



NORWEGIAN MINISTRY
OF TRADE AND INDUSTRY

THE STATE'S OWNERSHIP REPORT 2005

State Ownership Report 2005

The purpose of the State Ownership Report is to provide an overview of the State ownership, the administration of this ownership, and the development of value within the companies. We hope that this report will increase awareness of how the ministries manage the ownership, as well as increase insight into of the management of the companies' assets.

The Ownership Report is divided into two main sections. The first section contains articles highlighting events and results from 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. The companies are divided into two groups based on the main objective of State ownership.

- Companies in which the primary objective of ownership is to maximise their commercial value
- Companies in which the primary objective of ownership is not commercial in nature

A total of 22 companies comprise the group in which the State's primary objective is to maximise commercial value. Eight of these companies are listed on the Oslo Stock Exchange. As of 31 March 2006 the value of the State's shareholdings in the listed companies was NOK 518 billion. There are 29 companies in which the State's primary objec-

tive is not commercial in nature. In these companies, State ownership is administered as a component of sectoral policy in various areas, such as NSB, Norway's largest transport group.

In addition to the printed Norwegian and English versions of the State Ownership Report 2005, the report is also available on the Internet: www.eierberetningen.nhd.no

The information presented in this report has been updated through 31 March 2006.

Key figures for the companies in the State's ownership report 2005

<i>NOK millions</i>	<i>Listed companies</i>	<i>Unlisted commercial companies</i>	<i>Companies with other objectives</i>	<i>Total</i>
<i>State's shareholding - value ¹⁾</i>	427 739	49 737	n/a	477 476
<i>Weighted return last year ²⁾</i>	54 %			
<i>Profit ³⁾</i>	69 243	7 115	(1 802)	74 561
<i>Weighted return on equity ⁴⁾</i>	24 %	16 %	(2 %)	18 %
<i>Dividend ⁵⁾</i>	18 897	5 061	411	24 369
<i>Sales proceeds</i>	16 074	0	0	16 074
<i>Capital injections, share acquisitions</i>	(212)	(320)	(673)	(1 204)

1) For listed companies are the value based on market price and the state's shareholding 31.12.2005. For Entra Eiendom AS the value is calculated from value adjusted-equity published by the company. For other companies book equity is used

2) Change in market value plus dividends received during the year, corrected for issues and share buy-backs. The return is weighted relative to total market value as of 31.12.2005

3) Profit after tax and minority interests

4) Weighted relative to the book equity as of 31.12.2005

5) State's share of proposed dividends for the fiscal year 2005 which will be paid out in 2006



An owner for the community

State ownership is a debated issue – which is good. The State-owned companies administer substantial economic values on behalf of the community, and the companies are important social actors. Wholly and partly State-owned companies employ more than 280.000 people. Many of the companies are engines for Norwegian business and industry. These companies face high expectations. They must operate in a financially sound way, and they must also attend to their social responsibilities in a cogent manner – they must show corporate responsibility. In an open society like ours, it is a positive sign that many people have an opinion on these matters.

Norwegian industry holds a leading position in several fields. Shipping and offshore technology is one example; fisheries and aquaculture is another, and there are other examples as well. On the whole, Norwegian companies have never previously held a better position internationally than they do today. This positive development has emerged during a period when the State has held major ownership shares in Norwegian trade and industry. This mixed ownership, in which public and private interests stand side by side in partnership, has proven to be successful.

The Government is in favour of substantial State ownership in many Norwegian companies, with a view towards ensuring that these companies have a national basis and retain their head offices, research activities and other strategic decision-making in Norway. State ownership also ensures the beneficial rights over our common natural resources and ensures benefits to the community.

The Government wants the State to be an active owner. The State is an owner in these companies in order to ensure long-term value creation. Value creation is more than the rate of return from one quarter to the next. The purpose of State ownership is to attend to the common good. As an owner, the State also expects these companies to take corporate responsibility and to uphold our basic values in an exemplary manner. Companies can survive and develop their competitiveness over time only if they maintain a reasonable equilibrium with their environment. Norwegian citizens should expect that the Government's ownership policies address such issues.

2005 was a good year for the State-owned companies. Key figures show favourable results in the energy field as well

as in other fields such as banking and telecommunications.

We should not, however, let the good times make us complacent. To make these companies viable over time we need to maintain a focus on development and adaptation – not least in times when the rate of return is high. Many of the companies with State ownership have handled complicated processes of restructuring in local communities in a beneficial manner. This ability to assume a social responsibility that develops goodwill towards local communities, may not produce a short-term profit for the company. However, it is evidence of a company which is in equilibrium with its environment, and which is viable in the long term. In order to understand this environment and achieve favourable decision-making processes, many different perspectives are necessary to inform the debate. We therefore need diversity in the managerial groups and on the boards of directors. Women are still strongly under-represented in both management and board positions. The fact that we have so few women in managerial posts in Norwegian business is a source of concern. Women represent a major resource that can help develop the companies for the future. The Government want a better balance between women and men in managerial positions and on the boards.

The value of the State's shares has increased substantially since the Government came to power. Much of this increase is caused by factors over which we have little control, but it also shows that the stock markets have confidence in the actions of the State as an owner in listed companies. It is essential to maintain this confidence because this is crucial for the companies and the values that they manage on behalf of the community. Confidence must be built on openness. This ownership report provides an overview of the State's ownership interests and the principles on which the administration of this ownership is based. It is my hope that the report can contribute to increased openness with regard to the State's administration of its ownership interests.

Kind regards

Odd Eriksen

Minister of Trade and Industry

The year 2005

The Norwegian economy developed positively during 2005. During 2005, the State had a value-adjusted rate of return on its shares in the listed companies of 50 per cent. The commercially-oriented companies in which the State holds an ownership interest made a total profit of NOK 76 billion and the State will receive a total of NOK 24 billion in dividends for the fiscal year 2005. The State has been involved in a number of decisions related to ownership during 2005, for example with regard to the ownership interest in Statoil, Statskog, Cermaq, Nammo and Norsk Tipping, to mention but a few.

The administration of State ownership

The State is the single largest owner of companies in Norway. The ministries administer the State's ownership interest in 80 companies, 51 of which are described in this report. For 22 of these, the main purpose of the State ownership is to create value in a commercial sense. Among these, we find some of Norway's largest corporations. These companies have activities within various industries, such as oil and natural gas, finance, telecommunications, mineral fertiliser and hydropower, in international competition with other actors. The main purpose of the administration of ownership in these companies is to maximise the value of the State's shareholdings and to promote solid growth in the companies. The administration of ownership in most of the companies that are commercial in nature is handled by the Ministry of Trade and Industry, which at the outset of 2005 administered the State's ownership interests in 18 of these companies. The Ministry of Government Administration And Reform (Statskonsult AS), The Ministry of Local Government and Regional Development (Kommunalbanken), Ministry of Transport and Communications (Baneservice AS) and The Ministry of Petroleum and Energy (Statoil ASA) also administer companies where the main purpose is to create value in a commercial sense.

In addition, the State owns companies in which the primary objective of ownership is not commercial in nature. This ownership report includes 29 companies in which the commercial rate of return, although important, must be balanced against sectoral policy objectives. Many of these companies also operate in markets characterised by competition, such as Norway Post, NSB and NRK, whereas others, like Statnett, administer monopolies. Ownership in these companies is mainly administered by the ministry responsible for sectoral policy in the particular field. As an example, the Ministry of Culture and Church Affairs administers the ownership interests in NRK (Norwegian Broadcasting Corpo-

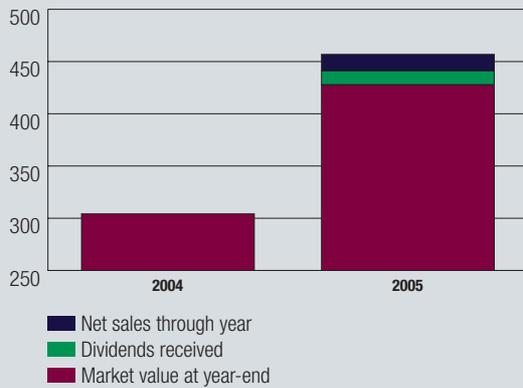
ration). The purpose of ownership in these companies is to achieve sectoral policy and societal objectives in an optimally efficient manner for society. Examples of other purposes for State ownership is to exercise control over the sale of alcoholic beverages (Vinmonopolet) and provide an efficient organisation of national health services (through the regional health enterprises). Even these objectives must be achieved within a given financial framework.

Favourable market development

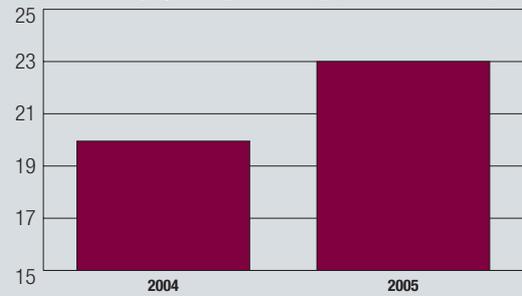
Over the last few years the Norwegian economy has seen high rates of growth. GDP growth in mainland Norway was 3.7 per cent in 2005, compared to 3.8 per cent in 2004. The positive development in the Norwegian economy and high international demand for Norwegian products and services has also resulted in strong development in the Oslo Stock Exchange. The main index of the Oslo Stock Exchange (measured by the OSEBX index, which is adjusted for dividends) rose by 40.5 per cent during 2005, compared to 38.5 per cent in 2004. In comparison, the eight listed companies with a direct State ownership interest had a weighted average return of 54¹⁾ per cent. The oil-related companies in particular showed very favourable development due to the high price of oil during 2005. During 2005, the companies Statoil ASA and Norsk Hydro ASA yielded a return of 69 and 50 per cent, respectively. Throughout 2005, the value of State-held shares increased by NOK 124 billion to a total of NOK 428 billion. In addition, the State received NOK 13.3 million in dividends, and earned a net NOK 15.9 billion from sales of shares in these companies in 2005. This includes the sale of Statoil ASA shares in February, the listing of Cermaq ASA in October, as well as to the State's

¹⁾ In the same period, the State enjoyed a return of 50 per cent on its investments in listed companies. The State's return is lower as a consequence of the sale of Statoil shares in February 2005 for NOK 12.5 billion. The share price has developed favourably in the aftermath of the sale.

Value development for listed companies (NOK billion)



Return on equity – weighted average, commercial enterprises



participation in proportional deletion of its own shares during the buy-back programmes in Norsk Hydro ASA, Telenor ASA and Yara International ASA.

Most of the companies described in this report have improved their results over 2004. The commercially-oriented companies had total profits of NOK 76 billion, against NOK 59 billion in 2004. This corresponds to a weighted return on equity of 23 per cent, compared to 20 per cent in 2004. The other companies described in the report increased their profits from NOK 4.3 billion to NOK 5 billion in 2005 (excluding the health enterprises and Husbanken). Based on submitted proposals, the State will receive NOK 24.3 billion in dividends for the fiscal year 2005, which is an increase over the NOK 18.2 billion received in the preceding year.

Changes in responsible ministry and establishment of a new company

Following the change of government in the autumn of 2005, responsibility for the administration of the State ownership interests in AS Vinmonopolet was transferred from the Ministry of Labour and Social Affairs to the Ministry of Health and Care Services.

The State's shares in Mesta AS were transferred from the Ministry of Transport and Communications to the Ministry of Trade and Industry on 1 July 2005. The transfer is a follow-up to the objective of achieving a clearer distinction between the State's roles as authority on the one hand, and as owner on the other.

In January 2005, Baneservice AS was established as a company based on the production activities of Jernbaneverket (the Norwegian National Rail Administration). The State's shareholding in the company is administered by the Ministry of Transport and Communications.

Capital contributions and transactions

In the autumn of 2005, Sweden's Saab AB agreed to sell its shares in Nammo AS to Patria Oyj of Finland. The State made use of its pre-emption rights, and purchased 5 per cent of the shares from Saab for NOK 61.8 million. The agreement was signed on 23 December 2005, and the sale became effective as of 3 February 2006. Following this transaction, the State and Patria Oyj will each own 50 per cent of Nammo. The transaction valued Nammo at NOK 1.236 billion.

In February 2005, the State reduced its shareholding in Statoil ASA from 76.3 per cent to 70.9 per cent. A total of 100 million shares were sold to institutional investors and 17.65 million shares were sold to close to 20,000 private individuals. Total sales revenue to the State constituted NOK 12.5 billion.

Following a unanimous decision by the Storting on 1 March 2005, BaneTele AS received a contribution of NOK 120 million in equity capital. These funds were intended to serve as a basis for investments that could strengthen the company's role as a content-independent supplier of transport services for broadband communication. In consultation with the Ministry of Trade and Industry, the board conducted preliminary negotiations with other companies with a view



towards clarifying opportunities to further strengthen BaneTele by means of industrial cooperation or integration. In a press release on 15 February 2006, the Minister of Trade and Industry stated that the Ministry and the board of the company will search for an industrial partner for BaneTele.

During the deliberation of the revised national budget for 2005, the Storting decided to appropriate NOK 200 million in new equity capital to Argentum AS. At an extraordinary general meeting of the company, held on 28 June 2005, it was decided to increase the company's equity capital by a corresponding amount.

Cermaq ASA was listed on the Oslo Stock Exchange on 24 October 2005. The stock listing was undertaken as a combination of State divestment and issue of shares totalling NOK 1.5 billion. The State received NOK 1,289 million, and the State-held shareholding was reduced from 79.38 per cent to 43.54 per cent. The company was valued at NOK 4,070 million following the issue of new shares.

The final part of the divestment of Grødegaard AS has been undertaken. ISS Norge was brought in as an owner of Grødegaard AS in May 2003 through a private placement of NOK 24 million, giving ISS a 48 per cent shareholding in the company. The State's intention was to bring in an industrial owner who could strengthen the company financially and develop its operations. In February 2005, the Ministry of Trade and Industry signed an agreement with ISS concerning the sale of the State's remaining 52 per cent shareholding. ISS purchased the shares on 1 July 2005, resulting in total State revenues of NOK 36.5 million.



DnB NOR has conducted an options programme for its employees that entails issuing new shares when the option is exercised. As a consequence of the share offering on 30 March 2005, the State's ownership proportion was reduced to 33.67 per cent. In May 2005, the State acquired NOK 211.5 million worth of shares in DnB NOR through the stock market. As of 30 June 2005, the State's ownership is thereby 34 per cent, which is in conformity with the intentions of the Storting with regard to public ownership of DnB NOR ASA.

Other ownership matters

In the spring of 2005, Statskog SF was granted authority to purchase assets from the Norwegian armed forces with a view towards safeguarding these assets for recreational purposes. Statskog can legally purchase such assets before they are offered in the open market, provided that no other public bodies have signalled an interest. In the autumn of 2005, it was decided on the basis of the Protection of the Environment Act to preserve a total of 385 km² of forest areas held by Statskog. In its scope, this is the largest single decision made in the process of preserving Norwegian forests, and the decision has resulted in a significant increase in the volume of protected forests. According to the Finnmark Act, all land owned by the company in Finnmark County, a total of 46,000 km², will be transferred to the Finnmark Property. According to current plans, this will take place in the second quarter of 2006.

In a decision made on 14 December 2005, ESA ruled that Entra Eiendom AS is deemed to have received undue State subsidies in the form of exemption from stamp duties during the establishment of the company in 2000. Following an overall assessment, The Ministry of Trade and Industry have decided not to bring the matter before the EFTA Court. Norwegian authorities have calculated the amount deemed reimbursable to the State to be approximately NOK 72 million plus accrued interest.

The Ministry of Health and Care Services exercises its ownership of the Regional Health Authorities partly through proprietary governance and partly through a special annual regulatory document that states the terms for appropriations.

The ministry's proprietary governance is primarily exercised through corporate meetings. In the corporate meetings in January 2005, requirements were laid down to establish a more pronounced organisational separation between the roles as care providers and the ownership of subordinate health enterprises. In addition, emphasis was put on internal control, on requirements to establish internal audit and the establishment of a control committee. New boards were appointed in June 2005. As a result of the Government's Soria Moria Declaration, the composition of the boards has later been changed. In corporate meetings in January 2006, new boards for the Regional Health Authorities were appointed, whereby a majority of the board members nominated by the owners was appointed from among the proposed candidates holding public office. This change takes place within the authority model, and is intended to provide the boards with a stronger social perspective, better knowledge of local conditions, and improved contact between the population and key decision-making organs within the specialised health care services. At the same time, requirements related to the boards' expertise have been maintained, and a balanced representation of the genders has been provided for. Appointments were made following a process of proposals in which the county administrations and the Saami Parliament were invited to nominate suitable candidates. New boards for the local hospital trusts will be appointed by the Regional Health Authorities by 1 May 2006.



In 2003, the Storting decided that Norsk Tipping AS should be granted exclusive rights to operate gaming machines. The objective of the decision was to bring the gaming machine market into a socially responsible model and to strengthen the control of the market. The gaming machine industry has sued the State, with a view towards nullifying the Storting's decision on the basis of Norway's obligations under EEA legislation. On 26 August 2005, the Borgarting Court ruled against the gaming machine industry, and upheld the State's claim that the Storting's legislative decision did not violate EEA regulations. The gaming machine industry has appealed the ruling to the Supreme Court. Pending a clarification of the judicial process, the introduction of an exclusive rights system for Norsk Tipping had to be postponed. The Supreme Court has decided to postpone its deliberation of the gaming machine lawsuit until a decision has been made by the EFTA Court in the matter pertaining to the lawsuit against Norway launched by the EFTA Surveillance Authority over an alleged treaty violation. This has entailed a continuation of the present regulatory regime for gaming machines until 1 January 2007.

The State owned 49 per cent of the shares of Moxy Trucks AS, out of a total equity capital of NOK 120 million. Romsdal County Court opened bankruptcy proceedings of Moxy Trucks following a ruling made on 11 February 2003. Administration of the estate was concluded by a ruling of Romsdal County Court on 9 January 2006. No disbursements will be made to the State as a shareholder of the company.

In January 2005, a working group consisting of representatives from SIVA, the Ministry of Local Government and Regional Development and the Ministry of Trade and Industry reviewed the financial situation of SIVA. The group emphasised that at a minimum, SIVA's property management should break even financially. Revenues from the innovation activities are uncertain and modest, and the operations therefore require public subsidies in order to break even. In Report No. 46 (2003-2004) to the Storting on the future activities of SIVA, it was proposed to contribute equity capital to SIVA in the amount of NOK 150 million over some years to pay off debts to the Treasury. Accordingly, NOK 50 million has been converted from State loans to subscribed capital.

Redemptions in 2005

	<i>Number of shares redeemed</i>	<i>Revenue</i>	<i>Date of redemption</i>
<i>Yara International</i>	<i>1 703 834</i>	<i>NOK 116 121 406</i>	<i>20. September 2005</i>
<i>Norsk Hydro</i>	<i>2 191 190</i>	<i>NOK 981 127 024</i>	<i>9. February 2005</i>
<i>Telenor ASA</i>	<i>23 672 725</i>	<i>NOK 1 184 955 459</i>	<i>29. July 2005</i>

On 30 July 2005, a fire broke out in the main gallery of the Svea Nord mine of Store Norske Spitsbergen Kulkompani. The fire caused severe damage to the mine and related equipment. The cause of the fire is under investigation by the district governor of Svalbard and the police. Furthermore, the Labour Inspection Authority, the Directorate of Mining and others are undertaking inspections and assessments. The investigations were not concluded as of the end of March 2006. The national budget for 2005 assumed NOK 107 million in dividends from Store Norske for the fiscal year 2004. The fire has inflicted a considerable financial loss on the mining company. As a consequence, the Government has proposed to reduce dividends by NOK 100 million, and the Storting approved the proposal in December 2005.

In 2005, the Government decided to evaluate Avinors form of organisation and affiliation. The evaluation will be presented in the forthcoming ownership report on Avinor.

On 30 March 2006, The Ministry of Trade and Industry held its yearly ownership conference. More than 200 top executives, board members and Norwegian owners participated. The theme for this years' conference was national ownership in international enterprises. Pictures from the conference are used in the report.

Repurchase of shares for cancellation

Repurchase of shares for cancellation, combined with profit-sharing, is regarded as an efficient and flexible method for adaptation of a company's equity capital to the company's needs. Using this method, the companies are provided with an instrument for optimising the companies' capital structure by returning capital to the owners. Buy-backs are also positive for the remaining owners, as fewer shares are left between which future profits must be split.

In State-owned companies, it is generally regarded as desirable that repurchase of shares with subsequent cancellation should not entail a change in the State's ownership proportion. Over the last three years, the State has therefore entered into agreements involving proportional redemption on the occasion of establishment of such buy back programmes. In this manner, the shareholding held by the State remains constant.

The buy-back agreements are drawn up to make the companies obliged to pay the average of the prices paid by them in the market, weighted by volume, and an additional interest compensation for deferred settlement. In this manner, the State is guaranteed to receive a price corresponding to what other shareholders have been willing to sell for.

During 2005, the State has redeemed shares in Norsk Hydro ASA, Telenor ASA and Yara International ASA connected to the companies' deletion of repurchased shares. These shares have been acquired by the companies based on authorisations granted by the annual general meetings during 2004. The table shows the number of shares redeemed and the revenues generated by these redemptions.

The State entered into similar agreements on proportional deletion connected to authorisations for repurchases in DnB NOR ASA, Norsk Hydro ASA, Telenor ASA and Yara International ASA given by the general meeting of shareholders during 2005. In 2006, the State has entered into further agreements on proportional deletion connected to authorisations for repurchases in DnB NOR ASA, Norsk Hydro ASA, Statoil ASA, Telenor ASA and Yara International ASA.



Rate of return and values

At the end of 2005, the value of the State's direct ownership of shares listed on the Oslo Stock Exchange amounted to NOK 428 billion. The book value of the unlisted commercial companies at year-end 2005 was NOK 49 billion, resulting in a total value estimate of NOK 477 billion for the 22 commercially-oriented companies in which the State holds a direct ownership stake.

The total return on equity is determined by dividend paid and the rise in value of the company, adjusted for any contributions and divestments of capital. The value of a company can be assessed in several ways, and the different methods may yield different results. At the same time, a method that yields consistent results overtime must be used in order to produce comparable results.

This report provides the stock market capitalisation for listed companies. For unlisted companies equity book value is used as value estimate, with the exception of Entra Eiendom AS. Real estate developers are required to undertake annual value assessments of their assets, and state the value in their annual reports. The company employs two external firms to assess

the market value of all its assets, as a basis for an estimate of the market value of its equity. This method has been used to assess the value of the shares in Entra Eiendom. At the end of 2005, Entra's value-adjusted equity was estimated at NOK 7.2 billion, while the book value came to NOK 1.4 billion. With regard to the other companies, the reported value is assumed to be equal to the value recorded in the accounts (P/B=1). This may not necessarily give a correct impression of the market value of the companies. On the whole, this method can be assumed to provide a conservative estimate, but the assessment is consistent over time. Statkraft, which is the most valuable unlisted company in this report, accounts for more than 75 per cent of the total book equity of the unlisted companies when Entra Eiendom is excluded. Companies in which the primary objective of ownership is not commercial in nature have a less pronounced focus on rates of return, and assessments of value are not included in this report. The accounts for these companies are presented in the next article on the financial development of the companies, as well as in the description of each individual company.

Market development 2005

The Norwegian economy developed strongly during 2005. The main index of the Oslo Stock Exchange rose by 40.5 per cent, to 332.5 points. High price of oil, good results among the listed companies and a favourable economic climate are some of the factors that can explain this year's boom. All the eight listed companies with State ownership took part in this positive development during 2005. The two largest companies on the Stock Exchange, Statoil and Hydro, had share price gains of 63 and 45 per cent, respectively, while the airline SAS had a price gain of a full 53 per cent. During 2005, the value of the State's shares in the listed companies rose from NOK 304¹⁾ billion to NOK 428 billion, i.e. an increase of 40 per cent. In the same period, the State sold shares at a net worth of NOK 15.9 billion and received NOK 13.2 billion in dividends from these companies for the fiscal year 2004, resulting in a total rate of return of 50 per cent for the year 2005.

Growth has been strongest for **Statoil ASA**, with an increase in share prices from NOK 95 to NOK 155 during 2005. At the end of the first quarter of 2006, the share price was NOK 189. Rate of return including dividends was 69 per cent in 2005, while the average rate of return since its listing in 2001 has been 23 per cent.

¹⁾ Market value of the seven listed companies as of 31 December 2005, and book value of Cermaq (NOK 1.96 billion). At the listing on the stock exchange on 24 October 2005, the value of the 79.4 per cent shareholding held by the State was assessed to be NOK 3.2 billion.



NOK SAS last 5 years



Share prices for **SAS AB** increased by 53 per cent during 2005, starting from a relatively low level. However, when looking at the average rate of return including dividends over the last five years, the company has had a rate of return of approximately zero per cent. **Norsk Hydro ASA** gave a rate of return including dividends of 50 per cent in 2005, and the average rate of return over the last five years has been 17 per cent. **Kongsberg Gruppen ASA** achieved a rate of return including dividends of just over 27 per cent in 2005, and has achieved an average rate of return of nine per cent over the last five years. Rate of return in **Yara International ASA** ended at 26 per cent in 2005, and since becoming listed on 25 March 2004, the company has delivered an average annual rate of return including dividends of 67 per cent. Including dividends, the shareholders of **DnB NOR ASA** received a rate of return of 25 per cent in 2005. Over the last five years, the average annual rate of return has been just over 12 per cent. **Telenor ASA** achieved a rate of return including dividends of 23 per cent during 2005. During the past five years, shareholders in Telenor have received an average annual rate of return of slightly less than 11 per cent.

Cermaq ASA was listed on the stock exchange on 24 October 2005, with a share price of NOK 44. At the end of 2005 share prices had risen to NOK 54.75, resulting in a rate of return based on share prices of 24 per cent. Share prices continued to rise to NOK 86.50 as of 31 March 2006, meaning that the value of the company's shares nearly doubled during its first five months on the stock exchange.

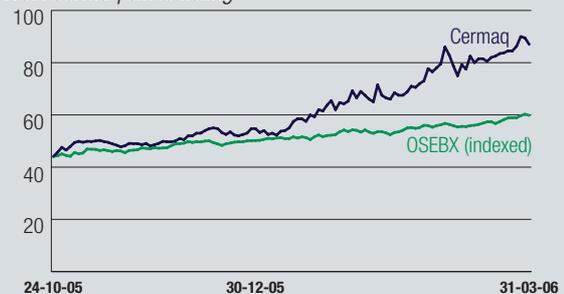
Net divestments and capital contributions

For 2005, the State earned a net amount of NOK 15.9 billion from the sale of shares, capital contributions and purchases of shares in the companies. The largest contributions are derived from the divestments in Statoil ASA and Cermaq ASA. In February 2005, the State sold part of its shareholding in Statoil ASA, and thereby reduced its ownership of the company from 76.3 per cent to 70.9 per cent. A total of 117.65 million shares were sold, resulting in sales gains of NOK 12.5 billion to the State. Cermaq ASA was listed on the stock exchange on 24 October 2005. The listing was implemented as a combination of partial sales of the shares held by the State and the issuance of new shares at a total value of NOK 1.5 billion. As a

NOK Norsk Hydro last 5 years



NOK Cermaq since listing



NOK Kongsberg Gruppen last 5 years



NOK Yara since listing



result, the proportion of State ownership was reduced from 79.38 per cent to 43.54 per cent, and the State received NOK 1,289 million in sales gains. Following the issuance of new shares in DnB NOR ASA on 30 March 2005, the proportion of State ownership was reduced from 34 per cent to 33.75 per cent. In May 2005, the State therefore acquired shares in DnB NOR ASA at a total cost of NOK 211.5 million through the stock market in order to maintain an ownership

NOK DnB NOR last 5 years



NOK Telenor last 5 years



of 34 per cent, which is in accordance with the decisions and intentions of the Storting.

During 2005, the State has redeemed shares in Norsk Hydro ASA at a total value of NOK 981 million, in Telenor ASA at a value of NOK 1,185 million, and in Yara International ASA at a value of NOK 120 million as part of the process for deletion of repurchased shares by these companies. Because the State redeems a proportional number of shares, the proportion of State ownership remains unchanged when the repurchased shares are deleted.

Argentum Fondsinvesteringer AS received a contribution of new equity capital following the Storting's deliberation of the revised national budget for 2005. Baneservice AS was split from the Norwegian Rail Administration and established as a separate company effective from 1 January 2005. At the annual general meeting on 31 January 2005, a total net contribution of assets, rights and obligations of NOK 137.9 million was provided by the State, represented by the Ministry of Transport and Communications, as a compensation for shares. Baneservice AS was also granted, as a temporary arrangement, a loan from the State totalling NOK 38.3 million to cover the company's need for liquidity following the reorganisation. BaneTele AS received a contribution of NOK 120 million in equity capital following a decision by the Storting on 1 March 2005. The company Norfund received NOK 485 million in 2005. SIVA SF had NOK 50 million converted from treasury debts to the equity capital in 2005.

The State increased its ownership in Nammo AS through a purchase of 5 per cent of the shares in the company from Saab AB at a total cost of NOK 61.8 million. The agreement was signed on 23 December 2005 and the purchase became effective as of 3 February 2006. Thereby, the State increased its shareholding in Nammo AS from 45 per cent to 50 per cent.

Dividends

For the fiscal year 2005, the State will receive NOK 24.3 billion in dividends¹⁾. The State's assessment of the companies' dividends also takes buy-backs from the companies into account. Dividends increased by 33 per cent in comparison to 2004. All listed companies, with the exception of SAS, have seen an increase in dividend terms per share, but when

considering dividends in relation to financial results for these companies, the proportion of dividends paid has decreased for some of them. The largest increases in dividends paid were achieved by Nammo (up by 207 per cent), Statoil (up by 55 per cent), Cermaq (up by 64 per cent), Statkraft (up by 39 per cent) and DnB NOR (up by 38 per cent). Absolute amounts paid out have also increased considerably in Telenor and Norsk Hydro.

NSB will pay dividends to the State for the first time. Dividends for the fiscal year 2005 constitute NOK 246 million. Kommunalbanken paid dividends of NOK 21.5 million in 2004. The company will not pay out any dividends for 2005, as profits will be used to strengthen core capital. From Norsk Tipping's annual result of NOK 2.73 billion a total of NOK 195 million will be given to the Health and Rehabilitation Foundation, while NOK 2.4 billion will be given to sports and culture. Prior to payment of dividends, a total of NOK 12 million of Norsk Tipping's profits was set aside for purposes of research, information, prevention and treatment of gambling addiction. Norsk Tipping will pay no further dividends than those mentioned above.

Dividends from Eksportfinans have declined from NOK 29.5 million in 2004 to NOK 17.3 million in 2005 as a consequence of lower financial results. The same can be seen for Avinor, in which dividends have fallen from NOK 151.5 million to NOK 26.4 million. Statnett's dividend ratio has been reduced from 90 per cent of financial results in 2004 to 50 per cent in 2005.

¹⁾ When this report was printed this was the best estimate for dividends. There might be changes after the companies have held their General Meetings.

Returns and values 2005

NOK millions	Market value ¹⁾	State's share-holding ¹⁾	Value of State's shareholding	State's share of purposed dividend for fiscal year 2005 ²⁾	State's net sales and net capital injections in the period ³⁾	Return over the year, including dividend ⁴⁾	Average annual return, including dividend for the last five years ⁵⁾
Listed companies							
Cermaq ASA	5 064	43.5 %	2 205	75	1 289	24 %	n/a
DnB NOR ASA	96 255	34.0 %	32 727	1 591	(212)	25 %	12 %
Kongsberg Gruppen ASA	3 720	50.0 %	1 860	32	0	27 %	9 %
Norsk Hydro ASA	179 455	43.8 %	78 644	2 497	981	50 %	17 %
SAS AB	14 312	14.3 %	2 045	0	0	53 %	0 %
Statoil ASA	335 752	70.9 %	238 048	12 593	12 500	69 %	23 %
Telenor ASA	113 060	54.0 %	61 013	1 842	1 185	23 %	11 %
Yara International ASA	30 923	36.2 %	11 198	268	120	26 %	67 %
Total for listed companies	778 542		427 739	18 897	15 863	54 %	

	Equity book value ⁶⁾	State's share-holding ¹⁾	Value of State's shareholding, recorded	State's share of purposed dividend for the fiscal year 2005 ²⁾	State's net sales and net capital injections in the period ³⁾
Unlisted companies					
Argentum Fondsinvesteringer AS	3 081	100.0 %	3 081	70.0	(200)
Baneservice AS	143	100.0 %	143	3.5	(138)
BaneTele AS	131	100.0 %	131	0	(120)
Eksporthfinans ASA	2 577	15.0 %	387	17.3	0
Electronic Chart Centre AS	12	100.0 %	12	0.8	0
Entra Eiendom AS ⁷⁾	7 170	100.0 %	7 170	120.0	0
Flytoget AS	734	100.0 %	734	0	0
Kommunalbanken AS	1 011	80.0 %	809	0	0
Mesta AS	2 252	100.0 %	2 252	76.5	0
Nammo AS	681	45.0 %	306	46.0	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	518	99.9 %	632	7.0	0
Venturefondet AS	96	100.0 %	96	0	0
Total unlisted companies	52 505		49 737	5 061	(458)
Total commercial companies	831 047		477 470	23 958	15 405

<i>NOK millions</i>	<i>State's share of purposed dividend for the fiscal year 2005²⁾</i>	<i>State's net sales and net capital injections in the period</i>
Other companies⁸⁾		
<i>Avinor AS</i>	26.4	0
<i>Norfund</i>	0	(485)
<i>Norsk Eiendomsinformasjon AS</i>	10.4	0
<i>NSB AS</i>	246.0	0
<i>Posten Norge AS</i>	0	0
<i>SIVA SF</i>	0	(50)
<i>Statnett SF</i>	87.0	0
<i>Statskog SF</i>	7.3	0
<i>Vetrinærmedisinsk Oppdragscenter AS</i>	0.8	0
<i>Vinmonopolet AS</i>	36.5	0
Total other companies	411	(535.0)
Total commercial companies	23 958	15 405
TOTAL capital to (+)/from (-) the State in the period	24 369	14 870

¹⁾ As of 31.12.2005

²⁾ Proposed dividends can be changed on the General Meetings during the spring 2006

³⁾ Sales and capital reduction (when capital is distributed to the owner) is displayed with a positiv sign, capital injection and purchase of shares is shown with a negativ sign

⁴⁾ For Cermaq return is stated from the IPO 24.10.2005

⁵⁾ Appreciation on dividend taken into account. Last five years or since IPO

⁶⁾ Book value as of 31.12.2005

⁷⁾ For Entra Eiendom AS value adjusted equity is stated in stead of book equity. Entra Eiendom had a return of 23 percent in 2005, over the last four years the yearly return has on average been 18 per cent.

⁸⁾ Other companies in which dividend has been paid, the State has recived proceeds from sales, injected capital, or purchased shares. Estimated value has not been listed for companies in which the State's primary objective is not commercial in nature.



Values 2004

NOK millions	Market value ¹⁾	State's shareholding ²⁾	Value of State's shareholding	State's share of purposed dividend for the fiscal year 2004	State's net sales and net capital injections in the period ³⁾
Listed companies					
DnB NOR ASA	79 297	34.0 %	26 961	1 151	(1 861)
Kongsberg Gruppen ASA	2 970	50.0 %	1 485	30	0
Norsk Hydro ASA	123 521	43.8 %	54 132	2 270	445
SAS AB	9 338	14.3 %	1 334	0	0
Statoil ASA	205 784	76.3 %	157 075	8 139	9 859
Telenor ASA	96 250	54.0 %	51 963	1 417	9 085
Yara International ASA	25 520	36.2 %	9 241	260	0
Total for listed companies	542 680		302 189	13 267	17 529

	Equity book value ¹⁾	State's shareholding	Value of State's shareholding, recorded	State's share of purposed dividend for the fiscal year 2004	State's net sales and net capital injections in the period ³⁾
Unlisted companies					
Argentum Fondsinvesteringer AS	2 449	100.0 %	2 449	25	0
BaneTele AS	35	100.0 %	35	0	0
Cermaq ASA	2 472	79.4 %	1 962	83	0
Eksporthfinans ASA	2 565	15.0 %	385	29.5	0
Electronic Chart Centre AS	11	100.0 %	11	0.2	0
Entra Eiendom AS ⁴⁾	5 907	100.0 %	5 907	120	0
Flytoget AS	715	100.0 %	715	0	0
Grødegård AS	20	52.0 %	10	0	0
Kommunalbanken AS	918	80.0 %	735	17.2	(17.2)
Mesta AS	2 118	100.0 %	2 118	76.5	0
Nammo AS	603	45.0 %	271	13.5	0
Statkraft SF	32 873	100.0 %	32 873	3 402	0
Statskonsult AS	68	100.0 %	68	0	(104)
Store Norske Spitsbergen Kulkompani AS	414	99.9 %	414	7.0	0
Venturefondet AS	92	100.0 %	92	0	0
Veterinærmedisinsk Oppdragssenter AS	35	51.0 %	18	0.8	0
Total unlisted companies	51 295		48 063	3 774	(121)
TOTAL commercial companies	593 975		350 252	17 141	17 408

<i>NOK millions</i>	<i>State's share of purposed dividend for the fiscal year 2004</i>	<i>State's net sales and net capital injections in the period ³⁾</i>
Other companies ⁵⁾		
<i>Avinor AS</i>	151.5	113
<i>Norfund</i>	0	(485)
<i>Norsk Eiendomsinformasjon AS</i>	8.7	0
<i>Posten Norge AS</i>	516.4	0
<i>SIVA SF</i>	0	(90)
<i>Statnett SF</i>	370	0
<i>Statskog SF</i>	8.5	0
<i>Vinmonopolet AS</i>	52.7	0
Total other companies	1 108	(462)
Total commercial companies	17 141	17 408
TOTAL capital to (+)/from (-) the State in the period	18 249	16 946

¹⁾ Market value and book equity as of 31.12.2004

²⁾ State sharholding as of 31.12.2004

³⁾ Sales and capital reduction (when capital is distributed to the owner) is displayed with a positiv sign, capital injection and purchase of shares is shown with a negativ sign

⁴⁾ For Entra Eiendom AS value adjusted equity is stated in stead of book equity

⁵⁾ Other companies in which dividend has been paid, the State has recived proceeds from sales, injected capital, or purchased shares. Estimated value has not been listed for companies in which the State's primary objective is not commercial in nature.



The companies' financial growth

The State attaches great importance to the financial growth of all companies in which it is a shareholder. This article will mainly focus on the commercially oriented companies, but the State is also concerned that the companies having other primary objectives which are not commercial in nature also are efficiently managed. A brief overview over the economic development of these companies is provided after the review of the commercially oriented companies.

COMMERCIALLY ORIENTED COMPANIES

High energy prices and considerable increases in operating revenues

Seen as a whole, turnover in the commercially oriented companies increased by 19 per cent from 2004 to 2005. Turnover was by far the largest in Statoil and Norsk Hydro at NOK 394 billion and NOK 174 billion, respectively. During 2005, operating revenues for these companies increased by 29 per cent and 14 per cent, respectively. This increase is mainly due to high prices for crude oil and natural gas. Statoil's operating profit increased by 49 per cent over 2004 to NOK 97 billion in 2005. High energy prices lowered the profit margins on Hydro's production of aluminium, but the company delivered a total increase in operating profit of NOK 46 billion, which is an increase of 48 per cent over 2004. High production volumes and favourable prices for electric power gave Statkraft a 37 per cent increase in operating revenues compared to 2004. Operating profit increased by 52 per cent from 2004, ending in a total of NOK 8.5 billion for 2005. Telenor increased its turnover by 14 per cent in 2005 compared to 2004. Operating profit increased by 59 per cent in 2005, to a total of NOK 11.7 billion. Improvements in profits were based on a combination of increased revenues and a strong drive for cost-efficient operations.

Kongsberg Gruppen had a decline in its operating revenues of 2 per cent, but still achieved an improvement in operating results of 33.6 per cent, up to NOK 517 million, following a major reduction of costs.

Higher profits in 2005

As a consequence of a healthy development of the Norwegian economy and high prices for energy and raw materials during 2005, many companies have substantially increased their profits. Statoil showed the best profit after tax at NOK 32 billion, an increase of 29.4 per cent over 2004.

Statkraft's profit came to nearly NOK 5.9 billion, an increase over 2004 by NOK 1.4 billion. Norsk Hydro's profit was NOK 15.2 billion, an increase by 27 per cent in relation to 2004. Telenor increased its annual profit by 26 per cent from 2004, yielding a total of NOK 7.7 billion in 2005. Profits in DnB NOR increased by 29 per cent compared to 2004, to a total of NOK 10.1 billion in 2005. SAS achieved an annual after-tax profit of NOK 150 million for 2005, compared to a loss of NOK 1.6 billion in 2004. Germaq, Argentum, Flytoget and Nammo showed good profits and favourable development during 2005 as compared to 2004.

Yara achieved an annual profit of NOK 3.2 billion, which is a decline over the previous year of 16 per cent. The company received good prices for fertiliser, but this was counteracted by higher prices for main factor inputs. Eksportfinans reported a decline in annual profits of 42 per cent compared to 2004, to a total of NOK 128 million. The decline was caused by a major reorganisation project implemented by the company during 2005, as well as lower interest rates and liquidity margins.

