the Statkraft SF Group of NOK 5 976 million after taxes and minority interests. Statkraft's operating revenues, adjusted to take account of transmission costs, came to NOK 15.4 billion in 2006, up from NOK 14.6 billion in 2005. This good result is mainly due to higher electricity prices in 2006. The spot price on the Nordic Power Exchange (Nordpool) was NOK 0.391/KWh in 2006, compared to NOK 0.235/KWh in 2005. Prices were record high, especially in the first nine months. The Group generated 45.7 TWh in 2006. However, the high spot price also led to reduced hedging revenues and increased taxes. The share of the profit from the group's associates increased by NOK 129 million to NOK 1 734 million, mainly due to better results from BKK and Agder Energi.

The dividend of NOK 5 857 million equals 98 per cent of the consolidated profit after tax.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	15 435	14 595
Operating costs	5 438	6 067
Operating profit (loss)	**9 997**	**8 528**
Net financial items	-195	55
Profit before tax and minority interests	**9 802**	**8 583**
Tax	-3 480	-2 553
Minority interests	346	176
Profit after tax and minority interests	**5 976**	**5 854**
BALANCE SHEET		
Intangible assets	6 555	6 270
Tangible fixed assets	51 511	47 979
Fixed asset investments	32 237	29 704
Total fixed assets	**90 302**	**83 953**
Current assets	6 873	8 441
Total assets	**97 175**	**92 394**
Subscribed equity	29 250	29 250
Retained earnings/other equity	4 594	4 811
Minority interests	2 492	3 953
Sum Equity	**36 336**	**38 014**
Provisions for liabilities and charges	12 284	10 320
Long-term liabilities	32 726	32 464
Current interest-bearing liabilities	2 493	2 240
Current interest-free liabilities	13 336	9 356
Total liabilities	**60 839**	**54 380**
Total equity and liabilities	**97 175**	**92 394**
CASH FLOW		
Operational activities	6 392	11 953
Investment activities	-4 144	-4 625
Financing activities	-4 985	-8 965
Changes in exchange rates	-2	0
Change in liquid assets	**-2 379**	**-1 664**
KEY FIGURES		
Capital employed	71 555	72 718
EBITDA	13 517	12 887
EBIT	11 995	10 978
Equity ratio	37 %	41 %
Annual return on equity	18 %	17 %
Average return on equity over past 5 years	13 %	
Return on capital employed	17 %	15 %
DIVIDEND, ETC		
Provisions for dividend	5 857	4 720
Dividend ratio	98 %	81 %
Average dividend ratio over past 5 years	88 %	
Dividend payable to the State	5 857	4 720
State guarantee	15 343	19 762
Guarantee payment to the State	117	153
OTHER INFORMATION		
No. of employees	2 087	2 021
% of employees in Norway	94 %	93 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	44 %	44 %
% of female shareholder-elected directors	50 %	50 %

Statskonsult AS

COMPANIES

ADDRESS: P.O. Box 8115 Dep., NO-0032 Oslo
TELEPHONE: +47 22 45 10 00
INTERNET: www.statskonsult.no

MANAGING DIRECTOR: Gunnar Bakkeland

CHAIRMAN: Kari Gjesteby.
BOARD MEMBERS: Anne Sæterdal (until 20/06/06, thereafter Steinar Lie), Cato Hellesjø, Annette Selmer, Mari Skjærstad, Inger Johanne Sundby* and Amund Eriksen*
* Employee representatives

AUDITOR: Ernst & Young

STATE OWNERSHIP: 100% (Ministry of Government Administration and Reform)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	52.0	54.1
Operating costs	67.9	85.3
Operating profit (loss)	**-15.9**	**-31.2**
Net financial items	1.1	1.1
Profit before tax and minority interests	**-14.8**	**-30.1**
Tax	0.0	0.0
Profit after tax and minority interests	**-14.8**	**-30.1**
BALANCE SHEET		
Intangible assets	0.1	0.1
Tangible fixed assets	1.7	2.6
Fixed asset investments	0.0	0.0
Total fixed assets	**1.8**	**2.7**
Current assets	74.0	73.1
Total assets	**75.8**	**75.8**
Subscribed equity	42.8	37.6
Retained earnings/other equity	0.0	0.0
Total equity	**42.8**	**37.6**
Defferred tax	0.0	0.0
Provision for commitments	9.1	16.6
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	23.8	21.6
Total liabilities	**33.0**	**38.2**
Total equity and liabilities	**75.8**	**75.8**
CASH FLOW		
Operational activities	-11.5	-35.8
Investment activities	-0.4	-1.2
Financing activities	20.0	0.0
Change in liquid assets	**8.1**	**-37.1**
KEY FIGURES		
Capital employed	43	38
EBITDA	-14	-29
EBIT	-15	-30
Equity ratio	56 %	50 %
Annual return on equity	-37 %	-57 %
Average return on equity over last 3 years	-45 %	
Return on capital employed	-37 %	-57 %
CONTRIBUTION FROM STATE		
Contribution for restructuring	9.0	8.0
Total contribution	**9.0**	**8.0**
DIVIDEND, ETC		
Capital contributed by the State	20.0	0.0
Provision for dividend	0	0
Dividend ratio	0 %	0 %
Average dividend ratio over past 5 years	0 %	
Dividend payable to the State	0	0
OTHER INFORMATION		
No. of employees	63	63
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	57 %	86 %
% of female shareholder-elected directors	60 %	80 %

The predecessor to the present Statskonsult A/S was established in 1945, based on a proposal by an efficiency committee to establish a State-owned organisational and efficiency enhancement office. Storting granted the necessary funds for establishing the Efficiency Directorate in a decision dated 14 June 1947. The Directorate reported to the Ministry of Finance until 1962, when it was transferred to the then Ministry of Salaries and Prices. In 1972, it was transferred to the Ministry of Consumer Affairs and Administration. In 1987, its name was changed to Statskonsult – Directorate of Public Management Development. In 2001, the Norwegian Central Information Service and Statskonsult were merged and called Statskonsult – a directorate for communication, expertise and public management which reported to the Ministry of Labour and Social Inclusion.

Following a decision by the Storting, Statskonsult was converted into a wholly State-owned limited company on 1 January 2004. It now reports to the Ministry of Government Administration and Reform.

The company is to promote the development of good management by offering services such as evaluations, reports, advice, expertise development and services naturally related to these. The company is to primarily work for the public sector. The operations may be run by the company itself, by wholly owned subsidiaries or through other companies in which it holds a stake or with which it cooperates.

Following a restructuring period (3 years), the company is to compete on an equal footing with other consulting firms and in time create a return for its owner that is in line with those of other consulting firms.

© Statskonsult AS

Key events

The company was still in the restructuring phase in 2006. Due to an unforeseen provision in the accounts for future pension liabilities, the Government found it necessary to increase the equity by NOK 20 million. This issue was discussed by the Storting in connection with the National Budget for 2006, cf Report no. 28 (2006-2007) to the Storting.

Financial trends

Due to the expected transformation from a state directorate into a limited company, the company made a loss again in 2006, this time of around NOK 15 million. However, this is a considerable improvement compared to 2005. The company's equity situation is satisfactory.

Store Norske Spitsbergen Kulkompani AS

Store Norske Spitsbergen Kulkompani

ADDRESS: P.O. Box 613,
NO-9171 Longyearbyen
TELEPHONE: +47 79 02 52 00
INTERNET: www.snsk.no

MANAGING DIRECTOR: Robert Hermansen

CHAIRMAN: Bård Mikkelsen
BOARD MEMBERS: Ole Fredrik Hienn, Lisbeth Alnæs, Esther Kostøl, Lise Chatwin Olsen, Anita Johansen*, Henning Kløften* and Bjørn Helge Nygård *
* Employee representatives

AUDITOR: KPMG AS

STATE OWNERSHIP: 99.94%
(Ministry of Trade and Industry)

99.9 %

Store Norske Spitsbergen Kulkompani A/S was founded in 1916. The Store Norske Group consists of the parent company, Store Norske Spitsbergen Kulkompani AS, and the wholly owned subsidiaries Store Norske Spitsbergen Grubekompani AS and Store Norske Gull AS. Store Norske Boliger is a wholly owned subsidiary of Store Norske Spitsbergen Grubekompani AS. The company carries out coal mining operations on Svalbard through a wholly owned subsidiary, Store Norske Spitsbergen Grubekompani AS (SNSG). Roughly 95 per cent of its production is exported.

Mining operations are centred in Svea. Store Norske also has minor operations in Mine 7 in Longyearbyen, which delivers 35 per cent of its coal production to the local power network. The company aims to operate without government support. At year-end 2006, Store Norske had 366 employees, of whom 315 were employed by the mining company.

Key events

On 30 July 2005, fire broke out in the main gallery of the Svea Nord mine. The investigation work was not concluded until the end of March 2006. After eight months of being shut down, Store Norske started production operations again in Svea Nord on 1 April 2006. The company has made considerable losses due to this fire. The actual size of the loss will depend on the insurance settlement. The claim is for around NOK 820 million, but Store Norske has only received NOK 230 million. The insurance settlement has still not been clarified and Store Norske has brought a civil action against the insurance companies. Since this will be dealt with by the courts, it will take some time before the settlement is clarified.

Since starting up again in 2006, Svea's operations have been interrupted three times due to technical problems and a mine cave-in. These led to production losses of almost 400 000 tonnes compared to the planned production. The company changed its banking connection in December 2006 and increased its credit limits. Among other security for the loans, a charge was granted in exploration rights on properties that lie outside the Svea area. The Ministry of Trade and Industry had asked the board of Store Norske Spitsbergen Kulkompani AS whether the security given to the bank was within the frameworks stated in Report no. 2 (2001-2002) to the Storting on Store Norske Spitsbergen Kulkompani AS and the Svea Nord project. The board informed the Ministry in June 2006 that the mining company had agreed with its banking connection that charges on properties outside the Svea area were to be deleted.

Store Norske Spitsbergen Kulkompani AS has asked its owners for NOK 250 million in new capital and for the company's articles of association to allow for operations outside Svalbard. The State is considering this in the spring of 2007.

Financial trends

Store Norske's results for 2006 are strongly affected by the fire in 2005 and the subsequent shutdown of operations in 2006. In 2006, Store Norske produced 2.4 million tonnes of coal from which it made revenues of NOK 10 96 million. The operating revenues came to NOK 1 267 million, while the operating costs came to NOK 1 307 million, which means the company made an operating loss of NOK 41 million. The company made a loss for the year of NOK 77 million compared to a profit for the year of NOK 46 million in 2005.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	1 266	1 139
Operating costs	1 307	1 044
Operating profit (loss)	**-41**	**95**
Net financial items	-44	-42
Profit before tax and minority interests	**-85**	**53**
Tax	7	-7
Minority interests	0	0
Profit after tax and minority interests	**-77**	**146**
BALANCE SHEET		
Intangible assets	22	26
Tangible fixed assets	843	919
Fixed asset investments	10	19
Total fixed assets	**875**	**964**
Current assets	869	578
Total assets	**1 744**	**1 542**
Subscribed equity	164	164
Retained earnings/other equity	304	388
Total equity	**468**	**553**
Provisions for liabilities and charges	13	14
Long-term liabilities	439	507
Current interest-bearing liabilities	596	270
Current interest-free liabilities	227	199
Total liabilities	**1 276**	**989**
Total equity and liabilities	**1 744**	**1 541**
CASH FLOW		
Operational activities	-235	-241
Investment activities	-80	-200
Financing activities	314	371
Change in liquid assets	**-589**	**-70**
KEY FIGURES		
Capital employed	1 504	1 329
EBITDA	79	178
EBIT	-22	112
Equity ratio	27 %	36 %
Annual return on equity	-15 %	9 %
Average return on equity over past 5 years	22 %	
Return on capital employed	-2 %	8 %
DIVIDEND		
Provisions for dividend	0	7
Dividend ratio	0 %	15 %
Average dividend ratio over past 5 years	41 %	
Dividend payable to the State	0	7
OTHER INFORMATION		
No. of employees	366	310
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	50 %	40 %
% of female shareholder-elected directors	60 %	40 %

Veterinærmedisinsk Oppdragssenter AS

ADDRESS: P.O. Box 8109 Dep., NO-0032 Oslo
TELEPHONE: +47 22 96 11 00
INTERNET: www.veso.no

MANAGING DIRECTOR: Arne G. Ruud

CHAIRMAN: Bjørn Kolltveit

BOARD MEMBERS: Kristin Woje Ellingsen, Marit Dille, Per Folkestad, and Geir Kongsmo*
Observer: Anne Ramstad*
* Employee representatives

AUDITOR: ESS Revisjon AS

STATE OWNERSHIP: 51%
(Ministry of Agriculture and Food)

51 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	166.0	178.9
Operating costs	163.0	175.4
Operating profit (loss)	**3.1**	**3.6**
Net financial items	0.6	0.9
Profit before tax	**3.7**	**4.5**
Tax	1.2	0.8
Profit after tax	**2.5**	**3.7**
BALANCE SHEET		
Intangible assets	1.0	0.0
Tangible fixed assets	12.1	12.8
Fixed asset investments	3.9	4.1
Total fixed assets	**17.0**	**17.0**
Current assets	50.0	52.5
Total assets	**67.1**	**69.4**
Subscribed equity	5.0	5.0
Retained earnings/other equity	32.0	31.1
Total equity	**37.0**	**36.1**
Defferred tax	0.0	0.0
Provision for commitments	0.0	0.0
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	13.0	15.1
Current interest-free liabilities	17.0	18.2
Total liabilities	**30.0**	**33.3**
Total equity and liabilities	**67.0**	**69.4**
CASH FLOW		
Operational activities	4.0	4.6
Investment activities	-4.0	-1.2
Financing activities	0.0	-1.5
Change in liquid assets	**0.0**	**1.8**
KEY FIGURES		
Capital employed	50	51
EBITDA	7.2	454
EBIT	3.7	4.6
Equity ratio	55 %	52 %
Annual return on equity	7 %	11 %
Average return on equity over past 5 years	4 %	
Return on capital employed	7 %	13 %
DIVIDEND		
Provisions for dividend	1.5	1.5
Dividend ratio	61 %	41 %
Annual average dividend ratio over last 5 years	96 %	
Dividend payable to the State	0.8	0.8
OTHER INFORMATION		
No. of employees	48	46
% of employees in Norway	100 %	100 %
State shareholding at year-end	51 %	51 %
Total % of women on the board	40 %	50 %
% of female shareholder-elected directors	20 %	50 %

Established in 1988, Veterinary Science Opportunities (VESO) (Veterinærmedisinsk oppdragssenter AS) is today a limited company owned by the State, represented by the Ministry of Agriculture and Food (51 per cent) and the State-owned enterprise SIVA SF (49 per cent). VESO is a knowledge-based company with a scientific platform in Norwegian veterinary medicine and related environments. The company operates on the open market and is subject to the same commercial operation requirements as private participants in the market. The company has 46 employees.

VESO seeks to actively provide expertise and services to the veterinary research communities and the veterinary medical field. A significant part of its operations relates to delivering products to and performing assignments for the Norwegian fish-farming and aquaculture industries. This includes the sale of veterinary medicines. The company is a world leader in carrying out controlled infection experiments to test fish vaccines and ingredients. The research station at Vikran is vital to aquaculture activities, both in Norway and abroad. VESO collaborates with the Norwegian Directorate for Nature Management on various projects related to wild salmon.

Key events

Due to the changed framework conditions for VESO's distribution of vaccines, an e-business solution was established in collaboration with pharmacies. This ensures the cost-efficient distribution of all veterinary medicines to the Norwegian market. The Directorate for Nature Management and Ministry of the Environment wanted to send an application to the EU for the approval of rotenone in accordance with the Biocide Directive. This work was carried out by VESO and the application was received in August and will be dealt with in 2008-2009. The infection laboratory at Vikran started to use two new infection models for testing fish for "new" diseases in 2006 and this was very popular. This station thus achieved very good revenues and made a significant contribution to VESO's profits, unlike in previous years.

Financial trends

The company achieved its financial expectations in 2006 and its overall developments were positive. Both the infection laboratory and the wild-fish department contributed more to the profit than had been budgeted for. The wholesale operations had lower margins and sales than in 2005 due to the necessary restructuring operations. This trend looks like continuing in 2007. A dividend of NOK 1.5 million will be paid for the 2006 financial year, of which NOK 0.76 million will be paid to the State.

Secora AS

ADDRESS: P.O. Box 693, NO-8301 Svolvær
TELEPHONE: + 47 99 22 00 00
INTERNET: www.secora.no

CEO: Ole-Johnny Johansen

CHAIRMAN: Stein-Wiggo Bones

BOARD MEMBERS: Siv Sandvik, Steinar Johannesen, Merete Grønhaug* and Håvard Næss*
*Employee representatives

AUDITOR: Nordnorsk Revisjon AS

STATE OWNERSHIP: 100% (Ministry of Fisheries and Coastal Affairs)

100 %

Foto: Terje Skåre

Secora AS was established on 1 January 2005 and is a continuation of the former Kystverket Produksjon. Secora AS is a maritime construction company whose core activities are the development of harbours and sailing channels, building and maintenance of quay facilities, carrying out of underwater surveys and inspections, construction and maintenance of piers and environmental dredging.

The company's head office is in Svolvær. Secora AS's main goal is to become a national market leader and a profitable and professional company in the Nordic region. The company's financial goal is for its results to improve more than the average of comparable companies in this sector.

The company also aims to be commercially established in the Nordic region by 2009.

Key events

Secora AS was chosen by Oslo Port Authority as the contractor for the "Clean Oslo Fjord" environmental dredging project. This work is being carried out satisfactorily but is the subject of considerable attention from both the media and environmental organisations. Secora AS won an open competitive tendering for the maintenance of 136 ferry quays in Nordland, Troms and Finnmark counties. This contract, which is worth NOK 21 million per annum, is valid for five years. The client is the Norwegian Public Roads Administration.

The company's general meeting decided to amend the articles of association that regulate the authority given to the board and general manager based on the company's need for greater commercial freedom of action and efficiency. Secora AS established a subsidiary in Gothenburg, Sweden - Secora Sverige AB - in order to service the Swedish and Danish markets.

Secora AS has asked the Norwegian Coastal Administration for total financial compensation of NOK 10-12 million relating to three projects (Laukvik harbour, the Svelvik stream and the Tjeldsundet sound).

Financial trends

The company was established in 2005, a year which was characterised by reorganisation and restructuring. The company achieved revenue of NOK 102.5 million and made a loss of NOK 1.7 million in that year.

In 2006, efforts were carried out to increase the focus on making the company market-oriented. The construction industry is currently in an upswing, which has helped to strengthen the company's finances. This has contributed to the preliminary accounts for 2006 showing that the company has increased its revenue to NOK 150 million and made a profit of NOK 6.5 million.

The size of the profit is affected by the following:

- The company's costs have increased due to the fact that Laukvik Harbour is not to be extended after all.
- A project relating to building sailing markers in Tjeldsundet Sound became unprofitable and a loss of NOK 8.2 million was recorded in 2006. It may be necessary to make additional provisions for losses incurred in 2007 in the final accounts for 2006.
- When Secora AS was established, its employees' salaries were considerably increased in order to adapt the company's salary level to that of the rest of the market. This also led to an increase in the company's pension liabilities that are charged to expenses in 2006.