Higher return on equity

Return on equity increased on average from 20 per cent in 2004 to 23 per cent in 2005 for all the commercially-oriented companies. Return on equity is measured as the result after minority interest divided by average equity capital. The average is weighted according to the book capital of the individual companies at year-end.

The listed companies had an average weighted return on equity of 24 per cent. Statoil had a 39 per cent return on equity, while Yara and Germaq had returns on equity of over 20 per cent. DnB NOR, Kongsberg Gruppen, Hydro and Telenor had an approximately 18 per cent return on equity in 2005. Because of its operating profits, SAS AB had a positive return on equity of 1.5 per cent in 2005, up from minus 14.5 per cent in 2004.

IFRS

Beginning in 2005, all listed companies in the EU and the EEA area must submit consolidated financial accounts in conformity with the international accounting standards IFRS (International Financial Reporting Standard). Companies reporting according to the IFRS must also prepare comparable accounting information for the year 2004. The objective of the transition to IFRS is based on the desire to increase the quality of financial reporting. The transition to IFRS entails a wider use of market value in accounts. This applies to goodwill, financial derivatives, pension obligations, biomass, durable capital equipment, etc. This will entail a more pronounced volatility of results, but also that certain changes can be accounted directly against equity capital and no longer over the profit and loss accounts.

The following companies report according to IFRS: Argentum, Cermaq, DnB NOR, Kongsberg Gruppen, Posten Norge, SAS, Telenor and Yara. Companies primarily reporting according to US GAAP (Hydro and Statoil), as well as companies with listed certificates of debt (Statkraft, Eksportfinans), are obliged to implement IFRS from 1 January 2007. It is likely that a number of other major companies gradually will implement IFRS, even if they are not directly obliged to do so.

The tables in this ownership report are comprised of figures for 2004 and 2005 prepared according to IFRS for those companies that have made the transition to IFRS reporting.

GROUP FINANCIAL STATEMENTS 2005 - COMMERCIAL COMPANIES

<i>NOK millions</i>	<i>State's shareholding ¹⁾</i>	<i>Operating revenues</i>	<i>Operating profit</i>	<i>Annual profit ²⁾</i>	<i>Capital employed</i>	<i>Total balance</i>
Listed companies						
<i>Cermaq</i>	43.5 %	5 367	785	658	5 334	6 636
<i>DnB NOR</i>	34.0 %	25 331	13 109	10 144	n/a	1 081 191
<i>Kongsberg Gruppen</i>	50.0 %	5 705	360	260	2 512	6 543
<i>Norsk Hydro</i>	43.8 %	174 001	45 979	15 174	115 741	217 697
<i>SAS</i>	14.3 %	53 388	493	150	32 600	49 333
<i>Statoil</i>	70.9 %	393 718	96 939	32 009	125 213	284 828
<i>Telenor</i>	54.0 %	68 927	11 705	7 650	92 580	124 395
<i>Yara International</i>	36.2 %	46 550	3 821	3 198	20 658	30 617
Total listed companies		772 987		69 243		1 801 240
Unlisted companies						
<i>Argentum Fondsinvesteringer</i>	100 %	500	432	457	3 081	3 114
<i>Banesevice</i>	100 %	372	4	5	181	346
<i>BaneTele</i>	100 %	603	12	(24)	691	864
<i>Eksportfinans</i>	15.0 %	370	182	128	n/a	135 935
<i>Electronic Chart Centre</i>	100 %	12	1	1	12	15
<i>Entra Eiendom</i>	100 %	1 072	591	163	9 161	9 727
<i>Flytoget</i>	100 %	565	112	54	1 059	1 206
<i>Kommunalbanken</i>	80.0 %	185	129	93	n/a	110 949
<i>Mesta</i>	100 %	6 076	254	216	2 252	4 644
<i>Nammo</i>	45.0 %	1 641	206	184	681	1 508
<i>Statkraft</i>	100 %	14 595	8 528	5 854	72 718	92 394
<i>Statskonsult</i>	100 %	54	(31)	(30)	38	76
<i>Store Norske Spitsbergen Kulkompani</i>	99.9 %	1 100	56	11	1 294	1 505
<i>Venturefondet</i>	100 %	4	3	4	96	96
Total unlisted companies		27 147		7 115		362 378
Total commercial companies		800 134		76 359		2 163 618

¹⁾ State shareholding as of 31.12.2005

²⁾ Annual profit after tax and minority interests

Average return on equity in the unlisted companies was 16 per cent, though with some considerable variations. Nammo achieved a 29 per cent return on equity, up from 20 per cent in 2004. This was mainly caused by increased turnover without any corresponding increase in costs. Statkraft had a 17 per cent return on equity. The companies Electronic Chart Centre, Entra Eiendom, Kommunalbanken and Mesta had returns on equity of 10 per cent or higher. Return on equity was negative in BaneTele and Statskonsult.

The State takes a long-term perspective on its ownership. Average annual return on equity over the last five years may therefore be more relevant than the results for a single year. Statoil has had an average return on equity of 34 per cent. Yara has had an average annual return on equity of 29 per cent, while DnB NOR and Hydro has had a 14 per cent average annual return on equity over the last five years. Disregarding SAS, which has had a negative average return on equity of minus 6 per cent caused by large operating losses, Cermaq had the lowest return on equity among the listed companies at 6 per cent, as the company operated at a loss in 2002 and 2003.

Among the unlisted companies, BaneTele, Electronic Chart Centre, Flytoget, Statskonsult and Venturefondet have had a negative long-term trend over the last years. The remaining companies demonstrate a positive long-term development. In the case of Entra Eiendom, the rate of return of 6 per cent must be viewed in light of the substantial increase in the value of its assets, which is not reflected in the accounts. Over the last four years, the value-adjusted equity of Entra Eiendom has increased by 17 per cent per year on average.

Dividend ratio

The dividend ratio is that part of the company's annual result which is paid out to the owners. The remaining capital stays in the company and is added to the book equity. Although the companies' profit shares in individual years may be relevant, the State as a long-term owner is also concerned with averages over a longer period. The table shows the dividend ratio last year and the dividend paid out over the last five

years, compared to the total result in this period. Over the last five years, the dividend share has been highest in Entra Eiendom, Statkraft, Eksportfinans, DnB NOR and Statoil.

Increased balance

The total balance for the commercially oriented companies having a public ownership share constituted NOK 2,163 billion at the end of 2005, compared to NOK 1,835 billion in 2004, i.e. an increase of NOK 328 billion or 18 per cent. DnB NOR is by far the largest company in terms of balance volume, with its NOK 1,081 billion in managed funds, followed by Statoil with NOK 285 billion and Hydro with a total of NOK 218 billion in balance sheet value. DnB NOR's balance sheet value increased by 20 per cent from 2004, mainly caused by an increase in loans to clients. Among the listed companies, Telenor had the most pronounced balance sheet growth in relation to 2004, increasing by 36 per cent to a total of NOK 124 billion in 2005. This growth was mainly generated by acquisitions in Sweden and Denmark in the field of broadband communication and in Thailand in the field of mobile telephone systems. Cermaq increased its balance to NOK 6.6 billion, an increase of 29.3 per cent in relation to 2004, mainly due to acquisitions in Canada and Norway.



GROUP FINANCIAL STATEMENTS 2005 - COMMERCIAL COMPANIES

NOK millions	Cash flow, operations	Dividend ratio	Average dividend ratio last 5 years ¹⁾	Return on equity	Average return on equity last 5 years ²⁾	Equity ratio ³⁾
Listed companies						
Cermaq	542	26 %	34 %	22 %	6 %	53 %
DnB NOR	(39 472)	46 %	52 %	19 %	15 %	7 %
Kongsberg Gruppen	620	25 %	27 %	18 %	11 %	23 %
Norsk Hydro	27 385	36 %	34 %	18 %	14 %	41 %
SAS	1 301	0 %	0 %	2 %	-6 %	21 %
Statoil	56 250	55 %	46 %	39 %	34 %	32 %
Telenor	22 340	45 %	44 %	18 %	11 %	43 %
Yara	3 106	23 %	21 %	26 %	29 %	43 %
Weighted average listed companies				24 %		
Unlisted companies						
Argentum Fondsinvesteringer	6	15 %	34 %	17 %	6 %	99 %
Baneservice	51	76 %	n/a	3 %	n/a	41 %
BaneTele	6	0 %	0 %	-29 %	-54 %	15 %
Eksporthfinans	(553)	90 %	68 %	5 %	9 %	10 %
Electronic Chart Centre	n/a	67 %	30 %	10 %	-17 %	79 %
Entra Eiendom	311	74 %	142 %	12 %	6 %	14 %
Flytoget	178	0 %	0 %	8 %	-5 %	61 %
Kommunalbanken	94	0 %	33 %	10 %	10 %	6 %
Mesta	244	35 %	45 %	10 %	10 %	49 %
Nammo	218	50 %	30 %	29 %	18 %	45 %
Statkraft	11 953	81 %	84 %	17 %	13 %	41 %
Statskonsult	(36)	0 %	0 %	-57 %	-50 %	50 %
Store Norske Spitsbergen Kulkompani	(241)	64 %	8 %	2 %	31 %	34 %
Venturefondet	n/a	0 %	0 %	5 %	-16 %	100 %
Weighted average unlisted companies				16 %		
Weighted average commercial companies				23 %		

¹⁾ The geometric average value over the last five years for the companies which have existed during the period, or from establishment. For companies eligible for state subsidies, these years are taken out. For ECC the average has been estimated for the last three years.

²⁾ The arithmetic average value over the last five years for the companies which have existed during the period, or from establishment. For companies eligible for state subsidies, these years are taken out. For Yara the average has been estimated for the last three years based on proforma figures.

³⁾ Equity in percentage of total capital. For finance enterprises core capital ratio is used.

COMPANIES WITH OTHER OBJECTIVES

Substantial turnover among companies with other objectives

Several of the companies with other, non-commercial objectives are large and have substantial turnovers. For example, the five regional health enterprises had a combined turnover of NOK 74 billion in 2005, an increase of 8.5 per cent over 2004. Norway Post had a turnover of nearly NOK 20 billion in 2005, an increase of 11.3 per cent over 2004. Total turnover in this group of companies totalled NOK 137 billion.

Most companies operate at a profit

The combined profit for the companies in this group amounted to NOK 5 billion, excluding the health enterprises and Husbanken. Most companies operated at a profit during 2005. The largest profits were found in Norsk Tipping, at NOK 2.7 billion, which must be viewed in light of Norsk Tipping's monopoly position. The profits are distributed to socially beneficial purposes in the fields of culture, sports and health. NSB achieved profits of NOK 328 million, which is an increase of NOK 238 million over 2004. Norway Post achieved profits of more than NOK 1 billion, an increase of NOK 192 million, or 23 per cent, over 2004.

Statnett's result for 2005 amounted to NOK 174 million, which represents a decline from 2004 of NOK 257 million. The decline in profits is connected to a reduction of revenues generated by electricity grid activities as a consequence of the current income regulation of the grid operators by NVE, and an increase in costs resulting from increased power transmission in the grid. Avinor achieved a result of NOK 386 million for 2005, a decline of 16.7 per cent, over 2004.

Substantial public purchases and subsidies as part of sectoral policy

Several of the companies in which the State has other, non-commercial objectives for its ownership perform services at prices and in regions that are not commercially profitable. The State therefore pays these companies to perform certain services in accordance with sectoral policy objectives. In 2005, the public purchases vary from the purchase of

services from Avinor in order to maintain unprofitable airports, compensation to NSB for ex-ante negotiated PSO (Public Service Obligations) contracts and subsidies to Petoro to attend to the State's direct economic engagement (SDØE) on behalf of the State.

The public purchases also includes purchases of health services from the Regional Health Authorities. These purchases represent the bulk of the revenues earned by the regional health enterprises. In some cases, the public purchases in 2005 represent a relatively limited part (Norway Post and Telenor), while in others they constitute all or most of the revenues earned by the companies (the health enterprises, Petoro).

The total amount of subsidies and public purchases received by the companies amounted to NOK 77 billion in 2005. The share of public financing was highest in the Regional Health Authorities, at a total of NOK 9 billion in Helse Midt-Norge RHF, NOK 8 billion in Helse Nord RHF, NOK 14 billion in Helse Sør RHF, NOK 12 billion in Helse Vest RHF, and NOK 24 billion in Helse Øst RHF. For the fiscal year 2005, Husbanken received through the national budget 5.5 billion in subsidies. The State and the municipalities also account for substantial public purchases from NSB, at a total value of NOK 2.1 billion.

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GROUP FINANCIAL STATEMENTS 2005 - COMPANIES WITH OTHER OBJECTIVES

NOK millions	State's shareholding ¹⁾	Operating revenues	Operating profit	Annual profit ²⁾	Equity	Total balance	State subsidy/
							public progurement
Avinor	100 %	5 255	811	386	7 372	22 054	35
Bjørnøen	100 %	0	0	0	4	4	0
Gassco	100 %	0	0	0	12	202	0
Helse Midt-Norge	100 %	10 182	(648)	(572)	4 712	16 102	9 173
Helse Nord	100 %	8 857	(352)	(165)	7 007	9 969	8 235
Helse Sør	100 %	16 670	(1 036)	(498)	13 190	20 759	13 826
Helse Vest	100 %	13 354	(507)	(182)	8 845	14 103	12 400
Helse Øst	100 %	25 228	(485)	42	15 419	23 837	23 500
Husbanken	100 %	34	(5 450)	(5 462)	109	95 361	5 509
Industritjeneste	53 %	38	(1)	(1)	5	13	0
Innovasjon Norge	100 %	704	101	86	755	18 254	691
Kings Bay	100 %	34	0	0	2	15	13
KITH	80.5 %	28	1	1	10	18	0
Norfund	100 %	90	84	94	2 816	2 940	485
Norsk Eiendomsinformasjon	100 %	172	18	13	41	106	0
Norsk Rikskringkasting	100 %	3 693	(17)	(2)	1 559	3 117	0
Norsk Samfunnsvitenskapelig Datatjeneste	100 %	34	2	2	16	27	24
Norsk Tipping	100 %	9 362	2 690	2 732	1 207	4 258	0
NSB	100 %	8 629	589	328	6 214	11 660	2 095
Petoro	100 %	178	0	1	16	66	174
Posten Norge	100 %	19 995	1 377	1 041	4 880	13 347	326
Simula Research Laboratory	80 %	64	1	1	5	15	49
SIVA	100 %	230	68	37	605	2 213	50
Statnett	100 %	5 244	466	174	4 767	12 845	0
Statskog	100 %	238	26	26	258	339	17
Uninett	100 %	164	12	15	125	237	25
UNIS	100 %	61	5	5	7	38	78
Veterinærmedisinsk Oppdragscenter	51 %	179	4	4	36	69	0
Vinmonopolet	100 %	8 708	101	91	366	2 103	0
TOTAL		137 426		(1 802)			76 705

¹⁾ State's shareholding as of 31.12.2005

²⁾ Annual profit after tax and minority interests

Other issues

In their annual reports, the companies also include a number of non-financial key figures. This follows partly from statutory obligations, but also from an enhanced focus on corporate governance, ethics and social responsibility. The tables provide an overview over selected non-financial key figures, on which the State places particular emphasis in the follow-up of its ownership.

Auditors' fees

The task of the auditor is to audit the company's accounts to ensure that these reflect the actual activities and situation of the company. The owners are thereby assured that an independent and critical review of the accounts has been conducted. In order to safeguard this independence, it is essential that the auditor is not involved to any substantial degree in the execution of the activities to be audited. Some companies employ several auditors to perform partial assignments within their groups. The table provides an overview over the fees paid to the companies' main auditors at the group level. The table is divided into statutory audit, services related to audit, services related to tax issues 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. The table shows an overview which is in accordance with the annual reporting by the companies. For companies that do not split audit-related from tax-related services, the fee is included in the services related to audits, even though parts of the fee may be related to tax issues. More information on the various fees can be found in the annual reports from the companies.

The auditor should not perform advisory services of a scope and nature that may cast doubt on the auditor's independence. When other fees beyond the statutory audit account for a substantial proportion of the total fees, the auditor's independence may be called into question. However, situations may occur in which it may be appropriate to employ the auditor for other tasks, without these conflicting with the ordinary audit assignment. This may for example apply to transactions for which the confirmation of value follows from the auditor's role. 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. The companies often specify this information in the notes to the accounts.

Board composition

One of the key tasks of owners is to appoint board members. Major emphasis is placed on ensuring that the board possesses a competence profile suited to the challenges faced by the company in the coming period. A board composition suitable for one company is not necessarily suitable for another company. In order to strengthen efforts related to composition of the boards, the State has actively contributed to the establishment of nomination committees in the major companies and to making such committees statutory in the articles of association. The nomination committees comprise representatives of the owners, who jointly prepare proposals to the corporate assemblies or the annual general meetings concerning appointments to the boards. For the companies fully-owned by the State, the responsible ministerial owners also work structured with regard to board composition.

As described above, the board should reflect competence, quality and diversity based on the nature of the individual company, and should be composed in the manner most likely to safeguard the interests of the shareholders. As a part of this goal, the State will seek to ensure a balanced representation of the genders in the appointment of board members. Representation of both genders on the boards of fully-owned companies and public limited companies are regulated by the company legislation. Among the 51 companies described in this report, 47 had fulfilled the requirement for board representation of both genders laid down in corporate legislation. On average, women account for a total of 46 per cent of board members elected by the shareholders in the 51 companies described in this report.

The proportion of women on the board of Nammo is low because of the shareholders' agreement, according to which board members are appointed by each of the owners sepa-

rately. Patria Oyj (the other owner) has not appointed any women as board members, but has in the shareholders' agreement committed itself to doing so by 2008. The Norwegian State will seek to enhance the representation of women on the board of SAS AB. SAS operates under Swedish legislation, but the State will nevertheless seek to undertake active efforts to achieve a more balanced representation of the genders on the board. In Statskonsult, the proportion of women among the board members elected by the shareholders constitutes 80 per cent, because a male board member left his position in the middle of his period of office.

Remuneration to the Chief Executive Officer and the 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, bonuses, additional pension savings, bonus premiums paid, option schemes and other taxable benefits, as well as remuneration for board duty in wholly-owned subsidiaries. This ensures openness with regard to remuneration. The board is responsible for hiring the CEO and setting the conditions for remuneration. The State has laid down advisory guidelines for the fully-owned companies, stating that the wage development in companies fully-owned by the State should be competitive, but not pacesetting in terms of wage development within their industries.

The remuneration paid to board members is decided by the annual general meeting, and should reflect the board's responsibilities, competence, time used and the complexity of the company's activities. The State's basic attitude towards remuneration of board members is that board members should receive compensation that is reasonable, appropriate and in line with the level of responsibility connected to the board position. The table provides information on the total remuneration paid to board members of the parent company.

Number of employees

The companies described in this report employ more than 280,000 persons. Some companies report the number of employees, whereas others use the concept of man-years. The table shows an overview over the number of employees or the number of man-years according to reports from the companies. However, the figures are consistent for each company. The highest numbers of employees are found in Norsk Hydro, SAS, Helse Øst, Posten Norge, Statoil, Telenor and Helse Sør. All of these companies have more than 20,000 employees. Helse Vest, Helse Midt-Norge, DnB NOR, Helse Nord and NSB all have more than 10,000 employees. The largest increase in the number of employees over last year is found in Telenor, which has added slightly fewer than 6,000 man-years to its staff following acquisitions in Sweden, Denmark and Thailand. Statoil has also increased its number of employees because of an expansion of its international activities. Sixteen of the companies have fewer employees in 2005 than they had in 2004. This is due to various circumstances, such as rationalisations, exploitation of cost synergies, sales of subsidiaries etc.

© Norsk Hydro



OTHER MATTERS - REMUNERATION

<i>NOK thousands</i>	<i>Remuneration to CEO, total</i>	<i>Board fees, total</i>	<i>Statutory audit fee, group</i>	<i>Audit related fees, group</i>	<i>Services related to tax matters, group</i>	<i>Other audit services, group</i>
Listed companies						
<i>Cermaq</i>	3 247	1 080	3 443	826	829	1 029
<i>DnB NOR</i>	6 125	2 860	9 078	716	2 039	1 957
<i>Kongsberg Gruppen</i>	3 666	1 200	6 575	302	1 557	662
<i>Norsk Hydro ¹⁾</i>	9 609	2 680	57 906	4 921	7 416	1 575
<i>SAS</i>	7 717	2 950	25 017	14 665	0	0
<i>Statoil</i>	5 129	2 300	25 000	11 400	100	0
<i>Telenor</i>	6 479	2 216	41 700	9 300	5 600	1 000
<i>Yara</i>	7 188	1 750	14 378	1 745	1 963	2 183
Unlisted companies						
<i>Argentum Fondsinvesteringer</i>	2 501	507	203	85	27	60
<i>Baneservice ²⁾</i>	851	1 900	691	0	156	0
<i>BaneTele</i>	1 460	680	516	84	41	0
<i>Eksporthfinans</i>	2 983	945	763	3 897	175	423
<i>Electronic Chart Centre</i>	813	200	10	31	0	0
<i>Entra Eiendom</i>	3 200	707	1 920	21	662	0
<i>Flytoget</i>	1 744	767	256	153	0	0
<i>Kommunalbanken</i>	1 699	514	375	493	25	157
<i>Mesta</i>	2 678	1 275	1 375	173	19	65
<i>Nammo</i>	3 692	700	1 557	638	0	0
<i>Statkraft</i>	2 733	1 725	6 061	1 611	976	1 158
<i>Statskonsult</i>	1 073	400	120	7	23	0
<i>Store Norske Spitsbergen Kulkompani</i>	2 132	590	449	0	0	195
<i>Venturefondet</i>	0	245	39	0	0	16

<i>NOK thousands</i>	<i>Remuneration to CEO, total</i>	<i>Board fees, total</i>	<i>Statutory audit fee, group</i>	<i>Audit related fees, group</i>	<i>Services related to tax matters, group</i>	<i>Other audit services, group</i>
Companies with other objectives						
<i>Avinor</i>	2 800	1 600	700	0	100	300
<i>Bjørnøen</i>	0	46	8	6	0	0
<i>Gassco</i> ³⁾	2 214	1 060	608	0	344	24
<i>Helse Midt-Norge</i>	1 916	906	1 646	1 574	100	294
<i>Helse Nord</i>	1 503	885	1 488	1 649	0	333
<i>Helse Sør</i>	1 627	950	3 279	4 472	211	495
<i>Helse Vest</i>	1 800	1 000	1 173	381	269	513
<i>Helse Øst</i>	1 557	934	3 784	491	30	974
<i>Husbanken</i>	798	193	0	0	0	0
<i>Industritjeneste</i>	984	169	98	26	0	0
<i>Innovasjon Norge</i>	1 632	943	696	30	329	2 389
<i>Kings Bay</i>	671	290	77	20	0	0
<i>KITH</i>	839	112	59	46	0	0
<i>Norfund</i>	1 879	317	776	0	0	91
<i>Norsk Eiendomsinformasjon</i>	1 800	380	105	15	0	0
<i>Norsk Rikskringkasting</i>	2 410	902	733	47	143	502
<i>Norsk Samfunnsvitenskapelig Datatjeneste</i>	729	175	59	10	0	0
<i>Norsk Tipping</i>	1 523	491	0	0	0	0
<i>NSB</i> ⁴⁾	2 050	1 223	5 453	219	0	1 129
<i>Petoro</i>	2 559	1 208	251	0	0	0
<i>Posten Norge</i>	3 200	1 500	6 580	1 170	1 560	2 330
<i>Simula Research Laboratory</i>	960	174	44	0	0	18
<i>SIVA</i>	1 278	413	924	31	92	210
<i>Statnett</i>	1 548	1 284	656	78	254	123
<i>Statskog</i>	823	519	177	264	0	0
<i>Uninett</i>	808	150	121	8	0	13
<i>UNIS</i>	764	218	56	20	0	0
<i>Veterinærmedisinsk Oppdragssenter</i>	1 226	296	103	18	0	0
<i>Vinmonopolet</i>	1 625	709	690	5	0	0

¹⁾ Norsk Hydros remuneration to CEO includes exercised options rights of NOK 3.1 million

²⁾ The remuneration to the Board for 2005 includes NOK 500 thousands for the year 2004

³⁾ Pension benefits is not included in the remuneration to the CEO

⁴⁾ Pension benefits of NOK 1.1 million is not included in the remuneration to the CEO

OTHER MATTERS - EMPLOYEES AND PROPORTION OF WOMEN ON BOARD

	Number of employees 2005	Number of employees 2004	Proportion of women on board, total	Proportion of shareholder-elected women on board ¹⁾
Listed companies				
<i>Cermaq</i>	3 681	2 961	25 %	40 %
<i>DnB NOR</i>	11 831	10 482	45 %	43 %
<i>Kongsberg Gruppen</i>	3 399	3 552	25 %	40 %
<i>Norsk Hydro</i>	32 765	34 648	22 %	33 %
<i>SAS</i>	32 363	32 481	30 %	29 %
<i>Statoil</i>	25 644	23 899	44 %	50 %
<i>Telenor</i>	27 600	21 750	40 %	43 %
<i>Yara</i>	6 586	7 067	38 %	40 %
Unlisted companies				
<i>Argentum Fondsinvesteringer</i>	8	8	40 %	40 %
<i>Baneservice</i>	245	n/a	22 %	40 %
<i>BaneTele</i>	167	148	43 %	40 %
<i>Eksporthfinans</i>	94	109	33 %	43 %
<i>Electronic Chart Centre</i>	12	13	67 %	67 %
<i>Entra Eiendom</i>	123	133	29 %	40 %
<i>Flytoget</i>	265	236	25 %	40 %
<i>Kommunalbanken</i>	34	34	58 %	60 %
<i>Mesta</i>	3 293	3 248	25 %	40 %
<i>Nammo</i>	1 230	1 210	14 %	20 %
<i>Statkraft</i>	2 021	1 965	44 %	50 %
<i>Statskonsult</i>	63	80	86 %	80 %
<i>Store Norske Spitsbergen Kulkompani</i>	310	265	40 %	40 %
<i>Venturefondet</i>	0	0	50 %	50 %

	Number of employees 2005	Number of employees 2004	Proportion of women on board, total	Proportion of shareholder- elected women on board ¹⁾
Companies with other objectives				
Avinor	2 716	2 732	25 %	40 %
Bjørnøen	0	0	40 %	40 %
Gassco	143	129	57 %	60 %
Helse Midt-Norge	13 362	13 217	58 %	56 %
Helse Nord	10 173	9 946	56 %	50 %
Helse Sør	20 576	20 397	50 %	56 %
Helse Vest	16 330	16 077	56 %	43 %
Helse Øst	28 911	26 130	40 %	43 %
Husbanken	362	364	40 %	40 %
Industritjeneste	130	138	50 %	50 %
Innovasjon Norge	664	711	44 %	43 %
Kings Bay	22	21	40 %	40 %
KITH	28	27	43 %	67 %
Norfund	26	23	60 %	60 %
Norsk Eiendomsinformasjon	56	53	40 %	40 %
Norsk Rikskringkasting	3 469	3 490	44 %	50 %
Norsk Samfunnsvitenskapelig Datatjeneste	57	50	50 %	40 %
Norsk Tipping	370	349	43 %	40 %
NSB	10 684	10 432	25 %	40 %
Petoro	53	59	43 %	40 %
Posten Norge	20 541	21 373	50 %	50 %
Simula Research Laboratory	80	72	43 %	43 %
SIVA	32	40	57 %	57 %
Statnett	599	576	45 %	50 %
Statskog	197	187	50 %	50 %
Uninett	73	58	50 %	50 %
UNIS	52	46	71 %	42 %
Veterinærmedisinsk Oppdragssenter	46	46	50 %	50 %
Vinmonopolet	1 701	1 702	55 %	50 %
TOTAL	283 187	272 734	44 %	46 %

¹⁾ Proportion of woman elected by the shareholder or nominated by the owners

Organisation of State ownership

As an owner, the State is concerned with good corporate governance. This includes organising State ownership to clear delineation between the State's various roles and transparency in the State's administration of its ownership interests. Altogether, the ministries manage State ownership interests in 80 companies.

Today the State is a predominant owner in Norwegian business. This is due largely to the State's extensive ownership interests in the largest Norwegian companies - Statoil, Norsk Hydro, Telenor and DnB NOR - although the State also plays an essential role in other key companies such as Statkraft, Posten, Statnett and NSB. Companies have come to be State-owned as a result of chance events or of assessments made and decisions taken during particular historical eras, rather than as a result of a coordinated, overall strategy. One common feature of State ownership has been the desire to safeguard various social and political interests (sectoral policy concerns). Many State-owned companies were established in the effort to delineate the State's various roles. For instance, in 2003 Mesta AS was established as a limited company to operate the production-related activities of the Norwegian Public Roads Administration, a move which separated the role of the State as a developer and purchaser of services and from its role as the owner of the production of these services.

The State safeguards national ownership, and consequently head office functions, in key companies such as DnB NOR, Telenor, Statoil, Statkraft and Norsk Hydro. In many cases, the purpose of State ownership has changed over time, with companies in several sectors undergoing reorganisation and adaptation to market competition. The interests of society at large are increasingly being safeguarded through the exercise of government authority (licenses, public procurements, taxes, etc.). This allows State-owned companies to compete on ordinary terms, although in some cases the State still uses its ownership control to achieve sectoral policy objectives. One example of this is State control of the national health service through the Regional Health Authorities; another example is the active use of land managed by Statskog SF to achieve social objectives related to conservation or other publicly-beneficial purposes.

Role division

The exercise of State ownership is just one of many State functions. Broadly speaking, these functions may be divided into three areas:

- Policy body
- Governmental monitoring authority, such as the Norwegian Labour Inspection Authority, Norwegian Pollution Control Authority and Norwegian Competition Authority
- Owner of State shareholdings and property

Because State ownership is so extensive, it is important that the distinction between these three functions is maintained. If the State's various roles are interwoven, this may result in undesirable consequences when State-owned companies compete in the marketplace. Ambiguity about the premises underlying State decisions can affect the market's confidence in State ownership in general and raise questions regarding the existence of inequities in the competitive arena. For this reason, the State ownership role is organised so that it does not overlap with the State's exercise of its governmental authority or monitoring function. A clear organisational delineation between the State's roles as owner and as regulator within the ministerial structure serves to enhance confidence that there is no detrimental overlap of these roles.

Consolidation of ownership

Companies with a primarily commercial objective are administered by the Ministry of Trade and Industry, unless special circumstances call for a different arrangement. Thus, the State's roles as owner and as governmental authority are separated. It is for this reason that the decision was taken to transfer the administration of State ownership to the Ministry of Trade and Industry for the following companies:

BaneTele AS, Cermaq ASA, DnB NOR ASA, ECC AS, Entra Eiendom AS, Flytoget AS, Mesta AS, SAS AB, Statkraft SF and Telenor ASA. The State's ownership in Statoil ASA is administrated by the Ministry of Petroleum and Energy. The State does not coordinate the business-related aspects of the companies in which it has majority shareholdings. On the contrary, State-owned companies compete against each other when they operate in the same market. One example of this is BaneTele and Telenor, both broadband suppliers, and Norsk Hydro and Statoil, competitors in the energy sector.

Sectoral policy concerns

When the objective of State ownership is based largely on sectoral policy concerns rather than on commercial ones, there may be good reasons not to make such a clear distinction between the State ownership role and its exercise of authority in sectoral policy matters. This is the reason that the Regional Health Authorities, for example, are administered by the national health authorities. It is the government agency responsible for sectoral authority in the respective

industry that is best suited to assess whether sectoral policy objectives have been achieved and to use its ownership control to make improvements. It can also ensure a cohesive administration of the entire sector, but it also means that the same ministry may serve as both owner and regulator. The State is nonetheless interested in separated these roles as much as possible. As an example, the Ministry of Health and Care Services has divided its functions as owner and regulator of the administration of the Regional Health Authorities between the Department of Hospital Ownership and Department of Health Services, respectively.



This Ownership Report presents 51 companies in which the ministries administer the State's direct ownership interests. The companies included in this report are the commercial-oriented companies and the largest, most important companies with other objectives. However, the State's ownership interests include more than these companies. The table below provides a complete list of over the 80 companies in which State ownership is administered directly by the ministries. The companies are listed under the responsible ministry. Ownership administered by subordinate agencies is not listed in the table. More information on these companies may be obtained from the responsible ministry.

Ministry of Labour and Social Inclusion

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

Ministry of Finance

<i>Nordiske Investeringsbanken</i>	19.1 %
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Ministry of Fisheries and Coastal Affairs

<i>Eksportutvalget for fisk AS</i>	100 %
<i>Fisk og kyst AS</i>	100 %
<i>Secora AS</i>	100 %
<i>Protevs AS</i>	66.0 %
<i>Norsk institutt for fiskeri- og havbruksforskning AS (Fiskeriforskning)</i>	49.0 %
<i>NORUT Gruppen AS</i>	11.6 %
<i>Institutt for akvakulturforskning AS (Akvaforsk)</i>	5.0 %

Ministry of Government Administration and Reform

<i>Statskonsult AS</i>	100 %
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Ministry of Health and Care Services

<i>Helse Midt-Norge RHF</i>	100 %
<i>Helse Nord RHF</i>	100 %
<i>Helse Sør RHF</i>	100 %
<i>Helse Vest RHF</i>	100 %
<i>Helse Øst RHF</i>	100 %
<i>AS Vinmonopolet</i>	100 %
<i>Kompetansesenter for IT i helse- og sosialsektoren AS (KITH AS)</i>	70.0 %

Ministry of Justice and the Police

<i>Norsk Eiendomsinformasjon AS</i>	100 %
<i>Industritjeneste AS</i>	46.1 %

Ministry of Local Government and Regional Development

<i>Husbanken</i>	100 %
<i>Kommunalbanken AS</i>	80.0 %

Ministry of Culture and Church Affairs

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

Ministry of Education and Research

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

Ministry of Agriculture and Food

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

Ministry of Trade and Industry

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

Ministry of Petroleum and Energy

<i>Gassco AS</i>	100 %
<i>Petoro AS</i>	100 %
<i>Enova SF</i>	100 %
<i>Statnett SF</i>	100 %
<i>Statoil ASA</i>	70.9 %

Ministry of Transport and Communications

<i>Avinor AS</i>	100 %
<i>Baneservice AS</i>	100 %
<i>NSB AS</i>	100 %
<i>Posten Norge AS</i>	100 %
<i>Stor-Oslo Lokaltrafikk AS</i>	33.3 %

Ministry of Foreign Affairs

<i>Norfund</i>	100 %
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State ownership administration

The administration of State ownership is based on Norwegian corporate law and commonly accepted principles of good corporate governance. But ownership administration must also be conducted within the formal Constitutional framework for the State's exercise of its ownership. This article describes the formal framework for the relationship between the Storting, the Government and the companies, and the principles upon which the State bases the administration of its ownership.

Constitutional aspects

The established interpretation of Article 19 of the Norwegian Constitution holds that the King (the Government) is responsible for administering the State's shareholdings in limited companies and its ownership of State-owned enterprises and "special law companies" (State-owned enterprises with special authority). Under the Constitution, the King cannot be divested of this prerogative. The King delegates the administrative responsibility to a minister who, under Article 12 of the Constitution, presides over the ministry under which the company is placed. Because the Government is responsible for administering the State-owned companies, the Storting does not have a direct relationship with the companies nor does it exercise any direct ownership control. This implies that ownership issues arising within the companies are handled by the ministries. Administration by the minister of State ownership in a company is exercised under constitutional and parliamentary responsibility. However, the Storting does not hold the Government responsible for business-related decisions that fall under the authority of the companies as stipulated in corporate legislation.

Division of roles between the Government and the Storting in ownership matters

The framework for Government exercise of State ownership is laid down by the Storting. The Storting may grant the Government authority to exercise State ownership, including changing the percentage of the State's shareholdings in individual companies. In a situation when it may be necessary to exceed the parameters of this framework, the matter must be brought before the Storting and new authorisation must be granted. Ownership matters typically heard by the Storting include the sale of shares, share offerings, conversion to a different corporate form, or significant changes in a company's activities or scale of operations. In 2005 the Government carried out a number of transactions. The State's divestment in Statoil ASA

in February 2005 could be implemented without consulting the Storting in advance because the Storting, in connection with the stock exchange listing in 2001, authorised the Government to reduce the State's shareholding in Statoil ASA by selling down its owner share to two-thirds. In contrast, the resolution on a capital infusion of NOK 120 million in BaneTele AS in March 2005 had to be brought to the Storting because the Government had not been pre-authorised to implement a capital infusion in this instance.

Framework for Government administration of State ownership

The basis for Government administration of State ownership is set forth in the Regulations on financial management within central government §10. Pursuant to this provision, written guidelines are to be formulated for the way in which State ownership of companies is to be administered.

Guidelines are drawn up for the administration of State-owned limited companies, financial institutions in which the State has shareholdings, and the State's ownership interests in state corporations. These guidelines establish rules related to the State's exercise of its ownership role, requirements on returns and dividend policy, follow-up and monitoring of financial results, and changes in the State's capital commitment.

Monitoring of State ownership by the Storting

The Office of the Auditor General (OAG) submits annual reports to the Storting, and its monitoring responsibilities are laid down in Article 75k of the Norwegian Constitution and the Act on the Auditing of Government Accounts. The OAG ensures that the ministers have performed their duties as administrators of State interests in accordance with the Storting's resolutions and intentions. The Office is charged with conducting the investigations needed to arrive at a qualified opinion of the way in which the administration has been handled. This means that the OAG may conduct administrative audits of wholly State-

owned companies, which also are required to summon the OAG to the annual general meetings. The ministers' annual reports on the individual companies serve as an important starting point for the monitoring performed by the OAG. Within one month of the annual general meeting or corporate assembly, a report must be submitted on the ministry's administration of State ownership in companies owned at least 50 per cent by the State and in certain other companies in which the State is a dominant shareholder, even though the shareholding is less than 50 per cent (e.g. Norsk Hydro ASA, with a State shareholding of 43.82 per cent).

Exercise of ownership in practice

State ownership is exercised through formal corporate bodies such as the annual general meeting/corporate meeting. These bodies exercise executive authority in their respective companies, and delegate responsibility to the company boards through authorisations and resolutions. At these meetings, the frameworks and objectives for the companies are adopted, and the annual financial accounts and annual reports are approved, including the apportionment of dividends and the selection of the board or corporate assembly. In companies with a corporate assembly, it is the corporate assembly that selects the board (as is the case for DnB NOR ASA, Eksportfinans ASA, Norsk Hydro ASA, Statoil ASA and Telenor ASA). Responsibilities resting with the corporate assembly in other companies lie with the assembly of delegates in financial institutions. The board is responsible for management of the companies within the frameworks and objectives set by the shareholders. In companies with a corporate assembly, the principle that establishes the annual general meeting as the company's executive authority will in some cases be subordinate to the corporate assembly's authority established by the legislation relating to limited companies. The duties of the corporate assembly include electing members to the board, supervising the board's activities, issuing statements to the annual general meeting on the board's proposals for the accounts, and passing resolutions on major investments and changes to the company's operations that entail large-scale changes to/re-allocations of the work force. The annual general meeting appoints the members

of the corporate assembly, thereby safeguarding the shareholders' interests.

In addition to the meetings of the corporate bodies, regular contact between the State in its capacity as shareholder and company management is maintained just as it is for other important owners or owner groups. This normally takes the form of quarterly meetings in which the companies report on their performance and the ministry states its position on matters such as the rate of return and size of dividends. These meetings are based on information available to all shareholders. State representatives also participate in the companies' presentations along with other investors and analysts. There may also be a need for other contact and updates on material matters. This contact is crucial so that the ministry can exercise its role as a shareholder in a thorough manner, be prepared for deliberations at the annual general meetings, and prepare matters that must be brought before the Storting.

Principles of good corporate governance

The principles of good corporate governance may be described as guidelines that clarify the division of roles between the owners, the board of directors and the company management. These principles serve the interests of the shareholders by ensuring that value creation occurs in the companies and that transparency and trust are established vis-à-vis the capital markets, employees and the interests of society at large. As a predominant owner, the State is a driving force for ensuring that State-owned companies comply with the Norwegian Code of Practice for Corporate Governance, which calls for companies to draw up ethical guidelines, articles of association, and other relevant management documents.

The State's own principles of corporate governance focus on the administration of the State's ownership interests in all State-owned companies, whether these are wholly or partially owned by the State. These principles are in line with commonly accepted principles of corporate governance, and they address important issues such as equal treatment, transparency, autonomy, the composition of the board and its role, etc. The current present Government will continue to build on these principles.

The State's principles of good corporate governance and corporate management

- All shareholders shall receive equal treatment.
- There shall be transparency in State ownership of companies.
- Ownership decisions/resolutions shall be taken/adopted at the annual general meeting.
- The State, in cooperation with other owners when relevant, shall set performance targets for the companies; the boards shall be responsible for achieving these targets.
- The capital structure of the company shall be consistent with the objective of ownership and circumstances of the company.
- The composition of the board shall be characterised by competence, capacity and diversity, and reflect the distinctive characteristics of the company.
- Wage and incentive schemes shall be formulated so that they promote value creation in the companies and are perceived as reasonable.
- On behalf of the owners, the board shall exercise independent control of the company management.
- The board shall adopt a plan for its own activities and work actively to develop its own competencies.
- The company shall be aware of its responsibilities to society at large.

The principles have been established on the basis of two primary considerations. First, the principles should promote the practice of good corporate governance by the State, thereby safeguarding the State's assets. In this regard, the most important principles relate to establishing targets for rates of return and dividends, capital structure, election of boards, and incentive and control systems. As illustrated by the many accounting and financial scandals at home and abroad, it is important to place great emphasis on these principles - not least in regard to incentive and control systems.

Secondly, the principles help to ensure that the various shareholder groups receive equal treatment. In companies in which the State shares ownership with others, the State wishes to act on the basis of the same rights and obligations as all other shareholders. It is particularly important to private shareholders that the State, which is a predominant owner in many companies, does not negatively affect the rights or economic interests of the other shareholders through its conduct. For this reason, special emphasis is placed on equal treatment of shareholders, transparency related to State ownership, and the use of the annual general meetings as a forum for decision-making. Although the State does not have its own board members, it assumes that all board members, including employee representatives, will seek to safeguard the joint interests of the company and its shareholders. These principles do not prevent the State, just as any other owner, from expressing its views regarding development of the company's operations. On the contrary, guiding company development is an important owner function, not least for the State, which as an owner has a long-term perspective on value creation within the companies.

The State's principles for good corporate governance stipulate that the companies are to be aware of their responsibility to society at large. The concept of corporate social responsibility has been put into practice by trade and industry in Norway and abroad through various concrete measures,

including the establishment of special stock indexes, such as the Dow Jones Sustainability Index and the FTSE4Good Index, for companies that satisfy globally recognised ethical standards. Inclusion in these indexes is regarded as a mark of quality, which may serve to attract more investors to the companies. Among the companies in the State's portfolio, Telenor ASA, Norsk Hydro ASA and Statoil ASA are included in both indexes, and DnB NOR and Yara International ASA are included in the FTSE4Good Index. It is expected that all serious companies in Norway, whether State-owned or privately owned, conduct themselves in a manner that develops trust and respect over time within society at large. Companies seeking to ensure their long-term development in the competitive arena must take their environment into account when conducting their operations. For the State, this means that its ownership policy for developing the companies' potential for value creation will also emphasise meeting the companies' social responsibility.

Effective boards

Board members in limited companies are nominated by selection committees. As a general rule, the State is represented on these selection committees. In cooperation with representatives for other shareholders, the selection committee attempts to create the best possible combination of governing bodies for the companies. Through its representatives on the selection committees, the State ensures that the boards represent a variety of competencies, experiences, backgrounds, cultures, personalities and ages, and that both genders are included. Greater diversity on the boards will promote innovative thinking and new perspectives that will form a better basis for decision-making. Greater diversity will also increase understanding of international conditions and cultural differences, which is important for the international orientation of Norwegian companies. Another important consideration is that the board members must have sufficient authority to perform their duties,

Norwegian Code of Practice for Corporate Governance

Published on 7 December 2004, the Norwegian Code of Practice for Corporate Governance was formulated by a work group consisting of members of nine organisations, including the Oslo Stock Exchange, Norwegian Shareholders' Association, Norwegian Confederation of Business and the Institutional Investor Forum.

The State participated in the efforts to develop the new Code of Practice through the Ministry of Trade and Industry's membership in the Institutional Investor Forum. The Code of Practice is viewed as an important tool to be used not only by the companies, but also by the State in its role as a major shareholder in several limited companies.

The purpose of the Code of Practice is to delineate more clearly the division of roles between shareholders, boards and management, to enhance confidence in the companies, to contribute to maximum value creation over time, and to ensure that the Norwegian capital market remains attractive to investors.

Cooperation on corporate governance

The State participates in several forums on corporate governance in Norway and abroad. At the national level, this takes place through the Ministry of Trade and Industry's participation in the Institutional Investor Forum, a loosely organised group of institutional investors that establish and follow-up rules for good corporate governance. At the international level, the Ministry of Trade and Industry participates in the OECD's Steering Group on Corporate Governance, whose objective is to coordinate and provide guidelines for the OECD's activities related to corporate governance and related topics, such as privatisation of government-owned companies, corporate law, etc. (See the article "OECD's Guidelines on Corporate Governance of State-owned Enterprises: A tool for value creation", p. 38.)

In addition, the Ministry of Trade and Industry participates in the Working Group for Privatisation and Governance of State-Owned Assets, a forum in which participants share their experiences related to state ownership and privatisation. Ongoing contact is also maintained with groups responsible for the administration of state ownership in other countries.

and it is crucial that the board is able to function well as a collegial body.

In connection with board elections, the State assesses the work carried out by the boards and whether the strategic challenges faced by the companies indicate a need for change in the boards' expertise and composition. The boards and corporate assemblies must also ensure that requirements for gender representation are met, in accordance with the Limited Liability Companies Act and the Public Limited Companies Act.

The boards are usually elected for two-year terms although the annual board assessment may result in changes in the boards' composition before the term expires, particularly in light of assessments of the board members' efforts and the strategic challenges faced by the companies.

Expectations for rate of return and dividends

In an internal process, the State formulates an opinion of what the long-term targets for rate of return should be for the companies. This is the case for the commercial companies as well as for certain other companies with other objectives. Targets for rate of return and dividends are not established for companies without commercial operations or those dependent on State subsidies to continue their operations. For these companies, government regulations on subsidies are followed as they pertain to allocations and reporting. The target figures for rate of return are used as a basis for dialogue with the companies. When following up the targets, commercial considerations and professional judgment are used to assess the assumptions upon which the models are based and the annual fluctuations in rate

of return and return on equity. In some cases, the targets are formulated in a document submitted to the Storting.

The responsible ministerial owners' internally formulates long-term expectations regarding dividends for State-owned companies with commercial objectives. These expectations are valid for a period of three to five years, or longer when necessary. When determining targets for the individual companies, a systematic review of a number of criteria is conducted. Certain criteria will suggest that high dividends are in order, while other criteria will call for low dividends. The priority given to the different criteria will vary from one company to another. The ministry's expectation for dividends for the individual company is usually formulated as a percentage of the annual financial results. The individual Ministry owner evaluates the dividends from the companies. In certain cases, this is communicated in the budget documents for wholly-owned companies.

In addition to the long-term expectations for dividends, the responsible ministerial owners' also formulates expectations for the annual dividend, which is adopted at the annual general meeting upon recommendation from the board. The ministry informs the company of its expectations for dividends prior to the board's handling of the annual accounts. The ministerial owners' expect the board to give weight to the State's views and take these into account when assessing recommendations regarding the distribution of profits. In companies wholly-owned by the State (public corporation), the annual general meeting is not bound by the recommendations of the board or corporate assembly regarding payment of dividends. Instead, the State establishes the dividend payments for these companies.

OECD Guidelines on Corporate Governance of State-owned Enterprises: A tool for value creation

Considering the significant values at stake, it is only reasonable that governments are trying to improve their role as owner. One important challenge is to refrain from undue political interference in the day-to-day management of state-owned enterprises. Another is to make sure that governments do not distort competition in the way they use their regulatory and supervisory powers. The recently issued *OECD Guidelines on Corporate Governance of State-Owned Enterprises* provides useful advice on how to avoid both problems.

Corporate governance is usually discussed in relation to spectacular scandals in large companies, such as Enron, WorldCom and Parmalat. These are well known cases that have caused heated debate and generated demands for additional rules and regulations. And while improvements in the legal and regulatory framework have proven to be necessary, we should never forget that corporate governance is much more than just mechanical compliance with a set of regulations. It is about value creation and the tools that shareholders, boards, managers and others need in order to build competitive enterprises. This is also true for state-owned enterprises and their owner – the government.

Governments in OECD member countries are important owners of commercial enterprises. How well they perform their ownership functions will therefore have a substantial impact on public finances, corporate performance and business sector development. Moreover, state-owned enterprises often supply key services, such as water, energy and transportation, which are critically important to the well-being of all citizens and the competitiveness of private sector companies.

In several OECD countries the value added by state-owned enterprises represents between 5 and 25 per cent of GDP and as much as 10 per cent of employment. The economic weight of state-owned enterprises is even greater in many non-OECD countries, where state-owned enterprises sometimes dominate economic life. In Asia, they represent more than 30 per cent of stock market capitalisation, making the quality of government ownership a concern for a large number of minority shareholders. In India alone, the 242 companies controlled by the federal government constitute almost 25 per cent of GDP.

Considering the values at stake, it is only reasonable that governments are trying increasingly to develop their expertise as owners and improve the governance of their enterprises. But while the benefits are obvious, practicing

corporate governance of state-owned enterprises is a complex undertaking. One overriding challenge is to find the right balance between the government's responsibility to be an active owner, while refraining from undue political interference in the management of the company. Another challenge is to make sure that the government does not distort competition in the way it uses its regulatory and supervisory powers.

In order to assist and support governments in their efforts to improve their policies, OECD countries agreed to develop the OECD Guidelines on Corporate Governance of State-Owned Enterprises. The immediate responsibility for these efforts was vested with the OECD Working Party on Privatisation and Corporate Governance of State-Owned Assets, which brings together policy makers and practitioners from the countries with the most advanced corporate governance systems. The Group concluded its work in spring 2005 when the proposed guidelines were submitted to the OECD Council for adoption.

The guidelines cover six different areas:

- Ensuring an effective legal and regulatory framework for state-owned enterprises
- The state acting as an owner
- Equitable treatment of shareholders
- Relations with stakeholders
- Transparency and disclosure
- Responsibilities of the boards of state-owned enterprises

In each of these areas the guidelines provide a set of principles, which are supported by more detailed annotations including background information and references. In terms of the regulatory framework, for example, it recommended that the state's ownership functions are carried out by



a centralised ownership entity, or through effectively coordinated entities. It is also suggested that the government simplify and streamline the operational practices and the legal form under which the state-owned enterprises operate. In order to encourage the state's role as an informed and active owner, the guidelines recommend that the government develop and disclose an ownership policy. Such a benchmark would also make it easier to assess how well the government actually performs its ownership functions.

On the sometimes controversial issue of board representation, the guidelines state very clearly that the government should let the boards exercise their responsibilities and respect their independence. Furthermore, the government should not be involved in the day-to-day management of state-owned enterprises and should allow them full operational autonomy to achieve their objectives. Instead, the guidelines recommend that the government's influence over the board is exercised through a transparent board nomination process and active participation in the process of nominating the boards. If properly implemented, these recommendations, as well as other recommendations outlined in the guidelines, should go a long way to ensuring that state ownership is exercised in an accountable and professional manner that enhances value creation.

Since the very day they were issued, the guidelines have attracted great interest, both from OECD and non-OECD countries. They have been translated to several languages, including Chinese, and have been used in country assess-

ments, training and seminars around the world. This increased awareness has also led to an unprecedented demand for more detailed accounts of practical experiences that suggest how to actually apply the guidelines. Some countries have more experience in this area than others, but concrete information about "how to actually do it" is mostly scattered and incomplete. Moreover, this information often lacks the direct input and first-hand experience that practitioners can provide. In the coming years, the OECD Working Group is expected to fill this important gap. Norway and other countries with advanced state-ownership policies have an important role to play in these efforts, in which countries with less experience can learn from past successes and mistakes. By taking on this task, the OECD countries can also make sure that the guidelines remain a living document, put to active use for the benefit of all citizens with an interest in well-managed and competitive state-owned enterprises.



Mats Isaksson
Head of Corporate Affairs
OECD

Note: The views expressed in this article are those of the author and do not necessarily represent the opinions of the Norwegian Ministry of Trade and Industry, the OECD or its member countries.

The OECD Guidelines on Corporate Governance of State-owned Enterprises can be ordered from the OECD or downloaded at www.oecd.org/daf/corporate-affairs/soe/.



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Commercial companies

The primary objective of State ownership in commercial companies is to maximise the companies' value – in other words, to maximise the value of the State's shareholdings and promote solid industrial growth in the companies. The State establishes expectations concerning profits and rate of return based on the risk profile of the individual company. The companies operate in markets alongside other commercially oriented enterprises.

	Listed	Unlisted
		42 Argentum Fondsinvesteringer AS
		43 Baneservice AS
		44 BaneTele AS
Cermaq ASA	45	
DnB NOR ASA	46	
		47 Eksportfinans ASA
		48 Electronic Chart Centre AS
		49 Entra Eiendom AS
		50 Flytoget AS
		51 Kommunalbanken AS
Kongsberg Gruppen ASA	52	
		53 Mesta AS
		54 Nammo AS
Norsk Hydro ASA	55	
SAS AB	56	
		57 Statkraft SF
Statoil ASA	58	
		59 Statskonsult AS
		60 Store Norske Spitsbergen Kulkompani AS
Telenor ASA	61	
		62 Venturefondet AS
Yara International ASA	63	

Argentum Fondsinvesteringer AS



GENERAL INFORMATION

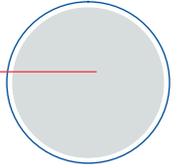
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INTERNET: www.argentum.no
CEO: Joachim Høegh-Krohn
(as of 1 February 2006)

CHAIRMAN: Widar Salbuvik

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

AUDITOR: Ernst & Young AS

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



	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	500	0
Operating costs	-68	20
Operating profit	432	-20
Net financial items	45	48
Profit before tax and minority interests	477	28
Tax	-21	-8
Minority interests	0	0
Profit after tax and minority interests	457	20
BALANCE SHEET		
Intangible fixed assets	0	0
Fixed assets	2	3
Financial assets	835	420
Total fixed assets	837	423
Current assets	2 277	2 047
Total assets	3 114	2 470
Subscribed equity	2 650	2 450
Earned/other equity	430	-1
Minority interests	1	0
Equity	3 081	2 449
Provision for commitments	0	8
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	33	21
Total liabilities and commitments	33	21
Total equity and liabilities	3 114	2 470
CASH FLOW		
Operational activities	6	-258
Investment activities	192	372
Financing activities	175	-135
Change in assets	-11	-21
KEY INDICATORS		
Capital employed	3 081	2 449
EBITDA	479	30
EBIT	478	30
Equity ratio	99 %	99 %
Return on equity	17 %	1 %
Average return on equity since start up	6 %	
Return on capital employed	17 %	1 %
DIVIDEND		
Provision for dividend	70	25
Dividend ratio	15 %	123 %
Annual average dividend ratio since start	34 %	
State's share of dividend	70	25
Capital contribution	200	0
OTHER INFORMATION		
Number of employees	8	8
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

Argentum Fondsinvesteringer AS is an investment company that holds minority shares in specialised investment funds for active ownership, known as private equity funds.

By actively developing fund management groups for this type of fund, Argentum seeks to enhance the competitiveness of Norwegian trade and industry and achieve high returns on invested capital. The presence of these fund management groups is critical if innovative and research-based enterprises, is to have long-term access to risk capital.

The company also strives to enhance competent, long-term ownership in Norwegian business and build networks between owners, fund managers and R&D groups. Argentum's investments are based on commercial criteria, and the company aims to have one of the highest rates of return on invested capital in Europe. Established in 2001, Argentum has eight employees and has its headquarters in Bergen.

Key events

In July 2005 Argentum entered into an agreement with Gjensidige Insurance on the sale of 30 per cent of the company's shares in nine different funds. As a result of the sale, a significant amount of capital was released for new investments. Profit from the sale will be included in the dividends for 2005.

Following the deliberations on the revised budget for 2005, the Storting passed a resolution to allocate NOK 200 million in new equity to Argentum. In line with this, an extraordinary general meeting of the company on 28 June 2005 approved an increase in the company's share capital by an equivalent amount.

During 2005 Argentum helped to establish four new investment funds in the area of active ownership. These are FSN Capital Ltd. II

(Argentum's shareholding 13 per cent), Energy Ventures II KS (Argentum's shareholding 20 per cent), Four Seasons Venture V B K/S (Argentum's shareholding 19 per cent) and CapMan Buyout VIII (Argentum's shareholding 8 per cent).

At year-end 2005 the company had commitments in 14 Norwegian and Nordic investment funds and had committed to further investments of NOK 1.8 billion.

Financial trends

Net profit for Argentum in 2005 was NOK 457 million, compared to NOK 20 million in 2004. The financial accounts for 2005 is according to IFRS, while the 2004 figures are based on NGAAP.

The company's revenues consisted of profit from fund investments and short-term placements in bonds and certificates, as well as interest. Interest from placements has shown a declining trend due to the low domestic interest rate and reduced placement volume resulting from company investments in venture funds. The future profitability of Argentum will depend on the growth in the value of the funds in which the company has invested. A dividend of NOK 70 million from Argentum for fiscal year 2005 is assumed in the 2006 state budget.

At year-end 2005 approximately NOK 2.2 billion was placed in short-term bonds and certificates, and NOK 835 million was invested in shares in venture funds. The company has no interest-bearing debt, and the equity ratio is 99 per cent. As of 31 March 2006 Argentum had committed itself to fund investments of NOK 2.47 billion. Of this amount, NOK 722 million has been paid into the funds, and NOK 1.7 billion is residual obligation.

Baneservice AS



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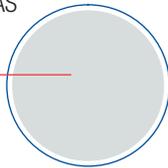
CHAIRMAN: Thor Svegård

BOARD MEMBERS: Eli Giske, Anita Kaaveland,
Are Langmoen, Olaf Melbø, Jon Jessesen*,
Geir Wilhelm Røer* and Ove Snarheim*

* Employee representatives

AUDITOR: PricewaterhouseCoopers AS

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



It will be a challenge for Baneservice to prevail in the tender competitions announced by the Norwegian National Rail Administration and to identify similar markets in which the company can succeed in selling its expertise.

Key events

In connection with the conversion, NOK 45.6 million was allocated to cover the company's restructuring costs. In the first half of the year the company implemented a restructuring process that reduced the permanent staff and changed the job descriptions of several employees. Over half of the restructuring funds are related to the potential use of early retirement. In the restructuring process the board has had a clear objective to avoid the use of early retirement. To date, alternative solutions have been found for those affected. In addition, several development and improvement projects are being conducted to help the company to achieve its overall objectives for safety, quality and profitability.

After the restructuring in the first half of the year, the company's operation were organised into the following regional units: East, North/West and International/Special Projects. Project support functions, such as warehouse/workshop and machine/car rental, have been consolidated into a separate division.

Financial trends

During its first year of operations, the company met expectations related to profitability, project implementation and achievement of market share. Operating revenue was NOK 372 million. Profit after tax was NOK 4.6 million, although the 2005 budget anticipated a deficit of NOK 4.3 million. The good financial performance is due to better overall profitability of the projects and to mild autumn and winter temperatures that extended the work season, thus allowing many additional projects to be carried out at good prices. Dividend is proposed to NOK 3.5 million to the State for the fiscal year 2005.

Baneservice AS was formed on 1 January 2005 in a demerger of the Norwegian National Rail Administration. The major market for Baneservice is the Norwegian railway network. The company offers contracting services in the areas of maintenance and construction of railways, primarily for the Norwegian National Rail Administration. Baneservice also offers railway-related services to private railway owners as well as for trams and underground trains. A small portion of the operations are conducted abroad. Baneservice has 245 employees.

The company was established as part of plan to improve efficiency in the Norwegian railway sector. Parallel to the decision to demerge Baneservice from the Norwegian National Rail Administration, a plan was adopted to open more of the national railway's services to competition in an effort to increase the State's return on its investment in the railway infrastructure.

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	372.1	0.0
Operating costs	367.8	0.0
Operating profit	4.3	0.0
Net financial items	1.4	0.0
Profit before tax	5.7	0.0
Tax	1.1	0.0
Minority interests	0.0	0.0
Profit after tax	4.6	0.0
BALANCE SHEET		
Intangible fixed assets	18.7	0.0
Fixed assets	60.7	0.0
Financial assets	0.3	0.0
Total fixed assets	79.7	0.0
Current assets	266.4	0.1
Total assets	346.0	0.1
Subscribed equity	138.0	0.1
Earned/other equity	4.6	0.0
Minoritetsinteresser	0.0	0.0
Equity	142.6	0.1
Deferred tax	19.8	0.0
Provision for commitments	43.8	0.0
Long-term liabilities	38.3	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	101.5	0.0
Total liabilities and commitments	203.5	0.0
Total equity and liabilities	346.0	0.1
CASH FLOW		
Operational activities	50.5	0.0
Investment activities	-8.4	0.0
Financing activities	-1.1	0.0
Change in assets	40.9	0.0
KEY INDICATORS		
Capital employed	181	n/a
EBITDA	20	n/a
EBIT	7	n/a
Equity ratio	41 %	n/a
Return on equity	3.2 %	n/a
Average return on equity over last 5 years	n/a	
Return on capital employed	8 %	n/a
VALUES AND DIVIDEND		
Capital contribution from the State	137.9	n/a
State loans	38.3	n/a
Provision for dividend	3.5	n/a
State's share of dividend	3.5	n/a
Dividend ratio	76 %	
Average dividend ratio last 5 years	n/a	
OTHER INFORMATION		
Number of employees	245	n/a
Proportion of employees in Norway	100 %	n/a
State's shareholding at year-end	100 %	100 %
Proportion of women on board	22 %	22 %
Proportion of shareholder-elected women on board	40 %	40 %

BaneTele AS

BaneTele

GENERAL INFORMATION

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CHAIRMAN: Kjell Knutsen

BOARD MEMBERS: Ida Helliesen, Peder Ø.
Andreasen, Sigrun Sagedahl, Eva Graff Bjerke*
and Asbjørn Stuestøl*

* Employee representatives

AUDITOR: Kjelstrup & Wiggen AS

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

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	603	583
Operating costs	590	588
Operating profit	12	-4
Net financial items	-36	-40
Profit before tax and minority interests	-24	-45
Tax	0	0
Profit after tax and minority interests	-24	-45
BALANCE SHEET		
Intangible fixed assets	17	12
Fixed assets	698	679
Financial assets	3	5
Total fixed assets	718	696
Current assets	146	152
Total assets	864	848
Subscribed equity	232	112
Earned/other equity	-101	-77
Equity	131	35
Provision for commitments	3	3
Long-term liabilities	560	578
Current interest-bearing liabilities	0	14
Current interest-free liabilities	170	218
Total liabilities and commitments	733	813
Total equity and liabilities	864	848
CASH FLOW		
Operational activities	6	93
Investment activities	-119	-109
Financing activities	88	52
Change in assets	-25	37
KEY INDICATORS		
Capital employed	691	626
EBITDA	129	92
EBIT	16	-2
Equity ratio	15 %	4 %
Return on equity	-29 %	-79 %
Average return on equity over last 5 years	-54 %	
Return on capital employed	2 %	0 %
VALUES AND DIVIDEND		
Capital Contribution	120	0
Provision for dividend	0	0
Dividend ratio	0 %	0 %
Annual average dividend ratio over last 5 years	0 %	
State's share of dividend	0	0
CONTRIBUTION FROM STATE		
Loan financing from the State	262	243
Interest on loan from the State	19	18
OTHER INFORMATION		
Number of employees	167	148
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	43 %	43 %
Proportion of shareholder-elected women on board	40 %	40 %



© BaneTele AS

BaneTele AS 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 broadband 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.

BaneTele provides fibre, wavelength, bandwidth/capacity, as well as Internet and data communication, to the business sector. The company also provides IP services customised for advanced user needs in the telecommunications industry, technological university environments, etc. In addition, BaneTele provides telephony and data communication to more than 7,000 users in the railway-related market.

The company's objective is to expand its operations and continue to develop its position as an important competitor in the telecommunications market. BaneTele has 167 employees.

Key events

On 1 March 2005 the Storting voted unanimously to allocate NOK 120 million to BaneTele. These funds are intended to provide a basis for making investments that could strengthen the company's role as a content-neutral provider of broadband transport services.

After consultation with the Ministry of Trade and Industry, in autumn 2005 the board explored the possibility of cooperating with other parties to further strengthen BaneTele's operations through an industrial collaboration or integration. In a press release of 15 February 2006, the Norwegian Ministry of Trade and Industry announced that the ministry, in cooperation with the company's board, would attempt to find an industrial partner for BaneTele.

Financial trends

BaneTele continues to face great challenges, but the profit in 2005 was somewhat better than in 2004. In 2005 the company experienced intense price pressure in its main areas of operation, which led to a decline in turnover in the second half of the year. BaneTele had a turnover of NOK 603 million in 2005, compared to NOK 583 million in 2004. Operating profit for 2005 came to NOK 12 million, compared to NOK -4 million in 2004. The deficit in 2005 was NOK 24 million, compared to a deficit of NOK 45 million in 2004. An infusion of NOK 120 million in 2005 increased BaneTele's equity, but the equity ratio remains low at 15 per cent.

Cermaq ASA

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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*

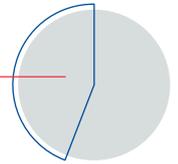
* Employee representatives

cermaq

GENERAL INFORMATION

AUDITOR: Ernst & Young AS

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



© Cermaq ASA

Statkorn Holding AS (now Cermaq ASA) was founded in 1994 as the parent company for the State's operations in the grain, meal and feed concentrates sector. The company was partially privatised in 1999. In autumn 2000 a capital increase of NOK 1.5 billion was implemented, and in this connection, aquaculture became the company's primary business focus.

Through the daughter company, Mainstream, Cermaq is now the world's second largest producer of red farmed fish, and through its ownership in EWOS, Cermaq is also the world's second largest manufacturer of fish feed for the red fish farming industry. Cermaq's vision is to become an international leader in aquaculture, with an emphasis on sustainable production of feed for red fish, such as trout, Atlantic salmon and Coho salmon. Through Ewos Innovation emphasises Cermaq on R&D-projects in the aquaculture food chain with reaserch departements in Dirdal, Lønningsdal (the picture) and in Chile. At year-end 2005 the company had 3,681 employees, including 445 employees in Norway.

Key events

On 24 October 2006 Cermaq was listed on the Oslo Stock Exchange, and the stock introduction was implemented as a combination of a

State sell down of its shareholding and a share offering totalling NOK 1.3 billion. The total transaction volume was NOK 1.3 billion. The price per share was set at NOK 44, and the company was therefore valued at NOK 4,070 million.

Throughout the year, Cermaq strengthened its aquaculture operations in Canada through its acquisition of Heritage and entered the Norwegian farmed fish industry by purchasing Follalaks. Located in western Canada, Heritage has a production capacity of about 15,000 tons per year. Follalaks is based in Steigen in Norland, but has production facilities in the Alta fjord. Follalaks, which holds 22 licenses in Norway, had a production of about 14,000 tons in 2005. This means that Cermaq has reached a total production capacity of red farmed fish of over 100,000 tons per year.

Financial trends

Cermaq's operating revenue was NOK 5.4 billion in 2005, an increase from NOK 5 billion in 2004. The increase is due to higher prices and increased sales volume in Mainstream as a result of the acquisition and expansion in the farmed fish industry. Turnover has increased more than costs, and this has led to a doubling of the operating profit to NOK 785 million in 2005, compared to NOK 334 million in 2004. Profit after tax and minority interests came to NOK 658 million, up from NOK 236 million in 2004. The profit in 2005 resulted in a return on equity for Cermaq of 22 per cent, compared to 9 per cent in 2004. The company will pay NOK 170 million in dividends for fiscal year 2005, equivalent to a dividend ratio of 26 per cent.

Since Cermaq became a listed company on 24 October 2005, the share price has shown positive development, rising 24 per cent by year-end 2005 with good trading volume.

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	5 367	5 015
Operating costs	4 731	4 687
Unrealised fair value adjustments	149	6
Operating profit	785	334
Net financial items	-61	-105
Profit before tax and minority interests	724	229
Tax	-63	7
Minority interests	2	0
Profit after tax and minority interests	658	236
BALANCE SHEET		
Intangible fixed assets	2 010	1 609
Fixed assets	1 480	1 239
Financial assets	244	329
Total fixed assets	3 733	3 177
Current assets	2 902	1 957
Total assets	6 636	5 134
Subscribed equity	2 606	2 394
Earned/other equity	917	158
Minority interests	0,4	0,1
Equity	3 523	2 552
Provision for commitments	238	201
Long-term liabilities	1 393	1 267
Current interest-bearing liabilities	419	226
Current interest-free liabilities	1 064	887
Total liabilities and commitments	3 113	2 582
Total equity and liabilities	6 636	5 134
CASH FLOW		
Operational activities	542	426
Investment activities	-541	-354
Financing activities	-90	-5
Currency effect	24	-16
Change in assets	-65	52
KEY INDICATORS		
Capital employed	5 334	4 045
EBITDA	1 066	585
EBIT	830	357
Equity ratio	53 %	50 %
Return on equity	22 %	9 %
Average return on equity over last 5 years	6 %	
Return on capital employed	16 %	9 %
VALUES AND DIVIDEND		
Market value at year-end	5 064	n/a
Price/book	1,4	n/a
Closing price	54,75	n/a
Provision for dividend	170	104
Dividend ratio	26 %	44 %
Annual average dividend ratio over last 5 years	34 %	
State's share of dividend	75	83
Return since quotation	24 %	n/a
Average return over last 5 years	n/a	
The State's share purchase	1 289	0
OTHER INFORMATION		
Number of employees	3 681	2 961
Proportion of employees in Norway	12 %	15 %
State's shareholding at year-end	44 %	79 %
Proportion of women on board	25 %	25 %
Proportion of shareholder-elected women on board	40 %	40 %

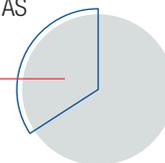
DnB NOR ASA

DnB NOR

GENERAL INFORMATION

ADDRESS: Stranden 21, N-0021 Oslo**TELEPHONE:** +47 22 48 10 50**INTERNET:** www.dnbnor.com**CEO:** Svein Aaser**CHAIRMAN:** Olav Hytta**BOARD MEMBERS:** Bjørn Sund, Per Terje Vold, Berit Kjöll, Bent Pedersen, Anne Carine Tanum, Heidi M. Petersen, Per Hoffmann*, Jørn O. Kvilhaug*, Ingjerd Skjeldrum* and Nina Britt Husebø*

* Employee representatives

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

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Interest received	29 973	28 152
Interest costs	16 363	15 308
Net interest and credit revenues	13 610	12 844
Other operating revenues	11 721	10 534
Operating costs	12 864	14 402
Net loss	-642	1 043
Operating profit	13 109	10 019
Tax	2 965	2 322
Profit from discontinuing operations	0	79
Profit after tax	10 144	7 846
BALANCE SHEET		
Cash and receivables from credit inst.	62 083	34 604
Net loans	697 504	566 518
Securities	280 929	254 726
Other assets	40 675	45 757
Total assets	1 081 191	901 606
Liabilities to credit institutions	108 053	49 086
Contributions from customers	410 991	353 403
Other liabilities and commitments	477 797	426 290
Subordinated loan capital	25 997	24 110
Total liabilities	1 022 838	852 889
Subscribed equity	25 332	25 012
Earned equity	32 075	23 672
Minority interests	946	33
Total equity	58 353	48 717
Total equity and liabilities	1 081 191	901 606
CASH FLOW		
Operational activities	-39 472	-18 429
Investment activities	-241	3 730
Financing activities	49 830	13 661
Change in assets	10 116	-1 038
KEY INDICATORS		
Core capital coverage	7.4	7.6
Capital coverage	10.2	10.7
Cost/income ratio	51	61
Provision for loss as %-age of gross lending	0.6	0.9
Loss as %-age of lending	0.02	-0.03
Return on equity	19	17
Average return on equity over last 5 years	15	
VALUES AND DIVIDEND		
Market value at year-end	96 255	79 297
Price/book	1.7	1.6
Closing price	72.00	59.75
Provision for dividend	4 679	3 410
Dividend ratio	46	41
Annual average dividend ratio over last 5 years	52	
State's share of dividend	1 591	1 151
Return including last year's dividend	25	40
Average return over last 5 years	12	
The State's share purchase	212	1 861
OTHER INFORMATION		
Number of employees	11 831	10 482
Proportion of employees in Norway	85	96
State's shareholding at year-end	34	34
Proportion of women on board	45	25
Proportion of shareholder-elected women on board	43	25

DnB NOR is Norway's largest financial services group, which was formed a result of the merger of 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). In addition to being the leading Norwegian company in these areas in Norway, DnB NOR also considers Sweden to be part of its home market. The company also has operations in the Baltic countries, Poland, Denmark, Finland and in Russia. Compared to the size of its operations in Norway, however, the company's operations abroad are limited.

Retail customers account for 54 per cent of the bank's lending. In the corporate banking area, the largest group of borrowers is in real estate (14 per cent of total lending), International Shipping (7 per cent) and the service sector (7 per cent). The Group includes many different brand names, such as DnB NOR, Postbanken, Vital, Norlandsbanken, Carlson and Cresco. At year-end 2005 the company had 11,831 employees, including 9,608 employees in Norway.

Key events

DnB NOR has had an options programme for its employees, which means that new shares are issued when the options are exercised. As a result of the share offering on 30 March 2005, the State's shareholding was reduced to 33.75 per cent. In May 2005 the State acquired shares in DnB NOR ASA for NOK 211.5 million in the market. As a result of this transaction, the State's shareholding is now 34 per cent, which corresponds to the stipulation set by the Storting for State ownership in DnB NOR ASA.

DnB NOR (51 per cent shareholding) established DnB NOR in conjunction with Norddeutsche Landesbank (49 per cent shareholding). The bank is expanding the



operations already established by Norddeutsche Landesbank in the Baltic countries, Finland and Poland. DnB NOR has also taken over Norddeutsche's operations in Sweden. In autumn 2005 DnB NOR purchased the Russian company Monchebank, with headquarters in Murmansk, which has a license to conduct banking activities throughout Russia.

Financial trends

DnB NOR had an annual profit of NOK 10.1 billion in 2005, which was 29 per cent higher than in 2004. The increase resulted from a sound Norwegian economy and the fact that DnB has reaped the benefits of costs synergies related to the merger. DnB NOR will pay dividends of NOK 3.50 per share, equivalent to 46 per cent of the profit per share. The State, which owns 34 per cent, will receive NOK 1.59 billion in dividends in 2006, up from NOK 1.15 billion in 2005.

DnB NOR has had a satisfactory increase in the loan volume in 2005 in both the corporate and retail business areas, thus counteracting the reduced margins in both areas. DnB Markets achieved good profits in 2005, and there is a clear trend toward improvement in Asset Management. The positive trend in the stock market has also led to a good year for Vital, which now manages over NOK 200 billion in pension funds.

Eksporfinans ASA

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CHAIRMAN: Erik Borgen

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

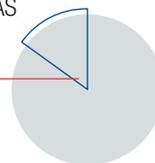
* Employee representative

EKSPORTFINANS

GENERAL INFORMATION

AUDITOR: PricewaterhouseCoopers AS

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



government supported export credit schemes. Based on top quality credit ratings, Eksporfinans obtains very competitive funding by issuing bonds and commercial paper in the global capital markets. The favorable founding is the basis for the lending activities, and enables the institution to provide competitive financing to the export- and local government sectors.

Eksporfinans is owned by the State and 26 commercial and savings banks. The company has 94 employees, all of whom work in Norway.

Financial trends

In 2005 Eksporfinans achieved profit after taxes of NOK 128 million, compared to NOK 219 million in 2004. The decline is due primarily to lower interest margins on loans and liquidity placements, in addition to costs related to a large-scale restructuring process to streamline operations. Large, unrealised exchange rate gains had a positive impact on profit in 2004. Return on equity after tax was 5 per cent in 2005, compared to 8.6 per cent in 2004.

In 2005 the Group disbursed NOK 22 billion in new loans, compared to NOK 25 billion in 2004. Of the total new loans, NOK 11 billion went to financing of the Norwegian export industry, and NOK 11 billion went to municipalities and counties. At year-end 2005, the Group's total lending came to NOK 81 billion. The State will receive NOK 17 million in dividends from Eksporfinans for fiscal year 2005.

Eksporfinans ASA was established in 1962 following an initiative of the Ministry of Finance and the Norwegian Bankers' Association. The commercial banks in Norway established Eksporfinans to serve as an affiliated institution specialising in long-term financing and export credits. In recent years, savings banks have also become shareholders. The State purchased a shareholding of 15 per cent in summer 2001. The purpose of Eksporfinans ASA is to provide financial services to export companies, as well as to municipalities and counties through its subsidiary Kommunekreditt Norge AS. Eksporfinans has also been commissioned by the State to administer

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Interest received	3 285	2 525
Interest costs	2 930	2 123
Net interest and credit revenues	356	402
Other operating revenues	14	47
Operating costs	188	146
Net loss	0	0
Operating profit	182	303
Tax	53	84
Profit after tax	128	219
BALANCE SHEET		
Cash and receivables from credit inst.	9 851	2 444
Net loans	73 608	67 253
Securities	49 830	36 336
Other assets	2 646	3 322
Total assets	135 935	109 355
Liabilities to credit institutions	0	0
Contributions from customers	0	0
Other liabilities and commitments	131 917	105 325
Subordinated loan capital	1 441	1 465
Total liabilities	133 358	106 790
Subscribed equity	1 756	1 756
Earned equity	821	809
Total equity	2 577	2 565
Total equity and liabilities	135 935	109 355
CASH FLOW		
Operational activities	-553	897
Investment activities	-21 711	-10 625
Financing activities	22 656	9 971
Currency effect	12	-9
Change in assets	404	235
KEY INDICATORS		
Core capital coverage	9.8	12.7
Capital coverage	13.1	17.1
Cost/income ratio	51 %	33 %
Provision for loss as %age of gross lending	0 %	0 %
Loss as %age of lending	0 %	0 %
Return on equity	5 %	9 %
Average return on equity over last 5 years	9 %	
DIVIDEND		
Provision for dividend	115	197
Dividend ratio	90 %	90 %
Annual average dividend ratio over last 5 years	68 %	
State's share of dividend	17	30
OTHER INFORMATION		
Number of employees	94	109
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	15 %	15 %
Proportion of women on board	33 %	33 %
Proportion of shareholder-elected women on board	43 %	43 %

Electronic Chart Centre AS



GENERAL INFORMATION

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INTERNET: www.ecc.as

CEO: 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)

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	11.9	10.4
Operating costs	10.9	9.5
Operating profit	1.0	0.8
Net financial items	0.2	0.2
Profit before tax and minority interests	1.2	1.0
Tax	0.0	0.5
Minoritet	0.0	0.0
Profit after tax and minority interests	1.2	1.5
BALANCE SHEET		
Intangible fixed assets	0.6	0.6
Fixed assets	1.1	0.6
Financial assets	0.0	0.0
Total fixed assets	1.7	1.2
Current assets	13.1	12.1
Total assets	14.8	13.4
Subscribed equity	10.6	10.6
Earned/other equity	1.1	0.7
Equity	11.7	11.3
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	3.1	2.1
Total liabilities and commitments	3.1	2.1
Total equity and liabilities	14.8	13.4
KEY INDICATORS		
Capital employed	12.3	11.3
EBITDA	1.6	1.4
EBIT	1.2	1.0
Equity ratio	79 %	85 %
Return on equity	10 %	14 %
Average return on equity over last 5 years	-17 %	
Return on capital employed	9.8 %	9.5 %
DIVIDEND		
Provision for dividend	0.8	0.2
Dividend ratio	67 %	12 %
Annual average dividend ratio over last 5 years	30 %	
State's share of dividend	0.8	0.2
OTHER INFORMATION		
Number of employees	12	13
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	67 %	67 %
Proportion of shareholder-elected women on board	67 %	67 %

Electronic Chart Centre (ECC) develops and operates an authorised electronic navigation 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 Hydrographic Office, the company currently manages authorised electronic navigation chart data provided by 13 nautical chart publishers through the PRIMAR Stavanger cooperation. In addition, the ECC database contains electronic charts from 14 other countries, which are supplied by the British Hydrographic Office. The inter-governmental cooperation is organised and directed by the Maritime Division of the Norwegian Hydrographic Office, 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 electronic navigation charts across national borders, thereby promoting safety at sea. ECC has 12 employees, and it is wholly owned by the State.

Key events

In 2005 ECC implemented several measures to improve accessibility to electronic navigation charts and to open up new business opportunities for the company. A data service was established for Norwegian marine pilots, providing them access to updated electronic navigation chart data 24 hours a day while at sea. In 2005 ECC also began developing and testing a system to make electronic navigation chart data available to ships via the Internet. The system will not require any additional software, except for the software delivered with the data by the distributor.

ECC has also begun operating an Internet-based system for unique electronic signing of copy protected navigation chart data on an international standard so that all computers are assured problem-free use of the navigation chart data, regardless of supplier. In autumn



2005 ECC's operations were certified in accordance with international and Norwegian quality standards NS-EN ISO 9001:2000. These measures have been implemented to enhance safety at sea by providing users with quick, 24-hour access to correct navigation chart data for navigation and by ensuring that further improvements in quality and efficiency are made in the official multi-national maritime data service.

Financial trends

ECC had a good year in 2005, with an annual profit of NOK 1.2 million, corresponding to a return on equity of 10 per cent. Wage costs rose due to an increase in the use of temporary labour and an increase in pension commitments. The company has a significant deferred tax benefit resulting from large deficits in previous years. The company had no interest-bearing debt at year-end and bank deposits of NOK 12.4 million. The company's financial situation should be viewed in relation to assignments performed for the Maritime Division of the Norwegian Hydrographic Office, which pays ECC roughly NOK 10 million annually for its commissioned services. Expansion of available authorised electronic nautical charts will be important for market development. The rate of growth was 3.5 in 2005.