		MNOK
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	150.0	102.5
Operating costs	143.8	105.2
Operating profit (loss)	**6.4**	**-2.7**
Financial income	0.4	0.4
Financial expenses	0.2	0.1
Net financial items	**0.2**	**0.3**
Profit before tax and minority interests	**6.5**	**-2.4**
Tax		-0.7
Profit after tax and minority interests	**6.5**	**-1.7**
BALANCE SHEET		
Intangible assets	1.8	3.2
Tangible fixed assets	49.1	48.7
Fixed asset investments	0.4	0.3
Total fixed assets	**51.3**	**52.2**
Current assets	43.9	39.1
Total assets	**95.2**	**91.3**
Subscribed equity	55.0	55.0
Retained earnings/other equity	3.2	-3.4
Total equity	**58.2**	**51.6**
Provisions for liabilities and charges	3.9	2.3
Long-term liabilities	3.7	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	29.4	37.4
Total liabilities	**37.0**	**39.7**
Total equity and liabilities	**95.2**	**91.3**
CASH FLOW		
Operational activities	7.5	11.3
Investment activities	-7.8	-57.6
Financing activities	3.7	54.9
Change in liquid assets	**3.4**	**8.7**
KEY FIGURES		
Capital employed	61.9	51.6
EBITDA	14.8	4.9
EBIT	6.8	-2.3
Equity ratio	61 %	57 %
Annual return on equity	12 %	-7 %
Average return on equity over last 2 years	3 %	
Return on capital employed	0.1	-0.1
DIVIDEND		
Provisions for dividend	0.0	0.0
Dividend ratio	0	0
Annual average dividend ratio over last 2 years	0	
Dividend payable to the State	0.0	0.0
OTHER INFORMATION		
No. of employees	97	75
% of employees in Norway	96	75
State shareholding at year-end	100 %	100 %
Total % of women on the board	40 %	40 %
% of female shareholder-elected directors	20 %	20 %

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Companies with sectoral policy objectives
(category 4)

Companies with sectoral policy objectives are those where the main goals of the State ownership are not commercial ones, cf the companies in category 4 of Report no. 13 (2006-2007) to the Storting – An active and long-term ownership. State ownership of these companies is intended to achieve sectoral and societal objectives in several areas. Although the companies do not focus on commercial objectives, they may have business objectives in addition to their main goals. However, the level of commercial orientation varies among the companies, several of which operate in natural monopolies markets. The State stipulates requirements for the companies to ensure that the sectoral policy objectives of its ownership are reached as efficiently as possible, and required rates of return are determined for several of the companies based on the company's risk profile.

CATEGORY 4 – Companies with sectoral policy objectives

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79 Bjørnøen AS
80 Enova SF
81 Gassco AS
82 Industritjeneste AS
83 Kings Bay AS
84 Kompetansesenter for IT i helse- og sosialsektoren AS
85 Norsk Eiendomsinformasjon AS
86 Norsk Rikskringkasting AS
87 Norsk Samfunnsvitenskapelig datatjeneste AS
88 Norsk Tipping AS
89 Petoro AS
90 Simula Research Laboratory AS
91 SIVA SF
92 Statnett SF
93 Statsskog SF
94 Uninett AS
95 Universitetssenteret på Svalbard AS
96 AS Vinmonopolet
97 Innovasjon Norge*
98 Norfund*

Regional health enterprises

100 Helse Midt-Norge RHF
101 Helse Nord RHF
102 Helse Sør RHF
103 Helse Vest RHF
104 Helse Øst RHF

* Not included in Report no 13 (2006–2007) to the Storting.

COMPANIES

Avinor AS

AVINOR

MAILING ADDRESS: P.O. Box 150, NO-2061 Gardermoen
TELEPHONE: +47 815 30 550
INTERNET: www.avinor.no

MANAGING DIRECTOR: Sverre Quale

CHAIRMAN: Inge K. Hansen
BOARD MEMBERS: Bård Mikkelsen, Kristin Vangdal, Oddbjørg Starrfelt, Anne Stärk-Johansen, Petter Jansen, Helge Løbergsli*, Bjørn Tore Mikkelsen* and Magne Jerpstad*
* Employee representatives

AUDITOR: PricewaterhouseCoopers AS

STATE OWNERSHIP: 100 % (Ministry of Transport and Communications)

100 %

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	6 198	5 255
Operating costs	5 257	4 445
Operating profit (loss)	**942**	**811**
Net financial items	-406	-423
Profit before tax and minority interests	**536**	**388**
Tax	103	2
Minority interests	0	0
Profit after tax and minority interests	**433**	**386**
BALANCE SHEET		
Intangible assets	657	509
Tangible fixed assets	18 852	18 523
Fixed asset investments	24	25
Total fixed assets	**19 533**	**19 057**
Current assets	2 876	3 047
Total assets	**22 410**	**22 104**
Subscribed equity	5 905	5 905
Retained earnings/other equity	1 575	1 467
Total equity	**7 480**	**7 372**
Defferred tax	0	0
Provision for commitments	6 075	5 951
Long-term liabilities	6 655	6 991
Current interest-bearing liabilities	0	0
Current interest-free liabilities	2 199	1 791
Total liabilities	**14 930**	**14 682**
Total equity and liabilities	**22 410**	**22 104**
CASH FLOW		
Operational activities	1 698	1 575
Investment activities	-1 638	-826
Financing activities	-361	-582
Change in liquid assets	**-301**	**391**
KEY FIGURES		
Capital employed	14 135	14 363
EBITDA	2 219	2 013
EBIT	1 034	868
Equity ratio	33 %	33 %
Annual return on equity	6 %	5 %
Average return on equity over last 4 years	2 %	
Return on capital employed	7 %	6 %
Regularity (Percentage of planed departures carried out)	98 %	98 %
Punctuality (Share of departures carried out within 15 minutes of delay)	82 %	84 %
Traffic (Total number of passangers)	36 200	32 800
PUBLIC PROCUREMENTS		
Public procurements of regional airport services	0	35
DIVIDEND		
Provision for dividend	324.5	26.4
Dividend ratio	75 %	7 %
Average dividend ratio last 4 years	71 %	
Dividend payable to the State	324.5	26.4
OTHER INFORMATION		
No. of employees	2 990	2 716
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	33 %	25 %
% of female shareholder-elected directors	50 %	40 %

Avinor AS was established on 1 January 2003 by the conversion of the public sector enterprise Luftsfartsverket into a state-owned limited company. The Avinor Group is comprised of the parent company Avinor AS and its subsidiaries Oslo Lufthavn AS, Oslo Lufthavn Eiendom AS, Avinor Parkeringsanlegg AS, Flesland Eiendom AS and Værnes Eiendom AS. The parent company is divided into three divisions dealing with large airports, medium-sized airports and regional airports respectively and one division dealing with Air Traffic Management (ATM).

Avinor is responsible for planning, constructing and operating airports and the ATM division in Norway. The company is responsible for 46 state-owned airports, 12 of which are run in collaboration with the Norwegian Armed Forces. The ATM division provide services to the civilian and military sectors and includes control towers, control centres and navigation equipment. Avinor also has to carry out a number of mandatory tasks for society. The company's operations are financed by user fees and commercial revenues linked to the airports.

The objective of the state owning Avinor is to make conditions suitable for safe, efficient and environmentally friendly air services throughout Norway. Moreover, the company is to be self-financing and efficiently and well run, and provide the state with a fair increase in value over time. The company is to carry out its mandatory obligations in a sound, cost-efficient manner.

The Ministry of Transport and Communications submits a report to the Storting on Avinor's operations every second year. This report informs the Ministry of important matters that have been agreed to or implemented and of the company's main challenges, strategies and plans for the future, and forms the basis for ownership management of Avinor.

Key events in 2006

As a result of restructuring, there was unrest in Avinor for a long time, especially in the ATM division. A new managing director was appointed in April 2006 and a new chairman of the board was appointed by an extraordinary general meeting held in May 2006. There is no longer unrest in the company but there are still capacity problems in the ATM operations. Avinor has implemented measures to improve the situation.

The volume of traffic at Avinor's airports increased strongly in 2006. In total, the volume of traffic rose by 10.4 per cent. The airport charges fell by 4.3 per cent. Avinor has made considerable investments in both its airports and ATM operations in 2006.

The Ministry of Transport and Communications submitted a report to Storting regarding Avinor's operations during the 2006-2008 period in December 2006, cf Report No. 15 (2006-2007) to the Storting. The company's organisation and links to the State were assessed in this report, in which the Ministry stated it was in favour of continuing the current overall organisation and links to the State.

Financial trends

In 2006, the Avinor Group achieved an operating revenue of NOK 6,198 million, compared to NOK 5.255 million in 2005. The Group's operating profit was NOK 942 million, as against NOK 811 million the year before. The annual profit after tax was NOK 433 million, compared to NOK 386 million in 2005. The strong growth in traffic has led to an increase in the revenues from both the airport fees and the commercial activities. However, costs have also risen. The Group invested a total of NOK 1.545 million in 2006. The company is facing considerable investments over the next few years. It has been proposed distributing a dividend of NOK 324.5 million to the State for the 2006 financial year.

COMPANIES

B

Bjørnøen AS

ADDRESS: NO-9173 Ny-Ålesund
TELEPHONE: +47 79 02 00
INTERNET: www.kingsbay.no

MANAGING DIRECTOR: Oddvar Midtkandal

CHAIRMAN: Knut M. Ore

BOARD MEMBERS: Ann-Kristin Olsen, Kirsten Broch Mathisen, Pål Presterud, Egil Murud

AUDITOR: Ishavsbyen Revisjon AS

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

100 %

© Bjørnøen AS

Bjørnøen AS owns all the land and several historically preserved buildings on the Arctic island of Bjørnøya. Bjørnøen AS was acquired by the State in 1932, and in 1967 it was placed administratively under Kings Bay AS, which also provides management services to the company. Part of the government subsidy allocated to Kings Bay AS is transferred to Bjørnøen AS for its operations.

The Norwegian Meteorological Institute's weather forecasting division for northern Norway leases property for its meteorological station on Bjørnøya. This division is also responsible for coordinating the scientific activities conducted on the property that it leases on the island.

The Bjørnøya nature reserve was established on 16 August 2002. The conservation order encompasses the entire island except for one small tract of land. The Norwegian Directorate for Nature Management has recommended to the Ministry of the Environment that the Bjørnøya nature reserve be extended from four to twelve nautical miles. This proposal encompasses a marine area of around 2 200 km2. The district governor of Svalbard is the administrative authority with responsibility for supervising the nature reserve.

Bjørnøen AS's objective is to operate and utilise the company's properties on Bjørnøya and carry out other activities related to this. The purpose of the State's ownership of Bjørnøen AS is to safeguard Norwegian sovereignty by owning property on Bjørnøya, which the company is authorised to do. Bjørnøya has a strategically important geographical position, half way between Norway's mainland and Svalbard. A small tract of land on the island will be able to safeguard any supply and transport requirements and act as an emergency port in connection with any production of oil in the Barents Sea and other activities in the northerly areas.

Financial trends

The company's operating revenues derive from the leasing of property and came to NOK 15 248 in 2006. Any operating costs that exceed this amount are covered by a subsidy transferred from Kings Bay AS which is allocated in the national budget. This subsidy came to NOK 221 924 in 2006, compared to NOK 198 702 in 2005.

MNOK

PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	237	213
Of which contribution from Kings Bay AS	222	198
Operating costs	236	213
Operating profit (loss)	**2**	**0**
Net financial items	0	0
Profit before tax	**2**	**0**
Tax	2	0
Profit after tax	**0**	**0**
BALANCE SHEET		
Intangible assets	0	0
Tangible fixed assets	3 900	3 900
Fixed asset investments	0	0
Total fixed assets	**3 900**	**3 900**
Current assets	249	183
Total assets	**4 149**	**4 083**
Subscribed equity	4 000	4 000
Retained earnings/other equity	41	41
Sum Equity	**4 041**	**4 041**
Provisions for liabilities and charges	0	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	108	42
Total liabilities	**108**	**42**
Total equity and liabilities	**4 149**	**4 083**
OTHER INFORMATION		
No. of employees	0	0
% of employees in Norway	n/a	n/a
State shareholding at year-end	100 %	100 %
Total % of women on the board	40 %	40 %
% of female shareholder-elected directors	40 %	40 %

Enova SF

COMPANIES

ADDRESS: Abelsgate 5, NO-7030 Trondheim
TELEPHONE: +47 73 19 04 30
INTERNET: www.enova.no

MANAGING DIRECTOR: Eli Arnstad

CHAIRMAN: Jørn Rattsø

BOARD MEMBERS: Eimund Nygård, Karin Refsnes, Cathrine Hambro and Andreas K. Enge*
* Employee representatives

AUDITOR: Ernest & Young

STATE OWNERSHIP: 100% (Ministry of Petroleum and Energy)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	39	38
Operating costs	39	35
Operating profit (loss)	**0**	**2**
Net financial items	0	0
Profit before tax	**0**	**3**
Tax	0	0
Profit after tax	**0**	**3**
BALANCE SHEET		
Intangible assets	0	0
Tangible fixed assets	0	0
Fixed asset investments	0	0
Total fixed assets	**0**	**0**
Current assets	20	17
Total assets	**20**	**17**
Subscribed equity	5	5
Retained earnings/other equity	4	4
Sum Equity	**9**	**9**
Defferred tax	0	0
Provisions for liabilities and charges	0	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	11	8
Total liabilities	**11**	**8**
Total equity and liabilities	**20**	**17**
KEY FIGURES		
Energy measurement	7.0 Twh	5.5 TWh
Contractually agreed energy result	8.3 TWh	6.3 TW
OTHER INFORMATION		
No. of employees	37	31
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	40 %	40 %
% of female shareholder-elected directors	50 %	50 %

Enova was established by an Order in Council dated 1 June 2001 which came into force on 22 June 2001. This Order in Council was based on the fact that the Storting had on 5 April 2001 agreed to the government's proposal regarding a new financing model and reorganisation of the work of restructuring energy consumption and generation, cf Recommendation no. 59 (2000-2001) to the Odelsting and Decision of the Odelsting no. 75 (2000-2001). The proposal was put forward in Proposition no. 35 (2000-2001) to the Odelsting – Regarding amendments to the Act no. 50 of 29 June 1990 relating to the generation, conversion, transmission, trading in and distribution of energy, etc (the Energy Act). The memorandum of incorporation including the articles of association for Enova was signed on 22 June 2001.

Enova's main objective is to promote an environmentally friendly restructuring of energy consumption and generation. This energy restructuring is a long-term commitment to developing the market for effective, environmentally friendly energy solutions. In connection with this, Enova manages the Energy Fund.

Enova's management of the Energy Fund is intended to contribute to:

- A more effective use of energy
- The increased use of energy carriers other than electricity and oil for heating
- Increased generation using renewable energy sources
- The introduction and development of new technologies and solutions in the energy market
- Well-functioning markets for efficient, environmentally friendly energy solutions
- Greater knowledge in society about the opportunities for using efficient, environmentally friendly energy solutions.

Key events

The Ministry of Petroleum and Energy conducted a wide-ranging evaluation of Enova and its management of the Energy Fund in 2006. Statskonsult carried out this work and presented its report in October 2006. The evaluation concluded, among other things, that "Enova has in a relatively short space of time developed an organisation that manages the Energy Fund in an efficient manner while safeguarding the need for control over the use of the Fund's assets."

Enova presented its annual report for 2006 in February 2007. It reported total contractually agreed energy results of 8.3 TWh for the 2001-2006 period. The goal for the period was 7 TWh, so this has been exceeded by a good margin.

Financial trends

The annual budget framework for Enova's operations is determined annually by the Ministry of Petroleum and Energy and is covered by the Energy Fund. Since the company does not generate revenue itself, no dividend is determined for distribution from Enova. Enova is not liable to pay tax. When Enova SF was established, NOK 5 million was contributed to the company as invested capital.

Enova's administration framework for 2006 was stipulated to be NOK 47 million, including VAT.

Gassco AS

ADDRESS: P.O. Box 93, NO-5501 Haugesund
TELEPHONE: +47 52 81 25 00
INTERNET: www.gassco.no

MANAGING DIRECTOR: Brian Bjordal

CHAIRMAN: Brit Kristin Sæbø Rugland

BOARD MEMBERS: Trygve Refvem, Elisabeth Krokeide, Arild N. Nystad, Kjellaug Høie Jonassen* and Bjarne Aarset*
* Employee representatives

AUDITOR: Deloitte Statsautoriserte Revisorer

STATE OWNERSHIP: 100%
(Ministry of Petroleum and Energy)

100 %

© Gassco AS

Gassco AS was established in 2001 as a wholly State-owned company managed by the Ministry of Petroleum and Energy. The company operates pipelines and transport-related gas processing facilities. This includes the operation and expansion of the gas transport system. Gassco is responsible for ensuring that the operation of the gas transport system and transport and processing installations serves all gas producers and promotes the effective overall utilisation of the gas resources.

Gassco plays a key role in the ongoing development of the gas transport system and in coordinating the processes for further developing the infrastructure for transporting and processing gas from the Norwegian continental shelf. Gassco is also responsible for allocating capacity in the gas transport system.

The transport system is owned by a partnership comprised of companies that produce gas on the Norwegian Continental Shelf. The partnership's operations are conducted on behalf of the partners at the partners' expense and risk, so Gassco has no earnings of its own. Companies wishing to transport gas pay transport tariffs, thus providing investors in the transport system with a reasonable rate of return.

Gassco is located in Bygnes in the municipality of Karmøy. At year-end 2006, the company had 155 employees.

Key events

In 2006 and for the first time ever, more than 300 million standard cubic metres of gas were delivered from the Norwegian continental shelf during a 24-hour period. The transport network achieved a technical availability of 99.98 per cent. In 2006 as in 2005, almost all the gas deliveries complied with the agreed quality specifications.

On 1 September 2006, Gassco took over as operator for the Langeled pipeline. Deliveries of Norwegian gas through the Langeled pipeline to the UK market started on 1 October. The northern part of Langeled will come into operation in 2007, at the same time as the deliveries of gas from the Ormen Lange field start.

Gassco has been in charge of the work on a possible gas pipeline from Kårstø to the south east part of Norway (Grenland), western Sweden and Denmark. An overview showing the willingness to invest in this project was handed over to the Minister of Petroleum and Energy on 29 January 2007.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	0.0	0.0
Operating costs	0.0	0.0
Operating profit (loss)	**0.0**	**0.0**
Net financial items	0.3	0.2
Profit before tax	**0.3**	**0.2**
Tax	-0.3	-0.3
Profit after tax	**0.6**	**0.5**
BALANCE SHEET		
Intangible assets	0.0	0.4
Tangible fixed assets	52.7	50.8
Financial assets	39.3	35.9
Total fixed assets	**92.0**	**87.1**
Current assets	174.9	115.0
Total assets	**266.9**	**202.0**
Subscribed equity	10.0	10.0
Retained earnings/other equity	2.9	2.3
Total equity	**12.9**	**12.3**
Defferred tax	0.8	0.0
Provision for commitments	25.8	23.3
Long-term liabilities	6.9	11.3
Current interest-bearing liabilities	14.4	17.5
Current interest-free liabilities	206.2	137.7
Total liabilities	**254.0**	**189.7**
Total equity and liabilities	**266.9**	**202.0**
CASH FLOW		
Operational activities	79.1	-48.5
Investment activities	-15.3	-15.1
Financing activities	-4.4	-7.5
Change in liquid assets	**59.4**	**-71.1**
KEY FIGURES		
Pipeline system – no. of km.	7 800	6 600
Regularity	99.56 %	99.57 %
Gas transported to onshore terminals in Europe (billions of scm)	84.17	81.51
Largest daily delivery (mill scm)	300.00	276.81
Shipping arrival Kårstø	638	598
Income rates operator liability Gassco	26 488	24 005
Operator liability costs Gassco	3 958	3 340
Operator liability investments Gassco	2 391	2 221
CONTRIBUTION FROM STATE		
Subsidy to CO_2 value-chain studies	11	0
DIVIDEND		
Provisions for dividend	0	0
Dividend payable to the State	0	0
OTHER INFORMATION		
No. of employees	155	143
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	50 %	57 %
% of female shareholder-elected directors	50 %	60 %

Industritjeneste AS

ADDRESS: P.O. Box 436 Økern, NO-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, Jørn Rangnes, Bente Solheim Fredriksen* and Morten Andersen*
* Employee representatives

AUDITOR: Revisjonsfirmaet Åsvang & Co. AS

STATE OWNERSHIP: 53,4
46.1% (Ministry of Justice and the Police)
7.3% (Ministry of Labour and Social Inclusion)

53.4 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	37.1	38.0
Operating costs	36.5	38.9
Operating profit (loss)	**0.6**	**-0.8**
Net financial items	0.0	0.0
Profit before tax	**0.6**	**-0.9**
Tax	0.0	0.0
Profit after tax	**0.6**	**-0.9**
BALANCE SHEET		
Intangible assets	4.6	5.2
Tangible fixed assets	2.5	3.2
Fixed asset investments	3.5	2.1
Total fixed assets	**10.6**	**10.5**
Current assets	2.3	2.0
Total assets	**12.9**	**12.6**
Subscribed equity	0.7	0.7
Retained earnings/other equity	5.4	4.7
Sum Equity	**6.1**	**5.4**
Defferred tax	0.0	0.0
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	6.8	7.1
Total liabilities	**6.8**	**7.1**
Total equity and liabilities	**12.9**	**12.6**
KEY FIGURES		
Capital employed	6.1	5.4
EBITDA	0.6	-0.8
EBIT	0.6	-0.8
Equity ratio	47 %	43 %
Annual return on equity	11 %	-15 %
Average return on equity over past 5 years	6 %	
Return on capital employed	10 %	-14 %
DIVIDEND		
Provisions for dividend	0.0	0.0
Dividend payable to the State	0.0	0.0
OTHER INFORMATION		
No. of employees	130	130
% of employees in Norway	100 %	100 %
State shareholding at year-end	53.4 %	53.4 %
Total % of women on the board	50 %	50 %
% of female shareholder-elected directors	33 %	50 %

Industritjeneste AS (ITAS) is a labour market/rehabilitation company founded in 1996. The purpose of the company is to provide rehabilitation in a realistic company environment. The company implements four different labour market measures: the Labour Market Company (AMB), Work with Assistance (AB), Job Training in a Sheltered Workplace (APS) and Permanently Adapted Work (VTA). ITAS's vision is: More people in work – fewer receiving social security and benefits.

The company's objects are to provide rehabilitation services and carry out rehabilitation activities in a real company environment, including the clarification and qualification of rehabilitation candidates, with the aim of arranging normal jobs or educations for these people. In addition, the company is to develop, produce and sell other goods and services. The company is to be run according to healthy commercial principles with the aim of achieving the best result possible. The company's profit is to remain in the company and be used to strengthen its future operations.

Key events

At the end of 2006, the company was given considerably more authorisations. These significantly extend its activities within its traditional areas. The Storting agreed on 16 December 2005 to the sale of the Norwegian state's shares in Industritjeneste AS, AS Rehabil and Blindes produkter AS, cf Proposition to the Storting no. 20 (2005-2006). Attempts will be made to sell the state's stakes in accordance with this and this work has already started.

© Industritjeneste AS

Financial trends

The company's revenue fell from NOK 38.0 million in 2005 to NOK 37.1 million in 2006. During the same period, the company's results improved from a loss of NOK 0.9 million in 2005 to a profit of NOK 0.6 million in 2006. The company's equity ratio has risen from 42 per cent to 47 per cent.

Kings Bay AS

ADDRESS: NO-9173 Ny-Ålesund
TELEPHONE: +47 79 02 72 00
INTERNET: www.kingsbay.no

MANAGING DIRECTOR: Oddvar Midtkandal

CHAIRMAN: Knut M. Ore

BOARD MEMBERS: Ann-Kristin Olsen, Kirsten Broch Mathisen, Pål Presterud and Egil Murud

AUDITOR: Ishavsbyen Revisjon AS

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

100 %

© Kings Bay AS

Kings Bay AS owns the land and most of the buildings in Ny-Ålesund on Svalbard. The company is responsible for the town's infrastructure, including the protection of the environment and cultural heritage sites. The operation of the infrastructure includes emergency preparedness, sea services, air transport, workshop services, accommodation, food/refreshments, and water and electricity supply. The company is responsible for planning the layout of Ny-Ålesund. The company has leased out some of its facilities and buildings to a number of Norwegian and foreign research institutions and these carry out extensive operations in Ny-Ålesund. Around 20 countries conduct research projects in the area around Ny-Ålesund each year. Emphasis has been placed on the company being a neutral organiser of infrastructure services for the various research environments there, so that both Norwegian and foreign interests are safeguarded.

The company also supplies some tourism services, especially to the large tourist ships and other vessels that call into port daily during the summer season.

Ny-Ålesund has developed into a research station with an advanced environmental profile and an international centre for research into climate and environment-related issues. The company's employees are equivalent to around 32 man-years.

Kings Bay AS's objective is to operate and utilise the company's properties on Svalbard and carry out other activities related to this. The company's activities are especially to be aimed at providing services that promote research and scientific operations and help to develop Ny-Ålesund as an international Arctic scientific research station.

Key events

In December 2005, the general meeting of Kings Bay AS decided to increase the company's share capital by NOK 5 million by new shares being subscribed for by the State, represented by the Ministry of Trade and Industry. The increase in share capital will make Kings Bay AS better equipped to tackle the challenges involved in keeping the research stations in Ny-Ålesund open all year round.

On 2-4 March 2006, an international symposium was arranged for the first time in Ny-Ålesund to discuss "The changing Arctic; new opportunities and challenges". The intention is to arrange this symposium every year.

Financial trends

Kings Bay AS aims for its management accounts to break even, while major investments and other extraordinary costs that are incurred due to the company's special obligations are covered by a State subsidy.

Kings Bay AS's operating profit came to NOK 236 587 in 2006, compared to NOK 101 293 in 2005. The annual result without the State subsidy was a profit of NOK 220 830, compared to a loss of NOK 1 733 569 for 2005. This positive result is due in part to the number of researcher days increasing by 11 per cent, from 8 535 in 2005 to 9 470 in 2006. The company's revenue increased by NOK 3.1 million to NOK 36.8 million in 2006. The company received NOK 13 million in ordinary subsidy from the State in 2006. The largest investment in 2006 was the NOK 3.1 million invested in the marine laboratory.

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	36.8	33.7
Operating costs	36.6	33.6
Operating profit (loss)	**0.2**	**0.1**
Net financial items	0.0	-0.1
Profit before tax	**0.2**	**0.0**
Tax	0.0	0.0
Profit after tax	**0.2**	**0.0**
BALANCE SHEET		
Intangible assets	0.2	0.2
Tangible fixed assets	0.0	1.9
Fixed asset investments	0.0	0.0
Total fixed assets	**0.2**	**2.2**
Current assets	18.6	13.0
Total assets	**18.9**	**15.2**
Subscribed equity	7.0	2.0
Retained earnings/other equity	0.4	0.2
Sum Equity	**7.4**	**2.2**
Provisions for liabilities and charges	0.0	0.0
Long-term liabilities	0.0	4.1
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	11.5	9.0
Total liabilities	**11.5**	**13.0**
Total equity and liabilities	**18.9**	**15.2**
CASH FLOW		
Operational activities	2.7	-10.0
Investment activities	0.0	0.0
Financing activities	0.9	2.2
Change in liquid assets	**3.6**	**-7.8**
CONTRIBUTION FROM STATE		
Contribution from the State	13.0	13.0
Other contribution for investments	1.8	4.6
Contribution to Bjørnøen	-0.2	-0.2
Total contribution to Kings Bay AS	**14.6**	**17.4**
Utilization of contribution		
Investments	13.7	19.3
Transfered from prior years	2.9	6.5
Transfered to next year	3.7	2.9
Coverage of loss	0.0	1.8
Total utilization	**17.4**	**17.4**
OTHER INFORMATION		
No. of employees	23	22
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	40 %	40 %
% of female shareholder-elected directors	40 %	40 %

Kompetansesenter for IT i helse- og sosialsektoren AS

KITH
INFORMASJONSTEKNOLOGI FOR HELSE OG VELFERD

COMPANIES

ADDRESS: Sukkerhuset, NO-7489 Trondheim
TELEPHONE: +47 73 59 86 00
INTERNET: www.kith.no

MANAGING DIRECTOR: Jacob Hygen

CHAIRMAN: Ivar Gammelmo
BOARD MEMBERS: Trude Mathisen, Elisabeth Sunde, Wiggo Korshavn, Erik Oftedal, Evi-Anni Evensen, Ruth Astrid Eng Mule, Ole Gunnar Kjøsnes, Magnus Alsaker* and Grete Bach*
* Employee representatives

AUDITOR: Ernst & Young

STATE OWNERSHIP: 80.5%
70% (Ministry of Health and Care Services) and 10.5% (Ministry of Labour and Social Inclusion)

80.5 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	30.6	28.2
Operating costs	30.5	27.7
Operating profit (loss)	**0.1**	**0.5**
Net financial items	0.2	0.1
Profit before tax	**0.4**	**0.6**
Tax	0.0	0.0
Profit after tax	**0.4**	**0.6**
BALANCE SHEET		
Intangible assets	0.0	0.0
Tangible fixed assets	0.6	1.2
Fixed asset investments	1.4	0.2
Total fixed assets	**2.0**	**1.4**
Current assets	12.9	16.0
Total assets	**14.9**	**17.4**
Subscribed equity	6.0	6.0
Retained earnings/other equity	4.7	4.4
Total equity	**10.7**	**10.4**
Defferred tax	0.0	0.0
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	0.0	7.1
Total liabilities	**4.2**	**7.1**
Total equity and liabilities	**14.9**	**17.5**
KEY FIGURES		
Capital employed	10.7	10.4
EBITDA	1.0	0.6
EBIT	0.3	0.6
Equity ratio	72 %	59 %
Annual return on equity	3 %	6 %
Average return on equity over past 5 years	2 %	
Return on capital employed	3 %	6 %
DIVIDEND		
Provisions for dividend	0.0	0.0
Dividend payable to the State	0.0	0.0
OTHER INFORMATION		
No. of employees	29	28
% of employees in Norway	100 %	100 %
State shareholding at year-end [1]	80.5 %	80.5 %
Total % of women on the board	50 %	43 %
% of female shareholder-elected directors	67 %	67 %

[1] Ministry of Health and Care Services 70 % and Ministry of Labour and Social Inclusion 10.5 %

KITH – Norwegian Centre for Informatics in Health and Social Care
KITH was established in 1990 to contribute to coordinated IT developments within the health and social welfare sector. The company has always complied with this business concept, but its operational form has been continuously adapted to the changes which have taken place in the health and social welfare sector's organisation and framework conditions (the reform of the health authorities, management reforms, rules governing public procurements, etc).

The company carries out in part long-term tasks financed by the central government health and social welfare administration in the fields of standardisation and coordination (concepts, encoders, information exchange standards, information security and electronic patient record systems, etc) and in part assignments for the health and social welfare sector's various players (central government authorities and administration, health authorities, municipalities, etc).
KITH's objective is, on a businesslike basis, to be a centre of expertise and information for the health and social welfare sector when it comes to the use of information technology. The centre is to act as an adviser to the players in this sector – both the authorities/public administration and those providing services. The centre is to be independent of suppliers.

Key events

KITH carried out many interesting tasks in 2006 too. This gave the company an opportunity to continue developing positively. KITH's standardisation tasks were given positive feedback in an evaluation conducted by Statskonsult on behalf of the Directorate for Health and Social Affairs. The company has carried out important assignments for central government health administration bodies, for the regional health enterprises and for the municipal sector.

Financial trends

KITH's ordinary operations made a moderate profit in 2006. Plenty of new assignments and good, steady efforts on the part of KITH's employees throughout the year, together with a sober level of expenses, are the reasons for this. KITH has for years built up equity in addition to its share capital and is now a financially sound company.

Its revenues in 2006 were 9 per cent more than in 2005. The profit for the year in 2006 came to NOK 0.4 million, of which the operating profit equalled NOK 0.1 million. Its total capital as at 31 December 2006 came to NOK 14.9 million, compared to NOK 17.4 million at year-end 2005. The equity ratio as at 31 December 2006 was 71.8 per cent and the centre's liquidity position is sound.

COMPANIES

Norsk Eiendomsinformasjon AS

ADDRESS: Haakon VIIs gt. 2, P.O. Box 1542 Vika, NO-0117 OSLO
TELEPHONE: +47 23 11 39 30
INTERNET: www.eiendomsinfo.no

MANAGING DIRECTOR: Per Chr Selmer

CHAIRMAN: Erik Keiserud

BOARD MEMBERS: Tore V. Knudsen, Kari Johanne Bjørnøy, Ingeborg Moen Borgerud, Ingvild Myhre, Sissel Skovly* and Geir Vidar Mørner*, * Employee representatives

AUDITOR: KMPG AS

STATE OWNERSHIP: 100% (Ministry of Justice and the Police)

100 %

Norsk Eiendomsinformasjon AS (NE) was established in 1987 under the name of Tinglysingsdata AS. In 1992, the company was acquired by the State via the Ministry of Justice and the Police, and NE has been a wholly State-owned limited company since then.

NE's objective is to operate and further expand the Property Register (EDR) and engage in other related activities. The company is responsible for performing socially important tasks that will ensure the operation, maintenance and system development of the Register of Land and Land Charges. The company had 65 employees at year-end 2006.

Pursuant to agreements with the Ministry of Justice and the Police and the Ministry of the Environment, represented by the Norwegian Mapping Authority, NE is entitled and obliged to disseminate information from the Register of Land and Land Charges (Grunnboken) and the Register of Real Properties, Addresses and Buildings (GAB Register). Data from the Register of Land and Land Charges and the Register of Real Properties, Addresses and Buildings are available online via the EDR database. This company has taken over the dissemination of basic map information from the Norwegian Mapping Authority. Infoland® is the company's Internet portal and system for counting, authorisation and invoicing. The system makes it possible to place direct orders directly with municipalities, housing cooperatives and other information providers in addition to accessing information in the EDR Property Register. Through Infoland®, NE offers direct access to information such as site plans, development plans and information regarding property taxes and municipal taxes.

NE is one of 10 partners in EULIS (European Land Information Service), in which NE is responsible for operating and developing the technological solution. EULIS is a web portal that enables users to have electronic access to property information across European national borders. EULIS was originally a project that was financed by the EU Commission's eContent programme. This project was concluded in the summer of 2004 with a very good evaluation, and is now being continued by the parties themselves without any EU subsidy.

Key events

At the request of the Ministry of Justice and the Police, NE has developed and supplied a system for registering housing cooperative shares in the Register of Land and Land Charges. This system was implemented on 1 July 2006. NE has also carried out the technical conversion work so that data on housing cooperative shares could be transferred from the previous registers kept by the business managers to the Register of Land and Land Charges. Rights to housing cooperative shares are registered by the Norwegian Mapping Authority office in Ullensvang.

In the spring of 2007, a pilot project is due to start involving electronic documents being submitted for official registration on real estate. NE has developed the technical solution.

In 2006, the company once again contributed resources to ensure the continued successful transfer of official registration data from the district courts to the Norwegian Mapping Authority.

In 2006, NE made the necessary changes to the EDR Property Register so that it is ready for the Norwegian Mapping Authority's new land register system which will replace the GAB Register in 2007.

Financial trends

NE had revenue of around NOK 192 million in 2006, an increase of some 11 per cent compared to 2005. The operating profit came to NOK 12.3 million in 2006, while the profit after tax was NOK 9.2 million. At year-end 2006, NE had an equity ratio of 42 per cent. For the 2006 financial year, NE is going to distribute 80 per cent of its after-tax profit as dividend, giving the State a dividend of approximately NOK 7.4 million.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	192	172
Operating costs	179	155
Operating profit (loss)	**12**	**18**
Net financial items	1	1
Profit before tax	**13**	**18**
Tax	4	5
Profit after tax	**9**	**13**
BALANCE SHEET		
Intangible assets	2	3
Tangible fixed assets	14	14
Fixed asset investments	6	6
Total fixed assets	**21**	**23**
Current assets	81	83
Total assets	**103**	**106**
Subscribed equity	6	6
Retained earnings/other equity	37	35
Total equity	**43**	**41**
Defferred tax	0	0
Provision for commitments	2	1
Long-term liabilities	2	1
Current interest-bearing liabilities	0	0
Current interest-free liabilities	58	63
Total liabilities	**59**	**106**
Total equity and liabilities	**103**	**106**
CASH FLOW		
Operational activities	9	26
Investment activities	-8	-7
Financing activities	-10	-9
Change in liquid assets	**-10**	**11**
KEY FIGURES		
Capital employed	45	43
EBITDA	21	26
EBIT	13	19
Equity ratio	42 %	39 %
Annual return on equity	21 %	32 %
Average return on equity over past 5 years	26 %	
Return on capital employed	30 %	45 %
DIVIDEND		
Provisions for dividend	7.4	10.4
Dividend ratio	80 %	80 %
Average return on equity over last 5 years	86 %	
Dividend payable to the State	7.4	10.4
OTHER INFORMATION		
No. of employees	65	56
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	57 %	40 %
% of female shareholder-elected directors	60 %	40 %

Norsk Rikskringkasting AS

ADDRESS: 0340 OSLO
TELEPHONE: +47 23 04 70 00
INTERNET: www.nrk.no

DIRECTOR GENERAL: Hans-Tore Bjerkaas (John G. Bernander until 19 March 2007)

CHAIRMAN: Hallvard Bakke
BOARD MEMBERS: Valgerd Svarstad Haugland, Sif Vik, Kåre Lilleholt, Karin Julsrud, Stig M. Herbern, Else Barratt-Due*, Geir Heljesen* and Per Asbjørn Ravnaas*
* Employee representatives

AUDITOR: PriceWaterhouseCoopers

STATE OWNERSHIP: 100% (Ministry of Culture and Church Affairs)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	3 882	3 693
Operating costs	3 901	3 710
Operating profit (loss)	**-18**	**-17**
Net financial items	17	16
Profit before tax and minority interests	**-2**	**-1**
Tax	-3	-2
Minority interests	0	0
Profit after tax and minority interests	**-4**	**-2**
BALANCE SHEET		
Intangible assets	0	5
Tangible fixed assets	1 467	1 371
Fixed asset investments	176	160
Total fixed assets	**1 643**	**1 535**
Current assets	1 566	1 582
Total assets	**3 209**	**3 117**
Subscribed equity	1 000	1 000
Retained earnings/other equity	554	559
Minority interests	0	0
Total equity	**1 554**	**1 559**
Defferred tax	0	0
Provision for commitments	431	385
Long-term liabilities	0	20
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 223	1 154
Total liabilities	**1 654**	**1 558**
Total equity and liabilities	**3 209**	**3 117**
CASH FLOW		
Operational activities	244	169
Investment activities	-327	-282
Financing activities	-1	20
Change in liquid assets	**-84**	**-94**
KEY FIGURES		
Capital employed	1 555	1 579
EBITDA	249	227
EBIT	17	7
Equity ratio	48 %	50 %
Annual return on equity	-0.3 %	-0.2 %
Average return on equity over past 5 years	1.6 %	
Return on capital employed	1.1 %	0.4 %
Licence fees as pertentage og total revenue	93.7 %	94.7 %
Licence fees per year per household	2 039	1 969
Market share NRK TV	43.5 %	43.9 %
Market share NRK Radio	65.7 %	61.0 %
OTHER INFORMATION		
No. of employees	3 470	3 440
% of employees in Norway	99.7 %	99.7 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	44 %	44 %
% of female shareholder-elected directors	50 %	50 %

The Norwegian Broadcasting Corporation (NRK) (Norsk Rikskringkasting AS) was established in 1933 and its operations were focused on radio broadcasting until the 1950s. This was followed by television broadcasts, which officially started in 1960. New interactive media options have been developed in recent years.
NRK currently has just over 3.700 employees and consultants. It is represented throughout Norway and has correspondents in a number of locations abroad.
NRK is organised as a wholly state-owned limited company. Ownership is managed by the Ministry of Culture and Church Affairs. NRK's primary objective is to produce and transmit public service broadcasting via radio, television and interactive media.
NRK's share of radio listeners rose to 65 per cent in 2006, while its share of television viewers remained stable at 44 per cent. The number of users of NRK's website, www.nrk.no, rose by 15 per cent in 2006 and this website is in fifth place among contents websites. With wide public support and a solid reputation, NRK is the clear leader in providing news coverage and a broad range of self-produced programmes. In sum, this makes NRK the dominant broadcaster in Norway.
Public broadcasting is an important instrument in Norwegian cultural and media policy. To ensure that NRK plays an important role in society, the State is involved in the company by exercising its ownership function, providing funding from licensing and establishing the public broadcasting requirements. NRK has a particular responsibility for promoting democratic, social and cultural values in society.