Entra Eiendom AS

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INTERNET: www.entraeiendom.no

CEO: Erik Løfsnes

CHAIRMAN: Grace M. Reksten Skaugen

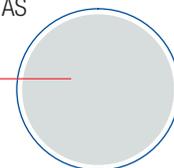
BOARD MEMBERS: Finn Berg Jacobsen,
Knut Grøholt, Gerd Kjellaug Berge,
Trond R. Reinertsen, Kåre Greaker* and Bjørn
Sletten*
Employee representatives



GENERAL INFORMATION

AUDITOR: PricewaterhouseCoopers AS

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



© Entra Eiendom AS

Entra Eiendom AS was established in 2000. Properties that were part of a well-functioning leasehold market was transferred from 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 in, or own parts of and participate in, other companies with operations in the areas mentioned above. The purpose of Entra Eiendom is to meet governmental needs for property in the leasehold market. The company states in its strategic plan that it aims to be an important market participant in seven of Norway's largest cities. At year-end 2005 the company had 123 employees.

Since its establishment in 2000, Entra Eiendom has experienced significant growth and development, and it has become a key participant in the Norwegian real estate market. The area managed by Entra Eiendom has increased from roughly 600,000 m² when the company was established in 2000 to 960,000 m² at year-end 2005.

Key events

In 2005 several large-scale projects were completed. Borgarting lagmannsrett moved into offices in the Munch quarter in Oslo, and the National Library of Norway was completed. The work to develop Bjørvika is continuing, and Entra Eiendom is participating in this project as a minority shareholder in Oslo S Utvikling.

In June 2005 Entra Eiendom secured the commission to build Skattens Hus in Bergen. The new building in the Nonneseter quarter will be 18,000 square metres when it is completed at year-end 2007.

On 14 December 2005 the EFTA Surveillance Authority in Brussels deemed that Entra Eiendom had received unlawful government support in the form of exemptions on payment of stamp duties in connection with the establishment of the company in 2000. Following a comprehensive assessment, Norwegian authorities have decided not to appeal this decision to the EFTA court. Entra must therefore pay approximately NOK 72 million plus interest in stamp duties.

Financial trends

The Group's profit before tax in 2005 came to NOK 230 million, compared to NOK 187 million in 2004. Leasing revenue and other operating revenue increased by NOK 104 million. As a result of lower sales volume in 2005, profit from the sale of real estate declined by NOK 104 million as compared to 2004. The Group's total revenue came to NOK 1,072 million in 2005, the same figure as in 2004. Entra's operating costs in 2005 were NOK 52 million lower than in 2004 due primarily to extraordinary fiscal provisions in 2004. In sum, this has resulted in an operating profit of NOK 591 million, an increase from NOK 539 million in 2004.

Dividend is proposed to NOK 120 million for fiscal year 2005, which is equivalent to a dividend ratio of 74 per cent. Entra conducts an annual value assessment of its assets and uses this to estimate value-adjusted equity. At year-end 2005 the value-adjusted equity was NOK 7.2 billion, up from NOK 5.9 billion at the close of 2004. This equals an increase of 21 per cent. The value-adjusted equity ratio was 47 per cent at year-end 2005.

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	1 072	1 072
Operating costs	481	533
Operating profit	591	539
Net financial items	-361	-352
Profit before tax and minority interests	230	187
Tax	-67	-53
Minority interests	0	0
Profit after tax and minority interests	163	134
BALANCE SHEET		
Intangible fixed assets	0	0
Fixed assets	9 152	8 296
Financial assets	287	306
Total fixed assets	9 439	8 603
Current assets	288	166
Total assets	9 727	8 768
Subscribed equity	1 414	1 414
Earned/other equity	-84	-126
Minority interests	46	0
Equity	1 377	1 288
Provision for commitments	104	127
Long-term liabilities	7 784	6 861
Current interest-bearing liabilities	0	16
Current interest-free liabilities	462	476
Total liabilities and commitments	8 350	7 480
Total equity and liabilities	9 727	8 768
CASH FLOW		
Operational activities	311	567
Investment activities	-955	-969
Financing activities	824	250
Change in assets	180	-152
KEY INDICATORS		
Capital employed	9 161	8 165
EBITDA	759	689
EBIT	607	544
Equity ratio	14 %	15 %
Return on equity	12 %	10 %
Average return on equity over last 5 years	6 %	
Return on capital employed	7 %	7 %
RETURN AND DIVIDEND		
Market value at year-end	7 170	5 907
Price/book	5.2	4.6
Provision for dividend	120	120
Dividend ratio	74 %	90 %
Annual average dividend ratio over last 5 years	142 %	
State's share of dividend	120	120
Return including last year's dividend	23 %	31 %
Average return over last 5 years	18 %	
OTHER INFORMATION		
Number of employees	123	133
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	29 %	29 %
Proportion of shareholder-elected women on board	40 %	40 %

Flytoget AS



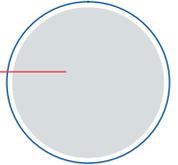
GENERAL INFORMATION

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

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

AUDITOR: KPMG AS

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



	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	565	507
Operating costs	453	446
Operating profit	112	61
Net financial items	-37	-31
Profit before tax and minority interests	75	30
Tax	-21	-9
Profit after tax and minority interests	54	22
BALANCE SHEET		
Intangible fixed assets	422	450
Fixed assets	676	737
Financial assets	0	0
Total fixed assets	1 097	1 187
Current assets	109	87
Total assets	1 206	1 274
Subscribed equity	692	692
Earned/other equity	41	4
Equity	734	696
Provision for commitments	58	26
Long-term liabilities	335	480
Current interest-bearing liabilities	0	0
Current interest-free liabilities	80	71
Total liabilities and commitments	473	578
Total equity and liabilities	1 206	1 274
CASH FLOW		
Operational activities	178	114
Investment activities	-8	58
Financing activities	-155	-170
Change in assets	15	2
KEY INDICATORS		
Capital employed	1 059	1 176
EBITDA	195	144
EBIT	113	63
Equity ratio	61 %	55 %
Return on equity	8 %	3 %
Average return on equity over last 5 years	-5 %	
Return on capital employed	10 %	5 %
VALUES AND DIVIDEND		
Provision for dividend	0	0
Dividend ratio	0 %	0 %
Annual average dividend ratio over last 5 years	0 %	
State's share of dividend	0	0
OTHER INFORMATION		
Number of employees	265	236
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	25 %	38 %
Proportion of shareholder-elected women on board	40 %	60 %



© Flytoget AS

Flytoget AS was founded in 1992 as NSB Gardermoenbanen AS. The purpose of the company is to operate the airport express train service between Oslo Central Station and Oslo Airport. NSB Gardermoenbanen AS began operations when Oslo Airport opened at Gardermoen in October 1998.

In 2003 the company was demerged from the NSB Group and became an independent limited company owned directly by the State under the authority of the Ministry of Transport and Communications. In 2004 administration of the State's ownership functions were transferred to the Ministry of Trade and Industry.

Flytoget AS operates express trains between Asker and Oslo Airport. The company has 16 trains that can reach speeds of 210 km per hour. Travel time between Oslo Central Station and Oslo Airport is 19 minutes. The company had an average of 265 employees in 2005.

Key events

Punctuality is crucial if customers are to have confidence in the company. In 2005 the airport express train service achieved a 97 per cent on-time arrival rate at Oslo Airport. This is two percentage points higher than the past two years, and the highest on-time arrival rate ever. Market share in 2005 was estimated to be 31.5 per cent.

Flytoget further solidified its position as one of Norway's leading service companies by achieving third place in the Norwegian Customer Satisfaction Barometer 2005. A strong brand name lies at the heart of Flytoget's success, and it encompasses all stages of the value chain.

The company measures customer satisfaction among its passengers four times a year, and the results for 2005 showed an index of 94 (source: Research International). This is an exceedingly high score, regardless of industry.

Financial trends

In 2005 Flytoget had operating revenue of NOK 565 million and profit after tax of NOK 54 million. This equals a return on equity of 7.5 per cent, compared to 3.3 per cent in 2004. The improved performance is due to several factors; a 6.1 per cent increase in the number of passengers compared to 2004, an increase in the ticket price of NOK 10, and company efforts to keep costs under control. Increased pension commitments of NOK 35.7 million in the past two years have had a direct, negative impact on equity as a result of accounting practices related to posting of pension commitments. Flytoget reduced its interest-bearing debt by NOK 155 million to NOK 325 million in 2005. The company posted NOK 92 million in deferred tax benefits to the balance sheet. The State assumes that the company should be able to accumulate a basis for dividends during fiscal year 2006.

Kommunalbanken AS

ADDRESS: Munkedamsveien 45 A,
P.O. Box 1210 Vika, NO-0110 Oslo
TELEPHONE: +47 21 50 20 00
INTERNET: www.kommunalbanken.no

CEO: Petter Skouen

CHAIRMAN: Else Bugge Fougner

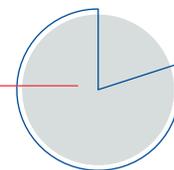
BOARD MEMBERS: Per N. Hagen, Nanna Egidius, Bjørn Kristoffersen, Martha Takvam, Åse Kristensen* and Petter Skouen (adm. dir.)
*Employee representative



GENERAL INFORMATION

AUDITOR: Ernst & Young AS

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



The bank also emphasises sound financial practices. 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 license to operate as a financial enterprise. The company is subject to general legislation relating to financial institutions, and it participates in the credit market on the same terms as other financial enterprises. Kommunalbanken is subject to oversight by the Financial Supervisory Authority of Norway.

Key events

Kommunalbanken is the largest lender to the municipal sector. Its market share is 30 per cent for the sector as a whole, and 40 per cent for lending directly to municipalities and counties. In 2005 the greatest proportion of lending was to the school and health care sectors.

In 2005 NOK 33.7 billion was borrowed through 400 loans in 13 different currencies. Ninety-seven per cent of the volume of deposits came from abroad, with Japan being the most important market.

Financial trends

The demand for loans was good throughout the year, but the strongest growth occurred at year-end. The total lending amount was NOK 76.7 billion at the close of 2005, which is an increase in lending of NOK 10.2 billion or roughly 15 per cent. The accounts for 2005 show a net interest of NOK 175.5 million, profit before tax of NOK 129.4 million, and profit after tax of NOK 92.7 million. Profit before tax equals a return on equity of 14.1 per cent. For profit after tax, this equals a return on equity of 9.6 per cent. Over the years the bank, as a limited company, has had earnings well over the required rate of return. The bank has never had a loss from lending. Dividends will not be paid in 2005 as the entire profit will be used to strengthen the core capital.

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, counties and inter-municipal companies that perform municipal tasks, against a municipal guarantee, State guarantee or another satisfactory security. The company may also perform other tasks closely related to the company's activities, such as providing consultancy services in the company's core areas of activity and in related municipal areas. The company has 34 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 to large municipalities. In the lending market as a whole, small and medium-sized municipalities would not be eligible for such favourable borrowing terms as would the larger municipalities and counties.

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Interest received	2 873	2 399
Interest costs	2 697	2 220
Net interest and credit revenues	176	179
Other operating revenues	9	3
Operating costs	55	52
Net loss	0	0
Operating profit	129	129
Tax	37	37
Profit after tax	93	92
BALANCE SHEET		
Cash and receivables from credit inst.	86	63
Net loans	76 962	66 500
Securities	32 935	20 828
Other assets	966	1 604
Total assets	110 949	88 995
Liabilities to credit institutions	1 837	2 262
Contributions from customers	0	0
Other liabilities and commitments	106 883	84 295
Subordinated loan capital	1 219	1 519
Total liabilities	109 938	88 076
Subscribed equity	682	682
Earned equity	330	237
Total equity	1 011	918
Total equity and liabilities	110 949	88 995
CASH FLOW		
Operational activities	94	96
Investment activities	-21 954	-17 502
Financing activities	21 861	17 406
Change in assets	0	0
KEY INDICATORS		
Core capital coverage	6.1%	5.8%
Capital coverage	11.5%	11.3%
Cost/income ratio	29.9%	28.6%
Provision for loss as %age of gross lending	0.0	0.0
Loss as %age of lending	0.0	0.0
Return on equity	9.6%	10.6%
Average return on equity over last 5 years	10.3%	
VALUES AND DIVIDEND		
Sales revenue to the State	0.0	17.2
Capital contribution from the State	0.0	21.5
State's share of dividend	0.0	17.2
Dividend ratio	0%	23%
Average dividend ratio last 5 years	33%	
OTHER INFORMATION		
Number of employees	34	34
Proportion of employees in Norway	100%	100%
State's shareholding at year-end	80%	80%
Proportion of women on board	58%	43%
Proportion of shareholder-elected women on board	60%	40%

Kongsberg Gruppen ASA

KONGSBERG



GENERAL INFORMATION

ADDRESS: P.O. Box 1000, NO-3601 Kongsberg

TELEPHONE: +47 32 28 82 00

INTERNET: www.kongsberg.com

CEO: Jan Erik Korssjøen

CHAIRMAN: Finn Jebesen

BOARD MEMBERS: Benedicte Berg Schilbred, Erik Must, Siri Hatlen, John Giverholt, Roar Marthiniusen*, Jan Erik Hagen* and Audun Solås*

* Employee representatives

AUDITOR: Ernst & Young AS

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

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	5 705	5 814
Operating costs	5 345	5 593
Operating profit	360	221
Net financial items	-49	-42
Profit before tax and minority interests	311	179
Tax	-96	-70
Profit from discontinued operations	47	9
Minority interests	2	-2
Profit after tax and minority interests	260	120
BALANCE SHEET		
Intangible fixed assets	1 127	1 247
Fixed assets	924	1 042
Financial assets	325	190
Total fixed assets	2 376	2 479
Current assets	4 167	3 454
Total assets	6 543	5 933
Subscribed equity	982	981
Earned/other equity	513	472
Minority interests	10	18
Equity	1 505	1 471
Provision for commitments	1 184	921
Long-term liabilities	1 005	1 261
Current interest-bearing liabilities	2	2
Current interest-free liabilities	2 847	2 278
Total liabilities and commitments	5 038	4 462
Total equity and liabilities	6 543	5 933
CASH FLOW		
Operational activities	620	328
Investment activities	316	-149
Financing activities	-375	-118
Change in assets	561	61
KEY INDICATORS		
Capital employed	2 512	2 734
EBITDA	516	387
EBIT	360	221
Equity ratio	23 %	25 %
Return on equity	18 %	7 %
Average return on equity over last 5 years	11 %	
Return on capital employed	14 %	8 %
VALUES AND DIVIDEND		
Market value at year-end	3 720	2 970
Price/book	2.5	1.7
Closing price	124	99
Provision for dividend	65	60
Dividend ratio	25 %	50 %
Annual average dividend ratio over last 5 years	27 %	
State's share of dividend	32	30
Return including last year's dividend	27 %	-5 %
Average return over last 5 years	9 %	
OTHER INFORMATION		
Number of employees	3 399	3 552
Proportion of employees in Norway	85 %	85 %
State's shareholding at year-end	50 %	50 %
Proportion of women on board	25 %	25 %
Proportion of shareholder-elected women on board	40 %	40 %

Kongsberg Gruppen is a technology group with headquarters in Kongsberg, Norway, and operations in several other countries. The company has its origins in the former armaments company, Kongsberg Våpenfabrikk AS. Through acquisitions and organic growth, the Group has also achieved strong growth in the civilian market, especially in technology areas related to defence activities and maritime electronics. The Group has 3,399 employees, including 2,856 employees in Norway. The company was listed on the Oslo Stock Exchange in 1993.

The Group's activities are focused on two business areas: Kongsberg Maritime and Kongsberg Defence & Aerospace. In both business areas the most important competence is special expertise in signal processing, cybernetics, software development and system integration. Kongsberg Maritime is a world leader in advanced maritime electronics with a focus on positioning systems, navigational systems, automation, surveillance systems, process automation and hydro acoustics. Kongsberg Defence & Aerospace is an important supplier of high technology products to the Norwegian military and a niche-supplier to international markets. Kongsberg Defence & Aerospace focuses on command and weapon control systems, dynamic systems, communication solutions, naval strike missiles and surveillance.

Key events

In September the Kongsberg Group sold its recreational boat operations in Yachting & Fishery to the Nordic investment fund Altor for NOK 586 million. These operations were continued under the name Simrad Yachting. The Kongsberg Group will continue to own the fishery division of Simrad. The decision to sell the operations was taken because these were no longer viewed as part of the Group's core activities. The Kongsberg Group has also established a satellite station on Antarctica.

Defence & Aerospace's largest development project is the new naval strike missile (NSM), which has had satisfactory progress. Last year a successful test launch of the NSM missile was conducted.

Defence & Aerospace has entered into an agreement to purchase the Canadian software company Gallium Software Inc. for NOK 175 million. The purchase will strengthen the company's operations in surveillance systems.

Financial trends

In 2005 the company had a turnover of NOK 5.7 billion, a slight decline from 2004. Operating revenue came to NOK 360 million, compared to NOK 221 million in 2004. The EBITA margin for the Group increased to 6.3 per cent in 2005, compared to 3.8 per cent in 2004. Profit before tax was NOK 311 million, compared to NOK 179 million in 2004. Ordinary profit after tax was NOK 215 million, compared to NOK 109 million in 2004. The company had a slight decrease in operating revenue, but an increase in profitability. Maritime markets and weapon control systems experienced a high volume of orders. Net interest-bearing debt declined throughout 2005, from NOK 1.1 billion to NOK 284 million. The decline is due to the sale of the recreational boat operations in autumn 2005, which resulted in a profit of NOK 37 million. Profit after tax and the sale of operations came to NOK 262 million, compared to NOK 118 million in 2004. Dividends will be paid at NOK 2.15 per share. The dividend amount is related to the annual financial results before the profit from the sale of the recreational boat operations, which is in line with the company's dividend policy. The share price increased and ended at NOK 124 per share on 31 December 2005, an increase of 25.3 per cent from the close of 2004.

Mesta AS

ADDRESS: P.O. Box 5133, NO-1503 Moss

TELEPHONE: +47 915 05 200

INTERNET: www.mesta.no

CEO: Kyrre Olaf Johansen

CHAIRMAN: Frode Alhaug

BOARD MEMBERS: Mari Skjærstad, Tuva Barnholt, Ingrid Dahl Hovland, Espen Gundersen, Jens Petter Hermansen*, Ingar Eira* and Kjell Erland Eriksen*

* Employee representatives



GENERAL INFORMATION

AUDITOR: Ernst & Young AS

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



entered into when it first became independent from the Norwegian Public Road Administration, will terminate. In 2005 Mesta AS maintained its market share in its various business areas. The company also procured new construction equipment for approximately NOK 350 million in 2005, thereby considerably upgrading its inventory of machinery. The company has made significant allocations for future commitments related to the environment as well as pollution and labour needs. Mesta has established, and continues to develop, a solid brand name in the contracting industry.

Mesta AS has received a total of NOK 993.6 million from the State. These funds are part of the government-financed restructuring scheme, which were earmarked as a condition for the establishment of the company. Estimates for the restructuring are now somewhat lower than the NOK 1,468 million estimated when the company was established. The ministry will wait to make further payments to the company and will revisit this issue when the overall need for restructuring has been clarified.

Financial trends

Mesta AS is undergoing a restructuring process. The company operates in a market characterised by intense competition, low operating margins and high risk.

As in previous years, Mesta AS's third operating year showed a positive result for the company as a whole. Operating revenues were NOK 6,076 million, compared to NOK 5,899 in 2004. Annual profit after tax was NOK 216 million, compared to NOK 217 million in 2004. At year-end 2005, the company's total equity was NOK 4,644 million, and its equity ratio was 48.5 per cent. Mesta will pay NOK 76.5 million in dividends to the State for the fiscal year 2005. Cash flow from operations was NOK 244 million in 2005.

Mesta AS was demerged from the Norwegian Public Roads Administration on 1 January 2003, becoming an independent, wholly State-owned limited company under the Ministry of Transport and Communications. 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 in Lysaker and regional offices in Bergen and Bodø. In 2005 the company had an average of 3,293 employees.

Key events

On 1 July 2005 the State's shareholding in Mesta AS was transferred from the Ministry of Transport and Communications to the Ministry of Trade and Industry. The transfer of the company followed up the objective to clearly delineate the State's role as the authority in charge of the road network from its role as owner of the production operations.

In 2005 the company was exposed to even greater competition, and in 2006 the original function contracts with the Norwegian Public Road Administration, which the company had

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	6 076	5 899
Operating costs	5 822	5 638
Operating profit	254	262
Net financial items	48	45
Profit before tax and minority interests	302	306
Tax	-85	-89
Profit after tax and minority interests	216	217
BALANCE SHEET		
Intangible fixed assets	113	118
Fixed assets	873	684
Financial assets	0	0
Total fixed assets	986	802
Current assets	3 658	3 490
Total assets	4 644	4 292
Subscribed equity	1 900	1 900
Earned/other equity	352	212
Equity	2 252	2 112
Deffered tax	0	0
Provision for commitments	874	815
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 518	1 364
Total liabilities and commitments	2 391	2 179
Total equity and liabilities	4 644	4 292
CASH FLOW		
Operational activities	244	718
Investment activities	-322	-139
Financing activities	-77	15
Change in assets	-154	594
KEY INDICATORS		
Capital employed	2 252	2 112
EBITDA	454	540
EBIT	303	307
Equity ratio	49 %	49 %
Return on equity	10 %	11 %
Average return on equity over last 3 years	10 %	
Return on capital employed	14 %	15 %
DIVIDEND		
Provision for dividend	76.5	76.5
Dividend ratio	35 %	35 %
State's share of dividend	76.5	76.5
Average dividend ratio last 2 years	45 %	
CONTRIBUTION FROM STATE		
Contribution for restructuring	280.1	356.5
OTHER INFORMATION		
Number of employees	3 293	3 248
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	25 %	43 %
Proportion of shareholder-elected women on board	40 %	75 %

Nammo AS



GENERAL INFORMATION

ADDRESS: P.O. Box 142, NO-2831 Raufoss

TELEPHONE: +47 61 15 36 00

INTERNET: www.nammo.com

CEO: Edgar Fosshem

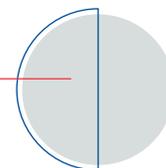
CHAIRMAN: Jorma Wiitakorpi

BOARD MEMBERS: Karl Glad, Jarmo Puputti, Seppo Seppälä, Arne Solli, Karin Furevik, Einar Linnerud* and Rickey Kinell*

* Employee representatives

AUDITOR: KPMG AS

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



	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	1 641	1 521
Operating costs	1 435	1 390
Operating profit	206	131
Net financial items	11	-2
Profit before tax and minority interests	217	129
Tax	-33	-19
Profit after tax and minority interests	184	111
BALANCE SHEET		
Intangible fixed assets	79	41
Fixed assets	310	273
Financial assets	21	21
Total fixed assets	410	334
Current assets	1 099	876
Total assets	1 508	1 210
Subscribed equity	359	359
Earned/other equity	322	244
Equity	681	603
Provision for commitments	120	121
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	827	607
Total liabilities and commitments	827	607
Total equity and liabilities	1 508	1 210
CASH FLOW		
Operational activities	218	144
Investment activities	-93	-22
Financing activities	2	-60
Change in assets	127	62
KEY INDICATORS		
Capital employed	681	603
EBITDA	266	193
EBIT	216	140
Equity ratio	45 %	50 %
Return on equity	29 %	20 %
Average return on equity over last 5 years	18 %	
Return on capital employed	34 %	23 %
DIVIDEND		
Provision for dividend	92	30
Dividend ratio	50 %	27 %
Annual average dividend ratio over last 5 years	30 %	
State's share of dividend	46	14
OTHER INFORMATION		
Number of employees	1 230	1 210
Proportion of employees in Norway	46 %	41 %
State's shareholding at year-end	45 %	45 %
Proportion of women on board	14 %	14 %
Proportion of shareholder-elected women on board	20 %	20 %



© Nammo AS

Nammo was established in 1998 as a result of the merger of the ammunitions division of Raufoss ASA, Svenske Celsius AB (an affiliate of the SAAB Group) and Patria Industries Oyj of Finland (which changed its name to Patria Oyj in 2004). Raufoss got a 45 per cent shareholding when Nammo AS was established, while the Finnish and Swedish owners each got a 27.5 per cent shareholding. The Norwegian State purchased the shares held by Raufoss ASA in Nammo AS in 2000. At year-end 2005 the Group had 1,230 employees, including 552 employees in Norway.

Nammo is involved in the development, production and sale of ammunition and related activities. Nammo's vision is for the company to be a cost-effective, highly-regarded defence manufacturer of ammunitions and missiles with close ties to the international defence industry.

Key events

The US corporation Lockheed Martin (LM) and Nammo have cooperated in the defence market for many years. On 19 January 2005 LM Aero and Polish authorities signed an agreement that included the transfer of parts of Nammo's ammunitions technology to the Polish ammunitions manufacturer MESKO. The agreement will result in significant license sales for Nammo's products up to 2013.

On 1 July 2005, Nammo Raufoss AS purchased the Aurskog-based company Bakkelittfabrikken, which had 34 employees and a turnover of NOK

50 million. Bakkelittfabrikken manufactures training ammunition for handgun and medium-calibre weapons.

In autumn 2005 Svenske Saab AB agreed with Patria Oyj to sell its shareholding in Nammo to Patria. The State exercised its right of first refusal and purchased 5 per cent of the shares from Saab AB for NOK 61.8 million. 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.

Financial trends

Nammo has shown sound, stable development in the past three years, despite overcapacity in the market, reduced defence budgets, keen competition and structural changes in both the national and international defence industries. The equity situation in the company is good. In 2005 profit after tax was NOK 184 million, compared to NOK 111 million in 2004. The financial improvement is due to increased turnover in most business areas and stable cost development resulting from gains from efficiency measures. The company will pay a total of NOK 92 million in dividends, with the State receiving NOK 46 million.

The export share increased from 57 per cent in 2004 to 60 per cent in 2005. Compared to 2004, results have improved in most of the company's business areas.

Norsk Hydro ASA



HYDRO

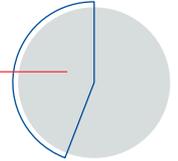
GENERAL INFORMATION

ADDRESS: Drammensveien 264, NO-0283 Oslo
MAILING ADDRESS: NO-0240 Oslo
TELEPHONE: +47 22 53 81 00
INTERNET: www.hydro.com

CEO: Eivind Reiten

CHAIRMAN: Jan Reinås
BOARD MEMBERS: Borger A. Lenth, Elisabeth Grieg, Håkan Mogren, Ingvild Myhre, Kurt Anker Nielsen, Geir Nilsen*, Stein Roar Martinsen* and Terje Friestad*
 * Employee representatives

AUDITOR: Deloitte Statsautorisert Revisorer AS
STATE OWNERSHIP: 43.82 %
 (Ministry of Trade and Industry)



will not change in the event of a buy-back for cancelation. A new agreement on buy-back transactions was entered into at the annual general meeting in 2006.

Hydro decided to close two German aluminium plants. This move, along with the closures in Årdal and Høyanger, will reduce Hydro's production capacity for raw aluminium by 10 per cent in 2006 and 2007. The restructuring is expected to cost approximately NOK 1 billion and will reduce annual fixed costs by NOK 800 million.

In September 2005 Norsk Hydro purchased the US oil and gas company Spinnaker Exploration Company for USD 2.45 billion. This purchase will strengthen Hydro's position and growth potential in the US part of the Gulf of Mexico. In October Hydro purchased the Canadian company, which owns 50 per cent of the Chinook field outside of Brazil at a cost of USD 350 million. Hydro sold its shares in the fish feed company Biomar A/S for NOK 925 million.

Financial trends

The financial results for Hydro in 2005 were the best in the company's history, with a profit of NOK 15.2 billion. This is due to high oil prices in 2005 as well as an increase in aluminium prices throughout the year. Hydro's total operating revenue came to NOK 174 billion in 2005, up from NOK 153 billion in 2004. Operating costs increased by NOK 6 billion to NOK 128 billion, primarily due to increased costs of raw materials and energy. This resulted in an operating profit of NOK 46 billion in 2005. Of this total, NOK 43.5 billion came from the division Oil and Energy and NOK 2.5 billion came from Aluminium and other operations. Norsk Hydro ASA will pay NOK 22 per share in dividends for fiscal year 2005, which gives a total dividend payment of NOK 5.5 billion. This equals a dividend ratio of 36 per cent of the group result.

Norsk Hydro ASA is an energy and aluminium company established in 1905. The company has 32,765 employees in over 40 countries, including 11,638 employees in Norway. The company's shares are listed on the stock exchanges in Oslo, New York, London, Paris and Frankfurt. Norsk Hydro is Norway's largest company in the industrial sector, as well as a key participant in the Norwegian oil and gas industry.

Hydro develops, produces and supplies oil, gas and hydropower. It also develops new energy supplies and has extensive operations in energy transport and trade. Hydro is one of the largest integrated aluminium manufacturers in the world, producing both raw metals and finished products.

Key events

In connection with Norsk Hydro ASA's buy-back of its own shares for cancelation, the State redeemed a little under 2.2 million shares at the annual general meeting in 2005 for a total of NOK 981 million. This took place in accordance with the agreement between Norsk Hydro ASA and the Ministry of Trade and Industry ensuring that the State's shareholding

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	174 001	153 112
Driftskostnader	128 022	122 043
Operating profit	45 979	31 069
Net financial items	-323	895
Profit before tax and minority interests	45 656	31 963
Tax	-30 364	-20 995
Profit from disposed business	0	1 057
Minority interests	118	80
Profit after tax and minority interests	15 174	11 944
BALANCE SHEET		
Intangible fixed assets	5 572	2 607
Fixed assets	128 113	106 227
Financial assets	19 612	18 458
Total fixed assets	153 296	127 292
Current assets	64 401	67 999
Total assets	217 697	195 290
Subscribed equity	15 078	15 058
Earned/other equity	73 258	63 915
Minority interests	981	1 571
Equity	89 317	80 544
Provision for commitments	52 667	45 510
Long-term liabilities	21 387	19 487
Current interest-bearing liabilities	5 037	4 353
Current interest-free liabilities	49 289	45 397
Total liabilities and commitments	128 380	114 747
Total equity and liabilities	217 697	195 290
CASH FLOW		
Operational activities	27 385	27 724
Investment activities	-24 318	-23 962
Financing activities	-6 797	-13 579
Currency effect	-173	-264
Disposed business	0	9 574
Change in assets	-3 903	-507
KEY INDICATORS		
Capital employed	115 741	104 384
EBITDA	65 132	50 070
EBIT	48 780	32 990
Equity ratio	41 %	41 %
Return on equity	18 %	15 %
Average return on equity over last 5 years	14 %	
Return on capital employed	44 %	29 %
VALUES AND DIVIDEND		
Market value at year-end	179 455	125 906
Price/book	2.0	1.6
Closing price	693	477
Provision for dividend	5 503	5 017
Dividend ratio	36 %	42 %
Annual average dividend ratio over last 5 years	34 %	
State's share of dividend	2 497	2 270
Return including last year's dividend	50 %	29 %
Average return over last 5 years	17 %	
Sales proceeds to the State-deleted shares	981.1	445
OTHER INFORMATION		
Number of employees	32 765	34 648
Proportion of employees in Norway	35.5 %	35.1 %
State's shareholding at year-end	44 %	44 %
Proportion of women on board	22 %	22 %
Proportion of shareholder-elected women on board	33 %	33 %

SAS AB

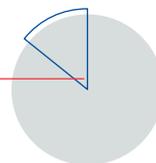


SAS Group

GENERAL INFORMATION

ADDRESS: SE-195 87 Stockholm**TELEPHONE:** + 46 87 97 00 00**INTERNET:** www.sasgroup.net**CEO:** Jørgen Lindegaard**CHAIRMAN:** Egil Myklebust**BOARD MEMBERS:** Jacob Wallenberg, Berit Kjøll, Timo Peltola, Fritz H. Schur, Anitra Steen, Lars Rebieen Sørensen, Nicolas E. Fischer* Ulla Grøntvedt* and John Lyng*

* Employee representatives

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

	NOK mill ¹⁾	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	53 388	53 277
Operating costs	52 894	54 255
Operating profit	493	-979
Net financial items	-133	-702
Profit before tax and minority interests	361	-1 681
Tax	-141	-62
Minority interests	70	-5
Profit after tax and minority interests	150	-1 614
BALANCE SHEET		
Intangible fixed assets	3 284	2 983
Fixed assets	16 545	22 167
Financial assets	11 156	10 197
Total fixed assets	30 986	35 347
Current assets	18 348	17 778
Total assets	49 333	53 126
Subscribed equity	1 958	2 117
Earned/other equity	7 824	8 027
Minority interests	491	7
Equity	10 273	10 151
Provision for commitments	3 716	3 891
Long-term liabilities	16 359	19 265
Current interest-bearing liabilities	5 962	5 771
Current interest-free liabilities	13 024	14 049
Total liabilities and commitments	39 060	42 975
Total equity and liabilities	49 333	53 126
CASH FLOW		
Operational activities	1 301	-1 321
Investment activities	864	2 749
Financing activities	-2 120	-1 849
Change in assets	45	-429
KEY INDICATORS		
Capital employed	32 600	35 187
EBITDA	3 771	2 374
EBIT	1 689	-236
Equity ratio	21 %	19 %
Return on equity	1.5 %	-14.5 %
Average return on equity over last 5 years	-6 %	
Return on capital employed	5.2 %	-0.7 %
VALUES AND DIVIDEND		
Market value at year-end	14 312	9 338
Price/book	1.5	0.9
Closing price	87.00	56.75
Provision for dividend	0	0
Dividend ratio	0 %	0 %
Annual average dividend ratio over last 5 years	0 %	
State's share of dividend	0	0
Return including last year's dividend	53 %	-10 %
Average return over last 5 years	-0.3 %	
OTHER INFORMATION		
Number of employees	32 363	32 481
Proportion of employees in Norway	28 %	30 %
State's shareholding at year-end	14 %	14 %
Proportion of women on board	30 %	33 %
Proportion of shareholder-elected women on board	29 %	33 %

The goal of SAS, Scandinavia's leading airline, 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 when it is profitable to do so.

At year-end 2005 the SAS Group consisted of four business areas: Scandinavian Airline Businesses, comprised of the domestic companies SAS Braathens, SAS Denmark, SAS Sweden and SAS International; Subsidiary & Affiliated Airlines, comprised of Spanair, Widerøe, Blue1 and airBaltic; Airline Support Businesses, comprised of SAS Ground Services, Technical Services, Cargo Group and Flight Academy; and Hotels, which includes Rezidor SAS. In 2005 the SAS Group had an average of 1,520 daily departures to 147 destinations. The Group also owns 217 hotels.

In 2001 the ownership structure in SAS was amended by creating a single joint holding company and introducing one class of shares for the company. The governments of Denmark, Norway and Sweden own, respectively, 14.3 per cent, 14.3 per cent and 21.4 per cent of the shares in SAS AB. The remaining 50 per cent of the shares are owned by private interests. The company is listed on the Oslo, Copenhagen and Stockholm stock exchanges.

In 2004 the SAS Group's airline operations were re-organised according to a decentralised management model, which established independent transport companies in Norway, Sweden and Denmark.

In 2005 SAS had 32,363 employees; 9,218 of these were employed in Norway.

Key events

In 2005 SAS sold assets (European Aeronautical Group, Jetpak Group and 67 per cent of SAS Component) for a total of



SEK 1,154 million because it was determined that the operations no longer were part of the Group's core business activities.

Financial trends

SAS showed a profit for the first time since 2000, with profit after tax and minority interests of NOK 150 million in 2005. The improvement was due to a reduction in the company's costs and stable revenues. Operating profit was NOK 493 million in 2005, compared to NOK -979 million in 2004. Since 2002, SAS has reduced its unit cost by over 30 per cent, adjusted for exchange rate differences and higher fuel prices, through the programme Turnaround 2005. As of 31 December 2005 total assets for the SAS Group was NOK 49 billion, compared to NOK 53 billion at year-end 2004. SAS made few investments throughout the year and has reduced its long-term debt. Earned equity has been reduced as a result of last year's deficit. The equity ratio at year-end 2005 was 20.8 per cent, compared to 19.1 per cent at the close of 2004.

¹⁾ The figures are in NOK, calculated from SAS's groupe figures in SEK. NOK/SEK exchange rate used: closing: 117.60, average: 115.92

Statkraft SF



ADDRESS: Postboks 200 Lilleaker, 0216 OSLO
TELEPHONE: +47 24 06 70 00
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

GENERAL INFORMATION

AUDITOR: Deloitte Statsautoriserte Revisorer AS

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



Naturkraft. Scheduled for completion in 2007, these power plants will increase Statkraft's annual production capacity by 7-8 TWh, and this represents an investment of approximately NOK 5 billion.

In October 2005 Statkraft acquired 24 hydro-power plants in Sweden and Finland, with an annual mean production of 1.6 TWh corresponding to NOK 4 billion.

In November 2005 the Ministry of Modernisation rescinded its order for Statkraft to sell Trondheim Energiverk (TEV). Statkraft will therefore continue to own TEV.

Financial trends

In 2005 the Statkraft SF Group had a profit after tax and minority interests of NOK 5,854 million. This equals a return on equity of 17.5 per cent. The company's good financial performance is due to an extremely high production rate of 48.5 TWh in 2005, in addition to favourable electricity prices. The price for electricity on Nordpool is increasingly influenced by gas, coal, oil and CO₂ prices in Europe. Statkraft also exploits its large reservoir capacity by producing power at the time of day when prices are highest. Statkraft terminated its agreement on the sale of green certificates with the Dutch company Nuon, which has resulted in a one-time gain of NOK 464 million after tax. Dividends of NOK 4,720 million comprise slightly less than 81 per cent of the total profits. After the dividend provision, Statkraft showed a book equity ratio of 41 per cent.

In the second quarter Statkraft redeemed three of its bond issues by a total outstanding amount of NOK 4.5 billion. Two other bond issues were bought back for a total of NOK 1.8 billion. All these bonds were guaranteed by the State, and as a result of the redemption transaction, the guarantee premium paid by Statkraft to the State has been reduced.

The foundation for Statkraft's operations was laid when the State acquired important water rights in the early 1900s and major power plants were constructed in the post-WWII era. Statkraft SF was demerged from Statkraft-verkene in 1992, with production of hydro-power as its most important activity. Since that time, Statkraft has acquired shareholdings in Trondheim Energiverk AS (100 %), Agder Energi AS (45.5 %), Skagerrak Energi AS (66.6 %), Bergenshalvøens Kommunale Kraftselskap AS (49.9 %), SN Power Invest AS (50 %), Naturkraft AS (50 %), E.ON Sverige AB (44.6 %) and Baltic Cable AB (66.7 %).

Statkraft's vision is to be the leading European supplier of environmentally-friendly energy. The company is one of the largest hydropower producers in Europe. At year-end 2005 the Statkraft SF Group had employees equivalent to 2,021 man-years, with 1,800 of these in Norway.

Key events

On 27 September 2005 Statkraft began the second phase of the construction of Smøla Vindpark. Statkraft produces a total of about 600 GWh/year of wind power. The company also plans to build a wind power plant in Kjøllefjord in Finnmark, to be operational in autumn 2006. In 2005 the company began construction of three gas-fired power plants - two in Germany and one in Kårstø - in cooperation with Norsk Hydro through the company

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	14 595	10 635
Operating costs	6 067	5 038
Operating profit	8 528	5 597
Net financial items	55	-745
Profit before tax and minority interests	8 583	4 851
Tax	-2 553	-251
Minority interests	176	114
Profit after tax and minority interests	5 854	4 486
BALANCE SHEET		
Intangible fixed assets	6 270	2 836
Fixed assets	47 979	46 337
Financial assets	29 704	31 530
Total fixed assets	83 953	80 703
Current assets	8 441	9 788
Total assets	92 394	90 491
Subscribed equity	29 250	29 250
Earned/other equity	4 811	3 623
Minority interests	3 953	3 966
Equity	38 014	36 839
Provision for commitments	10 320	7 028
Long-term liabilities	32 464	38 722
Current interest-bearing liabilities	2 240	1 558
Current interest-free liabilities	9 356	6 344
Total liabilities and commitments	54 380	53 652
Total equity and liabilities	92 394	90 491
CASH FLOW		
Operational activities	11 953	4 322
Investment activities	-4 625	2 816
Financing activities	-8 965	-4 048
Change in assets	-1 664	3 069
KEY INDICATORS		
Capital employed	72 718	77 119
EBITDA	12 887	9 323
EBIT	10 978	7 859
Equity ratio	41 %	41 %
Return on equity	17 %	14 %
Average return on equity over last 5 years	13 %	
Return on capital employed	15 %	10 %
DIVIDEND ETC.		
Provision for dividend	4 720	3 402
Dividend ratio	81 %	76 %
Annual average dividend ratio over last 5 years	84 %	
State's share of dividend	4 720	3 402
Contribution from the State	0	0
Guarantee payment	19 762	29 271
Guarantee payment to the State	153	233
OTHER INFORMATION		
Number of employees	2 021	1 965
Proportion of employees in Norway	93 %	93 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	44 %	44 %
Proportion of shareholder-elected women on board	50 %	50 %

Statoil ASA

ADDRESS: NO-4035 Stavanger
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INTERNET: www.statoil.com

CEO: Helge Lund

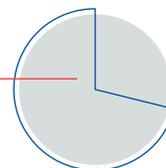
CHAIRMAN: Jannik Lindbæk
BOARD MEMBERS: Kaci Kullmann Five, Knut Åm, Finn A. Hvistendahl, Grace R. Skaugen, Ingrid Wiik, Stein Bredal*, Lill-Heidi Bakkerud* and Morten Svaan*
 * Employee representatives



GENERAL INFORMATION

AUDITOR: Ernst & Young AS

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



	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	393 718	305 722
Operating costs	296 779	240 603
Operating profit	96 939	65 119
Net financial items	-3 712	5 439
Profit before tax and minority interests	93 227	70 558
Tax	60 453	45 307
Minority interests	765	505
Profit after tax and minority interests	32 009	24 746
BALANCE SHEET		
Intangible fixed assets	2 060	2 069
Fixed assets	181 481	152 916
Financial assets	27 949	27 680
Total fixed assets	211 490	182 665
Current assets	73 338	63 158
Total assets	284 828	245 823
Subscribed equity	17 770	17 835
Earned/other equity	73 170	56 459
Minority interests	1 492	1 616
Equity	92 432	75 910
Deferred tax	40 422	44 633
Provision for commitments	26 264	23 779
Long-term liabilities	29 469	26 482
Current interest-bearing liabilities	3 312	7 731
Current interest-free liabilities	92 929	67 288
Total liabilities and commitments	192 396	169 913
Total equity and liabilities	284 828	245 823
CASH FLOW		
Operational activities	56 250	38 807
Investment activities	-37 664	-31 959
Financing activities	-16 514	-9 055
Change in assets	2 072	-2 207
KEY INDICATORS		
Capital employed	125 213	110 123
EBITDA	120 957	83 910
EBIT	99 801	66 451
Equity ratio	32 %	31 %
Return on equity	39 %	36 %
Average return on equity over last 5 years	34 %	
Return on capital employed	85 %	63 %
VALUES AND DIVIDEND		
Market value at year-end	335 752	205 784
Price/book	3,6	2,7
Closing price	155,00	95,00
Provision for dividend	17 756	11 481
State's share of dividend	12 593	8 139
Dividend ratio	55 %	46 %
Annual average dividend ratio over last 5 years	45,8 %	
Return including last year's dividend	68,8 %	31,0 %
Average return over last 5 years	22,7 %	
Sales revenue to the State	12 500	9 859
OTHER INFORMATION		
Number of employees	25 644	23 899
Proportion of employees in Norway	51 %	53 %
State's shareholding at year-end	70,9 %	76,3 %
Proportion of women on board	44 %	44 %
Proportion of shareholder-elected women on board	50 %	50 %

Statoil is an integrated oil and gas company with operations in 32 countries. The company accounts 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 currently 70.9 per cent. As of 31 December 2005 Statoil had 25,644 employees, including 13,128 employees in Norway.

Key events

In 2005 Statoil began production from the gas and condensate field Kristin and the oil field Urd in the North Sea. Production from Statoil's international operations increased by 60 per cent compared to 2004. In 2005 production began in several oil fields in which Statoil has shareholdings outside the Norwegian Continental Shelf. The first phase of the main field in the Azeri-Chirag-Gunashli field in Azerbaijan began production in February 2005, and the second phase began production in December 2005. Oil from the field will be transported through the 1,770 km long oil pipeline Baku-Tiblisi-Ceyhan (BTC) to Turkey, from where it will be shipped. Kizomba B outside Angola began oil production in July 2005. Statoil was granted new licenses on the Norwegian Continental Shelf and other locations around the world (Libya, Brazil, Nigeria, the Faeroe Islands and Great Britain). In 2005 Statoil entered into an agreement with the Canadian company EnCana to purchase that company's deep-water licenses for the US portion of the Gulf of Mexico. In June 2005 Statoil sold its 50 per cent shareholding in the petrochemical company Borealis A/S to IOB Holding A/S. In January 2006 Statoil sold its 30 per cent shareholding in the Ringsend gas-fired power plant in Ireland.

In February 2005 the State reduced its shareholding in Statoil ASA from 76.3 per cent to 70.9 per cent, with 100 million shares sold to institutional investors and 17.65 million shares sold to nearly 20,000 private individuals. As a result of this sale, the State realised NOK 12.5 billion.

Financial trends

In 2005 Statoil achieved its best financial performance to date. Annual profit in 2005 was NOK 32 billion, an increase of 29 per cent compared to 2004. The increase is due primarily to higher oil and gas prices, as well as increased production. Statoil's oil and gas production in 2005 was 1,169,000 barrels of oil equivalent per day. This is 63,000 barrels of oil equivalent more than in 2004. Statoil had total operating revenue of NOK 394 billion in 2005, compared to NOK 306 billion in 2004.

Statoil's return on average capital employed¹ at year-end 2005 was 27.6 per cent, compared to 23.5 per cent in 2004. Based on Statoil's long-term price expectations, the normalised return on capital employed at year-end was 11.7 per cent, compared to 12.4 per cent in 2004. An increase in investments was the primary reason for the increase.

For 2005 Statoil will pay dividends of NOK 8.20 per share. Some NOK 4.60 of this is extraordinary payments. This gives a total dividend payout of NOK 17.7 billion.

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

Statskonsult AS



GENERAL INFORMATION

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MAILING ADDRESS: P.O. Box 8115 Dep.,
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TELEPHONE: +47 22 45 10 00
INTERNET: www.statskonsult.no
CEO: Gunnar Bakkeland

CHAIRMAN: Kari Gjestebø

BOARD MEMBERS: Cato Hellesjø, Annette Selmer,
 Anne Sæterdal, Mari Skjærstad, Inger Johanne
 Sundby* and Ellen Hov Aanæs*
 * Ansattes representanter

REVISOR: Ernst & Young AS

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



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The company was established with fiscal effect on 1 January 2004 as a result of the conversion of the former public management agency Statskonsult - Directorate of Public Management Development. The company has undergone a workforce reduction in the period 2004 to 2006 in an effort to adapt to the marketplace.

The company offers consulting services, assistance, analysis and reports in the areas of strategy, e-governance and competence, targeted toward the public sector. The company operates on a commercial basis. Its customers are primarily ministries, directorates and other public administration agencies.

Key events

The company received an allocation to implement a restructuring and workforce reduction plan for a three-year period lasting until the end of 2006. Accomplished faster than originally planned, the process was completed at year-end 2005.

Financial trends

In the transition period of restructuring from the directorate to a limited company, Statskonsult has had a contract portfolio with the Ministry of Government Administration and Reform which was entered into before the company was established. The portfolio of contracts has been gradually reduced during this period, and 2006 will be the last year of work on this portfolio.

Upon establishment of the company, the owners expected that the company would move towards a positive financial performance following the transition period. In 2005 revenue from operations was NOK 54.1 million. Profit for 2005 (excluding restructuring costs) showed an improvement of NOK 2 million (8 per cent) compared to figures from 2004. The improvement was achieved on a revenue base that was NOK 9 million lower (-14 per cent) in 2005 compared to 2004. (The decrease was due partially to a reduction of the transitional portfolio from the Ministry of Government Administration and Reform.)

Costs in 2005 were NOK 85.3 million, and along with financial income of NOK 1.1 million, these gave a deficit for the company of NOK 30.1 million. A major restructuring of the company was also implemented in 2005, which led to restructuring costs of NOK 7.1 million, NOK 6.4 million of which constitutes booked provisions. In addition, the State has allocated NOK 25 million over a three-year period to restructuring pursuant to a Storting resolution on the conversion of Statskonsult to a limited company.

As of 31 December 2005 total assets came to NOK 75.8 million, compared to NOK 106 at year-end 2004. The equity ratio at year-end 2005 was 50 per cent. The company's liquidity is good.

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	54.1	63.1
Operating costs	85.3	100.7
Operating profit	-31.2	-37.6
Net financial items	1.1	1.5
Profit before tax and minority interests	-30.1	-36.1
Tax	0.0	0.0
Profit after tax and minority interests	-30.1	-36.1
BALANCE SHEET		
Intangible fixed assets	0.1	0.1
Fixed assets	2.6	2.7
Financial assets	0.0	1.0
Total fixed assets	2.7	3.8
Current assets	73.1	102.2
Total assets	75.8	106.0
Subscribed equity	37.6	67.7
Earned/other equity	0.0	0.0
Equity	37.6	67.7
Deferred tax	0.0	0.0
Provision for commitments	16.6	15.9
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	21.6	22.4
Total liabilities and commitments	38.2	38.3
Total equity and liabilities	75.8	106.0
CASH FLOW		
Operational activities	-35.8	-10.0
Investment activities	-1.2	-1.5
Financing activities	0.0	109.5
Change in assets	-37.1	98.0
KEY INDICATORS		
Capital employed	38	68
EBITDA	-29	-35
EBIT	-30	-36
Equity ratio	50 %	64 %
Return on equity	-57 %	-42 %
Average return on equity over last 2 years	-50 %	
Return on capital employed	-57 %	-42 %
GRANT FROM STATE		
Grant to restructuring	8.0	8.0
Total contribution	8.0	8.0
CONTRIBUTION AND DIVIDEND		
Capital contribution from the State	0.0	103.8
Provision for dividend	0	0
State's share of dividend	0 %	0 %
OTHER INFORMATION		
Number of employees	63	80
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	86 %	83 %
Proportion of shareholder-elected women on board	80 %	50 %

Store Norske Spitsbergen Kulkompani AS



Store Norske Spitsbergen Kulkompani

GENERAL INFORMATION

ADDRESS: NO-9170 Longyearbyen

TELEPHONE: +47 79 02 52 00

INTERNET: www.snsk.no

CEO: Robert Hermansen

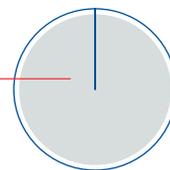
CHAIRMAN: Steinar Høgaas

BOARD MEMBERS: Ole Fredrik Hienn, Atle Fornes, Esther Kostøl, Lise Chatwin Olsen, Anita Johansen*, Sverre Henning Engh* og Jarle Haagenen*

* Employee representatives

AUDITOR: KPMG AS

STATE OWNERSHIP: 99,94 %
(Ministry of Trade and Industry)



	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	1 100	1 315
Operating costs	1 044	1 091
Operating profit	56	224
Net financial items	-42	3
Profit before tax and minority interests	15	227
Tax	-4	-9
Minority interests	0	0
Profit after tax and minority interests	11	219
BALANCE SHEET		
Intangible fixed assets	27	52
Fixed assets	919	784
Financial assets	19	18
Total fixed assets	965	854
Current assets	539	314
Total assets	1 505	1 168
Subscribed equity	164	164
Earned/other equity	353	249
Equity	518	414
Provision for commitments	11	15
Long-term liabilities	507	390
Current interest-bearing liabilities	270	0
Current interest-free liabilities	199	350
Total liabilities and commitments	987	754
Total equity and liabilities	1 505	1 168
CASH FLOW		
Operational activities	-241	312
Investment activities	-200	-183
Financing activities	371	-79
Change in assets	-70	51
KEY INDICATORS		
Capital employed	1 294	803
EBITDA	139	310
EBIT	74	225
Equity ratio	34 %	35 %
Return on equity	2 %	62 %
Average return on equity over last 4 years ¹⁾	31 %	
Return on capital employed	7 %	28 %
DIVIDEND		
Provision for dividend	7	7
Dividend ratio	64 %	3 %
Annual average dividend ratio over last 4 years ¹⁾	8 %	
State's share of dividend	7	7
OTHER INFORMATION		
Number of employees	310	265
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	37 %
Proportion of shareholder-elected women on board	40 %	40 %

¹⁾ Only last four years, because the company got state grant in 2001.

Founded in 1916, Store Norske Spitsbergen Kulkompani A/S operates coal mines on Svalbard through its 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 near Longyearbyen, which delivers 35 per cent of its coal production to the local power plant. The company shall operate without government support. At year-end 2005 Store Norske had 310 employees.

Key events

On 30 July 2005 fire broke out in the Svea Nord mine. Firefighters were sent in immediately and outside experts were called in. Waste gases in the mine were measured from the onset of the fire, and in mid-September the measurements indicated that the fire had been extinguished. Smoke divers then entered the mine to measure gases and temperatures and to survey the extent of damage. It was found that the fire had caused extensive damage to the mining facilities and equipment. The fire is being investigated by the district governor of Svalbard and the National Criminal Investigation Service, while the Norwegian Labour Inspection Authority, the Directorate of Mines and other agencies are conducting inspections and assessments. Investigation efforts was not completed by the end of April 2006.

After an eight-month closure, Store Norske began production again in Svea Nord on 1 April 2006.

The 2005 national budget anticipated company dividends to be NOK 107 million for fiscal year 2004. Because the company incurred a substantial financial loss from the fire, the Government proposed in its recommendation for changes to the national budget in the autumn that the dividend payment be



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adjusted downward by NOK 100 million. The Storting approved this change in December 2005.

Financial trends

In 2005 Store Norske had operating revenue of NOK 1,100 million for the Group and achieved an annual profit of NOK 11 million. Comparable figures for 2004 were NOK 1,315 million and NOK 219 million, respectively. Production volume came to 1.3 million tons in 2005, compared to 2.9 million tons in 2004. The decrease in production volume and profit was due to the fire in the Svea Nord mine. The insurance policy held by Store Norske includes fire insurance of equipment as well as liability and business interruption insurance. At the close of April 2006, the insurance claims settlement had not been finalised.

The 2006 national budget assumes the dividend payment from Store Norske to be NOK 7 million for the fiscal year 2005.

Telenor ASA

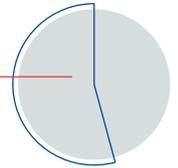


ADDRESS: Snarøyveien 30, NO-1331 Fornebu
TELEPHONE: +47 67 89 00 00
INTERNET: www.telenor.com
CEO: Jon Fredrik Baksaas

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

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 53,96 %
 (Ministry of Trade and Industry)



the Ministry of Trade and Industry, which was designed to ensure that the buy-back did not alter the State's shareholding. A new buy-back agreement has been signed that is valid until 1 July 2006.

In 2005 Telenor experienced strong growth in its mobile operations. In June 2005 Telenor purchased the broadband suppliers Bredbandsbolaget in Sweden and Cybercity in Denmark. In February 2006 Telenor purchased a majority shareholding in the Swedish telephony and broadband company Glocalnet. As a result of these purchases, Telenor has become a leading broadband supplier in Scandinavia. As part of its mobile operations, Telenor opened its new GSM mobile network for commercial use in Pakistan in March 2005, and Telenor acquired nearly 1.9 million customers in Pakistan. In October Telenor increased its investment in the Thai mobile communication company DTAC from 40 to 69 per cent. In the same month, Telenor also purchased shares in the mobile communication company Vodafone Sweden, a move that strengthened Telenor's position in the Nordic region.

Financial trends

Operating revenue came to NOK 68.9 billion in 2005, compared to NOK 60.6 billion in 2004. Profit after tax and minority interests was NOK 7,7 billion, 26 per cent higher than in 2004. The improvement in financial performance is due to a combination of growth in revenue and a strong focus on cost-efficiency in operations. At year-end 2005 the Group had an equity ratio of 43 per cent. The company has a relatively strong financial position. The company anticipates that in the future an increasing share of Telenor's operating revenue and financial results will come from mobile operation outside the Nordic region. The State will receive NOK 1.8 billion in dividends from Telenor for the fiscal year 2005.

Telenor was formed when Televerket was converted to a limited company in 1994. The company was privatised and listed on the Oslo and New York stock exchanges in 2000.

Telenor is the largest telecommunications company in Norway. With extensive mobile operations abroad, Telenor is also one of the world's largest mobile communication companies. There are over 80 million customers in companies with significant Telenor shareholdings. Telenor's operations are based on providing voice services, information, expertise 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. The Group's four business areas are Mobile, Fixed, Broadcast and other units. Telenor has 27,600 employees, including 10,900 employees in Norway.

Key events

In connection with Telenor's buy-back of its own shares for cancellation, the State redeemed 23.6 million shares at the annual general meeting in 2005 and received NOK 1,185 million in compensation. This transaction took place under an agreement between Telenor and

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	68 927	60 591
Operating costs	57 222	53 224
Operating profit	11 705	7 367
Net financial items	886	2 507
Profit before tax and minority interests	12 591	9 874
Tax	-3 453	-2 461
Minority interests	1 488	1 320
Profit after tax and minority interests	7 650	6 093
BALANCE SHEET		
Intangible fixed assets	44 997	27 787
Fixed assets	43 958	37 543
Financial assets	9 691	7 851
Total fixed assets	98 646	73 181
Current assets	25 749	18 215
Total assets	124 395	91 396
Subscribed equity	28 235	27 341
Earned/other equity	18 164	12 808
Minority interests	7 134	3 946
Equity	53 533	44 068
Provision for commitments	6 037	5 480
Long-term liabilities	27 719	21 175
Current interest-bearing liabilities	11 908	3 991
Current interest-free liabilities	25 198	16 682
Total liabilities and commitments	70 862	47 328
Total equity and liabilities	124 395	91 396
CASH FLOW		
Operational activities	22 340	18 991
Investment activities	-19 998	-13 031
Financing activities	-832	-8 255
Currency effect	215	-268
Change in assets	1 725	-2 563
KEY INDICATORS		
Capital employed	92 580	69 234
EBITDA	26 277	25 690
EBIT	14 146	11 522
Equity ratio	43 %	48 %
Return on equity	18 %	16 %
Average return on equity over last 5 years	11 %	
Return on capital employed	18 %	17 %
VALUES AND DIVIDEND		
Market value at year-end	113 060	96 250
Price/book	2.4	2.6
Closing price	66.25	55.00
Provision for dividend	3 419	2 624
Dividend ratio	45 %	49 %
Annual average dividend ratio over last 5 years	44 %	
State's share of dividend	1 842	1 417
Return including last year's dividend	23 %	29 %
Average return on equity over last 5 years	11 %	
Sales proceeds to the State from sale of shares and deleted shares	1 185	9 085
OTHER INFORMATION		
Number of employees	27 600	21 750
Proportion of employees in Norway	40 %	55 %
State's shareholding at year-end	54 %	54 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	43 %	43 %

Venturefondet AS

Venturefondet

GENERAL INFORMATION

ADDRESS: P.O. Box 35 Lindeberg Gård,
NO-1007 Oslo

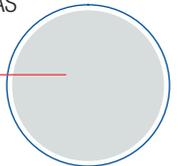
TELEPHONE: +47 91 62 15 41

CHAIRMAN: Thor Svegården

BOARD MEMBERS: Jon Melle og Ida Espolin
Johnsen.

AUDITOR: PricewaterhouseCoopers AS

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



PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	4	4
Operating costs	1	18
Operating profit	3	-14
Net financial items	1	1
Profit before tax and minority interests	4	-14
Tax	0	-2
Minoritet	0	0
Profit after tax and minority interests	4	-16
BALANCE SHEET		
Intangible fixed assets	0	0
Fixed assets	0	0
Financial assets	0	0
Total fixed assets	0	0
Current assets	96	92
Total assets	96	92
Subscribed equity	92	92
Earned/other equity	4	0
Equity	96	92
Provision for commitments	0	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	0	0
Total liabilities and commitments	0	0
Total equity and liabilities	96	92
KEY INDICATORS		
Capital employed	96.2	92.2
EBITDA	4.4	2.4
EBIT	4.4	-13.7
Equity ratio	100 %	100 %
Return on equity	5 %	-16 %
Average return on equity over last 3 years	-16 %	
Return on capital employed	5 %	-14 %
VALUES AND DIVIDEND		
Provision for dividend	0	0
Dividend ratio	0 %	0 %
Annual average dividend ratio over last 2 years	0 %	
State's share of dividend	0	0
OTHER INFORMATION		
Number of employees	0	0
Proportion of employees in Norway	n/a	n/a
State's shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	40 %
Proportion of shareholder-elected women on board	50 %	40 %

Venturefondet was established in 2000. In connection with the sale of SND Invest AS, all shares in Venturefondet were transferred to the Ministry of Trade and Industry in December 2003. Venturefondet owns shares in district funds in which the primary shareholders are regional investors. 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. The number of current investments has been reduced to partial ownership of three funds: Trøndelag Vekst AS (37.9 per cent), Nordnorsk Vekst AS (39.8 per cent) and Sikon Øst ASA (5 per cent).

Venturefondet plans to realise its regional investments during the course of 2006.

Key events

In connection with realised investments, the share capital in Trøndelag Vekst AS was reduced by a total of NOK 35 million. This resulted in a payment to Venturefondet of NOK 13.3 million in 2005.

Financial trends

The annual accounts for 2005 showed a profit of NOK 4.4 million. This is due to an increase in the value of the company's investment portfolio as well as other financial income. The company has no interest-bearing debt. The book value of shareholders' equity came to NOK 96 million at year-end 2005.

Yara International ASA



GENERAL INFORMATION

ADDRESS: Bygdøy Alle 2, Postboks 2464 Solli, NO-0202 Oslo

TELEPHONE: + 47 24 15 70 00

INTERNET: www.yara.com

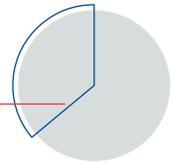
CEO: Thorleif Enger

CHAIRMAN: Øivind Lund

BOARD MEMBERS: Åse Aulie Michelet, Lone Fønss Schrøder, Jørgen Ole Haslestad, Leiv L. Nergaard, Arthur Frank Bakke*, Charlotte Dyrkorn* og Frank Andersen*
* Employee representatives

AUDITOR: Deloitte Statsautoriserte Revisorer AS

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



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Yara has made a 30 per cent minority investment in new ammonia output in Burrup, Australia, and production began in April 2006. The company has also made a minority investment in Russia by acquiring 30 per cent of the fertiliser manufacturer Rossosh. Fertiliser from Rossosh is sold under Yara's brand name to various markets in Asia.

In connection with Yara's buy-back of its own shares for cancellation, the State redeemed over 1.7 million shares at the annual general meeting for a compensation amount of NOK 116 million. This transaction took place pursuant to an agreement between Yara and the Ministry of Trade and Industry ensuring that the State's shareholding would not be changed in the event of a buy-back for cancellation.

Financial trends

Yara achieved a lower profit in 2005 than the previous year, measured in Norwegian kroner. Profit after tax and minority interests was NOK 3.2 billion in 2005, compared to NOK 3.8 billion in 2004. The company benefited from good fertiliser prices, but prices on the most important input factors increased as well. Yara had to book substantial currency exchange losses in 2005 as a result of the higher exchange rate of the dollar. Yara's operating revenues increased by 7.7 per cent to NOK 46.6 billion in 2005. EBITDA stood at NOK 6.6 billion in 2005, compared to NOK 6.1 billion in 2004.

The company will pay dividends of NOK 2.35 per share for the fiscal year 2005, and the State will receive NOK 268 million in dividends from Yara for the fiscal year 2005.

Yara International ASA was demerged from Norsk Hydro ASA and listed on the Oslo Stock Exchange on 25 March 2004. Yara is a Norwegian-based, international chemicals company focusing on the production, sale and distribution of nitrogen-based chemicals that are used primarily in the production of fertiliser.

Yara has operations in more than 50 countries, and its products are distributed to more than 120 countries. As the world's leading fertiliser company, Yara sells 20 million tons of mineral fertiliser and nitrogen chemicals per year. Yara is the world's largest manufacturer and supplier of fertiliser and has a 6 per cent share of the global nitrogen fertiliser market. The company has two Norwegian manufacturing operations in Glomfjord and Herøya. Industrial applications of Yara's products such as ammonia and urea are also important core business activities for Yara. At year-end 2005 Yara has 6,586 employees, including 1,117 employees in Norway.

Key events

In February 2005 a letter of intent was signed to open a new factory (Qafco-5) in Qatar. Based on gas supplies from the Persian Gulf, the factory is the world's largest ammonia and urea production facility.

	NOK mill	
	2005	2004*
PROFIT AND LOSS ACCOUNT		
Operating revenues	46 550	43 226
Operating costs	42 728	39 518
Operating profit	3 821	3 708
Net financial items	402	1 277
Profit before tax and minority interests	4 224	4 985
Tax	-1 014	-1 211
Minority interests	11	20
Profit after tax and minority interests	3 198	3 794
BALANCE SHEET		
Intangible fixed assets	1 501	1 614
Fixed assets	7 536	7 383
Financial assets	5 004	3 075
Total fixed assets	14 041	12 073
Current assets	16 576	15 056
Total assets	30 618	27 129
Subscribed equity	3 913	4 241
Earned/other equity	9 306	6 794
Minority interests	77	63
Equity	13 219	11 098
Provision for commitments	3 409	3 180
Long-term liabilities	5 482	4 775
Current interest-bearing liabilities	1 176	951
Current interest-free liabilities	7 255	7 123
Total liabilities and commitments	17 321	16 030
Total equity and liabilities	30 617	27 129
CASH FLOW		
Operational activities	3 106	4 096
Investment activities	-2 044	-1 310
Financing activities	-1 284	-2 851
Currency effect	100	142
Change in assets	-122	77
KEY INDICATORS		
Capital employed	20 658	16 824
EBITDA	6 580	6 074
EBIT	5 232	4 647
Equity ratio	43 %	41 %
Return on equity	26 %	34 %
Average return on equity over last 3 years	29 %	
Return on capital employed	28 %	27 %
VALUES AND DIVIDEND		
Market value at year-end	30 923	25 520
Price/book	2.3	2.3
Closing price	98.25	79.75
Provision for dividend	749	712
Dividend ratio	23 %	21 %
Annual average dividend ratio over last 2 years	21 %	
State's share of dividend	268	260
Return including last year's dividend	26 %	
Average return over last 2 years	67 %	
OTHER INFORMATION		
Number of employees	6 586	7 067
Proportion of employees in Norway	17 %	17 %
State's shareholding at year-end	36.2 %	36.2 %
Proportion of women on board	38 %	38 %
Proportion of shareholder-elected women on board	40 %	40 %

* 2004 is pro forma figures



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Companies with other objectives

State ownership ensures that societal and sectoral policy objectives are achieved in a variety of areas. In addition to sectoral policy objectives, a number of State-owned companies also have commercial objectives, but the extent of their commercial orientation varies. Many of these companies operate in markets in which it is natural for the companies to hold a monopoly. The State places requirements on the companies to ensure that the sectoral policy objectives underlying State ownership are reached in the most efficient manner.

Companies with other objectives

66	Avinor AS
67	Bjørnøen AS
68	Gassco AS
69	Husbanken
70	Industritjeneste AS (ITAS)
71	Innovasjon Norge
72	Kings Bay AS
73	Kompetansesenteret for IT i helse- og sosialsektoren AS
74	Norfund
75	Norsk Eiendomsinformasjon AS
76	Norsk Rikskringkasting AS
77	Norsk Samfunnsvitenskapelig datatjeneste AS
78	Norsk Tipping AS
79	NSB AS
80	Petoro AS
81	Posten Norge AS
82	Simula Research Laboratory AS
83	SIVA SF
84	Statnett SF
85	Statskog SF
86	Uninett AS
87	Universitetssenteret på Svalbard AS
88	Veterinærmedisinsk Oppdragssenter AS
89	AS Vinmonopolet

Regionale Health Authorities

92	Helse Midt-Norge RHF
93	Helse Nord RHF
94	Helse Sør RHF
95	Helse Vest RHF
96	Helse Øst RHF

Avinor AS



GENERAL INFORMATION

ADDRESS: P.O. Box 150, NO-2061 Gardermoen

TELEPHONE: +47 22 94 20 00

INTERNET: www.avinor.no

CEO: Sverre Quale

CHAIRMAN: Anders Talleraas

BOARD MEMBERS:

Bård Martin Mikkelsen, Atle Hamar, Grete Willumsen, Kristin Vangdal, Magne Jerpstad*, Helge Løbergli* and Bjørn Tore Mikkelsen*
* Employee representatives

AUDITOR:

PricewaterhouseCoopers AS

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

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	5 255	5 076
Operating costs	4 445	4 080
Operating profit	811	995
Net financial items	-423	-438
Profit before tax and minority interests	388	557
Tax	2	94
Minority interests	0	0
Profit after tax and minority interests	386	463
BALANCE SHEET		
Intangible fixed assets	509	336
Fixed assets	18 523	19 086
Financial assets	25	6
Total fixed assets	19 057	19 428
Current assets	2 997	2 515
Total assets	22 054	21 943
Subscribed equity	5 905	5 905
Earned/other equity	1 467	1 108
Equity	7 372	7 012
Deferred tax	0	0
Provision for commitments	5 951	5 734
Long-term liabilities	6 991	7 823
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 741	1 373
Total liabilities and commitments	14 682	14 931
Total equity and liabilities	22 054	21 943
CASH FLOW		
Operational activities	1 575	1 374
Investment activities	-826	-721
Financing activities	-582	-232
Change in assets	391	421
KEY INDICATORS		
Capital employed	14 363	14 835
EBITDA	2 013	2 161
EBIT	868	1 058
Equity ratio	33 %	32 %
Return on equity	5.4 %	6.7 %
Average return on equity over last 3 years	1.3 %	
Return on capital employed	6 %	7 %
Regularity (Percentage of planned departures carried out)	98 %	98 %
Punctuality (Share of departures carried out within 15 minutes of delay)	84 %	86 %
Traffic (Total number of passengers)	32 800	31 196
PUBLIC PROCUREMENTS		
Public procurements of regional airport services	35	264
VALUES AND DIVIDEND		
Depreciation of capital	0	113
Provision for dividend	26.4	152
Dividend ratio	7 %	33 %
State's share of dividend	26.4	152
Average dividend ratio last 3 years	66 %	
OTHER INFORMATION		
Number of employees	2 716	2 732
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	25 %	25 %
Proportion of shareholder-elected women on board	40 %	40 %

Avinor AS was established on 1 January 2003. The company's core operations consist of planning, constructing and operating 46 national airports, providing aircraft safety services to civil and military aviation, and ensuring safe and efficient aviation operations. Avinor's operations are financed by user fees (aviation charges) and commercial income. 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. Avinor has 2,716 employees.

Avinor's objective is to offer the general public safe, efficient and environmentally-friendly airline travel throughout Norway. Moreover, the company seeks to meet its social responsibilities arising from legislation, licenses, etc. in a sound, cost-effective manner. This includes planning and reporting within the aviation sector and emergency preparedness activities. It is also a company objective to provide the State with good value creation over time.

Every other year the Ministry of Transport and Communications submits a report to the Storting on Avinor's operations; see Report No. 36 (2003-2004) to the Storting. In this report the ministry addresses issues such as strategies and plans for the future. The report provides the basis for ownership management of Avinor.

Avinor faces significant market-related, technical and financial challenges. To meet these challenges, the board adopted a comprehensive efficiency plan in December 2003. Annual operating costs are to be reduced from their 2002 levels by approximately NOK 400 million beginning in 2006.

Key events

In 2005 extensive investments were made in measures to enhance aviation safety and security and reduce the risk of terrorism and



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sabotage at airports. Significant investments in terminals have also been made. The revision of regulations regarding the design of airports has resulted in a significant need for further investments.

In 2005 the Government decided to evaluate Avinor's form of organisation and affiliation. This evaluation will be presented in the forthcoming ownership report on Avinor.

Financial trends

In 2005 operating revenue for the Avinor Group was NOK 5,255 million, compared to NOK 5,076 million in 2004. The Group's operating profit was NOK 811 million, compared to NOK 995 in 2004. The Group's annual profit after tax was NOK 386 million, compared to NOK 463 million in 2004. The decline in profit was due primarily to year-end adjustments, and the company's operations showed positive development. Significant growth in traffic resulted in an increase in revenue from air traffic duties and increased commercial revenue. Total investments came to NOK 826 million. Dividend is proposed to NOK 26.4 million to the State for fiscal year 2005.

Bjørnøen AS



ADDRESS: 9173 NO-Ny-Ålesund

TELEPHONE: +47 79 02 72 00

INTERNET: www.kingsbay.no

CEO: Oddvar Midtkandal

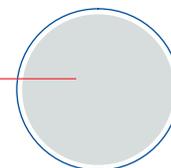
CHAIRMAN: Knut M. Ore

BOARD MEMBERS: Ann-Kristin Olsen, Kirsten Broch Mathisen, Roald Georg Bergsaker og Pål Prestrud.

GENERAL INFORMATION

AUDITOR: Ishavsbyen Revisjon AS

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



© Bjørnøen AS

Bjørnøen AS owns all the land and several historically preserved buildings on the Arctic island of Bjørnøya. The purpose of the company is to supervise the operation and use of these properties. Founded on 3 June 1918, I/S Bjørnøen Kulkompani was acquired by the State in 1932, and in 1967 it was placed administratively under Kings Bay AS, which also provides administrative services to the company. Part of the government subsidy allocated to Kings Bay is transferred to Bjørnøen for its operations. The company shares a board and managing director with Kings Bay, and it has no employees.

The Norwegian Meteorological Institute's weather forecasting division for northern Norway leases property for its meteorological station on Bjørnøya. The 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 district governor of Svalbard is the administrative authority with responsibility for oversight of the nature reserve. Research activities on the island are increasing, partly due to the new conservation order.

Financial trends

The company earns its operating revenue by leasing real estate. In 2005 operating revenue came to NOK 14,864. Operating costs exceeding this amount will be covered by the subsidy transferred from Kings Bay AS which is allocated from the national budget. The subsidy in 2005 was NOK 198,702.

	NOK thousand	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	213	163
Of which contribution from Kings Bay AS	198	148
Operating costs	213	163
Operating profit	0	0
Net financial items	0	0
Profit before tax and minority interests	0	0
Tax	0	0
Profit after tax and minority interests	0	0
BALANCE SHEET		
Intangible fixed assets	0	0
Fixed assets	3 900	3 900
Financial assets	0	0
Total fixed assets	3 900	3 900
Current assets	183	192
Total assets	4 083	4 092
Subscribed equity	4 000	4 000
Earned/other equity	41	41
Equity	4 041	4 041
Provision for commitments	0	0
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	42	51
Total liabilities and commitments	42	51
Total equity and liabilities	4 083	4 092
OTHER INFORMATION		
Number of employees	0	0
Proportion of employees in Norway	n/a	n/a
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

Gassco AS



GENERAL INFORMATION

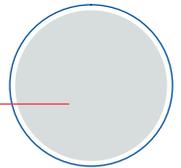
ADDRESS: P.O. Box 93, NO-5501 Haugesund
TELEPHONE: +47 52 81 25 00
INTERNET: www.gassco.no

CEO: Brian Bjordal

CHAIRMAN: Brit Kristin Sæbø Rugland
BOARD MEMBERS: Trygve Refvem,
 Elisabeth Krokeide, Margaret Elin Hystad,
 Arild N. Nystad, Kjellaug Høie, Jonassen*
 and Asbjørn Eik-Nes*
 * Employee representatives

AUDITOR: Deloitte Statsautoriserte
 Revisorer AS

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



PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	0.0	0.0
Operating costs	0.0	0.0
Operating profit	0.0	0.0
Net financial items	0.2	0.2
Profit before tax	0.2	0.2
Tax	-0.3	-0.4
Profit after tax	0.5	0.5
BALANCE SHEET		
Intangible fixed assets	0.4	0.1
Fixed assets	50.8	49.5
Financial assets	35.9	30.4
Total fixed assets	87.1	80.0
Current assets	115.0	186.2
Total assets	202.0	266.3
Subscribed equity	10.0	10.0
Earned/other equity	2.3	1.8
Equity	12.3	11.8
Deferred tax	0.0	0.0
Provision for commitments	23.3	19.2
Long-term liabilities	11.3	18.8
Current interest-bearing liabilities	17.5	17.6
Current interest-free liabilities	137.7	199.0
Total liabilities and commitments	189.7	254.5
Total equity and liabilities	202.0	266.3
CASH FLOW		
Operational activities	-48.5	97.2
Investment activities	-15.1	-21.0
Financing activities	-7.5	-7.5
Change in assets	-71.1	68.7
KEY INDICATORS		
Pipeline system – no. of km.	6 600	6 600
Regularity (%)	99.57	99.82
Gas transported to onshore terminals in Europe (billions of scm)	81.51	74.89
Largest daily delivery (mill scm)	276.81	265.13
Shipping arrival Kårstø	598	592
Income rates operator liability Gassco	24 005	20 822
Operator liability costs Gassco	3 340	2 982
Operator liability investments Gassco	2 221	3 034
DIVIDEND		
Provision for dividend	0	0
State's share of dividend	0	0
OTHER INFORMATION		
Number of employees	143	129
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	57 %	57 %
Proportion of shareholder-elected women on board	60 %	60 %



© Statoil ASA/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 installations, including expansion of the gas transport system. Gassco ensure that the transport and processing installations serve all gas producers and promote effective overall utilisation of gas resources.

Gassco plays a key role in the ongoing development of the gas transport system and in coordinating the development of the gas transport and processing infrastructure on the Norwegian Continental Shelf. Gassco is also responsible for allocating capacity in the gas transport system.

The transport system is owned by a joint venture comprised of companies that produce gas on the Norwegian Continental Shelf. Gassco's operations are conducted on behalf of the joint venture at the joint venture's expense and risk. Gassco therefore 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 2005 the company had 143 employees.

Key events

The volume of gas transported to European markets in 2005 was 81.51 billion cubic metres. This is an increase of roughly 10 per cent over 2004 figures. In 2005, Gassco operated the gas transport system with a regularity of 99.57 per cent. In 2005, as in the previous year, nearly all gas deliveries were made according to the quality specifications agreed upon with the customers.

Husbanken



Husbanken

GENERAL INFORMATION

ADDRESS: P.O. Box 824 Bedriftssenter,
NO-3007 Drammen

TELEPHONE: +47 32 26 26 00

INTERNET: www.husbanken.no

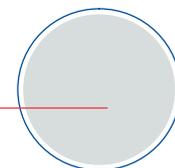
CEO: Geir Barvik

CHAIRMAN: Monica Mæland

BOARD MEMBERS: Barbro Lill Hætta Jacobsen,
Rolf Myhre, Øystein Gottfred Sjøtveit,
Heming Olausen

AUDITOR: The Office of the
Auditor General of Norway

STATE OWNERSHIP: 100 %
(The Ministry of Local Government
and Regional Development)



The Housing Bank is a State-owned bank placed under the Ministry of Local Government and Regional Development. The Housing Bank has its main office in Drammen, with regional offices in Oslo, Arendal, Bergen, Trondheim, Bodø and Hammerfest. Housing policy goals are to be achieved through the financial instruments used by the Housing Bank, in combination with competence development, counselling and information.

The Housing Bank grants and administers loans for the purchase and rehabilitation of housing, and administers several direct grant schemes as well as the government housing allowance scheme. The financial framework for these instruments is appropriated in the annual state budgets. The Housing Bank has a total credit volume of NOK 94 billion. Loans from the Housing Bank are intended to supplement the regular credit market, and allocations of loans are determined by clearly defined objectives.

The Housing Bank administers the governmental housing allowance scheme in collaboration with the municipalities. The housing allowance is a means-tested support scheme for households with low incomes and high housing expenses. The Housing Bank also administers several other grant schemes, including the facility for start loans, adaptation of housing and establishment of rental housing, as well as the competence grant. The Housing Bank is established under special legislation and is 100 per cent owned by the State through the Ministry of Local Government and Regional Development. The Housing Bank is the government institution responsible for implementation of Norwegian housing policy. Core tasks for the Housing Bank are to facilitate a well-functioning housing market, combat homelessness, provide housing to groups that are disadvantaged in the housing market, and to increase the number of low-energy dwellings and dwellings with a universal design as well as residential environments. In addition, the Housing Bank is an efficient administrator of other government financial instruments, including funds for rehabilitation

of schools, the action plan for care for the elderly, the escalation plan for mental health, student housing, loans for kindergartens and grants for construction and maintenance of churches.

Key events

The Housing Bank gave grants for nearly 1,600 rental homes for the use of persons who are disadvantaged in the housing market, and provided NOK 2 billion in housing allowances to 104,000 households. Construction of 31,600 dwellings of these dwellings were approved for financing by the Housing Bank. The economic boom has also led to increased housing construction in Norway's two northernmost counties. The Housing Bank approved loan applications for 8,156 new places in kindergartens, an increase of more than 75 per cent over the previous year. The Housing Bank's average floating interest rate stood at 2.33 per cent in 2005. The five-year fixed interest rate fell to 3.5 per cent in October. Non-performing loans accounted for one per cent of the credit volume. Losses were also low, standing at less than half of the 2004 level. On 1 July the Housing Bank's new basic loan was introduced, replacing the previous construction and rehabilitation loan schemes.

In 2005, The Housing Bank's head office was relocated to Drammen. The division of the Arendal regional office serving customers in the counties of Buskerud, Vestfold and Telemark was also relocated to the Housing Bank's new office building. The Housing Bank's new premises at Strømsø received Drammen municipality's architectural award.

Financial trends

The Housing Bank operates on the cash principle, and all funds are granted over the annual state budgets. Therefore, no relevant financial information including the profit and loss account and balance sheet as required by the Accounting Act is available for the Housing Bank under this heading.