Key events

The board of NRK has adopted a new strategy plan for the 2007-2012 period. This entails making NRK's duties to society as a public broadcaster more clear. NRK is on this basis to establish a digital media house in the years to come.
In June 2006, the general meeting authorised NRK AS to become an owner of NTV Pluss AS and to take part in any increase in this company's capital by contributing up to NOK 150 million. NTV Pluss has since then changed its name to RiksTV and this company will offer pay-TV in the digital terrestrial television network. The general meeting also agreed to NRK entering into an agreement with RiksTV AS regarding the winding up of the company's analogue television broadcasts in the terrestrial network, provided special conditions are met. These general meeting resolutions give NRK the necessary authorisations for making a rapid transition from analogue to digital television broadcasts. In 2006, NRK decided to start the work of extending its television services by introducing a third channel. This will entail an increased focus on news, children and young people and a wider range of programmes from the regional offices. This channel will be launched in 2007 in connection with the transition to digital television broadcasts.
Nynorsk Mediesenter in Førde, which was established in 2004, has reinforced its position as an important tool for increasing the use of New Norwegian in NRK. The Director General John G Bernander told the board in October 2006 that he did not want to take a new term of office. The board hired regional editor Hans-Tore Bjerkaas as the new director general in January 2007 and he took over this post on 19 March 2007.

Financial trends

In 2006, NRK had a turnover of NOK 3.846 million, an increase of approximately NOK 200 million compared to 2005. NRK aims to have balanced management accounts over time, and it achieved this for the sixth year in a row. TV licence fees account for more than 90 per cent of the company's income. At the year-end, the number of licence fees collected came to 1.793.000. which is the highest figure ever registered. NRK's commercial activities are organised through a wholly owned subsidiary, NRK Aktivum AS. Profits from this company contributed around NOK 108 million to the programming operations in 2006.

Norsk Samfunnsvitenskapelige datatjeneste AS

ADDRESS: Harald Hårfagres gate 29, NO-5007 Bergen
TELEPHONE: +47 55 58 21 17
INTERNET: www.nsd.uib.no

MANAGING DIRECTOR: Bjørn Henrichsen

CHAIRMAN: Bernt Aardal

BOARD MEMBERS: Knud Knudsen, Hans Viggo Sæbø, Mette Vestli, Inger Njølstad, Alette Gilhus Mykkeltvedt and Atle Jåstad*
* Employee representative

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 100% (Ministry of Education and Research)

100 %

Norwegian Social Science Data Services (Norsk samfunnsvitenskapelig datatjeneste AS) (NSD) was established in 1971 and until 1 January 2003 it was linked institutionally to the Research Council of Norway. Since then, NSD has been reorganised as a private limited company wholly owned by the Ministry of Education and Research. The company does not have the objective of making a profit and no dividend is distributed.

NSD's main objective is to ensure that data are disseminated and services provided to the research sector.

The number of users of NSD's services has increased sharply and most of NSD's users are affiliated with universities, university colleges, the institutional sector and social science disciplines. The company is also increasingly servicing other disciplines, including medicine and health care.

The company's activities are relatively stable and increased by around 8 per cent in 2006 compared to 2005. It employed approximately 62 man-years in 2006, including part-time students. The figure for 2005 was approximately 57 man-years.

NSD's main goal is to improve the opportunities and working conditions (by making data available) for empirical research activities that depend on access to data. NSD is one of the world's largest archives of research data that are disseminated to researchers and students in Norway and abroad. In addition, NSD is a centre of expertise that provides guidance to researchers in relation to gathering data, analysing data, methods, the protection of personal data and research ethics. NSD is currently the personal data protection ombudsman for 140 Norwegian institutions, including all the universities and scientific colleges in Norway, state-owned and private university colleges and several regional health authorities, etc. This task has been delegated to it by the Norwegian Data Inspectorate.

NSD helps to internationalise Norwegian research by participating in international organisations and projects. Through binding cooperation on a number of projects, NSD participates in the efforts to develop a European and international database for use in comparative analyses. This cooperation enhances opportunities for Norwegian researchers to participate in international research projects by Norwegian researchers gaining access to international data. At the same time, data relating to Norwegian factors becomes available to the rest of the world and data relating to Norway can be included in international analyses.

Key events

Nesstar Ltd has been owned by NSD and the University of Essex in the UK since it was established in 2001. Nesstar Software Suite is a software solution for publishing and disseminating statistical data. In 2006, Nesstar Ltd's owners decided that all the IP rights linked to the Nesstar Software Suite were to be transferred to NSD. As from 2007, NSD owns these rights and will be responsible for the further development and sale of this product.

Financial trends

NSD AS made a profit of NOK 2.8 million in 2006, compared with a profit of NOK 2.4 million in 2005. The company has an equity ratio of 56 per cent. The Research Council of Norway has financed 22 per cent of NSD's activities and provided 35 per cent of the company's total funding when project support is included. The company's own sales revenues comprised six per cent of NSD's funding, while the ministries, EU and other public and private principals provided the rest.

NSD is experiencing growth and higher levels of activity in several areas. The use of data and other services offered by NSD is increasing.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	35.8	33.8
Operating costs	33.8	31.7
Operating profit (loss)	**2.0**	**2.1**
Net financial items	0.8	0.3
Profit before tax	**2.8**	**2.4**
Tax	0.0	0.0
Profit after tax	**2.8**	**2.4**
BALANCE SHEET		
Intangible assets	0.0	0.0
Tangible fixed assets	0.8	0.9
Fixed asset investments	1.4	1.5
Total fixed assets	**2.1**	**2.4**
Current assets	30.7	24.6
Total assets	**32.9**	**27.0**
Subscribed equity	7.3	7.4
Retained earnings/other equity	10.9	8.2
Total equity	**18.3**	**15.6**
Defferred tax	0.0	0.0
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	14.5	11.4
Total liabilities	**14.5**	**11.4**
Total equity and liabilities	**32.9**	**27.0**
KEY FIGURES		
Capital employed	18.3	15.6
EBITDA	3.1	2.8
EBIT	2.8	2.5
Equity ratio	56 %	58 %
Annual return on equity	18 %	17 %
Average return on equity over last 4 years	23 %	
Return on capital employed	17 %	14 %
CONTRIBUTION FROM STATE		
Contribution to research		
Contributions from UFD and other ministries	8.3	8.0
Contribution form NFR	12.5	16.0
Total Contribution	**21.0**	**24.0**
OTHER INFORMATION		
No. of employees	62	57
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	33 %	33 %
% of female shareholder-elected directors	40 %	40 %

COMPANIES

Norsk Tipping AS

NORSK TIPPING
norsk-tipping.no

ADDRESS: NO-2325 Hamar
TELEPHONE: +47 62 51 40 00
INTERNET: www.norsk-tipping.no

MANAGING DIRECTOR: Reidar Nordby jr.

CHAIRMAN: Sigmund Thue

BOARD MEMBERS: Anni Onsager, Berit Fosheim, Torgeir Mjør Grimsrud, Knut Brofoss, Kjersti Langseth* and Knut Johannessen*
* Employee representatives

AUDITOR: The Office of the Auditor General in Norway

STATE OWNERSHIP: 100% (Ministry of Culture and Church Affairs)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	9 798	9 362
Operating costs	7 049	6 672
Operating profit (loss)	**2 750**	**2 690**
Net financial items	88	42
Profit before tax and minority interests	**2 838**	**2 732**
Tax	0	0
Minority interests	0	0
Profit after tax and minority interests	**2 838**	**2 732**
BALANCE SHEET		
Intangible assets	0	0
Tangible fixed assets	414	500
Fixed asset investments	70	111
Total fixed assets	**484**	**610**
Current assets	4 040	3 647
Total assets	**4 524**	**4 258**
Subscribed equity	0.2	0.2
Retained earnings/other equity	1 374	1 207
Total equity	**1 374**	**1 207**
Defferred tax	0	0
Provision for commitments	10	5
Long-term liabilities	267	265
Current interest-bearing liabilities	0	0
Current interest-free liabilities	2 874	2 781
Total liabilities	**3 151**	**3 051**
Total equity and liabilities	**4 524**	**4 258**
CASH FLOW		
Operational activities	3 227	2 799
Investment activities	-87	-198
Financing activities	-2 588	-2 587
Change in liquid assets	**552**	**14**
KEY FIGURES		
Capital employed	1 651	1 477
Equity ratio	30 %	28 %
Total profit	**2 838**	**2 732**
Profit Health and rehabilitation	198	195
Profit Norsk Tipping AS	2 640	2 537
Provision for investment fund	128	125
Provision for preventing gaming problems	12	12
Profit allocated to sport and culture	2 500	2 400
Total utilized	**2 838**	**2 537**
OTHER INFORMATION		
No. of employees	324	367
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	43 %	43 %
% of female shareholder-elected directors	40 %	40 %

Established in 1946, Norsk Tipping has since 1993 been a wholly State-owned company that is structured pursuant to specific legislation. Norsk Tipping's core operations is to operate gambling in a socially acceptable form under public control. The company has an exclusive right to provide sports betting and other certain types of lotteries in Norway. The company had 346 employees at year-end 2006.

Through its ownership in Norsk Tipping, the State aims to ensure that the company channels the Norwegian public's interest in gambling towards moderate, responsible games that do not create problems for society at lage. Within the framework stipulated by the authorities, the company is to offer entertainment through responsible gambling opportunities aimed at preventing negative consequences of gambling and generating a profit for socially benevolent causes. However, the State's primary objective will never be to achieve the largest possible profit. The State's objective for Norsk Tipping is that the company contributes to the development of the gambling market in a socially responsible direction.

Key events

The national gambling policy is under increasing preassure from private operator seeking to offer their gambling services in Norway. However, Norsk Tipping increased its revenues from gambling by 4.5 per cent in 2006, after a steady decline in revenues for the past few years. The increase also relates to the implementation of a ban on the use of bill acceptors in slot machines from 1 July 2006, which led to a reduction in slot machine revenues for the private operators. 2006 was the 20th anniversary of the first Lotto draw in Norway. Lotto is still Norway's most popular game and it achieved record revenues in 2006 after two years of decline.

Norsk Tipping completed the introduction of a smart card in 2006 as a tool for payment and registration of gaming transactions. This card allows customers to safely interact with Norsk Tipping through electronic channels, mobile telephones and commission agents. At year-end 2006, 1.7 million of Norsk Tipping's smart cards had been issued.

In 2003, the Storting granted Norsk Tipping an exclusive right to operate gaming terminals. The objective is to prevent crime and to offer responsible forms of gaming terminals in line with social policy objectives. Both EFTA's Surveillance Authority, ESA, and the slot machine industry have brought legal action against the State to have the law declared invalid pursuant to Norway's EEA law obligations. The EFTA court handed down a judgement in favour of the State on 14 March 2007. The case is, however, still pending before the Norwegian Courts. The Supreme Court has in March 2007 not completed its hearing of the appeal regarding Norsk Tipping's exclusive right to operate gaming terminals. In its pleadings, the State has urged the Supreme Court to rule on this case as quickly as possible in line with the EFTA court's decision. The current slot machine market will be removed prior to 1 July 2007. Norsk Tipping will prepare the operation of its gaming terminals machines with the aim of installing these as from 1 January 2008.

International bookmaker company Ladbrokes has also sued the State, partly because it believes Norsk Tipping's exclusive right to operate certain gambling services contravenes the EEA Agreement. This case is pending before the Oslo District Court, which has submitted five questions to the EFTA court for a preliminary ruling related to the EEA legistation on 1 August 2006. The EFTA court is expected to issue a preliminary judgement in this case during the course of spring of 2007.

Financial trends

Norsk Tipping's operating revenues in 2006 came to NOK 9 798 million, an increase of 4.5 per cent compared to 2005. The Oddsen and Lotto games accounted for most of this increase. The company made a total profit of NOK 2 838 million, up from NOK 2 732 million in 2005. The profits will be distributed in April 2007.

Petoro AS

ADDRESS: P.O. Box 300 Sentrum, NO-4002 Stavanger
TELEPHONE: +47 51 50 20 00
INTERNET: www.petoro.no

CEO: Kjell Pedersen

CHAIRMAN: Bente Rathe

BOARD MEMBERS: Jørgen Lund, Hilde Myrberg, Per-Christian Endsjø, Nils-Henrik Mørch von der Fehr, Britt Bjelland* and Ove Skretting*.
* Employee representatives

AUDITOR: Erga Revisjon AS

STATE OWNERSHIP: 100% (Ministry of Petroleum and Energy)

100 %

© Petoro AS

The State-owned limited company Petoro AS manages the State's direct financial interest (SDFI) on behalf of the State. The company's operations are regulated by Chapter 11 of the Act relating to petroleum activities. The company has a relatively small, flexible organisation.

Petoro is the licensee for, not the owner of, the SDFI port folio on the Norwegian continental shelf. The company is not an operator. As a licensee for this considerable portfolio, Petoro has an opportunity to be a driving force for implementing value-creation measures with a particular focus on area approaches and the coordination of fields to achieve efficiency gains, cost reductions and increased recovery.

The overall objective for the SDFI portfolio management is to achieve the greatest possible income for the State.

As part of the State's joint ownership strategy, Statoil arranges for the sale of the State's petroleum along with its own petroleum, pursuant to a sales instruction adopted by Statoil's general meeting. Petoro ensures that Statoil's sale of the State's petroleum is carried out in line with the instruction. Petoro does not receive revenues for such activities. Revenues from Statoil's sale of the State's petroleum are transferred directly from Statoil to the State's account.

The huge values which are managed mean that Petoro has a particular responsibility for good financial controls, including bookkeeping, for the SDFI portfolio.

Financial trends

Petoro is operated on the basis of grants from the State, and its operating budget in 2006 was NOK 180 million excluding VAT. Separate accounts are maintained for Petoro's operations. A clear distinction is drawn between financial aspects related to the SDFI portfolio and those related to Petoro's operations.

The SDFI:
was established with effect from 1985. The SDFI portfolio is owned directly by the State. The State participates as a direct investor in petroleum operations on the Norwegian continental shelf. As at 31 December 2006, the State had participating shares in 105 production licences and 12 partnerships relating to pipelines and onshore installations. Each year the Storting approves the budget and framework for the SDFI portfolio. In 2006, the net cash flow from the SDFI portfolio was NOK 126.7 billion. Total revenues were NOK 146.7 billion and costs were NOK 19.9 billion. The net cash flow from the SDFI portfolio is transferred to the Government Pension Fund - Global.

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	185	178
Operating costs	170	178
Operating profit (loss)	**15**	**0**
Net financial items	2	1
Profit before tax and minority interests	**17**	**1**
Tax	0	0
Minority interests	0	0
Profit after tax and minority interests	**17**	**1**
BALANCE SHEET		
Intangible assets	0	0
Tangible fixed assets	8	13
Fixed asset investments	0	0
Total fixed assets	**8**	**13**
Current assets	74	61
Total assets	**81**	**74**
Subscribed equity	10	10
Retained earnings/other equity	23	6
Total equity	**32**	**16**
Defferred tax	0	0
Provision for commitments	24	31
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	25	28
Total liabilities	**48**	**58**
Total equity and liabilities	**81**	**74**
CASH FLOW		
Operational activities	17	1
Investment activities	-2	-2
Financing activities	0	0
Change in liquid assets	**15**	**-2**
DIVIDEND		
Provisions for dividend	0	0
Dividend payable to the State	0	0
CONTRIBUTION FROM STATE		
Contribution from State [1]	**180**	**174**
Used for salaries and social costs	73	79
Used for IKT	13	12
Used for general manager fee	14	16
Used for accounting services	2	3
Used for offices	7	9
Used for others	54	58
Total usage of contribution	**163**	**178**
OTHER INFORMATION		
No. of employees	53	53
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	43 %	43 %
% of female shareholder-elected directors	40 %	40 %

[1] Exclusive VAT

Simula Research Laboratory AS

[simula . research laboratory]

ADDRESS: Postboks 134, NO-1325 Lysaker
TELEPHONE: +47 67 82 82 00
INTERNET: www.simula.no

MANAGING DIRECTOR: Aslak Tveito

CHAIRMAN: Berit Svendsen

BOARD MEMBERS: Dagfin Brodtkorb, Eivind Hiis Hauge, Anne-Brit Kolstø, Ingvild Myhre, Hans Christian Benestad* and Bjørn Fredrik Nielsen*
* Employee representatives

AUDITOR: Lundes Revisjonskontor DA

STATE OWNERSHIP: 80% (Ministry of Education and Research)

80 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	69.8	66.8
Operating costs	66.2	68.7
Operating profit (loss)	**3.5**	**-1.9**
Net financial items	0.3	0.2
Profit before tax	**3.8**	**-1.6**
Tax	0.2	0.0
Profit after tax	**3.7**	**-1.6**
BALANCE SHEET		
Intangible assets	0.0	0.0
Tangible fixed assets	2.9	3.4
Fixed asset investments	1.4	0.3
Total fixed assets	**4.3**	**3.6**
Current assets	14.5	10.1
Total assets	**18.7**	**13.7**
Subscribed equity	1.5	1.5
Retained earnings/other equity	4.2	0.5
Total equity	**5.7**	**2.0**
Defferred tax	0.0	0.0
Provision for commitments	0.0	0.0
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.4
Current interest-free liabilities	13.1	11.3
Total liabilities	**13.1**	**11.7**
Total equity and liabilities	**18.7**	**13.7**
KEY FIGURES		
Capital employed	5.7	2.4
EBITDA	5.7	0.8
EBIT	3.8	-1.5
Equity ratio	30 %	33 %
Annual return on equity	96 %	-57 %
Average return on equity over past 5 years	-3.3 %	
Return on capital employed	95 %	30 %
OTHER KEY FIGURES		
Publication		
Books and doctoral thesis	15	6
Articles in journals with referee	33	20
Proceedings with referee and chapters in books	64	57
Number of post-graduate fellowships	21	24
Number of post doc.	13	11
CONTRIBUTION FROM STATE		
Contribution to research	49	49
Total contribution	**49**	**49**
OTHER INFORMATION		
No. of employees	76	80
% of employees in Norway	95 %	98 %
State shareholding at year-end	80 %	80 %
Total % of women on the board	43 %	43 %
% of female shareholder-elected directors	40 %	40 %

Simula Research Laboratory was established as a project run by the University of Oslo in 2001 and was organised as a private limited company in 2002. The company conducts long-term, basic research in specified areas of software and communications technology, thereby contributing to creativity and innovation in Norwegian trade and industry. The State ownership of Simula Research Laboratory is intended to ensure a high international standard of research and the training of highly qualified researchers. The company is not profit-oriented and does not pay dividends to its owners.

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The company has three main responsibilities: to conduct research at a high international level, to provide innovation based on research conducted at the laboratory, and to provide education in cooperation with Norwegian universities. The company had 76 employees at the year-end 2006.

Key events

In October 2006, Simula's board adopted a new strategy for the 2007-2015 period that aims to make Simula world leader in its research fields. By 2010 Simula should have achieved at least one scientific breakthrough and at least one research-based commercial success by 2015.

Simula Research Laboratory has for some time now been working to improve its doctorate education and applied to the Ministry of Education and Research for funds to establish an ICT research college. The government has initially granted NOK 5 million to establish and start up the Simula School of Research and innovation at the University of Oslo (SSRI). One purpose is, among other things, to improve the ICT doctorate education by educating doctoral candidates who are more relevant to industry, increasing the flow of doctoral candidates and improving the collaboration with international bodies.

As from 2007, Simula has been awarded the status of a Centre for Excellent Research, which means it will receive a grant of NOK 75 million from the Research Council of Norway over a ten-year period. The Ministry of Transport and Communications has contributed to Simula's growth by awarding a total of NOK 27 million for the 2006-2010 period for the Resilient Networks basic research project. This project's main scientific goal is to develop and demonstrate protocols and methods that can make communications infrastructures able to cope with failing components, wrong configurations, sabotage and other factors which may cause errors or breakdowns. Simula has two wholly owned subsidiaries, Simula Innovation AS and Kalkulo AS.

Financial trends

The Simula group's total operating revenue came to NOK 69.8 million in 2006, NOK 49 million of which was provided by the government's basic financing. Simula received NOK 29 million from the Ministry of Education and Research and NOK 10 million from each of the Ministry of Trade and Industry and the Ministry of Transport and Communications. External funding from other governmental and private sources came to NOK 15.2 million in 2006, a slight increase compared to 2005 when the external funding amounted to NOK 15.1 million. The total operating costs were NOK 66.2 million in 2006, compared to NOK 68.7 million in 2005. Simula made a profit of NOK 3.7 million in 2006, compared to a loss of NOK 1.6 million in 2005.

SIVA SF

ADDRESS: P.O. Box 1253 Pirsenteret, NO-7462 Trondheim
TELEPHONE: +47 48 03 90 00
INTERNET: www.siva.no

MANAGING DIRECTOR: Harald Kjelstad

CHAIRMAN: Siri Beate Hatlen

BOARD MEMBERS: Kirsten I. Huser Leschbrandt, Bertil Tiusanen, Per N. Hagen, Peter Arbo, Hilde Gjester Hoel and Siw Moxness.

AUDITOR: BDO Noraudit Midt-Norge AS

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

100 %

The Industrial Development Corporation of Norway (SIVA) (Selskapet for industrivekst SF), was established in 1968, and has been organised as a State-owned enterprise since 1993. SIVA has operations in the areas of real estate and innovation. In addition, SIVA has some international operations that focus on northwest Russia. The company is a driving force and facilitator for the development of innovation and value-creation environments throughout Norway. The State's ownership interests are administered by the Ministry of Trade and Industry.

SIVA is to contribute to innovation and business development through its real estate operations and the development of strong regional innovation and value-creation environments throughout Norway. SIVA has a particular responsibility for contributing to an increased rate of growth in the regions.

In its real estate operations, SIVA had ownership interests in about 428 500 m² of floor space in more than 110 buildings as at 31 December 2006. Innovation operations include competence initiatives, investment activities and network building. SIVA is engaged in a total of 110 companies in business parks, science parks, research parks, business and industrial incubators, industrial hubs and network projects throughout the country. The company had 32 employees at the end of 2006.

Key events

The Ministry of Trade and Industry completed its work on a goal- and result-management system for SIVA in 2006, in cooperation with the Ministry of Local Government and Regional Development. One main goal for SIVA and subgoals for the real-estate and innovation business areas were determined. The goal- and result-management system includes main goal formulations and focus areas that can remain in place for several years and function as a management tool for the ministries and SIVA.

Report no. 46 (2003-2004) to the Storting on SIVA's future operations proposed giving SIVA NOK 150 million in equity over a period of several years in order to reduce its debt to the Treasury. In line with this, NOK 50 million was converted from treasury debt into invested capital in 2006. In January 2007, an additional NOK 50 million of SIVA's treasury debt was converted into equity and the NOK 150 million has now been contributed.

In 2006, SIVA was given a grant of NOK 30 million in the Ministry of Trade and Industry's budget. This grant was spent on SIVA's incubator efforts in central areas, network activities, the follow-up of the clusters taking part in the Norwegian Centres of Expertise (NCE) programme, regional seedcorn and venture funds, an innovation centre in north-west Russia and the administration of innovation activities. In 2007, a grant of NOK 31 million has been provided in the Ministry of Trade and Industry's budget for innovation and network activities, to which funds were also granted in 2006. The Ministry of Local Government and Regional Development gave SIVA grants of NOK 65.8 million in 2006 and NOK 66.5 million in 2007. These grants are mainly to be spent on business parks and business and industrial incubators.

Financial trends

SIVA's annual accounts show that the company made a loss of NOK 6.3 million in 2006. The scope of the company's real-estate operations has been reduced over the past few years, but this trend will be reversed in 2007 due to new investments. The 2006 accounts were debited by increased pension costs of NOK 10.7 million as a result of changes in the calculation assumptions in accordance with NRS6. The company's board and management continued to have a strong focus on efficient operations in 2006. The grants given by the state also increased in 2006.

	MNOK	
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Contribution	86	67
Other operating revenues	166	164
Total operating revenues	252	230
Operating costs	198	162
Operating profit (loss)	**54**	**68**
Net financial items	-45	-22
Profit before tax and minority interests	**9**	**46**
Tax	-14	-6
Minority interests	-1	-3
Profit after tax and minority interests	**-6**	**37**
BALANCE SHEET		
Intangible assets	38	37
Tangible fixed assets	922	1 097
Fixed asset investments	727	699
Total fixed assets	**1 688**	**1 834**
Current assets	490	380
Total assets	**2 178**	**2 213**
Subscribed equity	717	667
Retained earnings/other equity	-127	-130
Minority interests	50	68
Total equity	**640**	**605**
Defferred tax	0	0
Provision for commitments	35	21
Long-term liabilities	1381	1482
Current interest-bearing liabilities	42	41
Current interest-free liabilities	80	64
Total liabilities	**1538**	**1608**
Total equity and liabilities	**2178**	**2213**
CASH FLOW		
Operational activities	50	54
Investment activities	40	142
Financing activities	-7	-79
Change in liquid assets	**81**	**117**
KEY FIGURES		
Equity ratio	29 %	27 %
Annual return on equity	-1 %	7 %
Average return on equity over past 5 years	-9 %	
OTHER KEY FIGURES		
State loan limit	750	857
State loans	700	700
Interests on State loans	40	40
Commissions on State loans	7	7
DIVIDEND, ETC		
Capital contributed by the State	50	50
Provisions for dividend	0	0
Dividend payable to the State	0	0
OTHER INFORMATION		
No. of employees	32	32
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Proportion of women on board	57 %	57 %
% of female shareholder-elected directors	57 %	57 %

COMPANIES

Statnett SF

ADDRESS: P.O. Box 5192 Majorstuen, NO-0302 OSLO
TELEPHONE: +47 22 52 70 00
INTERNET: www.statnett.no

MANAGING DIRECTOR: Odd Håkon Hoelsæter

CHAIRMAN: Svein Rennemo
BOARD MEMBERS: Kjell Olav Kristiansen, Grethe Høiland, Christine Meyer, Heidi Ekrem, Thor Håkstad, Ole Bjørn Kirstihaugen*, Kirsten Faugstad* and Steinar Jøråndstad*
* Employee representatives

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 100%
Ministry of Petroleum and Energy

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	6 848	5 244
Operating costs	6 268	4 778
Operating profit (loss)	**580**	**466**
Net financial items	-168	-231
Profit before tax	**412**	**235**
Tax	-109	-61
Profit after tax	**303**	**174**
BALANCE SHEET		
Intangible assets	61	83
Tangible fixed assets	11 789	10 320
Fixed asset investments	105	112
Total fixed assets	**11 955**	**10 515**
Current assets	2 023	2 330
Total assets	**13 978**	**12 845**
Subscribed equity	2 700	2 700
Retained earnings/other equity	2 218	2 067
Total equity	**4 918**	**4 767**
Provision for commitments	131	123
Long-term liabilities	7 081	4 594
Current interest-bearing liabilities	674	2 400
Current interest-free liabilities	1 174	961
Total liabilities	**9 060**	**8 078**
Total equity and liabilities	**13 978**	**12 845**
CASH FLOW		
Operational activities	1 117	453
Investment activities	-2 153	-858
Financing activities	676	464
Change in liquid assets	**-360**	**59**
KEY FIGURES		
Capital employed	12 673	11 761
EBITDA	1 371	1 271
EBIT	666	546
Equity ratio	35 %	37 %
Annual return on equity	6 %	4 %
Average return on equity over past 5 years	8 %	
Return on capital employed	5 %	5 %
DIVIDEND		
Provisions for dividend	152	87
Dividend ratio	50 %	50 %
Average return on equity over last 5 years	80 %	
Dividend payable to the State	152	87
OTHER INFORMATION		
No. of employees	613	599
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	44 %	44 %
% of female shareholder-elected directors	50 %	50 %

Established on 1 January 1992, Statnett SF is the Transmission System Operator (TSO) for the Norwegian power system. The company is responsible for ensuring that a balance exists between the production and consumption of electricity in Norway at all times (system responsibility), including measures for handling critical energy situations. Furthermore, Statnett is responsible for ensuring the rational operation and development of the central electricity transmission network in accordance with socio-economic criteria. Statnett must otherwise comply with commercial principles.

Statnett currently owns roughly 85 per cent of the central grid in Norway as well as the connections to other countries. Statnett owns 50 per cent of the Nordic power exchange, NordPool ASA, and a total of 30 per cent of the electricity spot market, Nord Pool Spot AS.

Statnett is a monopoly regulated by the energy authorities. This means that the Norwegian Water Resources and Energy Directorate determines the annual maximum revenue allowed for the company, just as it does for all other grid companies.

Key events

The grid project from Viklandet to Nyhamna was completed in December in accordance with the progress schedule and budget. The work on the NorNed cable to the Netherlands is going according to plan. A new roro ship is being built for Statnett Transport and will be used for emergency preparedness work, among other things.

Statnett's operations are characterised by the company currently making major investments in the transmission network. Two new major transmission line projects were agreed to in 2006: a new line from Skåreheia to Holen in Setesdal and a new line from Trøndelag to Sweden. Statnett also decided to acquire two reserve gas-fired power plants for use in extremely critical power situations. As previously mentioned on page 7 in this report, the Government decided it was not necessary to contribute the new capital Statnett had asked for in 2005, cf Report no. 66 to the Storting (2005-2006).

Foto: Trond isaksen for Statnett

Financial trends

The Group made a profit after tax of NOK 303 million in 2006, compared to NOK 174 million in 2005. Its operating revenues increased by NOK 1 605 million compared to 2005, to a total of NOK 6 848 million in 2006. The Group's total operating costs increased by NOK 1 490 million compared to 2005, to a total of NOK 6 268 million in 2006.

The new regulation for the grid companies' revenues, which are applicable as from 2007, take into account to a greater extent that the grid companies, including Statnett, are now involved in a lot of investment activity. Standard & Poors confirmed Statnett's long-term AA rating in December.

The established dividend policy of 50 per cent of the Group's after-tax profit for the year was extended to apply until 2010 by the Storting when deciding on Report no. 1 to the Storting (2006-2007). For 2006, this produces a dividend of NOK 151.5 million to the State.

COMPANIES

Statskog SF

ADDRESS: Service Box 1016, NO-7800 Namsos
TELEPHONE: +47 07800
INTERNET: www.statskog.no

MANAGING DIRECTOR: Øistein Aagesen

CHAIRMAN: Kirsti Kolle Grøndahl

BOARD MEMBERS: Helene Falch Fladmark, Karin Søraunet, Harald Ellefsen, Trond Loge, Knut Røst*, Olaf Landsverk* and Kari Grønmo*
* Employee representatives

AUDITOR: Ernst & Young

STATE OWNERSHIP: 100%
(Ministry of Agriculture and Food)

100 %

Statskog SF is Norway's largest landowner and manages around 70 000 km^2, or more than 1/5 of Norway's surface area. Statskog SF is also Norway's largest forest owner and has around 7 per cent of the total productive forest area in the country. Forest covers just under 5 per cent of the total area owned by Statskog SF. The remaining land is mountain and wilderness area, primarily in the counties of Troms and Nordland. In southern Norway, much of the area (around 27 000 km2) is Crown lands on which the local population have various rights of use (timber, wood, grazing, etc). Statskog SF's commercial operations mainly consist of logging activities and property management, while the administrative tasks include the exercise of State authority, supervision of property and Crown land, and management of hunting and fishing on State-owned land. These tasks are carried out among other things in accordance with authority delegated to the company and at the request of the Ministry of Agriculture and Food and the Ministry of the Environment.

The company's objective is to manage, run and develop state-owned forest and mountain property and associated resources and to carry out any operations related to this and other adjacent activities. Within this framework, the company may, by participating or in cooperating with others, manage and run properties and other forms of services within the company's sphere of activity. The properties must be run efficiently with the aim of achieving a satisfactory financial result. The company must actively seek to preserve nature and take outdoor-life interests into account. The resources must be used in a well balanced fashion and renewable resources must be safeguarded and further developed.

Key events

On 1 July 2006, all of Statskog's properties in Finnmark county were transferred to the Finnmark Estate (Finnmarkseiendommen). This was a result of the Finnmark Act which was passed in 2005. Employees of Fjelltjenesten in Statskog Finnmark were transferred to the Directorate for Nature Management (SNO), while the other employees were transferred to the Finnmark Estate.

Financial trends

The operating results for 2006 were affected by the Finnmark properties being demerged from Statskog as from 1 July 2006 and the fact that Statskog is in the midst of a restructuring process. Statskog's revenues and operating margins have fallen as a result of the properties in Finnmark being removed from Statskog after 30 June 2006. Statskog's revenue from Finnmark fell by NOK 26.2 million from 2005 to 2006, while the rest of the enterprise has had a slight increase in revenue. The company made an operating loss of NOK 5.7 million in 2006.

Statskog underwent an extensive restructuring process in 2006 as a result of properties being spun off to the Finnmark Estate. This restructuring process will lead to a downsizing of 20 man-years during the 2007-2009 period. This will help to improve the company's financial soundness in the years to come.

Statskog's financial management practices have a low-risk profile. The objective is to achieve an even and satisfactory return on investment. The financial portfolio has been largely built up through the sale of land.

Statskog had an equity ratio of 78 per cent at year-end 2006. Its equity is largely tied up in fixed assets and receivables. From an accounting perspective, liquid holdings comprise a large portion of the company's assets. This is due to the fact that the balance sheet value of the company's properties is very low. In relation to the market value of the properties, however, the liquid holdings are small.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	220	238
Operating costs	226	212
Operating profit (loss)	**-6**	**26**
Net financial items	10	9
Profit before tax and minority interests	**5**	**35**
Tax	-2	8
Extraordinary costs - Provisions for securing mines	0	0
Profit after tax and minority interests	**7**	**26**
BALANCE SHEET		
Intangible assets	11	11
Tangible fixed assets	86	91
Fixed asset investments	28	26
Total fixed assets	**126**	**128**
Current assets	198	211
Total assets	**323**	**339**
Subscribed equity	104	111
Retained earnings/other equity	149	147
Total equity	**253**	**258**
Defferred tax	0	3
Provision for commitments	0	5
Long-term liabilities	0	8
Current interest-bearing liabilities	0	0
Current interest-free liabilities	69	73
Total liabilities	**70**	**80**
Total equity and liabilities	**323**	**339**
CASH FLOW		
Operational activities	6	20
Investment activities	-11	-25
Financing activities	-7	-9
Change in liquid assets	**-12**	**-13**
KEY FIGURES		
Capital employed	253	266
EBITDA	8	41
EBIT	5	37
Equity ratio	78 %	76 %
Annual return on equity	3 %	11 %
Average return on equity over past 5 years	8 %	
Return on capital employed	2 %	14 %
OTHER KEY FIGURES		
Division of revenue		
Outdoor life	11 %	13 %
Property	28 %	29 %
Woodland	27 %	25 %
Service sale	31 %	29 %
Other income	4 %	4 %
Number of hunting and fishing permits sold	30 994	37 926
Contribution from State	20	19
DIVIDEND		
Provisions for dividend	5.2	7.3
Dividend ratio	74 %	28 %
Annual average dividend ratio over last 5 years	45 %	
Dividend payable to the State	5.2	7.3
OTHER INFORMATION		
No. of employees	165	197
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	50 %	50 %
% of female shareholder-elected directors	50 %	50 %

COMPANIES

UNINETT AS

ADDRESS: NO-7465 Trondheim
TELEPHONE: +47 73 55 79 00
INTERNET: www.uninett.no

MANAGING DIRECTOR: Petter Kongshaug

CHAIRMAN: Bjørn Henrichsen

BOARD MEMBERS: Siri Jansen, Benedicte Rustad, Britt Elin Steinveg, Hans Jørgen Binningsbø and Frode Storvik*
* Employee representative

AUDITOR: eloitte

STATE OWNERSHIP: 100% (Ministry of Education and Research)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	73.8	71.8
Operating costs	66.6	59.6
Operating profit (loss)	**7.2**	**12.2**
Net financial items	5.8	2.7
Profit before tax	**13.0**	**15.0**
Tax	0.0	0.0
Profit after tax	**13.0**	**15.0**
BALANCE SHEET		
Intangible assets	53.4	58.2
Tangible fixed assets	0.7	1.3
Fixed asset investments	2.0	2.0
Total fixed assets	**56.2**	**61.5**
Current assets	231.3	175.3
Total assets	**287.5**	**236.9**
Subscribed equity	3.0	3.0
Retained earnings/other equity	134.4	121.6
Total equity	**137.6**	**124.6**
Defferred tax	0.0	0.0
Provision for commitments	6.7	4.9
Long-term liabilities	49.2	41.9
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	94.0	65.6
Total liabilities	**149.9**	**112.3**
Total equity and liabilities	**287.5**	**236.9**
CASH FLOW		
Operational activities	56.8	42.2
Investment activities	0.0	-0.6
Financing activities	7.3	-5.2
Change in liquid assets	**64.1**	**36.4**
KEY FIGURES		
Capital employed	186.8	166.5
EBITDA	18.5	30.1
EBIT	13.1	15.0
Equity ratio	48 %	53 %
Annual return on equity	10 %	17 %
Average return on equity over past 5 years	11 %	
Return on capital employed	7 %	11 %
OTHER KEY FIGURES		
Number of associated Institutions	208	208
CONTRIBUTION FROM STATE		
Contribution from KD	52.6	25.4
Total contribution	**52.6**	**25.4**
OTHER INFORMATION		
No. of employees	48	42
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	50 %	50 %
% of female shareholder-elected directors	50 %	50 %

UNINETT AS was established as a wholly State-owned limited company in 1993. UNINETT develops and operates the national research network for higher education and research on behalf of the Ministry of Education and Research. The network is operated and developed in close technical cooperation with research networks worldwide.