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Interest received	3 726	4 243
Interest costs	3 752	4 272
Net interest	-25	-29
Other operating revenues	59	63
Operating costs	306	278
Grants to the Housing Sector	4 972	5 430
Grants to Educational Institutions	207	182
Operating profit before loss on loan	-5 450	-5 855
Loss on loans/liabilities	-12	-26
Profit	-5462	-5880
Revenue to the State	59	63
Loss on loans and liabilities charged risk fund	12	26
Risk fund	5 509	5 918
Sum utilized	5 462	5 880
BALANCE SHEET		
Property	1	1
Ordinary current mort. and dept instr. loans	94 305	94 303
Outstanding loans, takeover of mortgage	15	15
Total fixed assets	94 321	94 319
Other assets	1 040	1 078
Total assets	95 361	95 397
Primary capital	20	20
Risk fund	89	101
Total equity	109	121
Borrowings from the State	94 208	94 260
Outstanding accounts to public purse	74	53
Other current liabilities	971	963
Total liabilities and commitments	95 253	95 276
Total equity and liabilities	95 361	95 397
LOANS, GRANTS/ALLOWANCES		
Loan frame	13 500	14 500
New residences	7 033	8 769
Loans for care res. etc	254	81
Loans for kindergartens	1 366	657
Improvement loans	1 094	1 060
Start-up loans	3 498	3 431
Total	13 245	13 998
PAYOUTS		
Housing allowance	2 055	2 036
Housing grants etc	539	664
Grants for developing res. env.	57	31
Other grants	1 187	1 333
Total	3 838	4 064
OTHER INFORMATION		
Number of employees	362	364
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

Industritjeneste AS



ADDRESS: P.O. Box 436, Økern NO-0513 Oslo
TELEPHONE: +47 23 37 17 00
INTERNET: www.industritjeneste.no

CEO: Arne Smith

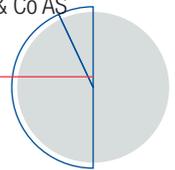
CHAIRMAN: Sissel Ose Pedersen

BOARD MEMBERS: Ellen Bjercke, Olav Råmunddal, Lillian Kramer-Johansen (Jørn Rangnes), Bente Solheim* and Morten Andersen*
 * Employee representatives

GENERAL INFORMATION

AUDITOR: Revisjonsfirmaet Åsvang & Co AS

STATE OWNERSHIP: 53,4 %
 46,1 % (Ministry of Justice and the Police) and 7.3 % (Ministry of Labour and Social Inclusion)



PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	38.0	39.5
Operating costs	38.9	38.9
Operating profit	-0.8	0.6
Net financial items	0.0	0.0
Profit before tax	-0.9	0.6
Tax	0.0	0.0
Profit after tax	-0.9	0.6
BALANCE SHEET		
Intangible fixed assets	5.2	3.4
Fixed assets	3.2	4.0
Financial assets	2.1	3.8
Total fixed assets	10.5	11.2
Current assets	2.0	2.1
Total assets	12.6	13.3
Subscribed equity	0.7	0.7
Earned/other equity	4.7	5.6
Equity	5.4	6.3
Deffered tax	0.0	0.0
Provision for commitments	0.0	0.0
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	7.1	7.0
Total liabilities and commitments	7.1	7.0
Total equity and liabilities	12.6	13.3
KEY INDICATORS		
Capital employed	5.4	6.3
EBITDA	-0.8	0.7
EBIT	-0.8	0.7
Equity ratio	43 %	47 %
Return on equity	-15 %	10 %
Average return on equity over last 5 years	13 %	
Return on capital employed	-14 %	11 %
DIVIDEND		
Provision for dividend	0	0
State's share of dividend	0	0
OTHER INFORMATION		
Number of employees	130	138
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	53.4 %	53.4 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	50 %	29 %

Industritjeneste AS (ITAS) is a labour market/rehabilitation company founded in 1966. The purpose of the company is to provide job coaching, assessment, training and qualifying credentials to job seekers who face substantial obstacles in the labour market so that they can gain stable employment in an ordinary working environment or in long-term sheltered workplaces. ITAS has operations in the industry and service sectors, including providing employee assessment, training and rehabilitation services to Aetat, the Norwegian Public Employment Service.

In accordance with its articles of incorporation, the company does not pay dividends to its shareholders. Profits are retained by the company and used to develop its services. At year-end 2005 the company had 130 employees.

Key events

In 2005 Aetat discontinued its practice of purchasing courses offered on a commercial basis by labour market rehabilitation companies in Oslo and Akershus. At ITAS the course division has been a focus area since 2002, but this division has now been closed.

The number of people with employment disabilities increased to roughly 95,000 by the close of 2005. At any given time, ITAS works with roughly 140 people with employment disabilities, preparing them for long-term employment in the ordinary labour market.

Effective 1 June 2005, ITAS was granted 20 temporary authorisations as part of the employment rehabilitation measure "Arbeidsmarkedsbedriften fase 1" (Labour Market Company Phase I) and ten temporary authorisations as part of the measure "Arbeidspraksis i skjernet virksomhet (APS)" (Job Training in Sheltered Workplaces). These temporary authorisations have been extended into the first half of 2006.

In cooperation with an outside company, a picture framing workshop was established in the Division for Long-Term Adapted Work.

The Internet portal www.minjobb.no was established as a collaborative project between six employment rehabilitation companies in Oslo.

Financial trends

In 2005 ITAS had a deficit of NOK 0.85 million. This is a decrease from NOK 1.46 million in 2004. The decline is partially due to Aetat's decision to discontinue the purchase of courses offered on a commercial basis from labour market rehabilitation companies in Oslo and Akershus. The deficit from 2005 will be carried over to other equity.

Innovasjon Norge

ADDRESS: Akers. 13, P.O. Box 448 Sentrum, NO-0104 Oslo

TELEPHONE: +47 22 00 25 00

INTERNET: www.innovasjon norge.no

CEO: Gunn Overseen

CHAIRMAN: Steinar Olsen

BOARD MEMBERS: Gisele Marchand, Marit Orheim Mauritzen, Knut Læg Reid, Kjell Storeide, Kirsten Ingjerd Værdal, Kristin Malonæs*, Knut Mugaas*, Torbjørn Fjelltun*
* Employee representatives

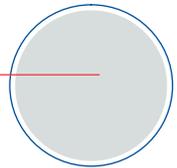


**INNOVASJON
NORGE**

GENERAL INFORMATION

AUDITOR: KPMG AS

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



Innovation Norway (Innovasjon Norge) was founded on 19 December 2003 and began operations on 1 January 2004. The company took over the responsibilities of the former Norwegian Industrial and Regional Development Fund, Norwegian Trade Council, Norwegian Tourist Board and the Government Consultative Office for Inventors. The objective of the company is to promote the profitable development of Norwegian trade and industry from a commercial and socio-economic perspective, and to stimulate commercial development opportunities in the districts and regions by enhancing innovation, internationalisation and profiling. The role of Innovation Norway is to support innovation projects in companies by ensuring that the companies have access to funding, expertise and networking resources.

The company administers commercially-oriented measures on behalf of the Ministry of Trade and Industry, Ministry of Local Government and Regional Development, Ministry of Agriculture and Food, Ministry of Fisheries and Coastal Affairs, and all Norwegian counties and county governors. The company has offices in 32 countries and representatives in all the counties in Norway. Innovation Norway is also represented in more than 100 countries via the Norwegian foreign diplomatic posts.

The company's vision is "We provide local ideas with global opportunities". This vision encapsulates Innovation Norway's efforts to link knowledge of local conditions with companies' opportunities for international value creation. Innovation Norway also aims to be a window to the world and bring knowledge and technology back to Norway.

Key events

On 12 July 2005 the Ministry of Trade and Industry presented its action plan for the travel industry. This plan supports Innovation Norway's focus on the travel industry and its

efforts to implement a new strategy for this industry.

In 2005 the board approved Innovation Norway's strategy for internationalisation, which is a starting point for further efforts in this area. The strategy is based on an understanding that globalisation affects all Norwegian companies and that an awareness of the connection between innovation and internationalisation is crucial for business development.

As part of Innovation Norway's plans to be present in future growth markets, the company has developed a systematic assessment of the company's presence in countries abroad. The assessment is based on the most objective criteria possible related to Innovation Norway's objectives and strategy. Developed in 2005, the assessment is also intended to be used as a tool for determining the size, staffing, organisation and competency profile of the various offices abroad.

Innovation Norway has entered into cooperative agreements with SIVA and the Research Council of Norway. These agreements form the basis of a more comprehensive collaboration and a common customer contact point through Innovation Norway's offices. The cooperative agreements with all Norwegian counties and their agricultural divisions constitute a strong partnership in the counties and ensure that a more coordinated set of services is offered to customers.

Financial trends

Annual accounts for 2005 showed a profit of NOK 86 million, compared to NOK 7 million in 2004. The improvement was due primarily to significantly smaller losses from lending and guarantees than has been the case in recent years.

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Contribution	691	738
Other operating revenues	14	5
Sum operating revenues	704	743
Operating costs	841	894
Net financial items	238	246
Operating profit before loss on loan/liabilities	101	95
Net loss	15	89
Profit	86	7
Revenue to the State	7	3
Revenue transfer funds/equity	79	5
Sum utilized	86	7
BALANCE SHEET		
Bank deposit	4 588	3 900
Net loans	13 368	14 258
Securities	20	22
Fixed assets	115	125
Other assets	163	206
Total assets	18 254	18 511
Deposits from the State	11 364	12 416
Net bonded debt	7	16
Provision for commitments	818	546
Other provisions for commitments	3 439	3 286
Sum lending- and investment funds	2 171	1 560
Total liabilities and commitments	17 499	17 824
Subscribed equity	656	656
Earned equity	99	31
Equity	755	687
Total equity and liabilities	18 254	18 511
CASH FLOW		
Operational activities	139	275
Investment activities	-10	-29
Financing activities	559	157
Change in assets	688	402
OTHER INFORMATION		
Number of employees	664	711
Proportion of employees in Norway	75 %	73 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	44 %	44 %
Proportion of shareholder-elected women on board	43 %	43 %

Kings Bay AS



GENERAL INFORMATION

ADDRESS: 9173 NO-Ny-Ålesund

TELEPHONE: +47 79 02 72 00

INTERNET: www.kingsbay.no

CEO: Oddvar Midtkandal

CHAIRMAN: Knut M. Ore

BOARD MEMBERS: Ann-Kristin Olsen, Kirsten Broch Mathisen, Roald Georg Bergsaker and Pål Prestrud.

AUDITOR: Ishavsbyen Revisjon AS

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

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	34.01	31.31
Operating costs	33.91	31.41
Operating profit	0.10	-0.11
Net financial items	-0.07	0.12
Profit before tax and minority interests	0.03	0.01
Tax	-0.01	-0.02
Profit after tax	0.02	0.0
BALANCE SHEET		
Intangible fixed assets	0.3	0.3
Fixed assets	1.9	2.3
Financial assets	0.0	0.0
Total fixed assets	2.2	2.6
Current assets	13.0	18.7
Total assets	15.2	21.3
Subscribed equity	2.0	2.0
Earned/other equity	0.2	0.2
Equity	2.2	2.2
Provision for commitments	0.0	0.0
Long-term liabilities	4.1	1.9
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	9.0	17.3
Total liabilities and commitments	13.0	19.2
Total equity and liabilities	15.2	21.3
CASH FLOW		
Operational activities	-10.0	2.7
Investment activities	0.0	0.0
Financing activities	2.2	-0.9
Change in assets	-7.8	1.8
CONTRIBUTION FROM STATE		
Contribution from the State	13.0	13.0
Other contribution for investments	4.6	16.0
Contribution to Bjørnøen	-0.20	-0.15
Total contribution to Kings Bay AS	17.4	28.9
Utilization of contribution		
Investments	19.3	27.7
Transferred from prior years	6.5	6.3
Transferred to next year	2.9	6.5
Coverage of loss	1.8	1.0
Total utilization	17.4	28.9
OTHER INFORMATION		
Number of employees	22	21
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

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 protecting the environment and cultural heritage sites. The purpose of the company is to promote and provide services to research projects and other scientific activities. During the past ten years, Ny-Ålesund has become a centre for Arctic research and undergone a major expansion. Nine countries have agreements for permanent research stations, and 20 countries actively conduct research in Ny-Ålesund. Kings Bay's objective is to promote Ny-Ålesund as a well-coordinated, international research environment. At year-end 2005 the company had 22 employees.

Kings Bay AS is a neutral organiser of infrastructure services for the various research groups in Ny-Ålesund. Research activities and organisation of the infrastructure are carried out in accordance with a local strategic plan for the town, which has been prepared by the company in cooperation with the Norwegian Polar Institute. Other operations are adapted to the needs of the research groups.

Key events

On 1 June 2005 former Prime Minister Kjell Magne Bondevik opened the Arctic Marine Laboratory in Ny-Ålesund on Svalbard, the world's northernmost station for Arctic marine research. Nearly NOK 200 million has been invested in the past 10-12 years in the infrastructure of the former mining town of Ny-Ålesund. The Arctic Marine Laboratory was built and is currently operated by Kings Bay AS.

On 2-4 March 2006 the first international symposium was held in Ny-Ålesund on the topic "The changing Arctic: New opportunities and challenges". The objective of the symposium, which is planned to become an annual event, is to bring together roughly 30 key representatives from politics, trade and industry, research and public administration to discuss



© Kings Bay AS

important issues related to environmental and societal development.

Financial trends

Kings Bay AS aims for balance in its operating accounts, but major investments and other extraordinary costs, incurred due to the company's exceptional commitments, are covered by a State subsidy.

The company's operating profit was NOK 101,293 in 2005, compared to NOK -107,679 in 2004. The annual profit and loss statement without the State subsidy showed a deficit of NOK 1,734,000 in 2005, compared to a deficit of NOK 955,000 in 2004. Turnover increased in 2005 by NOK 2 million to NOK 32 million compared to 2004. The company received NOK 13 million as an ordinary State subsidy in 2005. NOK 1,766,454 of this subsidy was used to cover the operating deficit. The loss in 2005 was due primarily to a reduction in the number of researcher-days from 9,480 in 2004 to 8,535 in 2005 and an increase in fuel costs, especially for the power station, as a result of high oil prices. The largest investments in 2005 were made in the marine laboratory (NOK 5.3 million) and in a fibre cable connection (NOK 5.9 million).

Kompetansesenteret for IT i helse- og sosialsektoren AS

ADDRESS: Sukkerhuset, NO-7489 Trondheim

TELEPHONE: +47 73 59 86 00

INTERNET: www.kith.no

CEO: Jacob Hygen

CHAIRMAN: Ivar Gammelmø

BOARD MEMBERS: Svein Arne Brygfjeld, Elisabeth Sunde, Elisabeth Vatten, Evy-Anni Evensen, Ruth Astrid Eng Mule and Magnus Alsaker*

* Employee representative

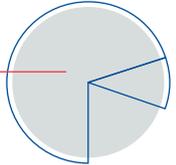
KITH

INFORMASJONSTEKNOLOGI
FOR HELSE OG VELFERD

GENERAL INFORMATION

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 80,5 %
70 % (Ministry of Health and Social Care) and 10.5 % (Ministry of Labour and Social Inclusion)



The Norwegian Centre for Informatics in Health and Social Care (KITH) (Kompetansesenteret for IT i helse- og sosialsektoren) was established in 1990 as a publicly-owned limited company. Today the Centre is owned by the Ministry of Health and Care Services (70 per cent), Ministry of Labour and Social Inclusion (10.5 per cent) and the Norwegian Association of Local and Regional Authorities (19.5 per cent).

The company has a total of 30 employees divided between the head office in Trondheim and a divisional office in Oslo. All the professional-level employees have higher education in the technology or health disciplines, and most hold post-graduate university degrees. KITH is a resource centre that provides expertise in and information on the use of information technology to the health and social care sector. The Centre serves as a consultant to participants in the health and social care sector, as well as to government authorities and public administrators in this area. The Centre operates on a commercial basis, and is not dependent on any particular suppliers or service providers.

KITH conducts standardisation and coordination activities (terms, codes, standards for information exchange, information security and electronic patient journal systems, etc) that are funded by the central health and social care administration, and it performs assignments on contract from various participants in the health and social care sector (central authorities and public administration, health enterprises, municipalities, etc). KITH also participates in international standardisation efforts and international professional networks.

KITH was established to serve as an instrument for achieving national health policy objectives through the use of ICT. It was not

established to maximise commercial value. The Ministry of Health and Social Care has the overall administrative responsibility for the follow-up and management of KITH.

Key events

KITH's national standardisation tasks are carried out under the auspices of the national programmes Program for kodeverk, klassifikasjoner og termer (KoK) (Programme for codes, classifications and terminology) and Standardiserings- og samordningsprogrammet (SSP) (Programme for standardisation and coordination). These programmes lay the foundation for electronic coordination between the various participants in the health and social care sector. The most important tasks include publication, revision and consultation related to the use of codes and classifications, communication standards, and general specifications and instructions.

In 2005 KITH developed electronic messages for the eResept project directed by the Directorate of Health and Social Affairs. Several assignments have been performed for the national health enterprises' strategic IT collaboration (National ICT) in the areas of functional EPJ specifications and information security. KITH has also performed assignments for the municipalities participating in the national S@mspill plan for an electronic health network, and it has participated actively in Trondheim municipality's project for electronic medical cards for the elderly with chronic illness.

Financial trends

In 2005 KITH's ordinary operations showed a moderate profit of NOK 0.6 million, compared to NOK 1.5 million in 2004. The decrease is due primarily to a decline in turnover. Throughout 2005 KITH built up shareholders' equity in addition to share capital.

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	28.2	29.1
Operating costs	27.7	28.1
Operating profit	0.5	1.0
Net financial items	0.1	0.5
Profit before tax	0.6	1.5
Tax	0.0	0.0
Profit after tax	0.6	1.5
BALANCE SHEET		
Fixed assets	1.2	1.4
Financial assets	0.2	1.7
Total fixed assets	1.4	3.1
Current assets	16.0	12.0
Total assets	17.4	15.1
Subscribed equity	6.0	6.0
Earned/other equity	4.4	3.7
Equity	10.4	9.7
Deferred 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	7.1	5.3
Total liabilities and commitments	7.1	5.3
Total equity and liabilities	17.5	15.0
KEY INDICATORS		
Capital employed	10.4	9.7
EBITDA	0.6	1.5
EBIT	0.6	1.5
Equity ratio	59 %	65 %
Return on equity	6 %	16 %
Average return on equity over last 5 years	11 %	
Return on capital employed	6 %	17 %
DIVIDEND		
Provision for dividend	0	0
State's share of dividend	0	0
OTHER INFORMATION		
Number of employees	28	27
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	80.5 %	80.5 %
Proportion of women on board	43 %	43 %
Proportion of shareholder-elected women on board	67 %	50 %

NORFUND



GENERAL INFORMATION

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INTERNET: www.norfund.no

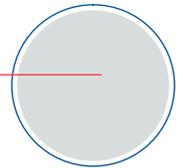
CEO: Per Emil Lindøe

CHAIRMAN: Einar Steensnæs

BOARD MEMBERS: Borger A. Lenth,
Grete Faremo, Marianne Damhaug
and Åsa M. Sildnes

AUDITOR: KPMG AS

STATE OWNERSHIP: 100 %
(Ministry of Foreign Affairs)



	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	90	49
Operating costs	5	87
Operating profit	84	-37
Net financial items	10	28
Profit before tax and minority interests	94	-9
Tax	0	0
Minority interests	0	0
Profit after tax and minority interests	94	-9
BALANCE SHEET		
Intangible fixed assets	0	0
Fixed assets	2	2
Financial assets	578	477
Total fixed assets	580	478
Current assets	2 360	1 857
Total assets	2 940	2 335
Subscribed equity	2 600	2 115
Earned/other equity	216	114
Equity	2 816	2 229
Deferred tax	0	0
Provision for commitments	4	3
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	121	103
Total liabilities and commitments	124	106
Total equity and liabilities	2 940	2 335
CASH FLOW		
Operational activities	84	118
Investment activities	-230	-241
Financing activities	484	492
Change in assets	337	369
VALUES AND DIVIDEND		
Capital contribution from the State	485	485
Provision for dividend	0	0
State's share of dividend	0	0
Average dividend ratio last 5 years	0 %	
OTHER INFORMATION		
Number of employees	26	23
Proportion of employees in Norway	88 %	87 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	60 %	40 %
Proportion of shareholder-elected women on board	60 %	40 %

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 private enterprises in countries lacking ready access to commercial financing due to high risk. The fund conducts 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 co-owns the fund management company Aureos Capital Ltd. along with the British firm Actic, and Statkraft NORFUND Power Invest AS (SN Power) in conjunction with Statkraft.

Key events

In 2005 NORFUND signed new investment agreements totalling NOK 59 million in funds, NOK 53 million in micro-financing institutions, and NOK 182 million in direct investments. NORFUND's investments encompass a total of some 60,000 jobs in companies in developing countries.

In 2005 NORFUND invested in various projects, including in the Kabul Serena Hotel in Afghanistan. This investment, made in cooperation with the Aga Khan Economic Fund for Development, contributes to the re-construction efforts and improves employment opportunities in that war-torn country. The collaboration with Aga Khan Economic Fund also strengthens the project's local and regional ties.

NORFUND has committed to new investments in Uganda Microfinance Ltd., Solidus Investment Fund SA and Corporacion Interfin SA in Latin America. Better access to microfinance loans and small business loans are important for local job creation – especially for women.



© Norfund

In 2005 SN Power began expanding two hydropower plants in India and Chile. The project Allain Duhangan in northern India, in which SN Power has a 49 per cent shareholding, will ensure stable access to renewable power in one of the poorest areas of India, where power shortages cause many power cuts and impede economic development.

In 2005 NORFUND integrated a new system for measuring the impact of development into the fund's portfolio management system and adopted principles for corporate governance.

Financial trends

In 2005 operations resulted in a profit of NOK 93.6 million after write-ups of NOK 25.4 million. The profit in 2005 partially reflects favourable developments in the US dollar exchange rate. In the 2005 national budget, NORFUND was allocated NOK 341.25 million as a general capital fund for investments in developing countries and NOK 143.75 million as a provision for losses. At year-end 2005 the fund had a capital base of NOK 3 billion, including the estimated value of the loan portfolio (previously Norad). Thirty-one per cent of investments were made in the least developed countries (LDCs). As of 31 December 2005 NORFUND had contracted for NOK 1.9 billion in investments in companies and investment funds (including jointly controlled companies). As of 31 December 2005 the Aureos system managed a total of 16 local and regional investment funds with a total capital of NOK 2 billion. NOK 1.4 billion of this amount was supplied by investors other than NORFUND.

Norsk Eiendomsinformasjon AS



ADDRESS: Haakon VIIs gate 2, P.O. Box 1542
Vika, NO-0117 Oslo

TELEPHONE: +47 23 11 39 30

INTERNET: www.eiendomsinfo.no

CEO: Per Christian Selmer

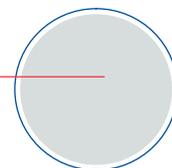
Chairman: Erik Keiserud

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

AUDITOR: KPMG AS

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

GENERAL INFORMATION



Norsk Eiendomsinformasjon AS (NE) is a wholly State-owned limited liability company. The company provides society at large with access to reliable information regarding real estate. The purpose of the company is to operate the real estate 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 Land Register. The company has 61 employees.

Pursuant to agreements with the Ministry of Justice and the Police and the Norwegian Mapping Authority under the Ministry of the Environment, NE has the right and obligation to disseminate information from the Land Register (Grunnboken) and the Register for Real Properties, Addresses and Buildings (GAB). The company has taken over the dissemination of basic map information from the Norwegian Mapping Authority. NE is responsible for the operation and system management of the EDR real estate database.

Infoland® (www.infoland.no) is the company's Internet portal and system for counting, authorisation and invoicing. The system makes it possible for professional users to order land information electronically from municipalities, housing cooperatives and other providers of land information. Infoland® offers direct access to information such as site plans, municipal plans and information regarding property taxes and municipal fees.

Along with seven other European partners, NE participated in the European Land Information Service (EULIS), which was part of the European Commission's eContent Programme. NE has been responsible for developing the Internet portal that demonstrates how information on real estate can be made more easily acces-

sible across national borders in the EU/EEA region. Completed in summer 2004, the participants will continue this project without support from the EU.

Key events

Commissioned by the Ministry of Justice and the Police, NE delivered an entirely new registration system, Regina, for legal registration of real estate in 2005. The system was developed by NE and adapted for the use of electronic documents.

In 2005 the Ministry of Justice and the Police commissioned NE to develop a registration system for a new centralised cooperative housing register linked to the Land Register. The system will be put into operation on 1 July 2006.

In 2005 the company contributed resources to ensure that the transfer of legal register data from the court system to the Norwegian Mapping Authority is conducted successfully. This work began in 2004 and will continue in 2006.

Financial trends

In 2005 NE had a turnover of NOK 172 million, an increase of 10 per cent over 2004. Operating profit for 2005 was NOK 18 million, and profit after tax was NOK 13 million, which is NOK 2 million higher than in 2004. As of 31 December 2005 NE had an equity ratio of 39 per cent. For the 2005 fiscal year NE will pay 80 per cent of its profit after tax as dividends.

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	172	155
Operating costs	155	140
Operating profit	18	15
Net financial items	1	1
Profit before tax	18	16
Tax	5	5
Profit after tax	13	11
BALANCE SHEET		
Intangible fixed assets	2.5	1.4
Fixed assets	13.6	14.2
Financial assets	6.4	6.0
Total fixed assets	22.5	21.6
Current assets	83.2	69.4
Total assets	105.7	90.9
Subscribed equity	6.0	6.0
Earned/other equity	35.4	32.8
Equity	41.4	38.8
Deffered tax	0.0	0.0
Provision for commitments	1.3	1.1
Long-term liabilities	1.3	1.1
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	63.0	51.0
Total liabilities and commitments	105.7	90.9
Total equity and liabilities	105.7	90.9
CASH FLOW		
Operational activities	26	7
Investment activities	-7	-9
Financing activities	-9	-8
Change in assets	11	-9
KEY INDICATORS		
Capital employed	43	40
EBITDA	26	22
EBIT	19	16
Equity ratio	39 %	43 %
Return on equity	32 %	29 %
Average return on equity over last 5 years	26 %	
Return on capital employed	45 %	41 %
DIVIDEND		
Provision for dividend	10.4	8.7
Dividend ratio	80 %	80 %
State's share of dividend	10.4	8.7
Annual average dividend ratio over last 5 years	80 %	
OTHER INFORMATION		
Number of employees	56	53
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	40 %
Proportion of shareholder-elected women on board	40 %	40 %

Norsk Rikskringkasting AS



GENERAL INFORMATION

ADDRESS: NO-0340 Oslo
TELEPHONE: + 47 23 04 70 00
INTERNET: www.nrk.no
CEO: John G. Bernander

CHAIRMAN: Eldbjørg Løwer
BOARD MEMBERS: Thor Bjarne Bore, Christine B. Meyer, Kåre Lilleholt, Pia Svendsgaard, Stig M. Herbern, Else Barratt-Due*, Geir Helljesen* and Per Asbjørn Ravnaas*
 * Employee representatives

AUDITOR:
 PricewaterhouseCoopers AS

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

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	3 693	3 689
Operating costs	3 710	3 381
Operating profit	-17	88
Net financial items	17	18
Profit before tax and minority interests	0	106
Tax	2	2
Minority interests	0	-7
Profit after tax and minority interests	-2	97
BALANCE SHEET		
Intangible fixed assets	5	5
Fixed assets	1 371	1 304
Financial assets	159	152
Total fixed assets	1 535	1 461
Current assets	1 582	1 582
Total assets	3 117	3 043
Subscribed equity	1 000	1 000
Earned/other equity	555	559
Minority interests	4	2
Equity	1 559	1 561
Deferred tax	0	0
Provision for commitments	385	348
Long-term liabilities	20	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 153	1 134
Total liabilities and commitments	1 558	1 482
Total equity and liabilities	3 117	3 043
CASH FLOW		
Operational activities	169	261
Investment activities	-282	-163
Financing activities	20	0
Change in assets	-93	98
KEY INDICATORS		
Capital employed	1 579	1 561
EBITDA	227	330
EBIT	7	110
Equity ratio	50 %	51 %
Return on equity	-0.1 %	6.4 %
Average return on equity over last 5 years	1.8 %	
Return on capital employed	0.4 %	7.3 %
Licence fees as percentage of total revenue	94.7 %	90.8 %
Licence fees per year per household	1 969	1 910
Market share NRK Radio	44.2 %	44.1 %
Market share NRK TV	61.0 %	60.0 %
OTHER INFORMATION		
Number of employees	3 469	3 490
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	44 %	44 %
Proportion of shareholder-elected women on board	50 %	50 %

Since 1996, the Norwegian Broadcasting Corporation (NRK) (Norsk Rikskringkasting AS) has been 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.

Established in 1933, NRK's operations were focused on radio broadcasting until the 1950s. Television broadcasts began in 1960, and in recent years interactive media options have been developed.

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 programme requirements. NRK has a particular responsibility for promoting democratic, social and cultural values in society.

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. NRK's share of radio listeners increased to 61 per cent in 2005, compared to 60 per cent in 2004. The share of TV viewers remained stable at 44 per cent. In sum, this makes NRK the dominant broadcaster in Norway.

Today NRK has nearly 3,500 employees throughout the country, as well as correspondents at a number of posts abroad.

Key events

NRK began district TV broadcasts from Nordland in 2005. Nynorsk Mediesenter in Førde, established in 2004, completed its first full year of operations in 2005.



© Ole Kalander/NRK

NRK, TV2 and Telenor Broadcast applied for a license to build and operate a digital broadcasting network through their jointly-owned company Norges television as (NTV).

Financial trends

In 2005 NRK had a turnover of NOK 3,693 million, which was comparable to 2004 figures. NRK aims to have balanced operating accounts on a consistent basis, and the company has achieved this for the fifth year in a row. Broadcast license fees account for over 90 per cent of the company's income. At year-end 2005 the number of license fees collected came to 1,770,000, the highest number ever recorded.

NRK's commercial activities are organised through the wholly-owned subsidiary NRK Aktivum AS. Profits from this company contributed NOK 90 million to the programming operations in 2005.



Norsk Samfunnsvitenskapelig datatjeneste AS

ADDRESS: Harald Hårfagresgate 29,
NO-5007 Bergen

TELEPHONE: +47 55 58 21 17

INTERNET: www.nsd.uib.no

CEO: Bjørn Henrichsen

CHAIRMAN: Bernt Aardal

BOARD MEMBERS: Knud Knudsen,
Hans Viggo Sæbø, Mette Vestli, Inger Njølstad
and Atle Jåstad*

* Employee representative

AUDITOR: Ernst & Young AS

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

Norwegian Social Science Data Services (NSD) (Norsk samfunnsvitenskapelig datatjeneste) was established in 1971, and until 2002 it was linked institutionally to the Research Council of Norway. Since 1 January 2003, NSD has been organised as a limited company under the Ministry of Education and Research. NSD is one of the world largest data archives for research, which it makes available to researchers and students in Norway and abroad. In addition, NSD is a resource centre that advises researchers on data collection, data analysis, methodology, personal privacy and research ethics. NSD has 57 employees.

NSD seeks to improve the opportunities and working conditions for empirical research activities that depend on access to data. Operations are organised so that NSD can carry out its national responsibility to manage vital data services for research. NSD works to ensure that researchers and students have access to data by compiling, processing, archiving, maintaining and disseminating data to research groups. Moreover, 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.

Most of NSD's users are affiliated with universities, university colleges, and research institutes, particularly in the social science disciplines. The company is also expanding its service to other disciplines, including medicine and health care.

NSD owns 50 per cent of NESSTAR Ltd. in England. The other owner is Wivenhoe Technologies, which in turn is owned by the University of Essex. NESSTAR (Networked Social Sci-

ence Tools and Resources) is a system that makes it possible to localise and analyse data and download datasets via the Internet.

Key events

In 2005 the future organisation of Nesstar Ltd. was assessed. NSD has signed an agreement with the University of Essex. Pursuant to this agreement, the company will be liquidated and all rights reverted to NSD. The University of Essex may sell the product to the public sector in Great Britain and in the academic sector/higher education throughout the world.

As a partner in the European Social Survey, NSD received a Descartes Prize, a major European research award, in 2005. NSD was given this award for achieving good research results through European cooperation.

Financial trends

NSD showed a profit of NOK 2.4 million in 2005, compared to NOK 4.2 million in 2004. The company's equity ratio was 58 per cent. NSD cooperates closely with the Research Council of Norway, which uses NSD to provide central data services to Norwegian research. NSD bases its efforts on the needs and priorities of the research community. The Research Council of Norway funded 21 per cent of the company's activities and provided 47 per cent of the company's total allocation when project support is taken into account. The company's sales revenue comprised 8 per cent of its funding. The remaining percentage was provided by the ministries, the EU and other public and private principals. NSD has experienced growth and increased activity in most areas of operation, and the company's overall financial situation is good.

GENERAL INFORMATION

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	33.8	30.6
Operating costs	31.7	26.7
Operating profit	2.1	4.0
Net financial items	0.3	0.2
Profit before tax	2.4	4.2
Tax	0.0	0.0
Profit after tax	2.4	4.2
BALANCE SHEET		
Intangible fixed assets	0.0	0.0
Fixed assets	0.9	0.8
Financial assets	1.5	1.5
Total fixed assets	2.4	2.3
Current assets	24.6	25.9
Total assets	27.0	28.2
Subscribed equity	7.4	7.3
Earned/other equity	8.2	5.9
Equity	15.6	13.2
Deffered tax	0.0	0.0
Provision for commitments	0.0	0.0
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.0	5.9
Current interest-free liabilities	11.4	9.1
Total liabilities and commitments	11.4	15.0
Total equity and liabilities	27.0	28.2
KEY INDICATORS		
Capital employed	15.6	19.1
EBITDA	2.8	4.7
EBIT	2.5	4.3
Equity ratio	58 %	47 %
Return on equity	17 %	38 %
Average return on equity over last 2 years	27 %	
Return on capital employed	14 %	26 %
CONTRIBUTION FROM STATE		
Contribution to research		
Contributions from UFD and other ministries	8	5
Contribution from NFR	16	14
Total Contribution	24	19
OTHER INFORMATION		
Number of employees	57	50
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	40 %	40 %

Norsk Tipping AS



GENERAL INFORMATION

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

CEO: 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: Riksrevisjonen

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

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	9 362	9 763
Operating costs	6 672	7 040
Operating profit	2 690	2 723
Net financial items	42	32
Profit before tax and minority interests	2 732	2 754
Tax	0	0
Minority interests	0	0
Profit after tax and minority interests	2 732	2 754
BALANCE SHEET		
Intangible fixed assets	0	0
Fixed assets	500	497
Financial assets	110	44
Total fixed assets	610	541
Current assets	3 647	3 642
Total assets	4 258	4 183
Subscribed equity	0.0	0.2
Earned/other equity	1 207	1 056
Equity	1 207	1 056
Deferred tax	0	0
Provision for commitments	0	0
Long-term liabilities	270	214
Current interest-bearing liabilities	0	0
Current interest-free liabilities	2 781	2 913
Total liabilities and commitments	3 051	3 127
Total equity and liabilities	4 258	4 183
CASH FLOW		
Operational activities	2 831	2 737
Investment activities	-198	-460
Financing activities	-2 619	-2 686
Change in assets	14	-409
KEY INDICATORS		
Capital employed	1 477	1 270
Equity ratio	28 %	25 %
Total profit	2 732	2 748
Profit Health and rehabilitation	195	199
Profit Norsk Tipping AS	2 537	2 549
Provision for investment fund	125	137
Provision for preventing gaming problems	12	12
Profit allocated to sport and culture	2 400	2 400
Total utilized	2 537	2 549
OTHER INFORMATION		
Number of employees	370	349
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	43 %	67 %
Proportion of shareholder-elected women on board	40 %	50 %

Established in 1946, Norsk Tipping has been a wholly State-owned company since 1993 and the company is structured pursuant to special legislation. Norsk Tipping's core area of operations is to operate money gaming in a socially acceptable form under public control. The company has an exclusive right on providing selected sports games and certain types of lotteries in Norway. The company has 370 employees.

Through its ownership in Norsk Tipping, the State ensures that the company channels the Norwegian public's interest in gambling toward moderate, responsible games that do not create problems for society at large. Within the framework stipulated by the authorities, the company offers responsible gaming entertainment aimed at preventing the negative consequences of cash games and generating a profit for socially beneficial purposes. The State's primary objective is not to achieve the largest possible profit, however, but to promote Norsk Tipping as a company that guides the development of the gaming market in a socially responsible direction.

Key events

National regulation of gambling has come under increasing pressure from private operators seeking to offer their gambling services in Norway. In 2005 the company's market share continued to decline following yet another year of growth in the market for gaming machines and international Internet gambling. The company's market share in 2005 was approximately 22 per cent.

In 2003 the Storting decided that Norsk Tipping should be granted exclusive rights to operate cash gaming machines. The objective of the decision was to bring the gaming machine market in line with social objectives of the gaming regulation and to strengthen the

control of the market. The gaming machine industry has brought legal action against the State and has sought to have the law declared invalid pursuant to Norway's obligations under EEA regulations. On 26 August 2005 the Borgarting Court of Appeal ruled against the gaming machine industry, finding that the law did not conflict with EEA regulations. The gaming machine industry has appealed this decision to the Norwegian Supreme Court. Pending a clarification of the judicial process, the implementation of Norsk Tipping's exclusive rights has been postponed. This resulted in a temporary continuation of the current, socially unfavourable gaming machine regulations. The Supreme Court has decided not to hear the case until after the EFTA court has handed down its decision on the lawsuit regarding breach of treaty brought against Norway by the EFTA Surveillance Authority. As a result, it has been decided that Norsk Tipping is to terminate its gaming machine division (Multix), which will result in the lay-off of 22 employees and closure of the company's division in Fagernes.

Financial trends

Sales of Norsk Tipping's games have stagnated somewhat in recent years. In 2005 operating revenues were NOK 9,362 million, which is 4 per cent lower than in 2004. The decline is partly due to the regulators decision to moderate development of the company's selection of games pending better regulation of machine gaming operations and games on the Internet. Profit after tax was NOK 2,732 million, a decline of 0.8 per cent compared to 2004. From Norsk Tipping's profit of NOK 2.7 billion, NOK 125 million has been earmarked for the investment fund, NOK 195 million for the Health and Rehabilitation Foundation (the profit from the "Extra" game) and NOK 2.4 billion for sports and cultural activities.

NSB AS



ADDRESS: NO-0048 Oslo
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INTERNET: www.nsb.no

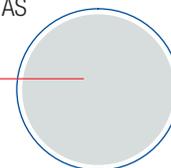
CEO: Einar Enger

CHAIRMAN: Ingeborg Moen Borgerud
BOARD MEMBERS: Christian Brinch,
 Bård Norheim, Bente Hagem,
 Tore Heldrup Rasmussen, Øystein Aslaksen*,
 Ole Reidar Rønningen* and Ole Roger Berg*
 * Employee representatives

AUDITOR: PricewaterhouseCoopers AS

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

GENERAL INFORMATION



NSB AS (Norges Statsbaner AS) is Norway's largest transport group, with traditions dating back to 1854. The Group currently consists of the parent company NSB AS and a number of subsidiaries, including NSB Anbud AS, Nettbuss AS, NSB Eiendom AS, ROM Eiendomsutvikling AS, CargoNet AS and Mantena AS.

NSB operates passenger transport services by railway and bus in the Nordic countries, as well as freight transport services by railway in the Nordic countries and other parts of the world. The train service is the cornerstone of NSB's transport operations. NSB provides passenger transport services by railway and bus for the national and county governments through ex-ante negotiated PSO contracts.

State ownership of NSB ensures that the train service maintains a strong position in competition with other means of transport. NSB is currently the only reliable participant in the market offering personal transport services throughout the entire Norwegian railway network. Because railway operations incur significant, fixed costs, an owner must have a long-term perspective. As manager of the State's ownership interests, the Ministry of Transport and Communication ensures that the company offers a safe, customer-oriented train service and provides the State with the greatest possible value creation over time.

Every other year the Ministry of Transport and Communications submits a report to the Storting on NSB's operations; see Report No. 6 (2004-2005) to the Storting. In this report the ministry addresses issues such as strategies and plans for the future. The report provides the basis for ownership management of NSB. The next report is planned for submission in autumn 2006.

Key events

In 2004 NSB was the third most punctual train company in Europe. This trend has continued in 2005, with further improvements in a number of train routes. CargoNet's focus on container and semi-trailer transport has resulted in significant growth in the past two years.

In December 2005 Nettbuss AS signed an agreement to acquire all shares in Partner Bus AS in Denmark.

In May 2005 NSB Anbud AS won the tender competition to provide passenger transport by train on Gjøvikbanen for the period 2006-2016. Tågkompaniet, in which NSB has a 34 per cent shareholding, won two tender competitions in Sweden.

Financial trends

In 2005 operating revenue for the Group came to NOK 8,629 million, compared to NOK 8,242 million in 2004. Profit before tax was NOK 502 million, compared to NOK 170 million in 2004. The increase in profit was due primarily to significant improvements in passenger train operations, increased volume and increased profit in the Norwegian division of the cargo operations, improved bus operations, and increased sales earnings from the real estate operations. For the first time NSB will pay dividends to the State. Dividends for fiscal year 2005 will amount to NOK 246 million.

Although operating profit for 2005 increased substantially, it is still not satisfactory in relation to the stipulated rate of return. To improve competitiveness, NSB continued its efforts in 2005 to increase operational efficiency.

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	8 629	8 242
Operating costs	8 040	7 976
Operating profit	589	266
Net financial items	-87	-96
Profit before tax and minority interests	502	170
Tax	172	91
Minority interests	2	-11
Profit after tax and minority interests	328	90
BALANCE SHEET		
Intangible fixed assets	177	195
Fixed assets	8 600	8 772
Financial assets	125	229
Total fixed assets	8 902	9 196
Current assets	2 758	3 702
Total assets	11 660	12 898
Subscribed equity	5 536	5 536
Earned/other equity	476	280
Minority interests	202	203
Total equity	6 214	6 019
Defferred tax	335	164
Pension engagement	0	73
Provision for commitments	325	407
Long-term liabilities	1 956	3 624
Current interest-bearing liabilities	0	0
Current interest-free liabilities	2 832	2 611
Total liabilities and commitments	5 448	6 879
Total equity and liabilities	11 660	12 898
CASH FLOW		
Operational activities	1 492	1 330
Investment activities	-618	-43
Financing activities	-1 741	-475
Change in assets	-867	812
KEY INDICATORS		
Capital employed	8 170	9 643
EBITDA	1 596	1 306
EBIT	688	397
Equity ratio	53 %	47 %
Return on equity	5.5 %	1.6 %
Average return on equity over last 5 years	1.8 %	
Return on capital employed	7.7 %	4.0 %
No. of travellers, passenger traffic	2 440	2 290
Tonnes per km. freight	2 421	2 199
Punctuality ¹⁾	92 %	90 %
PUBLIC PROCUREMENTS		
State procurements	1 502	1 436
Municipal procurements	593	510
Total public procurements	2 095	1 946
VALUES AND DIVIDEND		
Provision for dividend	246	0
State's share of dividend	246	0
Dividend ratio	75 %	0 %
Annual average dividend ratio over last 5 years	45 %	
OTHER INFORMATION		
Number of employees	10 684	10 432
Proportion of employees in Norway	92 %	93 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	25 %	25 %
Proportion of shareholder-elected women on board	40 %	40 %

¹⁾ Share of trains arriving ending station on time

Petoro AS



GENERAL INFORMATION

ADDRESS: P.O. Box 200 Sentrum,
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TELEPHONE: +47 51 50 20 00

INTERNET: www.petoro.no

CEO: Kjell Pedersen

CHAIRMAN: Bente Rathe

BOARD MEMBERS: Bente Rathe, Jørgen Lund,
Ingelise Arntsen, Per-Christian Endsjø,
Nils-Henrik Mørch von der Fehr, Elen Carlson*
and John Magne Hvidsten*

* Employee representatives

AUDITOR: Erga Revisjon AS

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

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	178	163
Operating costs	178	167
Operating profit	0	-4
Net financial items	1	1
Profit before tax and minority interests	1	-3
Tax	0	0
Minority interests	0	0
Profit after tax and minority interests	1	-3
BALANCE SHEET		
Intangible fixed assets	0	0
Fixed assets	13	17
Financial assets	0	0
Total fixed assets	13	17
Current assets	52	64
Total assets	66	81
Subscribed equity	10	10
Earned/other equity	6	5
Equity	16	15
Deferred tax	0	0
Provision for commitments	22	33
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	28	32
Total liabilities and commitments	50	66
Total equity and liabilities	66	81
CASH FLOW		
Operational activities	-8	-9
Investment activities	-2	-6
Financing activities	0	0
Change in assets	-10	-14
DIVIDEND		
Provision for dividend	0	0
State's share of dividend	0	0
Annual average dividend ratio over last 5 years	0 %	
CONTRIBUTION FROM STATE		
Contribution from State ¹⁾	174	164
Used for salaries and social costs	79	75
Used for IKT	12	12
Used for general manager fee	16	17
Used for accounting services	3	4
Used for offices	9	10
Used for others	58	49
Total usage of contribution	178	166
OTHER INFORMATION		
Number of employees	53	59
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	43 %	43 %
Proportion of shareholder-elected women on board	40 %	40 %

¹⁾ Exclusive VAT

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 60 employees.

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

The primary objective of the management of the SDFI portfolio is to achieve the greatest possible income for the State. Petoro manages the commercial aspects of the State's direct involvement in petroleum operations and related activities on the Norwegian Continental Shelf.

As part of the State's joint ownership strategy, Statoil manages the sale of the State's petroleum, along with its own petroleum, pursuant to a sales directive adopted by Statoil's annual general meeting. Petoro ensures that Statoil's sale of the State's petroleum is carried out in line with the directive. Petoro does not receive revenues from its management activities. All costs and revenues generated by the SDFI portfolio are channelled through the national budget. Revenues from Statoil's sale of the State's petroleum are transferred directly from Statoil to the State's account.

Financial trends

Petoro is operated on the basis of appropriations from the State, and the operating budget in 2005 was NOK 174 billion ex. VAT. Separate accounts are maintained for Petoro's opera-



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tions. A clear distinction is drawn between financial aspects related to the SDFI portfolio and those related to Petoro's operations.

SDFI

The SDFI scheme was established with effect from 1985. The SDFI portfolio is owned directly by the State. Under this scheme, the State participates as a direct investor in petroleum operations on the Norwegian Continental Shelf. As of 31 December 2005 the State had participating shares in 100 production licenses and 12 partnerships for pipelines for onshore installations. Each year the Storting approves the budget and framework for the SDFI portfolio. In 2005 net cash flow from the SDFI portfolio was NOK 98.6 billion. Total revenues were NOK 145.3 billion, and costs were NOK 46.7 billion. Net cash flow from the SDFI portfolio is transferred to The Government Pension Fund-Global.

Posten Norge AS



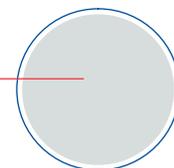
GENERAL INFORMATION

ADDRESS: Biskop Gunnerius' gate 14,
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TELEPHONE: +47 23 14 90 90
INTERNET: www.posten.no
CEO: Dag Mejdell
CHAIRMAN: Arvid Moss

BOARD MEMBERS: Liv Stette, Asbjørn Birkeland, Terje Christoffersen, Nina Iversen, Gry Mølleskog, Odd Christian Øverland*, Ingeborg Sætre*, Paul Magnus Gamlemshaug* and Jacqueline Hopkinson*
* Employee representatives

AUDITOR: Ernst & Young AS

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



Norway established its own postal service in 1647, and it has been owned by the State since 1719. The Group consists of the parent company Norway Post (Posten Norge AS) and several subsidiaries, including ErgoGroup, City-Mail Sweden and Nor-Cargo Holding AS. Norway Post employs 20,541 man-years, including 18,945 of these in Norway.

Norway Post operates postal and logistical services and related activities. Through licensing and legislation, the company is charged with providing mandatory postal services and offering basic banking services throughout its network of outlets. Logistical and express services include package distribution, door-to-door delivery in the Nordic countries, cargo delivery, refrigerated transport, special and heavy transport, third party logistics and container handling. The subsidiary ErgoGroup develops and provides electronic services, ICT services, etc.

Norway Post aims to fulfil its societal and operational obligations in a sound, cost-effective manner, and within these parameters effectively administer the State's assets and promote good commercial growth of the company. The company ensures that good quality, mandatory postal services are provided throughout the country at reasonable prices. It also offers other services tailored to the needs of individual customer groups at competitive prices. The State purchases mandatory postal services in unprofitable areas.

Every other year the Ministry of Transport and Communications submits a report to the Storting regarding Norway Post's operations; see Report No. 11 (2003-2004) to the Storting. In this report the ministry addresses issues such as strategies and plans for the future. The report provides the basis for ownership management of Norway Post.

Key events

As part of its efforts to develop its logical services in Norway and the Nordic countries, Norway Post purchased Frigoscandia and HSD Transport. Norway Post also signed a new agreement with DnB NOR to provide banking and financial services through Norway Post's sales network. The agreement is valid for the period from 1 January 2006 to 31 December 2012. Effective 1 January 2006, Norway Post entered into a new pension agreement with Vital. At the same time, the company withdrew from the Norwegian Public Service Pension Fund.

Financial trends

In 2005 operating revenue for the Group came to NOK 19,995 million, which is an increase of over 11 per cent compared to 2004. The most substantial growth occurred in the Logistics division, due largely to the acquisition of Nor-Cargo in 2004. Current accounts for the Group show a profit before tax of NOK 1,424 million, an increase of NOK 172 million over 2004 figures. Return on equity after tax was 23.3 per cent, an increase of 2.3 per cent compared to 2004. Norway Post met the owner's requirement for rate of return. The company's withdrawal from the Norwegian Public Service Pension Fund and implementation of new accounting standards in 2005 have resulted in one-time accounting operations that have affected the company's equity available for dividends. The company will not be in a position to pay dividend for the fiscal year 2005.

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	19 995	17 959
Operating costs	17 817	15 783
Operating profit	1 377	1 257
Net financial items	47	-5
Profit before tax and minority interests	1 424	1 252
Tax	347	399
Minority interests	36	4
Profit after tax and minority interests	1 041	849
BALANCE SHEET		
Intangible fixed assets	3 100	2 095
Fixed assets	3 475	3 382
Financial assets	180	1 002
Total fixed assets	6 755	6 479
Current assets	6 592	3 835
Total assets	13 347	10 314
Subscribed equity	4 680	4 680
Earned/other equity	187	-341
Minority interests	13	24
Total equity	4 880	4 363
Provision for commitments	1 942	330
Long-term liabilities	1 466	1 534
Current interest-bearing liabilities	73	252
Current interest-free liabilities	4 986	3 835
Total liabilities and commitments	8 467	5 951
Total equity and liabilities	13 347	10 314
CASH FLOW		
Operational activities	2 707	2 217
Investment activities	-1 166	-1 759
Financing activities	-777	126
Change in assets	764	584
PUBLIC PROCUREMENTS		
State procurements of unprofitable post services	326	316
Total procurement	326	316
KEY INDICATORS		
Capital employed	6 419	6 149
EBITDA	2 445	2 344
EBIT	1 644	1 425
Equity ratio	37 %	42 %
Return on equity	23 %	19 %
Average return on equity over last 5 years	13 %	
Return on capital employed	26 %	23 %
Manned stations	1 523	1 529
Delivery quality A-post (over night delivery)	87	88
Customer satisfaction in the expedition network (points max 100)	81	80
Volume development A- and B-post	-6 %	-7 %
DIVIDEND		
Provision for dividend	0.0	517
Dividend ratio	0 %	61 %
State's share of dividend	0.0	517
Annual average dividend ratio over last 5 years	30.2 %	
OTHER INFORMATION		
Number of employees	20 541	21 373
Proportion of employees in Norway	92 %	95 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	50 %	50 %

Simula Research Laboratory AS

[**simula** . research laboratory]

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TELEPHONE: +47 67 82 82 00

INTERNET: www.simula.no

CEO: Aslak Tveito

CHAIRMAN: Berit Svendsen

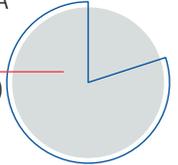
BOARD MEMBERS: Dagfin Brodtkorb, Eivind Hiis Hauge, Anne-Brit Kolstø, Ingvild Myhre, Bjørn Fredrik Nielsen * and Hans Christian Benestad *

* Employee representatives

GENERAL INFORMATION

AUDITOR: Lundes Revisjonskontor DA

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



PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	64.1	58.3
Operating costs	63.2	60.7
Operating profit	0.9	-2.5
Net financial items	0.2	0.1
Profit before tax	1.2	-2.4
Tax	0.0	0.0
Profit after tax	1.2	-2.4
BALANCE SHEET		
Intangible fixed assets	0.0	0.0
Fixed assets	3.4	5.4
Financial assets	4.4	1.4
Total fixed assets	7.7	6.7
Current assets	7.3	7.9
Total assets	15.0	14.6
Subscribed equity	1.5	1.5
Earned/other equity	3.5	2.3
Equity	5.0	3.8
Deferred tax	0.0	0.0
Provision for commitments	0.0	0.0
Long-term liabilities	0.0	0.0
Current interest-bearing liabilities	0.4	0.1
Current interest-free liabilities	9.6	10.6
Total liabilities and commitments	10.0	10.8
Total equity and liabilities	15.0	14.6
KEY INDICATORS		
Capital employed	5.4	3.9
EBITDA	3.7	0.1
EBIT	1.4	-2.3
Equity ratio	33 %	26 %
Return on equity	27 %	-47 %
Average return on equity over last 2 years	-10 %	
Return on capital employed	30 %	-45 %
OTHER KEY FIGURES		
Publication		
Books and doctoral thesis	6	5
Articles in journals with referee	20	26
Proceedings with referee and chapters in books	57	38
Number of post-graduate fellowships	24	23
Number of post doc.	11	10
CONTRIBUTION FROM STATE		
Contribution to research	49	49
Total contribution	49	49
OTHER INFORMATION		
Number of employees	80	72
Proportion of employees in Norway	98 %	96 %
State's shareholding at year-end	80 %	80 %
Proportion of women on board	43 %	50 %
Proportion of shareholder-elected women on board	43 %	40 %

Simula Research Laboratory was established in 2001 as a project under the University of Oslo, and it was organised as a limited company in 2002. The company conducts long-term, basic research in specified areas of software and communications technology, thereby contributing to innovation in Norwegian trade and industry. State ownership in Simula Research Laboratory is intended to ensure that research is conducted at a high international standard and that it produces highly qualified researchers. The company is not profit-oriented, and it does not pay dividends to its owners. At year-end 2005 Simula had 80 employees.

Simula Research Laboratory is an idealistic enterprise that benefits society at large. The company has three main responsibilities: to conduct research at a high international level, provide education in cooperation with Norwegian universities, and enhance innovation based on research conducted at the laboratory. Simula conducts research in three subject areas: networks and distributed systems, scientific computing, and software engineering.

In 2004 Simula Research Laboratory underwent an evaluation, which showed that Simula's scientific activities are of high quality and that its operations are regarded as effective. In 2004 Simula Research Laboratory established a wholly-owned subsidiary, Simula Innovation AS, to provide commercial services and conduct innovation efforts based on the research conducted at Simula.

Key events

In 2005 Simula Research Laboratory followed up on the evaluation from 2004. Research activities have been organised into fewer but larger projects with their own directors and budgets. Efforts have begun to formulate a new strategy for the period up to 2015. Simula's contract with the Research Council of Norway has been extended until 2010, and politi-



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cal signals in conjunction with the 2006 national budget indicate that the contract period may be extended to 2015, provided that the current contract period receives a positive evaluation. The annual general meeting in 2005 gave its support to increased cooperation with trade and industry, as long as such efforts are carried out in accordance with the articles of association.

Financial trends

In 2005 Simula Research Laboratory had an operating revenue of NOK 64.1 million, NOK 49 million of which came from the government's basic allocation. Simula received NOK 29 million from the Ministry of Education and Research and NOK 10 million from both the Ministry of Trade and Industry and the Ministry of Transport and Communications. Project funding from other governmental and private sources increased from NOK 10.2 million in 2004 to NOK 15.1 million in 2005. Operating costs have increased in the period from 2002 to 2005. Total operating costs increased from NOK 60.7 million in 2004 to NOK 63.2 million in 2005. Annual profit for 2005 was NOK 1.2 million. As of 31 December 2005 the company employed an average of 63 man-years.

SIVA SF



GENERAL INFORMATION

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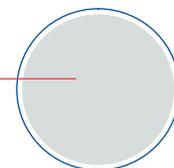
CEO: Harald Kjelstad

CHAIRMAN: Siri Beate Hatlen

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

AUDITOR: Noraudit DA

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



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

SIVA helps to achieve national policy objectives for the regions and districts, and within this framework enhances Norway's ability to innovate and create value on a nationwide basis.

In its real estate operations, SIVA has ownership interests in about 463,000 m² of floor space in more than 109 buildings. Innovation operations include competence initiatives, investment activities and network building. The company is engaged in business parks, science parks, research parks, business and industrial incubators, and network projects throughout the country. The company has 32 employees.

Key events

In January 2005 a review was conducted of SIVA's financial situation by a work group comprised of representatives from SIVA, the Ministry of Local Government and Regional Development and the Ministry of Trade and Industry. It was determined that the accounts for SIVA's real estate operations should, as a minimum requirement, be in balance. Revenue from the innovation operations is uncertain and modest, and for this reason, operations need to be subsidised if the accounts are to balance.

In Report No. 46 (2003-2004) to the Storting on SIVA's future operations, it was proposed that SIVA be infused with NOK 150 million in equity over a period of several years in order to pay down its debt to the Treasury. Accordingly,

in 2005 NOK 50 million was converted from treasury debt to invested capital.

In the revised budget for 2005, SIVA received a subsidy for the first time from the Ministry of Trade and Industry. The allocation of NOK 15 million was used to strengthen SIVA's administration of innovation and networking activities, incubator activities in central geographical regions and the Norwegian Centres of Expertise (NCE). The Ministry of Trade and Industry has allocated NOK 30 million to SIVA for 2006. These funds will be used for incubator activities in central geographic regions, networking activities, NCEs, regional seed and venture funds, innovation centres in north-western Russia, and the administration of innovation activities. The Ministry of Local Government and Regional Development allocated subsidies to SIVA of NOK 71 million in 2005 and NOK 65.8 million in 2006. These funds are used primarily for programmes for industrial parks and business and industrial incubators.

In 2005 the Ministry of Trade and Industry began efforts to develop a system of management by objectives and results for SIVA in cooperation with the Ministry of Local Government and Regional Development.

Financial trends

Annual accounts for SIVA in 2005 showed a profit of NOK 36.6 million. This is the first time in many years that a profit has been achieved, and it is mainly due to earnings from the sale of real estate at the innovation centres in university cities, adjustment of risk and volume of investments, and a strong focus on management and administration to achieve operational efficiency. At the same time, the State has allocated larger subsidies than in previous years, and the company has substantially reduced its borrowing from the State by paying down NOK 140 million in loans in 2005.

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Contribution	67	59
Other revenues	164	199
Total operating revenues	230	258
Operating costs	162	286
Operating profit	68	-28
Net financial items	-22	-177
Profit before tax and minority interests	46	-205
Tax	-6	-10
Minority interests	3	2
Profit after tax and minority interests	37	-217
BALANCE SHEET		
Intangible fixed assets	37	43
Fixed assets	1 097	1 192
Financial assets	699	704
Total fixed assets	1 834	1 939
Current assets	380	284
Total assets	2 213	2 222
Subscribed equity	667	617
Earned/other equity	-130	-173
Minority interests	68	48
Equity	605	492
Deferred tax	0	0
Provision for commitments	21	21
Long-term liabilities	1483	1632
Current interest-bearing liabilities	16	14
Current interest-free liabilities	89	63
Total liabilities and commitments	1608	1730
Total equity and liabilities	2213	2222
CASH FLOW		
Operational activities	54	9
Investment activities	142	62
Financing activities	-79	-16
Change in assets	117	55
KEY INDICATORS		
Equity ratio	27 %	22 %
Return on equity	7 %	-43 %
Average return on equity over last 5 years	-9 %	
OTHER KEY FIGURES		
State loan limit	857	940
State loans	700	840
Interests on State loans	40	53
Commissions on State loans	7	9
CAPITAL CONTRIBUTION		
Capital contribution from the State	50	90
OTHER INFORMATION		
Number of employees	32	40
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	57 %	57 %
Proportion of shareholder-elected women on board	57 %	57 %

Statnett SF



GENERAL INFORMATION

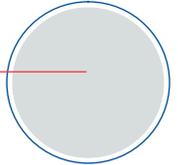
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TELEPHONE: +47 22 52 70 00
INTERNET: www.statnett.no

CEO: Odd Håkon Hoelsæter

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

AUDITOR: Ernst & Young AS

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



	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	5 244	5 214
Operating costs	4 778	4 414
Operating profit	466	800
Net financial items	231	209
Profit before tax	235	591
Tax	61	160
Profit after tax	174	431
BALANCE SHEET		
Intangible fixed assets	83	99
Fixed assets	10 320	10 190
Financial assets	112	127
Total fixed assets	10 515	10 416
Current assets	2 330	1 740
Total assets	12 845	12 156
Subscribed equity	2 700	2 700
Earned/other equity	2 067	1 980
Equity	4 767	4 680
Provision for commitments	123	128
Long-term liabilities	4 594	4 983
Current interest-bearing liabilities	2 400	1 179
Current interest-free liabilities	961	1 186
Total liabilities and commitments	8 078	7 476
Total equity and liabilities	12 845	12 156
CASH FLOW		
Operational activities	453	1 019
Investment activities	-858	-396
Financing activities	464	13
Change in assets	59	96
KEY INDICATORS		
Capital employed	11 761	10 842
EBITDA	1 271	1 626
EBIT	546	880
Equity ratio	37 %	38 %
Return on equity	4 %	9 %
Average return on equity over last 5 years	9 %	
Return on capital employed	5 %	8 %
DIVIDEND		
Provision for dividend	87	370
Dividend ratio	50 %	90 %
State's share of dividend	87	370
Annual average dividend ratio over last 5 years	50 %	
OTHER INFORMATION		
Number of employees	599	576
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	45 %	45 %
Proportion of shareholder-elected women on board	50 %	50 %

Established on 1 January 1992, Statnett SF is the power Transmission System Operator for the Norwegian power system. It is Statnett's responsibility to constantly ensure a balance between production and consumption of electric power in Norway. As regards this, the company is also responsible for developing measures to handle periods of critical energy shortage. Furthermore, Statnett plays a role in ensuring that the central power transmission network is constructed in an efficient manner.

Statnett currently owns about 85 per cent of the power transmission network in Norway, as well as the connections to other countries. Statnett owns 50 per cent of the Nordic power exchange NordPool ASA.

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

To achieve a well-functioning energy market, it is important that the responsibility to balance the system, is exercised in an effective manner. State ownership of Statnett accentuate that the company is a neutral participant in the market, and ensures that the company focuses on its public responsibilities. The ownership of Statnett is managed by the Ministry of Petroleum and Energy. The company has about 600 employees.

Key events

After several years with low levels of investment, in which the company has focused on optimal utilisation and efficient use of the existing network, Statnett is entering into a period of significant investments to increase transmission capacity in the power transmission network.



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Financial trends

In 2005 the Group had total operating revenue of NOK 5,244 million, an increase of NOK 30 million compared to 2004. Operating costs came to NOK 4,778 million in 2005, compared to NOK 4,414 million in 2004. The Group's profit after tax for fiscal years 2004 and 2005 was NOK 431 million and NOK 174 million, respectively, and return on equity after tax in the same years was 9.3 per cent and 3.7 per cent, respectively. The decline in profit is related to the decrease in the income for network operations in accordance with current income regulations established by the Norwegian Water Resources and Energy Directorate for network companies, and also to an increase in operating costs due to increased power transmission in the network. In 2005 Statnett's total balance was NOK 12.8 billion, compared to NOK 12.1 billion in 2004. In 2005 book shareholders' equity was approximately NOK 4.8 billion, compared to NOK 4.7 billion in 2004. The equity ratio was 37.1 per cent, compared to 38.5 the previous year.

In the coming years Statnett will focus on substantial investments in the power transmission network. Statnett has identified an investment need of NOK 15-16 billion in the period 2005-2014.

Statskog SF



GENERAL INFORMATION

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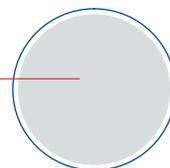
CEO: Øistein Aagesen

CHAIRMAN: Kirsti Kolle Grøndahl

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

AUDITOR: Ernst & Young AS

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



Statskog SF was established in 1993 on the basis of the Directorate of State Forests in order to ensure more effective operation and development of the State's properties and natural resources. Statskog SF is Norway's largest landowner. The land managed by Statskog is to be used actively to fulfil important social responsibilities, such as facilitating and managing properties for the public good with an emphasis on nature conservation, outdoor activities and local value creation.

The properties managed by Statskog cover roughly 110,000 km² or one-third of Norway's surface area. 5,000 km² of this is productive forest land on which commercial forestry operations are conducted. Most of the remaining land is mountain and wilderness area, primarily in the three northernmost counties in the country.

In addition to its commercial operations, Statskog performs a number of administrative tasks on behalf of the State. The commercial operations consist primarily of logging activities and property management, whereas the administrative tasks include the exercise of State authority, oversight of property and common land, and management of hunting and fishing on State-owned land. These tasks are carried out at the request of the Ministry of Agriculture and Food and the Ministry of the Environment in accordance with authority delegated to the company.

Statskog aims to offer competitive services in Statskog's core areas of expertise. The company has formulated clear objectives for its social and environmental responsibility. Statskog has 198 employees.

Key events

In spring 2006 Statskog had the opportunity to purchase property from the Norwegian armed forces in order to safeguard important interests related to the use of land for outdoor activities. Statskog has the right to purchase property of

this type before it is put up for sale on the open market if no other public entities have expressed an interest. In autumn 2005, pursuant to the Act relating to nature conservation, forest consisting of 385 km² of Statskog's area was placed under protection. This is the largest single resolution ever approved in the forest conservation process in Norway, and has resulted in a substantial increase in the amount of forest under protection.

Pursuant to the new Finnmark Act, Statskog's plans call for its property in Finnmark, a total of 46,000 km², to be transferred to the Finnmark Estate in the second quarter of 2006. Statskog will work actively to ensure that the transfer of property to Finnmark Estate is carried out in accordance with the intentions of the Act.

Financial trends

In recent years Statskog has experienced relatively stable revenues from property, forestry and outdoor activities. Revenue from property was lower in 2005 than last year as a result of lower earnings from property sales. An increase in revenue from the sale of services resulted from an increase in the scope of property services offered.

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

Statskog has an equity ratio of 75 per cent. Shareholder's equity is largely tied up in fixed assets and receivables. From an accounting perspective, liquidity holdings comprise a large portion of the company's assets. This is due to the fact that the book value of the company's properties is quite low. In relation to the market value of the properties, however, the liquidity holdings are small and give little room for the company to buy assets.

	NOK Mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	238	225
Operating costs	212	199
Operating profit	26	26
Net financial items	9	9
Profit before tax and minority interests	35	35
Tax	8	3
Extraordinary costs		
- Provisions for securing mines	0	16
Profit after tax and extraordinary costs	26	16
BALANCE SHEET		
Intangible fixed assets	11	12
Fixed assets	91	88
Financial assets	26	24
Total fixed assets	128	123
Current assets	211	182
Total assets	339	305
Subscribed equity	111	111
Earned/other equity	147	131
Equity	258	242
Deferred tax	3	0
Provision for commitments	5	5
Long-term liabilities	8	5
Current interest-bearing liabilities	0	0
Current interest-free liabilities	73	59
Total liabilities and commitments	80	64
Total equity and liabilities	339	305
CASH FLOW		
Operational activities	20	22
Investment activities	-25	-1
Financing activities	-9	-10
Change in assets	-13	12
KEY INDICATORS		
Capital employed	266	247
EBITDA	41	39
EBIT	37	35
Equity ratio	76 %	79 %
Return on equity	11 %	7 %
Average return on equity over last 5 years	10 %	
Return on capital employed	14 %	14 %
OTHER KEY FIGURES		
Revenue from outdoor leisure activities	13 %	13 %
Outdoor life	13 %	13 %
Property	29 %	32 %
Woodland	25 %	26 %
Service sale	29 %	26 %
Other income	4 %	3 %
Number of hunting and fishing permits sold	37 926	37 758
Contribution from State	2.4	2.7
DIVIDEND		
Provision for dividend	7.3	8.5
Dividend ratio	28 %	53 %
Annual average dividend ratio over last 5 years	45.3 %	
State's share of dividend	7.3	8.5
OTHER INFORMATION		
Number of employees	197	187
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	38 %
Proportion of shareholder-elected women on board	50 %	38 %

Uninett AS



GENERAL INFORMATION

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

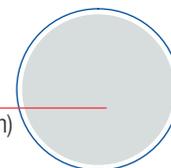
CEO: Petter Kongshaug

CHAIRMAN: Bjørn Henriksen

BOARD MEMBERS: Ole A. Brønmo,
Siri Jansen, Benedicte Rustad,
Britt Elin Steinveg and Stein Nygaard*
* Employee representative

AUDITOR: Deloitte Statsautoriserte
Revisorer AS

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



PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	164.4	148.7
Operating costs	152.2	135.5
Operating profit	12.2	13.2
Net financial items	2.7	2.4
Profit before tax	15.0	15.5
Tax	0.0	0.0
Profit after tax	15.0	15.5
BALANCE SHEET		
Intangible fixed assets	58.2	63.0
Fixed assets	1.3	1.4
Financial assets	2.0	5.1
Total fixed assets	61.5	69.5
Current assets	175.3	134.9
Total assets	236.9	204.4
Subscribed equity	3.0	3.0
Earned/other equity	121.6	106.6
Equity	124.6	109.6
Deferred tax	0.0	0.0
Provision for commitments	33.5	32.1
Long-term liabilities	13.2	20.4
Current interest-bearing liabilities	0.0	0.0
Current interest-free liabilities	65.6	42.3
Total liabilities and commitments	112.3	94.8
Total equity and liabilities	236.9	204.4
CASH FLOW		
Operational activities	42.2	11.6
Investment activities	-0.6	-43.9
Financing activities	-5.2	15.2
Change in assets	36.4	-17.1
KEY INDICATORS		
Capital employed	138	130
EBITDA	30	20
EBIT	15	16
Equity ratio	53 %	54 %
Return on equity	13 %	15 %
Average return on equity over last 5 years	18 %	
Return on capital employed	11 %	14 %
OTHER KEY FIGURES		
Number of associated Institutions	208	203
CONTRIBUTION FROM STATE		
Contribution from KD	25.4	22.5
Total contribution	25.4	22.5
OTHER INFORMATION		
Number of employees	73	58
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	50 %	50 %

UNINETT AS was established in 1993 as a wholly-owned limited company under the Ministry of Education and Research. The company develops and operates the research network in Norway at the request of the ministry. Through UNINETT, research and higher education institutions are provided access to cost-effective 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. In conjunction with the Norwegian University of Science and Technology (NTNU), UNINETT operates a Centre of Excellence that conducts research in quantifiable service quality. The company's primary target group is research and higher education institutions. UNINETT has 73 employees.

UNINETT is the parent company of the UNINETT Group, which consists of the following wholly-owned subsidiaries: UNINETT ABC AS, UNINETT FAS AS, UNINETT Norid AS and UNINETT Sigma AS. UNINETT also has a 22.4 per cent shareholding in the Danish company NORDUnet AS, a Nordic network organisation.

Key events

There are 208 institutions connected to the research network in Norway. In 2005 a further 11 institutions, were connected with gigabit capacities. In 2006 most universities and university colleges in Norway have a gigabit connection to the research network. The research network was also supplied to the international research community in Ny-Ålesund.

In 2005 planning and pilot projects were carried out for the GigaCampus project. The four-year project, lasting until 2009, will enhance and coordinate the campus networks, making high-capacity infrastructure available to end-users at universities and university colleges.

Financial trends

The UNINETT Group's total net operating revenue was NOK 71.9 million in 2004, compared to NOK 67.0 million in 2004. An increase in the operating subsidy is due primarily to a new subsidiary, UNINETT Sigma, which began operations with fiscal effect on 1 January 2005. The operating subsidy from the Ministry of Education and Research came to NOK 66.3 million in 2005, compared to NOK 47.1 million in 2004 and NOK 43.6 million in 2003. In 2005 the operating subsidy from the Research Council of Norway of NOK 18.1 million was allocated in its entirety to UNINETT Sigma. The UNINETT Group had not previously received funding from the Research Council of Norway. The Group has received operating subsidies in addition to the amount recorded in the 2005 accounts, but these funds are recorded as revenue accrued over a period of years, depending on the duration of the projects. Total revenue for the Group was NOK 152.2 million in 2005, compared to NOK 135.5 million in 2004 and NOK 145.8 million in 2003. Current figures show that the UNINETT Group had a profit of NOK 15.0 million in 2005. In 2004 the profit was NOK 15.5 million.

The positive financial performance in 2005 was due partially to the fact that UNINETT AS refrained from making investments in infrastructure pending results of the tender competition that lasted into 2006 and which will result in substantial savings. Moreover, the subsidiary UNINETT Norid earned significant revenue from the registration of a large number of domain names under .no.

Universitetssenteret på Svalbard AS



GENERAL INFORMATION

ADDRESS: P.O. Box 156,
NO-9171 Longyearbyen
TELEPHONE: +47 79 02 33 00
INTERNET: www.unis.no
CEO: Lasse Lønnum
(Gunnar Sand from 01.06.06)

CHAIRMAN: Kjell A. Sælen, Faculty Director
BOARD MEMBERS: Annik M. Myhre, Else Nøst Hegseth, Steinar Nordal, Viva Mørk Kvello, Hanne H. Christiansen*, Berit Jakobsen* and Simon Jessen (student representative)
* Employee representatives

AUDITOR: PriceWaterhouseCoopers AS

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

The University Centre in Svalbard (UNIS) (Universitetssenteret på Svalbard AS) was established as a State-owned limited company in 2002. The company has replaced the foundation known as the University Graduate Centre 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. The courses are taught at the 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. State ownership in UNIS is intended to ensure that research policy objectives are taken into consideration by the centre.

UNIS offers four study concentrations: Arctic biology, Arctic geology, Arctic geophysics and Arctic technology. The universities, in conjunction with UNIS, comprise the foremost Norwegian educational and research centre in these disciplines.

UNIS strives to offer high quality, research-based education. A growing number of students take master and doctoral degree courses at UNIS. There has also been strong growth in the number of students preparing parts of their master theses at UNIS.

UNIS gives priority to establishing and pursuing research cooperation with the Norwegian universities and other Norwegian and international research institutions. Dissemination of research findings is another important activity. Various seminars and professional conferences are held at UNIS. In addition, a number of presentations are given for visiting groups from Norway and abroad.

The company is not profit-oriented. Any revenues from operations are used to achieve the company's objectives related to education and research. UNIS has 52 employees.

Key events

In 2005 UNIS offered 40 different courses, 22 of these at advanced levels. A total of 331 students took courses or worked on master and doctoral theses. This is equivalent to 125 full-time students. In 2005 about 52 per cent of the students at the institution were women, and roughly half of the students come from outside Norway. The students at UNIS achieve good results and a high rate of success.

Financial trends

In 2005 the total allocation from the Ministry of Education and Research came to NOK 77.7 million, with NOK 48.9 million of this amount earmarked for operations and NOK 27.0 million for equipment and inventory at Svalbard Research Park. UNIS received a total of NOK 11.7 million in external funding. NOK 8.8 million of this amount came from external project funds for research, and the remainder came from revenue from consultancy services and leasing income. UNIS had an increase in external funding for research from 8 per cent of gross revenue in 2001 to 15 per cent in 2005.

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	60.7	54.2
Operating costs	56.1	53.5
Operating profit	4.6	0.7
Net financial items	0.0	0.0
Profit before tax	4.6	0.7
Tax	0.0	0.0
Extraordinary posts	0.0	1.6
Profit after tax	4.6	2.3
BALANCE SHEET		
Intangible fixed assets	0.0	0.0
Fixed assets	7.9	7.9
Financial assets	0.0	0.0
Total fixed assets	7.9	7.9
Current assets	29.8	8.6
Total assets	37.7	16.5
Subscribed equity	2.1	2.1
Earned/other equity	5.0	0.6
Equity	7.1	2.7
Deferred tax	0.0	0.0
Provision for commitments	7.9	0.5
Long-term liabilities	7.9	0.5
Current interest-bearing liabilities	4.7	5.2
Current interest-free liabilities	18.0	8.1
Total liabilities and commitments	30.6	13.8
Total equity and liabilities	37.7	16.5
KEY INDICATORS		
Capital employed	19.7	8.4
EBITDA	4.8	0.8
EBIT	4.8	0.8
Equity ratio	19 %	16 %
Return on equity	94 %	154 %
Average return on equity over last 2 years	29 %	
Return on capital employed	34 %	12 %
CONTRIBUTION FROM STATE		
Contribution to Forskningsparken	27	1
Contribution to operation of UNIS	49	44
Rent	2	0
Total contribution	78	45
OTHER INFORMATION		
Number of employees	52	46
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	71 %	57 %
Proportion of shareholder-elected women on board	42 %	42 %

Veterinærmedisinsk oppdragscenter AS



VETERINARY SCIENCE OPPORTUNITIES

GENERAL INFORMATION

ADDRESS: P.O. Box 8109 Dep., NO-0032 Oslo

TELEPHONE: +47 22 96 11 00

INTERNET: www.veso.no

CEO: Arne Ruud

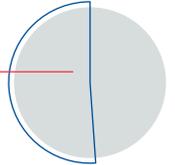
CHAIRMAN: Bjørn Kolltveit

BOARD MEMBERS: Kristin Woje Ellingsen, Reidun Ann Støle, Marit Dille, Per Folkestad, Hans Hekland, Tone Løvold* and Arnfinn Aunsmo*

* Employee representatives

AUDITOR: ESS Revisjon AS

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



	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	179.0	184.0
Operating costs	175.0	184.4
Operating profit	3.5	-0.4
Net financial items	1.0	0.5
Profit before tax	4.5	0.0
Tax	0.8	-0.4
Profit after tax	4.0	0.5
BALANCE SHEET		
Fixed assets	13	15
Financial assets	4	4
Total fixed assets	17	19
Current assets	53	50
Total assets	69	69
Subscribed equity	5.0	5.0
Earned/other equity	31.0	28.9
Equity	36	34
Deferred tax	4	1
Provision for commitments	2	2
Long-term liabilities	0	0
Current interest-bearing liabilities	27	32
Current interest-free liabilities	0	0
Total liabilities and commitments	33	35
Total equity and liabilities	69	69
CASH FLOW		
Operational activities	5	15
Investment activities	-1	-2
Financing activities	-2	-2
Change in assets	2	12
KEY INDICATORS		
Capital employed	36	55
EBITDA	8	4
EBIT	5	1
Equity ratio	52 %	49 %
Return on equity	11.4 %	1.3 %
Average return on equity over last 5 years	4 %	
Return on capital employed	13 %	2 %
DIVIDEND		
Provision for dividend	1.5	1.5
State's share of dividend	0.8	0.8
Annual average dividend ratio over last 5 years	37.5 %	
OTHER INFORMATION		
Number of employees	46	46
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	51 %	51 %
Proportion of women on board	50 %	50 %
Proportion of shareholder-elected women on board	50 %	50 %

Established in 1988, Veterinary Science Opportunities (VESO) (Veterinærmedisinsk oppdragscenter AS) is today a limited company owned by the State under the Ministry of Agriculture and Food (51 per cent) and by the State-owned enterprise SIVA SF (49 per cent). VESO is a knowledge-based company with a scientific platform in Norwegian veterinary medicine and related fields. VESO seeks to actively provide expertise and services to the veterinary research communities and to the veterinary medical field. The company operates on the open market and is subject to the same requirements for commercial operation as private participants in the market. The company has 46 employees.

A significant part of the operations is related to delivering products to and performing assignments for the Norwegian aquaculture industry. This includes the sale of veterinary vaccines and related products. The company is also an international leader in the implementation of controlled infection experiments and field experiments on fish. VESO also collaborates with the Directorate for Nature Management on various projects related to wild salmon. The research station at Vikan (picture) is vital to aquaculture activities.

Key events

Reports on the development of the aquaculture food alliance by the Ministry of Agriculture and Food and the Ministry of Fisheries and Coastal Affairs is core in the further development of the company. Due to new wholesaler regulations



on the sale of serum vaccines and commodities for animals, these products can only be sold through pharmacies in 2006. As a consequence, VESO has no retail sales in 2006 other than sales of unregistered pharmaceuticals for domestic animals. The treatment method to combat the salmon parasite *Gyrodactylus Salaris* in the Lærdal water system was changed from the use of rotenon to aluminium.

Financial trends

The financial result in 2005 reflected a decline in turnover related to fish testing. In 2005 the turnover related to the research station in Namsos improved substantially and thus contributed to improved financial performance. Efforts related to wild fish have also led to better financial performance in 2005. Wholesale operations are at the same level as before.

AS Vinmonopolet



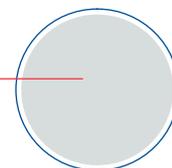
GENERAL INFORMATION

ADDRESS: Dronning Mauds gate 1,
P.O. Box 1944 Vika, NO-0125 Oslo
TELEPHONE: 04560
INTERNET: www.vinmonopolet.no
CEO: Nordis Vik Olausson (primary)

CHAIRMAN: Siri Beate Hatlen
BOARD MEMBERS: Elsbeth Tronstad, Thorbjørn Myhre, Arnfinn Holten, Jan Blomseth, 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)



Established on 30 November 1922 by a special act of the Storting, AS Vinmonopolet is a State-owned company with exclusive rights to sell alcoholic drinks containing over 4.7 per cent alcohol volume through retail outlets.

Vinmonopolet is one of the most important instruments used to carry out Norwegian alcohol policy. By selling alcohol under controlled conditions, in the absence of private financial interests, Vinmonopolet helps to limit alcohol consumption and thus prevent the social and health-related problems associated with alcohol use. The company strives to be cost-effective, offer fair accessibility to alcohol throughout the country, and provide good customer service. At year-end 2005 the company had 1,701 employees.