UNINETT is to develop and operate the research network in Norway so that research and higher education are offered cost-efficient communication services on par with the best services already found in the international academic community. UNINETT aims to be a driving force in the use of future-oriented, open standards for electronic infrastructure in Norway, and to promote development and competition in this field.

UNINETT is the parent company of the UNINETT Group, which consists of the following subsidiaries: UNINETT ABC AS, UNINETT FAS AS, UNINETT Norid AS and UNINETT Sigma AS.

Key events

Most universities and state-owned university colleges are linked to the research network with gigabit capacity. Through the GigaCampus programme, the university and university college sector aiming to upgrade its technology in order to improve the quality and functionality and thus availability of the campus networks. This is a four-year programme which will strengthen and coordinate the campus networks until 2009 so that a high-capacity infrastructure will be available to end users at universities and university colleges.

The Ministry of Education and Research decided in February 2006 that Feide was to be applied to the entire education sector, and the first upper secondary schools were linked up at the start of the academic year in the autumn of 2006.

© Uninett AS, Foto: Grete Duna

Feide is a national system for ensuring uniform electronic identity management in the education sector. Feide allows people linked to Norwegian academic institutions to identify themselves via a common log-on service. Feide is also a template for how personal data are to be handled by Norwegian education institutions. UNINETT has carried out the work on Feide in the university and university college sector since 2000.

Financial trends

In 2006, the parent company, UNINETT AS, delayed its investments awaiting a major investment in a new optical communications platform in 2007. This contributed to the parent company making a profit of NOK 6.9 million in 2006. The corresponding figure for 2005 was a profit of NOK 7.7 million.

The UNINETT group made a profit of approximately NOK 13 million in 2006, compared to a profit of some NOK 15 million in 2005. The other contributions to the results mainly came from the profit on UNINETT Norid's domain-name activities.

UNINETT is facing major investments in a new optical communications platform in 2007/2008. The parent company's cash holdings are expected to be used for this investment, and some of the retained earnings are also expected to form part of the financing.

Universitetssenteret på Svalbard AS

ADDRESS: P.O. Box 156,
NO-9171 Longyearbyen
TELEPHONE: +47 79 02 33 00
INTERNET: www.unis.no

MANAGING DIRECTOR: Gunnar Sand

CHAIRMAN: Kjell A. Sælen
BOARD MEMBERS: Annik M. Myhre, Else Nøst Hegseth, Steinar Nordal, Kjell Magne Mork, Hanne H. Christiansen* and Ragnhild Lundmark Daae**, *Employee representative, **Student representative

AUDITOR: PriceWaterhouseCoopers

STATE OWNERSHIP: 100% (Ministry of Education and Research)

100 %

The University Centre in Svalbard (UNIS) (Universitetssenteret på Svalbard AS) was established as a State-owned limited company in 2002. The company replaced the foundation known as the University Graduate Centre in Svalbard that was established by the four Norwegian universities in 1994 (University of Oslo, Norwegian University of Science and Technology, University of Bergen and University of Tromsø).

The company offers courses and conducts research based on Svalbard's geographic location in the high Arctic region, which affords students and researchers the opportunity to use the island's unique environment as a laboratory and arena for observation and data collection and analysis.

UNIS offers four study directions: Arctic biology, Arctic geology, Arctic geophysics and Arctic technology.

The courses are taught at university level as a supplement to the education provided at universities on the mainland and comprise part of the ordinary study programmes leading to examinations and degrees at the bachelor, master and doctoral levels.

The courses have an international focus and lectures are given in English. The State ownership of UNIS is intended to safeguard these research policy objectives. UNIS strives to offer high quality, research-based education.

Key events

Gunnar Sand took over as the new managing director of UNIS, replacing Lasse Lønnum, on 1 June 2006. Svalbard Research Park was officially opened on 26 April 2006.

A total of 43 subjects were taught in 2006, of which 23 were at master's or doctoral levels. A total of 310 students from 20 nations attended the courses or worked on master's or doctoral theses. This is equal to 113 full-time students, compared to 125 full-time students in 2005. The reason for this decline is fewer applications from Norwegian students, primarily to the lower level (bachelor degree). In 2006, around 45 per cent of the students at the institution were women. The corresponding figure for 2005 was 52 per cent. Fifty-five per cent of the students were Norwegian.

UNIS's board adopted a new strategy plan for the 2007-2012 period in December 2006.

Financial trends

UNIS receives a grant from the Ministry of Education and Research for its operations and investments. In 2006, it received a total grant of NOK 94.8 million, of which NOK 67.3 million were spent on operations and NOK 23.6 million were earmarked for equipment and fixtures for Svalbard Research Park. UNIS received NOK 12 million in income in addition to its grant from the Ministry of Education and Research. Of this amount, NOK 8.8 million came from external project revenues related to research and the remainder came from consultant services and rents. UNIS's external revenues from research increased from 8 per cent of the gross income in 2001 to 15 per cent in 2006.

The accounts for 2006 showed that 42 per cent of UNIS's goods and services were bought locally in Longyearbyen.

UNIS made a profit of 4.7 million in 2006, compared to a profit of NOK 4.5 million in 2005.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	79.3	60.7
Operating costs	74.6	56.1
Operating profit (loss)	**4.7**	**4.5**
Net financial items	0.0	0.0
Profit before tax	**4.7**	**4.5**
Tax	0.0	0.0
Profit after tax	**4.7**	**4.6**
BALANCE SHEET		
Intangible assets	0.0	0.0
Tangible fixed assets	20.2	7.9
Fixed asset investments	0.0	0.0
Total fixed assets	**20.2**	**7.9**
Current assets	37.8	29.8
Total assets	**58.0**	**37.7**
Subscribed equity	2.1	2.1
Retained earnings/other equity	9.8	5.1
Total equity	**11.9**	**7.2**
Defferred tax	0.0	0.0
Provision for commitments	12.3	7.9
Long-term liabilities	14.7	4.7
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	19.1	18.0
Total liabilities	**46.1**	**30.6**
Total equity and liabilities	**58.0**	**37.7**
KEY FIGURES		
Capital employed	39	19.7
EBITDA	5.2	4.8
EBIT	5.2	4.8
Equity ratio	21 %	19 %
Annual return on equity	49 %	91 %
Average return on equity over past 4 years	36 %	
Return on capital employed	18 %	34 %
CONTRIBUTION FROM STATE		
Contribution to Forskningsparken	23.6	27.0
Contribution other	1.4	0.0
Contribution to operation of UNIS	67.3	49.0
Rent	2.5	2.0
Total contribution	**94.8**	**78.0**
OTHER INFORMATION		
No. of employees	66	52
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	71 %	71 %
% of female shareholder-elected directors	60 %	42 %

AS Vinmonopolet

VINMONOPOLET

ADDRESS: P.O. Box 1944, Vika, NO-0125 OSLO
TELEPHONE: +47 04560
INTERNET: www.vinmonopolet.no

MANAGING DIRECTOR: Kai G. Henriksen
CHAIRMAN: Siri Beate Hatlen

BOARD MEMBERS: Elisabeth Tronstad, Thorbjørn Myhre, Arnfinn Holten, Jan Blomseth, Sverre Bugge, Margrethe Sunde, Ingvild Wold Strømsheim, Elianne Ingebrigtsen*, Helge Storvik* and Juul Lyseggen*
* Employee representatives

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 100% (Ministry of Health and Care Services)

100 %

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	9 161	8 708
of which alcohol fee	5 085	4 831
Operating costs	9 071	8 607
Operating profit (loss)	**90**	**101**
Net financial items	20	15
Profit before vinmonopol fee	**110**	**117**
Vinmonopol fee	23	25
Profit after vinmonopol fee	**88**	**91**
BALANCE SHEET		
Intangible assets	185	120
Tangible fixed assets	249	291
Fixed asset investments	4	4
Total fixed assets	**438**	**416**
Current assets	1 897	1 687
Total assets	**2 335**	**2 103**
Subscribed equity	0	0
Retained earnings/other equity	287	366
Total equity	**287**	**366**
Defferred tax	0	0
Provision for commitments	642	428
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 406	1 309
Total liabilities	**2 048**	**1 737**
Total equity and liabilities	**2 335**	**2 103**
CASH FLOW		
Operational activities	239	220
Investment activities	-35	-48
Financing activities	0	2
Change in liquid assets	**204**	**174**
KEY FIGURES		
Capital employed	287	366
EBITDA	192	200
EBIT	112	118
Equity ratio	12 %	17 %
Annual return on equity	27 %	19 %
Average return on equity over past 5 years	18 %	
Return on capital employed	34 %	25 %
DIVIDEND, ETC	**2006**	**2005**
State's share of profit and dividend	35.1	36.5
Average profit ratio and dividend last 5 years	50 %	
OTHER INFORMATION		
No. of employees	1 743	1 701
% of employees in Norway	100 %	100 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	55 %	55 %
% of female shareholder-elected directors	67 %	50 %

AS Vinmonopolet is a State-owned company with exclusive rights to sell alcoholic drinks containing over 4.7 per cent alcohol volume to consumers through retail outlets. Vinmonopolet was established on 30 November 1922.

To ensure the necessary legitimacy with the general public, the company places emphasis on being a specialised trade chain with a wide range of products and personal customer service.

AS Vinmonopolet is one of the most important instruments in the Norwegian alcohol policy and is intended to help limit alcohol consumption by regulating accessibility.
The alcohol-policy responsibilities safeguarded by Vinmonopolet are expressed through the absence of any pressure to buy, effective social control, measures to create positive attitudes, ethical conduct and efficient operations. The company is a sector-policy tool and is organised as a company established pursuant to the AS Vinmonopolet Act of 10 June 1931. The framework conditions are also stipulated in the Act relating to the trade in alcoholic drinks of 2 June 1989. Pursuant to the EEA Agreement, Vinmonopolet must ensure that all suppliers and products have access to the market on equal terms and conditions. Regulations governing the company's purchasing operations have been issued, and an independent board has been established to review purchasing decisions.

Key events

At year-end 2006, Vinmonopolet had 211 shops throughout Norway. Of these, 198 were self-service shops. Six regional shops with a limited product range and reduced hours of business were opened in 2006, as was the second shop with a wine cellar. As a trial scheme, Vinmonopolet opened a seasonal shop at Hvaler in Østfold county in July 2006.

A new managing director was appointed in 2006. The company has been reorganised and the work on a new corporate strategy started in the autumn of 2006 and will be completed in 2007. Vinmonopolet was chosen as the Service Company of the Year by the Federation of Norwegian Commercial and Service Enterprises

Financial trends

Vinmonopolet's revenue (excluding VAT) came to NOK 9 161.2 million in 2006, of which NOK 5 084.5 million comprised alcohol duties. This was an increase in revenue of NOK 452.8 million compared to 2005. The profit before payment of the Vinmonopolet dues was NOK 110.3 million, which is NOK 6.3 million less than in 2005. This is mainly due to the increase in pension costs and reduced gain on the sale of real estate.

The Vinmonopolet dues, which are paid to the State in lieu of ordinary municipal tax, are estimated to be NOK 22.7 million in 2006. The Storting has stipulated that 40 per cent of the profit after payment of the Vinmonopolet dues is to be paid to the State. This sum amounted to NOK 35.1 million for 2006. The profit for the year after payment of the Vinmonopolet dues and the State's share of profits came to NOK 52.6 million. The book equity as at 31 December 2006 was NOK 287.1 million, which corresponds to an equity ratio of 12.3 per cent of the recognition in equity of denature from estimates. By comparison, the equity as at 31 December 2005 was NOK 365.8 million, equal to an equity ratio of 17.4 per cent. The reduction in equity ratio is due to deviations from estimates being recognised in the balance sheet. The accounting principles have been chosen to show future pension liabilities, and have led to the equity being reduced. Despite this, the company's liquidity situation is good.

Innovasjon Norge

ADDRESS: Postboks 448 Sentrum, NO-0104 Oslo
TELEPHONE: +47 22 00 25 00
INTERNET: www.innovasjonnorge.no

MANAGING DIRECTOR: Gunn Ovesen

CHAIRMAN: Kjell A. Storeide
BOARD MEMBERS: Kirsten Indgjerd Værdal, Elin Tveit Sveen, Siri Bye G. Johansen, Arild Øien, Roar Flåthen, Eli Blakstad, Leif Frode Onarheim, Kirsti Saxi, Egil Hagen* and Randi Abrahamsen*
* Employee representatives

AUDITOR: KPMG AS

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

100 %

Innovation Norway was formed on 19 December 2003 and took over the operations of the Norwegian Industrial and Regional Development Fund (SND), the Norwegian Trade Council, the Norwegian Tourist Board and the Government Consultative Office for Inventors (SVO) on 1 January 2004. Innovation Norway's objectives are to promote nationwide industrial developments that are profitable for both Norway's business economy and national economy and to trigger various regions' industrial opportunities by contributing to innovation, internationalisation and promotion. Its role is to contribute, link and trigger financing, expertise and a network for innovation projects in companies.

Innovation Norway is owned by the Ministry of Trade and Industry. The company administers funds from the Ministry of Trade and Industry, Ministry of Local Government and Regional Development, Ministry of Fisheries and Coastal Affairs, Ministry of Agriculture and Food and all the county councils and county governors. Innovation Norway has a network of offices in all Norwegian counties and more than 30 countries.

Its vision: "We give local ideas global opportunities" expresses how Innovation Norway links its knowledge of local conditions and companies' opportunities with international technology, expertise, marketing and value-creation opportunities. At the same time, Innovation Norway is to be a window towards the world and impart knowledge and technology to Norway.

Key events

Innovation Norway elected a new main board on 13 June 2006.

Tourism is an important area of commitment for Innovation Norway. The company has adopted a new tourism strategy that aims to trigger value creation in Norway's tourism industries by, among other things, increasing the focus on developing Norway as a tourism brand.

New privately owned seedcorn funds have been established to which Innovation Norway contributes risk-relief and subordinated loans. In 2006, Innovation Norway entered into loan agreements with and helped to establish four nationwide seedcorn funds and one district seedcorn fund.

The Norwegian Centres of Expertise (NCE) programme aims to reinforce innovation and internationalisation processes in the fastest growing industrial clusters in Norway. This programme is a joint venture between Innovation Norway, the Research Council of Norway and the Industrial Development Corporation of Norway (SIVA). Six projects were awarded NCE status in 2006.

Innovation Norway, SIVA and the Research Council of Norway launched a common electronic customer portal – www.innovasjonstjenester.no – on 24 October 2006. This makes the three organisations' online services more easily accessible in that they have a common electronic entrance.

Innovation Norway takes an active attitude to companies' social responsibilities and has prepared an action plan for targeted work within this area.

Financial trends

The financial statements for 2006 show a profit of NOK 37 million, compared to NOK 86 million in 2005. The reduction is due to several factors and the fact that 2005 was an exceptionally good year. A lower volume of lending, reduced interest margin and slightly higher losses on some lending schemes have contributed to this reduction.

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Grants taken to income	644	513
Other operating revenues	215	191
Sum operating revenues	859	704
Operating costs	**982**	**841**
Net financial items	200	238
Operating profit (loss) 77	101	
Net loss	40	15
Profit	**37**	**86**
Revenue to the State	32	7
Revenue transfer funds/equity	5	79
Sum utilized	**37**	**86**
BALANCE SHEET		
Bank deposit	4 057	4 588
Net loans	12 098	13 368
Securities	17	20
Tangible fixed assets	109	115
Other assets	**253**	**163**
Total assets	**16 534**	**18 254**
Deposits from the State	9 603	11 364
Net bonded debt	1	7
Other liabilities and commitments	489	518
Other provisions for commitments	3 533	3 439
Sum lending- and investment funds	2 132	2 171
Total liabilities	**15 758**	**17 500**
Subscribed equity	656	656
Earned equity	120	99
Total equity	**776**	**755**
Total equity and liabilities	**16 534**	**18 254**
CASH FLOW		
Operational activities	-46	139
Investment activities	1	-10
Financing activities	-486	558
Change in liquid assets	**-531**	**688**
OTHER INFORMATION		
No. of employees	693	664
% of employees in Norway	75 %	75 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	55 %	44 %
% of female shareholder-elected directors	56 %	43 %

Norfund

ADDRESS: P.O. Box 1280 Vika, NO-0111 Oslo
TELEPHONE: +47 2201 93 93
INTERNET: www.norfund.no

MANAGING DIRECTOR: Kjell Roland

CHAIRMAN: Kristin Clemet

BOARD MEMBERS: Stein Tønnesson, Mari Skjærstad, Karl-Christian Agerup, Borghild Holen, Tale Hungnes and Svein Tveitdal

AUDITOR: KPMG AS

STATE OWNERSHIP: 100% (Ministry of Foreign Affairs)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	76.1	89.6
Operating costs	135.3	5.4
Operating profit (loss)	**-59.2**	**84.2**
Net financial items	76.9	9.7
Profit before tax and minority interests	**17.7**	**93.9**
Tax	0.0	0.0
Minority interests	0.0	0.0
Profit after tax and minority interests	**17.7**	**93.9**
BALANCE SHEET		
Intangible assets	0.0	0.0
Tangible fixed assets	1.2	1.5
Fixed asset investments	811.1	578.3
Total fixed assets	**813.2**	**579.9**
Current assets	2 602.2	2 360.5
Total assets	**3 414.5**	**2 940.3**
Subscribed equity	3 095.0	2 600.0
Retained earnings/other equity	204.0	216.2
Total equity	**3 299.0**	**2 816.2**
Defferred tax	0.0	0.0
Provision for commitments	0.0	3.6
Long-term liabilities	4.8	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	110.7	120.5
Total liabilities	**115.5**	**124.2**
Total equity and liabilities	**3 414.5**	**2 940.3**
CASH FLOW		
Operational activities	59.5	83.9
Investment activities	-3 733.0	-230.3
Financing activities	493.1	483.6
Change in liquid assets	**189.4**	**337.2**
DIVIDEND, ETC		
Capital contributed by the State	495.0	485.0
Provision for dividend	0.0	0.0
Average return on equity over last 5 years	0	
Dividend payable to the State	0.0	0.0
OTHER INFORMATION		
No. of employees	31	26
% of employees in Norway	90 %	88 %
State shareholding at year-end	100 %	100 %
Total % of women on the board	60 %	60 %
% of female shareholder-elected directors	60 %	60 %

© Norfund, Foto: Stein Morch

The Norwegian Investment Fund for Developing Countries (NORFUND) was established in 1997. NORFUND provides investment capital, loans and guarantees for the development of profitable and sustainable business enterprises in countries lacking access to commercial financing due to the high level of risk. The fund is to conduct its operations in accordance with the fundamental principles of Norwegian development aid policy, and it accumulates its capital through annual allocations from the national budget. The long-term aim is for NORFUND to be funded by its ongoing capital income and return on investments. NORFUND's most important investment in fund management is Aureos Capital Ltd, which is aimed at small and medium-sized enterprises in developing countries. This company was established in 2001 together with the British firm CDC. In 2006, FMO, NORFUND's Dutch sister organisation, became an important partner in Aureos.