The company operates under a framework largely set forth in the Vinmonopolet Limited Company Act of 10 June 1931 and 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 under the same terms and conditions. Regulations have been issued regarding the company's purchasing operations, and an independent board has been established to review purchasing decisions.

Key events

When the new Government assumed office, responsibility for AS Vinmonopolet was transferred from the Ministry of Labour and Social Inclusion to the Ministry of Health and Care Services.

In 2005 Vinmonopolet focused its efforts on improving accessibility in the districts. At year-end 2005 Vinmonopolet had 198 retail outlets, 174 of which are self-service. Three new self-service shops were opened in 2005, and 31

shops were converted from over-the-counter service to self-service.

In 2005 Vinmonopolet conducted an extensive investigation following accusations of unethical influence of suppliers by some employees. The investigation resulted in action against six employees and one supplier, and also uncovered weaknesses in Vinmonopolet's routines.

Harald Arnkværn, chairman of the board, and Knut Grøholt, managing director, decided to step down from their positions in 2005. On 4 November 2005 Siri Hatlen was appointed as the new chairman. Nordis Vik Olausson was appointed as acting managing director as of 1 January 2006.

Financial trends

In 2005 Vinmonopolet's turnover (excluding VAT) was NOK 8,708.4 million; NOK 4,831.1 million of this amount was alcohol duties. This is an increase in turnover of NOK 433 million over 2004. Profit before payment of the Vinmonopolet dues was NOK 116.6 million, which is NOK 1.2 million higher than in 2004.

The Vinmonopolet dues, which are paid to the State in lieu of ordinary taxes, are estimated to be NOK 25.2 million in 2005. The Storting has stipulated that 40 per cent of the profit after payment of the Vinmonopolet dues in 2005 is to be paid to the State. This sum amounts to NOK 36.5 million. Profit after payment of the Vinmonopolet dues and the State's share of profits comes to NOK 54.8 million. As of 31 December 2005 book equity was NOK 365.8, which corresponds to an equity ratio of 17.4 per cent. Changes in accounting practices related to pension obligations led to a reduction in equity by NOK 276.6 million compared to 2004.

PROFIT AND LOSS ACCOUNT	NOK mill	
	2005	2004
Operating revenues	8 708	8 275
of which alcohol fee	4 831	4 636
Operating costs	8 607	8 177
Operating profit	101	99
Net financial items	15	17
Profit before vinmonopol fee	117	115
Vinmonopol fee	25	28
Profit after vinmonopol fee	91	88
BALANCE SHEET		
Intangible fixed assets	120	10
Fixed assets	291	313
Financial assets	4	6
Total fixed assets	416	329
Current assets	1 687	1 521
Total assets	2 103	1 850
Subscribed equity	0.1	0.1
Earned/other equity	366	578
Equity	366	578
Deferred tax	0	0
Provision for commitments	428	45
Long-term liabilities	0	0
Current interest-bearing liabilities	0	0
Current interest-free liabilities	1 309	1 226
Total liabilities and commitments	1 737	1 271
Total equity and liabilities	2 103	1 850
CASH FLOW		
Operational activities	220	267
Investment activities	-48	-67
Financing activities	1.5	0.5
Change in assets	174	200
KEY INDICATORS		
Capital employed	366	578
EBITDA	200	207
EBIT	118	117
Equity ratio	17 %	31 %
Return on equity	19 %	16 %
Average return on equity over last 5 years	16 %	
Return on capital employed	25 %	21 %
DIVIDEND		
State's share of profit and dividend	36.5	52.7
Average profit ratio and dividend last 5 years	40 %	
OTHER INFORMATION		
Number of employees	1 701	1 702
Proportion of employees in Norway	100 %	100 %
State's shareholding at year-end	100 %	100 %
Proportion of women on board	55 %	44 %
Proportion of shareholder-elected women on board	50 %	50 %



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Regional Health Authorities

- 92 Helse Midt-Norge RHF
- 93 Helse Nord RHF
- 94 Helse Sør RHF
- 95 Helse Vest RHF
- 96 Helse Øst RHF



Helse Midt-Norge RHF



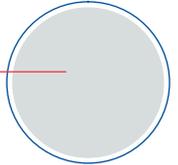
GENERAL INFORMATION

ADDRESS: Strandveien 1, NO-7500 Stjørdal,
P.O. Box 464, NO-7501 Stjørdal
TELEPHONE: +47 74 83 99 00
INTERNET: www.helse-midt.no
CEO: Paul Hellandsvik
CHAIRMAN: Kolbjørn Almlid

BOARD MEMBERS: Rigmor Austgulen, Bodil
Palma Hollingsæter, Ellen Engdahl, Tone Sofie
Aglen (SV), Olav Huseby (AP), Oskar J. Grimstad
(FrP), Torgeir Dahl (H), Marianne Bjerke (H), Ellen
Marie Wøhni*, Ingegjørd S. Sandberg* and Dag
Rieve Kristiansen* *Employee representatives

AUDITOR: KPMG AS

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



	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	10 182	9 474
Operating costs	10 830	10 121
Operating profit	-648	-647
Net financial items	-14	-1
Tax	0	0
Annual result	-662	-649
Adjustments	90	131
Adjusted Profit	-572	-517
BALANCE SHEET		
Accounts receivables	115	96
Fixed assets	12 112	10 904
Financial assets	950	717
Total fixed assets	13 178	11 717
Goods	188	187
Accounts receivables	586	533
Cash and bank balances	2 150	88
Total current assets	2 924	808
Total assets	16 102	12 525
Subscribed equity	6 579	6 625
Earned/other equity	-1 867	-1 222
Equity	4 712	5 403
Provision for commitments	5 826	2 636
Long-term liabilities	3 099	2 385
Current liabilities	2 465	2 101
Total liabilities and commitments	11 390	7 122
Total equity and liabilities	16 102	12 525
CASH FLOW		
Operational activities	149	-192
Investment activities	-1 866	-2 435
Financing activities	3 778	1 739
Change in assets	2 061	-888
KEY INDICATORS		
Number of inhabitants in Helse Midt-Norges area	649 075	645 290
Number of DRG points produced	143 581	139 308
Number of out-patients' consultations, somatic	792 120	818 716
Number of 24 h stay, psychic health care	5 785	5 614
Number of 24 h stay interdisciplinary treatment for intoxicant users	1 138	n/a
Number of patients on waiting list	34 708	32 985
Number of average waiting days	81	84
OTHER INFORMATION		
Number of employees in the enterprise	13 362	13 217
State's shareholding at year-end	100 %	100 %
Proportion of women on board	58 %	56 %
Proportion of shareholder-elected women on board	56 %	50 %

Helse Midt-Norge RHF was founded in autumn 2001 as part of the hospital reform. The Regional Health Authority Helse Midt-Norge encompasses the counties of Møre and Romsdal, Sør-Trøndelag and Nord-Trøndelag, and consists of six hospital trusts owned by Helse Midt-Norge RHF.

The hospital reform, which established the Regional Health Authorities, calls for greater focus on active ownership, management, finances, structure and culture. Helse Midt-Norge RHF works actively in all these areas, placing special emphasis on the interaction between them. Particularly in the management area, the regional health enterprise has assumed a key role on the national level by directing the national management programme.

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. This is to be achieved by establishing regional health enterprises that plan and organise the specialist health services and facilitate research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).

In 2005 the Ministry of Health and Care Services exercised its ownership control of the Regional Health Authorities through annual general assemblies and through terms for allocations set forth in special regulatory documents.

Key events

Phase one of the constructions at St. Olavs Hospital is closing up. The project is ahead of both time and price schedule. A new department for cancer treatment is opened at the hospital of Ålesund. The action-oriented programme on mental health is in compliance and the offered services are under escalation

and adjustments. The district psychiatric service is being improved and the capacity for treatment of alcohol and drug addicted has increased. New agreements with private hospitals and clinics have been entered. New agreements have also been entered on rehabilitation services in the middle of Norway. A service for morbidly overweighted people has also been established.

The strategy for Helse Midt-Norge 2010 is confirmed with the following areas of concentration: Mental health and treatment of alcohol and drug addiction, coherence in the services, chronic ill and elders, safety and availability at acute illness, document the quality and make it more visible, and improved use of available resources.

In the beginning of 2006 Helse Midt-Norge had on average waiting time of 80 days. Four years ago this figure where 294 days. Number of patients waiting more than one year is strongly reduced. 195 patients had waited for more than one year in the begging of 2006, compared to 11,738 four years ago.

Financial trends

Helse Midt-Norge RHF has an annual budget of approximately NOK 10.1 billion. Operating revenue comes primarily from the owner, the Ministry of Health and Care Services. Current accounting figures show that operating revenue increased by approximately NOK 708 million, whereas the total operating costs increased by NOK 709 million over 2004. The increase in wage and other personnel costs from 2004 was approximately NOK 276 million. In 2005 it was necessary to borrow in order to finance investments. Loans for investments from the Ministry of Health and Care Services increased from NOK 2.2 billion in 2004 to approximately NOK 2.9 million in 2005. Helse Midt-Norge RHF had no working capital facility at year-end 2005.

Helse Nord RHF



KONTAKTINFORMASJON

ADDRESS: Sjøgata 10, Bodø, Helse Nord RHF, NO-8038 Bodø

TELEPHONE: +47 75 51 29 00

INTERNET: www.helse-nord.no

CEO: Lars H. Vorland

CHAIRMAN: Bjørn Kaldhol

BOARD MEMBERS: Grete Bang (Ap), Mona Søndena, Trude Husjord, Terje Olsen (H), Runar Sjøstad (Ap), Inge Myrvoll (SV), Tone Finnesen (NSR), Odd Oskarsen*, Bente Christensen* and Kari B. Sandnes*
* Employee representatives

AUDITOR: KPMG AS

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

Helse Nord RHF is responsible for ensuring that the population in the counties of Finnmark, Troms, Norland and Svalbard receives good, equitable health services. Helse Nord RHF is also responsible for research, education and teaching within the region.

The Regional Health Authority consists of six hospital trust: Helse Finnmark HF, Universitetssykehuset i Nord-Norge HF, Hålogalandssykehuset HF, Nordlandssykehuset HF, Helgelandssykehuset HF and Sykehusapotek Nord HF. Helse Nord RHF is intended to be a regional institution with a distinctly northern Norwegian profile.

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. This is to be achieved by establishing regional health enterprises that plan and organise the specialist health services and facilitate research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).

In 2005 the Ministry of Health and Care Services exercised its ownership control of the Regional Health Authorities through annual general assemblies and through terms for allocations set forth in special regulatory documents.

Key events

In 2005 the range of treatments made available to the population was implemented in line with national guidelines for 2005. Action plans for geriatrics, rehabilitation and care of the chronically ill in general were put into practice. The focus on psychiatry and drug abuse treatment was strengthened, and research efforts were continued. Helse Finnmark implemented a project to stimulate recruitment of specialist doctors.



© Helse Nord RHF

Financial trends

Helse Nord RHF has an annual budget of approximately NOK 8.9 billion. Operating revenue comes primarily from the owner, the Ministry of Health and Care Services. Operating revenue increased by approximately NOK 552 million, whereas the total operating costs increased by NOK 519 million over 2004. The increase in wage and other personnel costs from 2004 was approximately NOK 154 million. In 2005 it was necessary to borrow in order to finance investments. Loans for investments from the Ministry of Health and Care Services increased from NOK 346 million in 2004 to approximately NOK 628 million in 2005. Helse Nord RHF had no working capital facility at year-end 2005.

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	8 857	8 297.4
Operating costs	9 209.1	8 690.2
Operating profit	-352.1	-392.8
Net financial items	10.3	10.2
Tax	0.0	0.0
Annual result	-341.8	-382.6
Adjustments	177.0	209.0
Adjusted Profit	-164.8	-173.6
BALANCE SHEET		
Intangible fixed assets	26.2	27.5
Fixed assets	8 370.4	8 395.2
Financial assets	646.6	562.3
Total fixed assets	9 043.2	8 985.1
Goods	138.4	122.7
Accounts receivables	227.3	226.1
Cash and bank balances	560.5	601.4
Total current assets	926.2	950.1
Total assets	9 969.4	9 935.2
Subscribed equity	8 214.5	8 346.1
Earned/other equity	-1 207.1	-996.9
Equity	7 007.4	7 349.2
Provision for commitments	607.7	598.2
Long-term liabilities	627.8	346.6
Current liabilities	1 726.6	1 641.1
Total liabilities and commitments	2 962.0	2 586.0
Total equity and liabilities	9 969.4	9 935.2
CASH FLOW		
Operational activities	272.9	269.2
Investment activities	-594.8	-555.3
Financing activities	281.1	217.5
Change in assets	-40.8	-68.7
KEY INDICATORS		
Number of inhabitants in Helse Nord's area	462 779	462 640
Number of DRG points produced	105 254	102 948
Number of out-patients' consultations, somatic	549 154	515 208
Number of 24 h stay, psychic health care	5 088	5 033
Number of 24 h stay interdisciplinary treatment for intoxicant users	381	343
Number of patients on waiting list	30 281	33 628
Number of average waiting days	98	100
OTHER INFORMATION		
Number of employees in the enterprise	10 173	9 946
State's shareholding at year-end	100 %	100 %
Proportion of women on board	56 %	44 %
Proportion of shareholder-elected women on board	50 %	33 %

Helse Sør RHF



GENERAL INFORMATION

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TELEPHONE: +47 35 91 26 00
INTERNET: www.helse-sor.no
CEO: Bjørn Erikstein
CHAIRMAN: Anne Cathrine Frøstrup

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

AUDITOR: PricewaterhouseCoopers AS

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

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	16 670	15 383
Operating costs	17 706	16 797
Operating profit	-1 036	-1 414
Net financial items	-26	3
Tax	5	-2
Annual result	-1 068	-1 409
Adjustments	569	647
Adjusted Profit	-498	-762
BALANCE SHEET		
Intangible fixed assets	182	109
Fixed assets	17 878	18 082
Financial assets	1 062	845
Total fixed assets	19 123	19 036
Goods	159	150
Accounts receivables	906	870
Cash and bank balances	572	527
Total current assets	1 636	1 547
Total assets	20 759	20 582
Subscribed equity	16 584	16 877
Earned/other equity	-3 394	-2 619
Equity	13 190	14 257
Provision for commitments	1 124	1 130
Long-term liabilities	1 952	1 391
Current liabilities	4 494	3 804
Total liabilities and commitments	7 569	6 325
Total equity and liabilities	20 759	20 582
CASH FLOW		
Operational activities	181	-108
Investment activities	-1 302	-1 234
Financing activities	1 166	1 225
Change in assets	45	-116
KEY INDICATORS		
Number of inhabitants in Helse Sørs area	895 000	890 000
Number of DRG points produced	265 214	258 159
Number of out-patients' consultations, somatic	1 157 386	1 067 488
Number of 24 h stay, psychic health care	8 065	7 901
Number of 24 h stay interdisciplinary treatment for intoxicant users	1 421	1 476
Number of patients on waiting list	49 810	47 729
Number of average waiting days	110	87
OTHER INFORMATION		
Number of employees in the enterprise	20 576	20 397
State's shareholding at year-end	100 %	100 %
Proportion of women on board	50 %	33 %
Proportion of shareholder-elected women on board	56 %	50 %

Helse Sør RHF is one of five Regional Health Authorities with responsibility for the specialist health services in Norway. The Regional Health Authorities was established when the State took over responsibility for the special health services from the county authorities on 1 January 2002.

Regional Health Authority Helse Sør encompasses the counties of Vest-Agder, Aust-Agder, Telemark, Vestfold and Buskerud. The Group also includes Rikshospitalet-Radiumhospitalet HF in Oslo. Helse Sør is comprised of eight hospital trusts owned by Helse Sør RHF.

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. This is to be achieved by establishing regional health enterprises that plan and organise the specialist health services and facilitate research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).

In 2005 the Ministry of Health and Care Services exercised its ownership control of the Regional Health Authorities through annual general assemblies and through terms for allocations set forth in special regulatory documents.

Key events

Never have so many been treated in specialist healthcare services as in 2005. The treatment activity in Helse Sør, measured in DRG-points, where 4,2 per cent age higher than in 2004. The patient's position has been strengthened and the implementation of the right of the patients law has been comprehensive. New guidelines for the right to necessary medical treatment have been a considerable work, including creating the guidelines and routines for handling the entitlements. Helse Sør had in 2005 the lowest rate of breaking the limit of the Regional Health Authorities.



© Helse Sør

The activity of Det norske radiumhospitalet HF and Rikshospitalet HF where merged as of 1 January 2005.

At the hospital in Vestfold HF in Tønsberg construction phase six where finalised in October 2005 and officially opened the 12 of January 2006. This phase includes a new treatment building with 150 beds and a central room on 23,000 square meters. The main enlargement at Sørlandet Sykehus Flekkefjord was completed in December 2005.

Financial trends

In 2005 Helse Sør's result where in compliance with the targets set by the Ministry of Health and Care Services. Helse Sør RHF has an annual budget of approximately NOK 16.7 billion. Operating revenue comes primarily from the owner, the Ministry of Health and Care Services. Accounting figures for 2005 shows that operating revenue increased by approximately NOK 1.3 billion, whereas the total operating costs increased by NOK 909 million over 2004. The increase in wage and other personnel costs from 2004 was approximately NOK 384 million. In 2005 it was necessary to borrow in order to finance investments. Loans for investments from the Ministry of Health and Care Services increased from NOK 1.2 billion in 2004 to approximately NOK 1.7 billion in 2005. Helse Sør RHF had a working capital facility of approximately NOK 1.1 billion at year-end 2005.

Helse Vest RHF



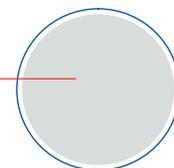
KONTAKTINFORMASJON

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CEO: Herlof Nilssen
CHAIRMAN: Oddvar Nilssen

BOARD MEMBERS: Kari Oftedal Lima, Svein Andersen, Gunnvor A. Sunde (Ap), Gisle Handeland (Ap), Magnar Lussand (SP), Ellen Solheim (KrF), Reidun Korsvoll (AP), Helge Espeid*, Inger F. Hamborg* and Aslaug Husa*
* Employee representatives

AUDITOR: Ernst & Young AS

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



On 1 January 2002 the specialist health services were transferred from the county authorities to the State. These services are now provided by the Regional Health Authorities. Helse Vest RHF has the overall responsibility for the specialist health services in the counties of Rogaland, Hordaland and Sogn og Fjordane. Helse Vest RHF owns five hospital trusts: Helse Førde, Helse Bergen, Helse Fonna, Helse Stavanger and Apoteka Vest. The regional health enterprise also owns the limited company Helse Vest IKT AS.

The Regional Health Authority has about 16,000 employees. The specialist health services in the region encompass 45 hospitals and institutions, and provide health services to 950,000 people in the region. The gross budget in 2005 was approximately NOK 13 billion.

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. This is to be achieved by establishing regional health enterprises that plan and organise the specialist health services and facilitate research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).

In 2005 the Ministry of Health and Care Services exercised its ownership control of the Regional Health Authorities through annual general assemblies and through terms for allocations set forth in special regulatory documents.

Key events

Helse Vest launched the project Helse2020, whose objective is to develop a future-oriented set of health services to meet the needs of the population in the future. Efforts began to formulate an overall plan that will guide the

development of the health services in the region. Helse Vest has expanded its services for extremely obese persons. Operation capacity has more than doubled, and up to 130 severely obese persons annually will receive help to change their lifestyles.

The board of Helse Vest adopted a new model for distributing revenue to the hospitals in the region. The new model has not led to an extensive re-distribution of finances among the regional hospitals.

Helse Vest allocated an additional NOK 12 million for training and rehabilitation services in 2006 and expanded these services to patients in the region by 18 treatment spaces. The agreements with four private training institutions were renewed, and Helse Vest signed an agreement with a fifth training institution for 2006. The collaborative unit of Helse Vest and the regional university allocated NOK 101 million for health research in the region for 2006.

Financial trends

Helse Vest RHF has an annual budget of approximately NOK 13.3 billion. Operating revenue comes primarily from the owner, the Ministry of Health and Care Services. Accounting figures for 2005 show that operating revenue increased by approximately NOK 1.2 billion, whereas the total operating costs increased by NOK 802 million over 2004. The increase in wage and other personnel costs from 2004 was approximately NOK 412 million. In 2005 it was necessary to borrow in order to finance investments. Loans for investments from the Ministry of Health and Care Services increased from NOK 675 million in 2004 to approximately NOK 1.1 billion in 2005. Helse Vest RHF had a working capital facility of approximately NOK 670 million at year-end 2005.

	NOK mill	
	2005	2004
PROFIT AND LOSS ACCOUNT		
Operating revenues	13 354	12 148
Operating costs	13 861	13 009
Operating profit	-507	-862
Net financial items	-10	-6
Tax	2	0
Annual result	-519	-867
Adjustments	337	367
Adjusted Profit	-182	-500
BALANCE SHEET		
Intangible fixed assets	107	76
Fixed assets	11 715	11 798
Financial assets	1 220	912
Total fixed assets	13 042	12 787
Goods	87	86
Accounts receivables	376	334
Cash and bank balances	599	319
Total current assets	1 062	739
Total assets	14 103	13 526
Subscribed equity	10 780	11 413
Earned/other equity	-1 935	-2 116
Equity	8 845	9 297
Provision for commitments	943	865
Long-term liabilities	1 090	675
Current liabilities	3 225	2 689
Total liabilities and commitments	5 258	4 229
Total equity and liabilities	14 103	13 526
CASH FLOW		
Operational activities	375	72
Investment activities	-943	-777
Financing activities	847	436
Change in assets	280	-269
KEY INDICATORS		
Number of inhabitants in Helse Vests area	950 000	940 000
Number of DRG points produced	201 465	190 098
Number of out-patients' consultations, somatic	934 616	857 075
Number of 24 h stay, psychic health care	8 689	56 685
Number of 24 h stay interdisciplinary treatment for intoxicant users	46	18
Number of patients on waiting list	36 256	40 852
Number of average waiting days	81	89
OTHER INFORMATION		
Number of employees in the enterprise	16 330	16 077
State's shareholding at year-end	100 %	100 %
Proportion of women on board	56 %	56 %
Proportion of shareholder-elected women on board	43 %	50 %

Helse Øst RHF



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CEO: Bente Mikkelsen

CHAIRMAN: Siri B. Hatlen
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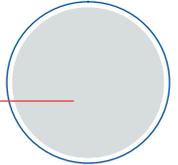
Kirsten Brubakk* and Tor-Erik Sand*

* Employee representatives

AUDITOR: Ernst & Young AS

STATE OWNERSHIP: 100 %

(Ministry of Health and Care Services)



NOK mill

PROFIT AND LOSS ACCOUNT	2005	2004
Operating revenues	25 228	23 252
Operating costs	25 712	23 734
Operating profit	-485	-482
Net financial items	56	60
Tax	-2	-1
Annual result	-430	-423
Adjustments	472	480
Adjusted Profit	42	58
BALANCE SHEET		
Intangible fixed assets	302	216
Fixed assets	19 166	18 767
Financial assets	1 404	1 196
Total fixed assets	20 872	20 178
Goods	138	136
Accounts receivables	754	701
Cash and bank balances	2 072	1 848
Total current assets	2 965	2 685
Total assets	23 837	22 863
Subscribed equity	16 656	16 872
Earned/other equity	-1 238	-958
Equity	15 418	15 914
Provision for commitments	1 634	1 357
Long-term liabilities	2 251	1 197
Current liabilities	4 533	4 395
Total liabilities and commitments	8 418	6 949
Total equity and liabilities	23 837	22 863
CASH FLOW		
Operational activities	1 293	1 054
Investment activities	-2 123	-2 007
Financing activities	1 054	688
Change in assets	224	-265
KEY INDICATORS		
Number of inhabitants in Helse Østs area	1 700 000	1 600 000
Number of DRG points produced	286 285	275 711
Number of out-patients' consultations, somatic	1 504 621	1 436 583
Number of 24 h stay, psychic health care	12 660	11 791
Number of 24 h stay interdisciplinary treatment for intoxicant users	5 407	5 728
Number of patients on waiting list	55 880	57 041
Number of average waiting days	73	82
OTHER INFORMATION		
Number of employees in the enterprise	28 911	26 130
State's shareholding at year-end	100 %	100 %
Proportion of women on board	40 %	44 %
Proportion of shareholder-elected women on board	43 %	50 %

Helse Øst is a State-owned Regional Health Authority given responsibility for the specialist health services in the counties of Oslo, Akershus, Oppland, Hedmark and Østfold on 1 January 2002. As the largest health region in the country, Helse Øst RHF has roughly 32,000 employees and provides health care to roughly 1.7 million people, one-third of the country's population.

Helse Øst RHF is organised as a parent company with seven underlying hospital trusts. In addition, the company owns Sykehusapotekene ANS in conjunction with Helse Sør RHF.

The main responsibility of Helse Øst is to provide patient services related to somatic and mental health care, alcohol and drug dependency treatment, habilitation and rehabilitation, training of health personnel, patient transport, and instruction of patients and their families. The Regional Health Authority conducts research also.

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. This is to be achieved by establishing regional health enterprises that plan and organise the specialist health services and facilitate research and educational activities according to guidelines set by the owner (see Health Enterprises Act §1).

In 2005 the Ministry of Health and Care Services exercised its ownership control of the Regional Health Authorities through annual general assemblies and through terms for allocations set forth in special regulatory documents.

Key events

Helse Øst has emphasized to prioritise and increase the availability to the specialist healthcare services for the patients with the biggest needs, see new patient rights from September 2004.

The availability has been improved through reduced waiting time and increased scope both in psychiatry and somatic treatment. The funds and supply of treatment against alcohol and drug addictions increased to emphasises this area of treatment. When it comes to rehabilitation the focus has been on specialising and increased quality. The labourites- and radiology activity where decided coordinated regional through a network with an own established management.

To separate the owner function from the order function organisational changes has been carried through. An internal auditor has been employed. The existing organisation, corporate structure and method of work in Helse Øst have been confirmed as well functioning through external evaluations in 2005.

Financial trends

As in previous years, Helse Øst RHF can look back on 2005 as a year when the health enterprises had control of their financial situation, and the Group ended the year with the accounts in balance.

Helse Øst RHF has an annual budget of approximately NOK 25.2 billion. Operating revenue comes primarily from the owner, the Ministry of Health and Care Services. Accounting figures for 2005 show that operating revenue increased by approximately NOK 2 billion, whereas the total operating costs increased approximately by NOK 2 billion over 2004. The increase in wage and other personnel costs from 2004 was approximately NOK 850 million. In 2005 it was necessary to borrow in order to finance investments. Loans for investments from the Ministry of Health and Care Services increased from NOK 1.2 billion in 2004 to approximately NOK 2.2 billion in 2005. Helse Øst RHF had no working capital facility at year-end 2005.

Contact details

The State's direct ownership is administrated by several ministries. The ministerial owners' contact details appear below

Ministry of Government Administration and Reform

The Department of central administration:

Phone: (+47) 22 24 49 88, Fax: (+47) 22 24 95 17
(Statskonsult AS)

Ministry of Health and Care Services:

The Department of Hospital Ownership:

Phone: (+47) 22 24 82 99, Fax: (+47) 22 24 27 92
(The Regional Health Authorities, KITH AS)

The Department of Public Health:

Phone: (+47) 22 24 87 01 Fax: (+47) 22 24 86 56
(AS Vinmonopolet)

Ministry of Justice and the Police:

The Department of Civil Affairs:

Phone: (+47) 22 24 54 51, Fax: (+47) 22 24 27 22
(Norsk Eiendomsinformasjon AS)

The Prison and Probation Department:

Phone: (+47) 22 24 55 01, Fax: (+47) 22 24 55 90
(Industritjeneste AS)

Ministry of Local Government and Regional Development:

The Department of Local Government:

Phone: (+47) 22 24 72 01, Fax: (+47) 22 24 27 35
(Kommunalbanken AS)

The Housing and Building Department:

Phone: (+47) 22 24 71 01, Fax: (+47) 22 24 27 36
(Husbanken)

Ministry of Culture and Church Affairs:

The Department of Administrative Affairs:

Phone: (+47) 22 24 78 11, Fax: (+47) 22 24 78 16
(Norsk Tipping AS)

The Department of Media Policy and Copyright:

Phone: (+47) 22 24 80 07, Fax: (+47) 22 24 80 39
(Norsk Riksringkasting AS)

Ministry of Education and Research:

The Department of Higher Education:

Phone: (+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:

The Department of Food Policy

Phone: (+47) 22 24 92 50, Fax: (+47) 22 24 95 59
(Veterinærmedisinsk Oppdragscenter AS)

The Department of Forest and Natural Resource Policy:

Phone: (+47) 22 24 92 51, Fax: (+47) 22 24 27 53
(Statskog SF)

Ministry of Trade and Industry:

The Department of Ownership:

Phone: (+47) 22 24 01 41, Fax: (+47) 22 24 01 45
(Argentum Fondsinvesteringer AS, BaneTele AS, Bjørnøen AS, Cermaq ASA, Electronic Chart Centre AS, DnB NOR ASA, Eksportfinans ASA, Entra Eiendom AS, Flytoget AS, Kings Bay AS, Kongsberg Gruppen ASA, Mesta AS, Nammo AS, Norsk Hydro ASA, SAS AB, Statkraft SF, Store Norske Spitsbergen Kulkompani AS, Telenor ASA, Venturefondet AS, Yara International ASA)

The Department of Innovation and Research:

Phone: (+47) 22 24 04 01, Fax: (+47) 22 24 04 05
(Innovasjon Norge, SIVA SF)

Ministry of Petroleum and Energy:

The Department of Administration and Economic Affairs:

Phone: (+47) 22 24 61 11, Fax: (+47) 22 24 65 53
(Statoil ASA, Petoro AS)

Oil and Gas Department:

Phone: (+47) 22 24 62 09, Fax: (+47) 22 24 27 78 (Gassco AS)

Energy and Water Resource Department:

Phone: (+47) 22 24 63 01, Fax: (+47) 22 24 95 68
(Statnett SF)

Ministry of Transport and Communications:

The Department of Public Roads and Rail Transport:

Phone: (+47) 22 24 83 01, Fax: (+47) 22 24 56 08
(Baneservice AS og NSB AS)

The Department of Civil Aviation, Postal Services

and Telecommunications:

Phone: (+47) 22 24 83 53, Fax: (+47) 22 24 56 09
(Avinor AS og Posten Norge AS)

Ministry of Foreign Affairs:

The Department for International Development Policy:

Phone: (+47) 22 24 35 66, Fax: (+47) 22 24 95 80
(Norfund)

RESTRUCTURING OF STATE-OWNED ENTERPRISES

The contents of this article are the sole responsibility of the author and do not necessarily represent the views of the Ministry of Trade and Industry.

Against all odds?

A wave of restructuring has swept over State-owned companies in the past 20 years. Broadly speaking, a transition has occurred from monopoly and public management to market competition and autonomy. The extent of the restructuring that has been implemented has surprised many people. This is because a number of factors suggest that enterprises dominated by State ownership, which have long operated with monopolistic power combined with State administrative control, would be especially poorly suited to implementing comprehensive changes.

- Many State-owned enterprises perform important social tasks, or they are the cornerstones of their local communities. It is tempting for company management and employee representatives to use their “political goodwill” to acquire financial and other types of support for the enterprises, which may limit the need for change.
- Employees have a good opportunity to oppose change. Labour unions are powerful. The Basic Agreement with the State contains provisions on the duty to inform, discuss and negotiate which, combined with the enterprises’ traditional position as a monopoly, gives the employee representatives significant power to oppose and delay restructuring processes should they decide to do so.
- The State as an owner is too passive when it comes to initiating and implementing necessary restructuring processes. The State rarely reacts to poor performance or weak administration by selling off the companies. For this reason, managers and employees of inefficient enterprises with limited capacity for restructuring need not fear hostile takeovers. The companies are therefore protected from one of the most powerful mechanisms that can compel management and employee representatives to implement much needed restructuring processes.

Many enterprises succeed

The arguments above are perpetuated by many, relatively unsuccessful restructuring processes in State-owned enterprises. Some companies meet persistent opposition from key employees, while others transfer much of the cost of their

own inefficiency to society at large through extensive use of severance pay and early retirement. However, there are also many examples of restructuring from monopoly and public management to market competition and autonomy that have been implemented successfully. NRK has maintained its strong position with the radio and TV public. Telenor has been restructured from a national tele-monopoly to a profitable international participant in an industry subject to rapid technological change and intense competition. Norway Post has responded to the decline in letter delivery and growth of the Internet by developing new business areas in logistics and communications, thereby achieving excellent profitability. These numerous examples of successful restructuring beg the question of whether State-owned enterprises have special characteristics that enable them to manage restructuring processes especially well, thus counteracting the disadvantages described above.

Remains of the monopoly era?

One initial explanation for the fact that many State-owned enterprises have successfully restructured their organisations from public administration to market orientation is that they can continue to benefit from the advantage they established while they enjoyed protection as monopolies. As the sole producer in the market, they were able to control the selection of technology and infrastructure, and adapt their expertise and organisation accordingly. In other words, former State-monopolies can benefit from the substantial jump-start they enjoyed, which competitors may find difficult to catch up with. By having operated the longest in the industry, they have also been able to reduce their costs by perfecting their practices and learning from their mistakes. In other words, they have come farther on the learning curve than their competitors who arrived later on the scene, and the expertise they have developed can be difficult for their competitors to match. Competitors may also be dependent on using the infrastructure developed by the former monopolies, and in spite of government monitoring of transaction terms and requirements, this situation can give rise to strategies aimed at squeezing the competition out of the market.



By Tom Colbjørnsen

The repercussions from the privileges of the monopoly era are usually present to a greater or lesser degree. Nonetheless, they cannot totally explain the success of restructuring processes and business operations in State-owned enterprises. The most important reason for this is that many of the companies in question operate in industries experiencing rapid technological change, unpredictable competition, and strong national and international monitoring of market behaviour. The technology and expertise that perhaps led to a dominant market position in the monopoly era can suddenly become an obstacle to success. Sooner or later, preferably sooner, technological changes occur and aggressive competitors emerge with new, innovative business models. Telenor's jump-start in fixed telephony no longer gives the company a competitive advantage, and cannot provide the company with the desired growth in the future.

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Moreover, it is not only an advantage to have been a monopoly. John Hicks, a well-known economist, has said that "The best of all monopoly profits is a quiet life". In other words, the protection provided by the monopoly may have left traces of inward-looking work methods, traditions and cultures that are inefficient and difficult to reverse when the enterprise must begin to compete for the favour of customers, users and the public at large.

Social capital

An alternative explanation of why many State-owned enterprises have succeeded so well with their restructuring processes is that through the years they have built up extensive social capital. This concept encompasses the trust and loyalty rooted in social contacts and networks and in the relationship between the enterprise and its employees. Social capital implies that the company and its employees serve as a kind of fuel for each other. Capital is built up over time through the exchange of expectations and favours between the company and its employees. It is a relationship in which "one good turn deserves another", and trust that service, performance and goodwill will eventually be repaid in kind is established gradually. For example, employees may work overtime to meet deadlines or reach other milestones when the situation requires them to do so, and in return, they are permitted extra time off or flexibility in their work schedules at a later time. Gradually, as these relationships persist, and are supported by personal acquaintanceships and networks, a kind of surplus or "slack" arises in the enterprise, and consequently, when a special situation arises, the employees support and assist each other and the company. When restructuring and change is required, this "surplus" can be mobilised in the form of goodwill and courage to face the challenges presented by the business environment, such as the introduction of new technology and increased competition.

Of course, State-owned enterprises are not alone in possessing social capital, but in cases where companies may have had especially good conditions for developing and mobilising this resource, it is due to the predictability and



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security of the employer-employee relationship in the State. As already mentioned, social capital is built on the trust that performance, goodwill and generosity will be returned in kind. The belief that this will occur is strongest, of course, in companies in which the employees feel certain that they themselves and the management will be employed for a relatively long time. It is more difficult to establish social capital in companies exposed to competition. Employees have little reason to make an extraordinary effort or show goodwill during restructuring if the thanks they receive is that they are downsized or risk being replaced by more competent, ambitious workers. Likewise, a company's management has little reason to treat its employees with generosity if it believes that the employees will allow themselves to be quickly recruited by a competitor if they receive a better offer.

Although access to social capital may have been especially great in the State-owned enterprises, it should be pointed out that expectations regarding what favours and return favours are acceptable can solidify at a very low level. These favours then develop into rights that are difficult to change because they are safeguarded by informal norms and labour unions. In this case, it is more natural to use the term "comfort zones" than social capital.

Companies' legitimacy and energy

A third explanation for the restructuring advantage in State-owned enterprises is that they often have taken part in performing important social tasks, such as those related to communication between people (mail and telephone), enlightenment of the population (broadcasting) and the provision of power (energy installations). This can give the management and employees a psychological boost. Companies are not merely goal-oriented systems; they also represent important values for those who work there and for society at large. Values are an important, permanent part of the company's "soul", and symbolise for many why it is respectable and desirable to work there. This type of goodwill from society and a feeling of belonging among employees can grant the company great legitimacy, both externally and internally, and legitimacy leads to freedom of

action to implement restructuring processes. While many private enterprises devote significant effort to finding a value base that can provide legitimacy, this has been conferred upon State-owned companies at their establishment since the State became involved in the enterprise primarily to carry out a social task and social mandate.

Challenges

The main conclusion from this discussion is that many State-owned enterprises have succeeded with their restructuring processes because they have been able to access their employees' trust and loyalty in the form of social capital. They have also been granted legitimacy by their employees and society at large by virtue of the social task they are charged with performing, and this legitimacy has led to sufficient freedom of action to implement necessary changes. This does not mean that all State-owned enterprises have succeeded equally well. They do not all possess an equal amount of social capital or legitimacy. Coincidence, power configurations, political trends and personal characteristics play a role as well.

Herein also lie important challenges for the State-owned companies in the future. Restructuring to market competition may have drained the social capital, while at the same time, reduced predictability due to rapid technological change and increased competition are making it more difficult to build up new social capital. In addition, the process of adapting to an international, competitive climate, in which strategic positioning may have distanced the enterprises from their original social tasks, has perhaps exhausted the traditional source of legitimacy. There is probably no way back to the government protection of the past. Success in the future depends on the ability to compete on the market's terms. But competitiveness in international markets is not enough. In order to gain employees' support for continued restructuring and change, trust must be established on the basis of a new kind of predictability, probably rooted in expertise, values and legitimacy granted by society at large, rather than merely on the State's traditional promises of life-long employment.

Comments and definitions related to the company accounts 2005

Comments

- All figures are reported as of 31 December 2005. 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 recalculated to Norwegian kroner in accordance with exchange rates provided by the company.
- The following companies have made the transition to financial reporting in conformity with IFRS from 2005. Argentum, Cermaq, DnB NOR, Kongsberg Gruppen, Posten Norge, SAS and Yara. All accounting figures for these companies for 2004 and 2005 are in conformity with IFRS.
- The stated accounting figures are taken from the companies' annual reports, but the key figures are calculated by a common method for all companies in accordance with the definitions provided. For this reason, some of these deviate from those provided by the companies in their annual reports.
- In order to measure the financial development of the regional health enterprises, two concepts of profits are used: the profit from the audited accounts, and the corrected annual profit, which is the performance measure used by the owners for purposes of governance. The corrected annual profit is the profit from the audited accounts corrected for depreciation costs that are not a part of the requirements to the balance, cf. Proposition No. 63 (2003-2004) to the Storting.
- Board composition and the proportion of State ownership are updated as of 31 March 2006. The State's semi-annual report for 2006, published in September, will contain an updated overview of the boards following ordinary appointments to the boards during 2006.
- At the time of print, the annual general meetings had not been held in the following companies: Argentum AS, Avinor AS, Bjørnøen AS, Entra Eiendom AS, Gassco AS, Invasjon Norge, Kings Bay AS, KITH AS, Kommunalbanken AS, Mesta AS, Norsk Riikskringkasting AS, NSB AS, Petoro AS, Posten Norge AS, SIVA SF, Statnett SF, Statskog SF, Statskonsult AS, Veso AS and the Regional Health Authorities. Figures for these companies have been approved by the auditors, but had not been processed and approved by the annual general meetings. Dividend from these companies as reported in this report can be subject to change at the general assembly. Updated figures will be presented in the State's semi-annual report for 2006.
- 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 and the dividends paid. The geometric average is used for calculation of average rate of return, and account has been taken of increase in 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 proportion of average book capital.
 - Return on employed capital – EBIT divided by average employed capital.
- The arithmetic average has been used to calculate **average return on equity**.
- **EBIT** – Operating profit, plus share of associated companies and financial income.
- **EBITDA** – EBIT before depreciations and write-downs.
- **Employed capital** – Equity plus interest-bearing debts.
- **Dividend ratio** – funds set aside for dividends as a proportion of the annual profit for the group.
- The geometric average has been used for calculation of **average dividend ratio**.
- **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.
- **Number of employees** – 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.
- **Remuneration to the board** – total payments to the members of the board as compensation for their services as board members, as reported by the companies in their annual reports.
- **Cost ratio** – operating costs divided by the sum of net interest and commitment fees and other operating revenues.



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