Together with Statkraft, NORFUND owns Statkraft Norfund Power Invest AS (SN Power), which contributes to increased investments in the development of sustainable energy in developing countries.

Key events

Norfund entered into contracts regarding three new fund investments in 2006. In addition to investments in Business Partners Madagascar and Aureos Central America Growth Fund, Norfund has undertaken to invest USD 20 million in Aureos South Asia Fund. The latter is one of NORFUND's largest fund investments, and is also an important continuation of the strategic collaboration between NORFUND and Aureos.

NORFUND has also undertaken to invest Euro 5 million in an investment collaboration with the other state-owned European development funds and the European Investment Bank. A direct investment of USD 7.5 million was made in Telecom Equity Partner Ltd in 2006 in the form of a convertible loan. This company currently operates in south and east Africa.

Contracts regarding two new investments of NOK 17.5 million in financial institutions were entered into in 2006. NORFUND is, among other things, to take part in the creation of a new bank in Mozambique. In addition, NORFUND invested in a micro-finance company, Micro Africa Ltd (formerly Micro Kenya Ltd). This company is to merge with Uganda Micro Finance Ltd, in which NORFUND has also invested.

The company obtained a new managing director and board of directors in 2006.

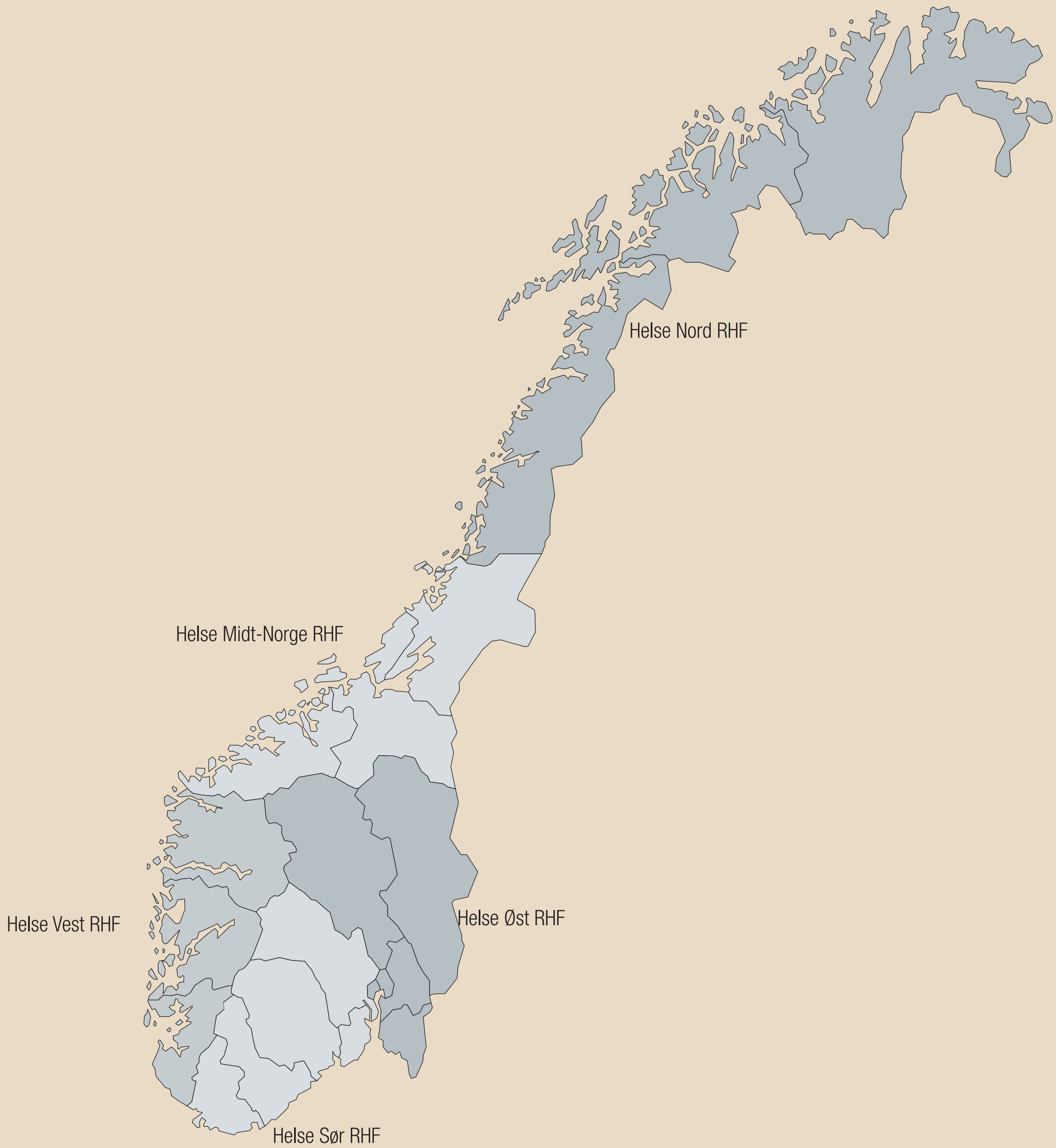
Financial trends

In 2006, NORFUND made a profit of NOK 17.7 million, compared to a profit of NOK 93.9 million in 2005. This has been transferred to NORFUND's profit reserve in accordance with instructions.

NORFUND withdrew from three projects that produced a total loss of NOK 0.1 million in 2006. The investments in La-Cif in Nicaragua produced a yield of around 5 per cent. NORFUND received half of the amount it had invested in Palmorec, which had already been written down to zero. In addition, one loan was redeemed.

NORFUND's operating costs came to NOK 135.3 million, including a NOK 58.2 million write-down of investment projects and foreign exchange gains of NOK 15.6 million.
At the end of 2006, NORFUND had a capital base of NOK 3.4 billion, including the estimated value of its loan portfolio.

Regional Health Enterprises



COMPANIES

Helse Midt-Norge RHF

HELSE MIDT-NORGE

ADDRESS: P.O. Box 464, NO-7501 Stjørdal
TELEPHONE: + 47 74 83 99 00
INTERNET: www.helse-midt.no

MANAGING DIRECTOR: Jan Eirik Thoresen
CHAIRMAN: Kolbjørn Almlid

BOARD MEMBERS: Rigmor Austgulen, Bodil Palma Hollingsæter, Tone Sofie Aglen (-), Olav Georg Huseby (Ap), Oskar J. Grimstad (Frp), Torgeir Dahl (H), Ellen Engdahl, Marianne Bjerke (H), Ellen Marie Wøhni*, Ingegjerd S. Sandberg*, Dag Rieve Kristiansen* and Tore Brudeseth* * Employee representatives

AUDITOR: KPMG AS

STATE OWNERSHIP: 100 % (Ministry of Health and Care Services)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	11 049	10 182
Operating costs	11 929	10 830
Operating profit (loss)	**-880**	**-648**
Net financial items	**-41**	**-14**
Tax	**0**	**0**
Annual result	**-921**	**-662**
Adjustments	210	90
Adjusted Profit	**-711**	**-572**
BALANCE SHEET		
Intangible assets	171	115
Tangible fixed assets	11 899	12 112
Fixed asset investments	1 004	944
Total fixed assets	**13 074**	**13 171**
Goods	190	188
Accounts receivables	459	560
Cash and bank balances	244	2 150
Total current assets	**893**	**2 898**
Total assets	**13 967**	**16 070**
Subscribed equity	6 535	6 579
Earned equity	-2 741	-1 867
Total equity	3 794	4 712
Provision for commitments	5 225	5 810
Long-term liabilities	1 878	3 099
Current liabilities	3 070	2 449
Total liabilities	**10 173**	**11 358**
Total equity and liabilities	**13 967**	**16 070**
CASH FLOW		
Operational activities	-306	149
Investment activities	-678	-1 866
Financing activities	-1 776	3 778
Change in liquid assets	**-2 760**	**2 061**
KEY FIGURES		
Number of inhabitans in Helse Midt-Norges area	653 290	649 075
Number of DRG points produced	148 260	143 047
Number of out-patients' consultations, somatic	622 814	618 047
Number of 24 h stay, psychic health care	6 874	5 696
Number of 24 h stay interdiciplinary treatment for intoxicant users	1 271	1 138
Number of patiens on waiting list	37 992	34 708
Number of average waiting days	97	81
OTHER INFORMATION		
Number of employees in the enterprise	12 643	12 291
State shareholding at year-end	100 %	100 %
Proportion of women on board	54 %	58 %
Proportion of shareholder-elected women on board	56 %	56 %

The Central Norway Regional Health Authority is one of five regional health authorities with responsibility for the specialist health services in Norway. The regional health authority was established when the State took over responsibility for the specialist health services from the counties on 1 January 2002.
The health authority group Helse Midt-Norge encompasses the counties of Møre og Romsdal, Sør-Trøndelag and Nord-Trøndelag, and consists of six health trusts owned by the Central Norway Regional Health Authority. This includes the hospital pharmacies under the Central Norway Pharmaceutical Trust.

The State has the overall responsibility for ensuring that the population is offered the requisite specialist health services in accordance with the objectives set forth in §1-1 of the Special Health Services Act and §1-1 of the Patients' Rights Act. The regional health authorities are charged with planning and organising the specialist health services and facilitating research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).

In 2006 the Ministry of Health and Care Services exercised its ownership control of the regional health authorities through annual general meetings and through terms for allocations set forth in special regulatory documents.

Key events

The first phase of construction of the new university hospital in Trondheim (St. Olav's Hospital) has been mostly completed. The project has been concluded ahead of schedule and under budget. The action plan for mental health is being complied with, and both an escalation and restructuring of the services are being carried out. The mental health services in the districts are being expanded, and the capacity for treating drug and alcohol abuse has been increased. Formal relationships with private hospitals and clinics have been established, and agreements have been signed regarding training and rehabilitation services offered in the region.

The Strategy for Helse Midt-Norge 2010 has identified the following priority areas: Mental health and drug/alcohol abuse, coordination between treatment services, the chronically sick and elderly, safety and availability in the event of acute illness, documentation and highlighting of quality, and improved use of available resources. On the basis of the health authority group's ownership strategy, efforts have begun to study and restructure some activities within the group.

At the start of 2007, the Central Norway Regional Health Authority had an average waiting period of 97 days. Five years ago this figure was 294 days. The number of patients who must wait over one year has been significantly reduced. At the start of 2007, 775 patients remained on waiting lists. Four years ago this figure was 11.738.

In 2006 focus was placed on the financial challenges faced by the health authority group. Measures have been implemented to bring the finances under control, which should prove to be a demanding undertaking given the considerable budget deficit.

Financial trends

The Central Norway Regional Health Authority has an annual budget of about NOK 11 billion. Operating revenues come primarily from the owner, the Ministry of Health and Care Services. Operating revenues increased by about NOK 867 million, and the total operating expenses increased by about NOK 1.100 billion compared with 2005 figures. The increase in salary and other personnel costs compared with 2005 was about NOK 489 million. At the close of 2006, the Central Norway Regional Health Authority had long-term debt related to investments of about NOK 1.877 billion. Working capital facility during the same period came to roughly NOK 855 million.

Helse Nord RHF

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CHAIRMAN: Bjørn Kaldhol
BOARD MEMBERS: Grete Bang (Ap), Mona Søndenå, Trude Husjord, Terje Olsen (H), Runar Sjåstad (Ap), Inge Myrvoll (SV), Tone Finnesen (NRS), Kirsti Jacobsen*, Kari B. Sandnes* and Stig-Arild Stenersen*, *Employee representatives

AUDITOR: KPMG AS

STATE OWNERSHIP: 100 % (Ministry of Health and Care Services)

100 %

The Northern Norway Regional Health Authority is one of five regional health authorities with responsibility for the specialist health services in Norway. The regional health authority was established when the State took over responsibility for the specialist health services from the counties on 1 January 2002.

The health authority group Helse Nord consists of five health trusts: Finnmark Hospital Trust, University Hospital of Northern Norway Trust, Nordland Hospital Trust, Helgeland Hospital Trust, and the Hospital Pharmacy of North Norway Trust. The Northern Norway Regional Health Authority is intended to be a regional institution with a distinctly northern Norwegian profile with responsibility for ensuring that the population in northern Norway and on Svalbard receives high-quality health services on a level comparable to other regions of the country.

The State has the overall responsibility for ensuring that the population is offered the requisite specialist health services in accordance with the objectives set forth in §1-1 of the Special Health Services Act and §1-1 of the Patients' Rights Act. The regional health authorities are charged with planning and organising the specialist health services and facilitating research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).

In 2006 the Ministry of Health and Care Services exercised its ownership control of the regional health authorities through annual general meetings and through terms for allocations set forth in special regulatory documents.

Key events

In 2006 the mental health services were enhanced through increased treatment capacity, expanded services and new facilities. More treatment services than ever before were offered to patients to meet the growing need for these services. Separate action plans for the elderly and patients with chronic illnesses are being drawn up. Recruitment, education and competence building are primary strategies.

The plan for decentralising the specialist health services is being implemented, partly through the development of new services in Alta. A new plan for contract specialists is also in place. Pre-hospital services have been enhanced since the regional health authorities took over responsibility for the daily operations of the ambulance service. Hålogaland Hospital Trust was dissolved in 2006, and the various units were reorganised under the University Hospital of Northern Norway Trust and the Nordland Hospital Trust.

Necessary investments will be realised through the completion of the first construction phase of Nordland Hospital and the implementation of the regional investment plan.

Activities related to somatic health care remained at the same high level as in 2005, and the waiting period was stable.

Financial trends

The Northern Norway Regional Health Authority has an annual budget of roughly NOK 9.6 billion. Operating revenues come primarily from the owner, the Ministry of Health and Care Services. Operating revenues increased by NOK 704 million, while the total operating expenses increased by NOK 1.088 million over 2005 figures. The increase in wage and other personnel costs over 2005 figures came to roughly NOK 475 million. In 2006 loans had to be assumed to fund investments. Loans from the Ministry of Health and Care Services for investments increased from NOK 628 million in 2005 to about NOK 1.106 million in 2006. The Northern Norway Regional Health Authority had working capital facility of NOK 20 million at the close of 2006.

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	9 560.9	8 857.0
Operating costs	10 288.0	9 209.1
Operating profit (loss)	**-727.3**	**-352.1**
Net financial items	9.7	10.3
Tax	0.0	0.0
Annual result	**-717.6**	**-341.8**
Adjustments	284.8	177.0
Adjusted Profit	**-432.8**	**-164.8**
BALANCE SHEET		
Intangible assets	53.0	48.9
Tangible fixed assets	8 465.0	8 329.5
Fixed asset investments	694.0	646.6
Total fixed assets	**9 212.0**	**9 025.0**
Goods	145.0	138.4
Accounts receivables	289.0	227.3
Cash and bank balances	236.5	560.5
Total current assets	**670.5**	**926.2**
Total assets	**9 882.5**	**9 951.3**
Subscribed equity	8 066.7	8 196.4
Earned equity	-1 795.0	-1 207.1
Total equity	**6 271.7**	**6 989.3**
Provision for commitments	606.0	607.6
Long-term liabilities	1 016.0	627.8
Current liabilities	1 988.8	1 726.6
Total liabilities	**3 610.8**	**2 962.0**
Total equity and liabilities	**9 882.5**	**9 951.3**
CASH FLOW		
Operational activities	133.0	272.9
Investment activities	-856.0	-594.8
Financing activities	408.0	281.1
Change in liquid assets	**-324.0**	**-40.8**
KEY FIGURES		
Number of inhabitans in Helse Nords arear	462 237	462 779
Number of DRG points produced	106 068	105 254
Number of out-patients' consultations, somatic	416 466	408 816
Number of 24 h stay, psychic health care	5 496	5 088
Number of 24 h stay interdiciplinary treatment for intoxicant users	439	381
Number of patiens on waiting list	31 649	30 281
Number of average waiting days	93	98
OTHER INFORMATION		
Number of employees in the enterprise	12 289	11 776
State shareholding at year-end	100 %	100 %
Total % of women on the board	55 %	56 %
Proportion of shareholder-elected women on board	50 %	50 %

Helse Sør RHF

HELSE SØR

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MANAGING DIRECTOR: Bjørn Erikstein
CHAIRMAN: Anne Cathrine Frøstrup

BOARD MEMBERS: Andreas Kjær (Sp), Eyolf Aleksander Bakke (Frp), Lisbeth Horn Bakken (H), Hanne Harlem, Olav Hørsdal, Tor Ottar Karlsen (Ap), Kirsten Huser Leschbrandt (H), Margaret Sandøy Ramberg, Morten Falkenberg*, Anne Larsen*, Lizzie Ruud Thorkildsen* and Svein Øverland* * Employee representatives

AUDITOR: PricewaterhouseCoopers AS

STATE OWNERSHIP: 100 % (Ministry of Health and Care Services)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	18 176	16 670
Operating costs	19 163	17 706
Operating profit (loss)	**-986**	**-1 036**
Net financial items	**-74**	**-26**
Tax	**3**	**5**
Annual result	**-1 063**	**-1 068**
Adjustments	756	570
Adjusted Profit	**-307**	**-498**
BALANCE SHEET		
Intangible assets	286	182
Tangible fixed assets	17 728	17 878
Fixed asset investments	1 110	1 062
Total fixed assets	**19 124**	**19 123**
Goods	152	159
Accounts receivables	1 136	906
Cash and bank balances	588	572
Total current assets	**1 876**	**1 636**
Total assets	**21 000**	**20 759**
Subscribed equity	16 315	16 584
Earned equity	-4 192	-3 394
Total equity	**12 123**	**13 190**
Provision for commitments	1 089	1 124
Long-term liabilities	2 004	1 952
Current liabilities	5 784	4 494
Total liabilities	**8 877**	**7 569**
Total equity and liabilities	**21 000**	**20 759**
CASH FLOW		
Operational activities	262	181
Investment activities	-1 374	-1 302
Financing activities	1 129	1 166
Change in liquid assets	**17**	**45**
KEY FIGURES		
Number of inhabitans in Helse Sørs area	899 000	895 000
Number of DRG points produced	280 559	265 213
Number of out-patients' consultations, somatic	867 458	847 524
Number of 24 h stay, psychic health care	8 876	8 065
Number of 24 h stay interdiciplinary treatment for intoxicant users	1 522	1 421
Number of patiens on waiting list	49 041	49 634
Number of average waiting days	104	113
OTHER INFORMATION		
Number of employees in the enterprise	20 776	20 576
State shareholding at year-end	100 %	100 %
Proportion of women on board	54 %	50 %
Proportion of shareholder-elected women on board	56 %	56 %

The Southern Norway Regional Health Authority is one of five regional health authorities with responsibility for the specialist health services in Norway. The regional health authority was established when the State took over responsibility for the specialist health services from the counties on 1 January 2002.
The health authority group Helse Sør encompasses the counties of Vest-Agder, Aust-Agder, Telemark, Vestfold and Buskerud, as well as the Rikhospitalet-Radiumshospitalet Medical Centre in Oslo. The health authority group consists of eight health trusts owned by the Southern Norway Regional Health Authority. In addition, Sykehusapotekene ANS (the hospital pharmacies) are jointly owned by both the Southern and Eastern Regional Health Authorities.
The State has the overall responsibility for ensuring that the population is offered the requisite specialist health services in accordance with the objectives set forth in §1-1 of the Special Health Services Act and §1-1 of the Patients' Rights Act. The regional health authorities are charged with planning and organising the specialist health services and facilitating research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).
In 2006 the Ministry of Health and Care Services exercised its ownership control of the regional health authorities through annual general meetings and through terms for allocations set forth in special regulatory documents.

Key events

The health services offered to the population by the Southern Norway Regional Health Authority were enhanced in 2006. The greatest expansion occurred in the area of psychiatry. A comprehensive action plan for rehabilitation services was adopted, and efforts in this crucial area were strengthened. A record number of patients received treatment from the specialist health services in 2006. The treatment activity of the Southern Norway Regional Health Authority in 2006 (measured in DRG points) was 5.8 percent higher than in 2005.

The new radiation facility at the Rikshospitalet-Radiumhospitalet Medical Centre opened in May 2006. With five new radiation machines, the hospital has been able to increase its capacity to provide radiation treatment by 1000 patients per year. The building was officially opened by Minister of Health and Care Services Sylvia Brustad in September.
Construction of the new research facility at the Rikshospitalet-Radiumhospitalet Medical Centre has begun and is scheduled for opening in the second quarter 2009.
The new intensive observation unit at the National Centre for Epilepsy in Sandvika opened in September 2006. The new facility doubles the capacity to perform evaluations of epilepsy patients. The National Centre for Epilepsy is part of the neurology clinic at the Rikshospitalet-Radiumhospitalet Medical Centre.
In January 2007 the Government decided to merge the Southern and Eastern Regional Health Authorities into a single South-Eastern Regional Health Authority. The purpose of the merger is to ensure cohesive management and better utilisation of resources within the specialist health services in the Oslo region and across the two regions. The merger will take effect on 1 June 2007.

Financial trends

The Southern Norway Regional Health Authority has an annual budget of roughly NOK 18.2 billion. Operating revenues come primarily from the owner, the Ministry of Health and Care Services. Both operating revenues and operating expenses increased by about NOK 1.5 billion over 2005 figures. The increase in wage and other personnel costs compared with 2005 figures came to roughly NOK 0.7 billion. At the close of 2006 the Southern Norway Regional Health Authority had long-term debt to the Ministry of Health and Care Services of NOK 1.7 billion, which consisted of a loan portfolio of NOK 1.6 billion and a construction loan of NOK 0.1 billion that carried into 2007. The Southern Norway Regional Health Authority had working capital facility of about NOK 2.2 billion at the close of 2006.

Helse Vest RHF

HELSE VEST

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CHAIRMAN: Oddvar Nilsen

BOARD MEMBERS: Kari Oftedal Lima, Svein Andersen, Gisle Handeland (Ap), Reidun Korsvoll (Ap), Magnar Lussand (Sp), Ellen Solheim (KrF), Gunnvor A. Sunde (Ap), Helge Espelid*, Inger F. Hamborg* and Aslaug Husa*
* Employee representatives

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 100 % (Ministry of Health and Care Services)

100 %

The Western Norway Regional Health Authority is one of five regional health authorities with responsibility for the specialist health services in Norway. The regional health authority was established when the State took over responsibility for the specialist health services from the counties on 1 January 2002.
The health authority group Helse Vest has the overall responsibility for the specialist health services in the counties of Rogaland, Hordaland, and Sogn og Fjordane. The Western Norway Regional Health Authority owns five health trusts: Helse Førde, Helse Bergen, Helse Fonna, Helse Stavanger and Apoteka Vest, as well as the limited company Helse Vest IKT AS.
The State has the overall responsibility for ensuring that the population is offered the requisite specialist health services in accordance with the objectives set forth in §1-1 of the Special Health Services Act and §1-1 of the Patients' Rights Act. The regional health authorities are charged with planning and organising the specialist health services and facilitating research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).
In 2006 the Ministry of Health and Care Services exercised its ownership control of the regional health authorities through annual general meetings and through terms for allocations set forth in special regulatory documents.

Key events

Through its work with the strategic project Helse2020, the Western Norway Regional Health Authority has established the objective of providing a future-oriented set of health services to the population of western Norway. The project has involved many groups, both internal and external.
A regional plan for the treatment of drug and alcohol abuse was adopted by the board of the Western Norway Regional Health Authority in 2006. The objective of the plan is to provide people addicted to drugs and alcohol with improved, more cohesive health services and to ensure that the services offered to this group are enhanced.
In 2006 the Western Norway Regional Health Authority allocated an additional NOK 12 million to the training and rehabilitation services in an effort to provide the patients of western Norway with improved services in this important area. The services were expanded by adding 18 spaces at the private institutions beginning in 2006. Treatment at the private training institutions is a supplement to the broad array of specialised services provided by the regional health authority.
The level of research activity was high in 2006, and the Western Norway Regional Health Authority had the second largest volume of research activity as well as the greatest increase in research activity from 2005 to 2006.
A regional e-commerce project was launched in spring 2006 to ensure that 90 percent of all purchases take place electronically. The objective is to save on costs related to increased loyalty to existing framework agreements and to facilitate easier and more secure purchases for the regional health authority.

Financial trends

The Western Norway Regional Health Authority has an annual budget of roughly NOK 14.2 billion. Operating revenues come primarily from the owner, the Ministry of Health and Care Services. Operating revenues increased by NOK 0.86 billion from 2005 to 2006, while the total operating expenses increased by NOK 1.233 billion. The increase in wage and other personnel costs over 2005 figures came to roughly NOK 726 million. In 2006 loans had to be assumed to fund investments. Loans from the Ministry of Health and Care Services for investments increased from NOK 1.090 billion in 2005 to about NOK 1.611 billion in 2006.
The Western Norway Regional Health Authority had working capital facility of about NOK 975 million at the close of 2006.

MNOK		
PROFIT AND LOSS ACCOUNT	**2006**	**2005**
Operating revenues	14 214	13 354
Operating costs	15 094	13 861
Operating profit (loss)	**-880**	**-507**
Net financial items	**-36**	**-10**
Tax	**-1**	**2**
Annual result	**-915**	**-519**
Adjustments	509	337
Adjusted Profit	**-405**	**-182**
BALANCE SHEET		
Intangible assets	103	106
Tangible fixed assets	11 824	11 715
Fixed asset investments	1 233	1 153
Total fixed assets	**13 160**	**12 974**
Goods	83	87
Accounts receivables	546	443
Cash and bank balances	380	599
Total current assets	**1 009**	**1 129**
Total assets	**14 170**	**14 103**
Subscribed equity	10 802	10 780
Earned equity	-2 731	-1 935
Total equity	**8 071**	**8 845**
Provision for commitments	908	948
Long-term liabilities	1 611	1 090
Current liabilities	3 580	3 220
Total liabilities	**6 099**	**5 258**
Total equity and liabilities	**14 170**	**14 103**
CASH FLOW		
Operational activities	120	374
Investment activities	-958	-941
Financing activities	620	847
Change in liquid assets	**-218**	**280**
KEY FIGURES		
Number of inhabitans in Helse Vests area	966 863	950 000
Number of DRG points produced	192 814	188 577
Number of out-patients' consultations, somatic	680 406	658 704
Number of 24 h stay, psychic health care	9 369	8 689
Number of 24 h stay interdiciplinary treatment for intoxicant users	99	53
Number of patiens on waiting list	36 256	36 256
Number of average waiting days	81	81
OTHER INFORMATION		
Number of employees in the enterprise	17 534	17 220
State shareholding at year-end	100 %	100 %
Total % of women on the board	55 %	56 %
Proportion of shareholder-elected women on board	36 %	43 %

Helse Øst RHF

HELSE ØST

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MANAGING DIRECTOR: Bente Mikkelsen
CHAIRMAN: Siri Beate Hatlen

BOARD MEMBERS: Jan Wibe (Ap), Manuela Ramin-Osmundsen, Tom Veierød, Anne Carine Tanum, Audun Holsbrekken (KrF), Monica Carmen Gåsvatn (FrP), Bjørn Krogsrud (V), Knut Even Lindsjørn (SV), Egil Hverven*, Kirsten Brubakk*, Tor-Erik Sand* and Janne Kværnø*
* Employee representatives

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 100 % (Ministry of Health and Care Services)

100 %

MNOK	2006	2005
PROFIT AND LOSS ACCOUNT		
Operating revenues	26 685.7	25 227.7
Operating costs	27 517.4	25 712.4
Operating profit (loss)	**-831.7**	**-484.7**
Net financial items	**85.9**	**56.0**
Tax	**- 1.8**	**-1.7**
Annual result	**-747.6**	**-430.4**
Adjustments	733.0	477.0
Adjusted Profit	**-14.6**	**42.1**
BALANCE SHEET		
Intangible assets	284.7	301.9
Tangible fixed assets	20 663.3	19 165.9
Fixed asset investments	1 662.6	1 404.3
Total fixed assets	**22 610.6**	**20 872.1**
Goods	135.4	138.2
Accounts receivables	940.0	754.0
Cash and bank balances	1 683.6	2 072.4
Total current assets	**2 759.1**	**2 964.6**
Total assets	**25 369.7**	**23 836.7**
Subscribed equity	16 534.4	16 656.3
Earned equity	-1 863.3	-1 237.7
Total equity	**14 671.1**	**15 418.6**
Provision for commitments	2 095.4	1 634.4
Long-term liabilities	3 695.9	2 251.0
Current liabilities	4 907.2	4 532.6
Total liabilities	**10 698.6**	**8 418.0**
Total equity and liabilities	**25 369.7**	**23 836.7**
CASH FLOW		
Operational activities	1 288.1	1 293.0
Investment activities	-3 121.8	-2 123.2
Financing activities	1 444.9	1 054.1
Change in liquid assets	**-388.8**	**224.0**
KEY FIGURES		
Number of inhabitans in Helse Østs area	1 672 000	1 654 000
Number of DRG points produced	293 186	286 285
Number of out-patients' consultations, somatic	1 127 789	1 078 169
Number of 24 h stay, psychic health care	13 399	12 660
Number of 24 h stay interdiciplinary treatment for intoxicant users	4 619	5 407
Number of patiens on waiting list	59 742	55 880
Number of average waiting days	76	79
OTHER INFORMATION		
Number of employees in the enterprise	29 426	28 911
State shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	40 %
Proportion of shareholder-elected women on board	51 %	43 %

The Eastern Norway Regional Health Authority is one of five regional health authorities with responsibility for the specialist health services in Norway. The regional health authority was established when the State took over responsibility for the specialist health services from the counties on 1 January 2002.

The health authority group Helse Øst encompasses the counties of Oslo, Akershus, Oppland, Hedmark and Østfold. Activities are organised under a single mother company with seven underlying health trusts. In addition, the Eastern Norway Regional Health Authority co-owns Sykehusapotekene ANS (the hospital pharmacies) with the Southern Norway Regional Health Authority.

The State has the overall responsibility for ensuring that the population is offered the requisite specialist health services in accordance with the objectives set forth in §1-1 of the Special Health Services Act and §1-1 of the Patients' Rights Act. The regional health authorities are charged with planning and organising the specialist health services and facilitating research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).

In 2006 the Ministry of Health and Care Services exercised its ownership control of the regional health authorities through annual general meetings and through terms for allocations set forth in special regulatory documents.

Key events

In 2006 the Eastern Norway Regional Health Authority gave priority to efforts targeted at people with mental illnesses, drug and alcohol abusers, patients with chronic illnesses and those with a need for rehabilitation/habilitation. Priority was also given to measures to reduce waiting periods, problems of overcapacity and the number of patients placed in hospital corridors, as well as good operations management and organisation, and good financial management. This has led to a reduction in waiting time and increase in the volume of treatment relating to both psychiatric and somatic illnesses.

In January 2007 the Government decided to merge the Southern and Eastern Regional Health Authorities into a single South-Eastern Regional Health Authority. The purpose of the merger is to ensure cohesive management and better utilisation of resources within the specialist health services in the Oslo region and across the two regions. The merger will take effect on 1 June 2007.

The Eastern Norway Regional Health Authority board finished its work on "Strategy 2025" in 2006. In the period up to 2015, focus will be placed on the implementation of necessary restructuring measures and the development of good, long-term and sustainable solutions. Further development of the health services up to 2025 will be based on a number of strategic principles for the content, structure and organisation of the health services.

Financial trends

The Eastern Norway Regional Health Authority has an annual budget of roughly NOK 26.5 billion. Operating revenues come primarily from the owner, the Ministry of Health and Care Services. Operating revenues increased by about NOK 1.5 billion over 2005 figures, while the total operating expenses increased by about NOK 1.8 billion. The increase in wage and other personnel costs compared with 2005 figures came to roughly NOK 1.0 billion. In 2006 loans had to be assumed to finance investments in large-scale construction projects, In 2006, it was necessary to raise loans to finance construction projects, so loans from the Ministry of Health and Care Services for investments rose from NOK 2.2 billion in 2005 to approximately NOK 3.7 billion in 2006. The Western Norway Regional Health Authority had no working capital facility at the close of 2006.

Contact details

The State's direct ownership is administered by several ministries. These ministries' contact details appear below.

Ministry of Fisheries and Coastal Affairs
Department of Coastal Affairs:
Tel: +47 22 24 64 13, Fax: +47 22 24 90 90 (Secora AS)

Ministry of Government Administration and Reform
Department of Government Services:
Tel: +47 22 24 49 88, Fax: +47 22 24 95 17 (Statskonsult AS)

Ministry of Health and Care Services:
Ownership Department:
Tel: +47 22 24 82 99, Fax: +47 22 24 27 92
(The regional health authorities)

Public Health Department:
Tel: +47 22 24 87 01 Fax: +47 22 24 86 56
(AS Vinmonopolet)

Specialist Health Services:
Tel: +47 22 24 8298, Fax: +47 22 24 95 78 (KITH AS)

Ministry of Justice and the Police:
The Department of Civil Affairs:
Tel: +47 22 24 54 51, Fax: +47 22 24 27 22
(Norsk Eiendomsinformasjon AS)

The Correctional Services Department:
Tel: +47 22 24 55 01, Fax: +47 22 24 55 90 (Industritjeneste AS)

Ministry of Local Government and Regional Development:
The Department of Local Government:
Tel: +47 22 24 72 01, Fax: +47 22 24 27 35
(Kommunalbanken AS)

Ministry of Culture and Church Affairs:
The Department of Administrative Affairs:
Tel. +47 22 24 78 11, Fax: +47 22 24 78 16
(Norsk Tipping AS)

The Department of Media Policy and Copyright:
Tel: +47 22 24 80 07, Fax: +47 22 24 80 39
(Norsk Rikskringkasting AS)

Ministry of Education and Research:
The Department of Higher Education:
Tel: +47 22 24 77 01, Fax: +47 22 24 27 33
(Uninett AS, NSD AS, UNIS AS, Simula Research Laboratory AS)

Ministry of Agriculture and Food:
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Comments and definitions

Comments

- All figures are reported as at 31 December 2006. They are taken from current company accounts and are in conformity with Norwegian accounting standards, with the exception of SAS. For SAS, the accounts are submitted according to Swedish accounting standards and have been converted into Norwegian currency in accordance with the exchange rates stated by the company.

- The following companies have made the transition to financial reporting in conformity with IFRS: Argentum, Cermaq, DnB NOR, Kongsberg Gruppen, NSB, Norway Post, SAS, Telenor and Yara. All the accounting figures for these companies for 2006 and 2005 are in conformity with IFRS.

- The stated accounting figures are taken from the companies' annual reports, but the key figures are calculated using a common method for all the companies in accordance with the definitions provided. For this reason, some of these deviate from those stated by the companies in their annual reports.

- The market value of the listed companies is calculated by the use of the total number of shares issued.

- In order to measure the financial development of the regional health enterprises, two profit concepts are used: the profit for the year for accounting purposes taken from the audited accounts, and the corrected annual profit, which is the performance measure used by the owners for governance purposes. The corrected annual profit is the profit for the year for accounting purposes taken from the audited accounts corrected for depreciation/amortisation costs that are not part of the balance sheet requirements, cf. Proposition No. 63 (2003-2004) to the Storting.

- The companies' board composition and proportion of State ownership are updated as of 31 March 2007. The State's semi-annual report for 2007, published in September, will contain an updated overview of the boards following ordinary board appointments during 2007.

- At the time of print, the annual general meetings had not been held in the following companies: Entra Eiendom AS, Mesta AS, Statkraft SF, Secora AS and Store norske Spitsbergen Kulkompani . The figures for these companies have been approved by the auditors but have not been dealt with and approved by the annual general meetings.

- Reservations are taken with regard to errors in the figures and calculations. More information on the individual companies can be found in the companies' annual reports.

Definitions

The list below contains definitions of the concepts used in this report. Please note that these definitions may deviate from those used by the companies, as several of these concepts are defined differently by the companies.

- **Rate of return** – Here used on matters pertaining to shares. The rate of return consists of the change in value of the share plus the dividends paid. The geometric average is used to calculate the average annual rate of return, and account has been taken of the increase in the value of dividends paid by assuming that dividends have been reinvested to give a rate of return corresponding to five-year state bonds.

- **Return** – Here used with regard to accounting magnitudes.
  – Return on equity – The annual profit after minority interests and taxes divided by the majority's share of the average book equity.
  – Return on capital employed – EBIT divided by the average capital employed.

- The arithmetic average has been used to calculate **average return on equity**.

- **EBIT** – Operating profit plus share of profit made by associated companies and financial income.

- **EBITDA** – EBIT before depreciation/amortisation and write-downs

- **Capital employed** – Equity plus interest-bearing debt

- **Dividend ratio** – funds set aside for dividends as a proportion of the annual profit for the group.

- The geometric average has been used to calculate the **average profit share**.

- **Equity ratio** – Equity as a percentage of total capital.

- **Total remuneration to the Chief Executive Officer** – salaries, pensions and other forms of remuneration in accordance with information provided by the companies in their annual reports.

- **Directors' fees** – remuneration paid to the directors for their work on the board, as reported in the companies' annual reports.

- **Number of employees** – the number of employees at year-end or on average for the year; some companies use man-years. The reporting method varies between the companies, but is used consistently for each company over time.

- **Cost ratio** – operating costs divided by the sum of net interest and commitment fee income and other operating revenues.

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