NOTE 1 GENERAL INFORMATION AND ACOUNTING PRINCIPLES

General information

Ferd AS is a privately owned Norwegian investment company located in Strandveien 50,Lysaker. The Company is involved in long-term and active ownerships of companies with international potential,and financial activities through investments in a wide range of financial assets.

Ferd is owned by Johan H. Andresen and his family. Andresen is the Chair of the Board.

The Company's financial statements for 2012 were approved by the Board of Directors on 8 April 2013.

Basis for the preparation of the financial statements

Ferd AS' financial statements are prepared in accordance with the Norwegian Accounting Act section 3-9 and regulation on simplified application of international accounting standards.

Summary of the most significant accounting principles

The most significant accounting principles applied in the preparation of the financial statements are described below. The accounting principles are consistent for similar transactions in the reporting periods presented,if not otherwise stated.

Ferd has changed the principle for measuring investments in subsidiaries from using acquisition cost to fair value in accordance with IAS 39. Note 19 has details.

Investments in subsidiaries

Subsidiaries are companies where the parent company Ferd AS has a controlling influence. Such influence normally exists when Ferd AS has a stake exceeding 50 % of the voting capital.

Subsidiaries are classified as tangible assets in the balance sheet and measured at fair value. Value changes on subsidiaries,current returns like dividend and gain or loss on the realisation of subsidiaries are recognised as net operating income in the income statement.

Investments in associates and joint ventures

Associates are entities over which Ferd has significant,but not controlling,influence. Significant influence implies that Ferd is involved in strategic decisions concerning the company's finances and operations without controlling these decisions. Significant influence normally exists for investments where Ferd holds between 20 % and 50 % of the voting capital.

A joint venture is a contractual arrangement requiring unanimous agreement between the owners about strategic,financial and operational decisions.

Investments in associates and joint ventures are classified as non-current assets in the balance sheet and are recognised at fair value. Value changes on the investments,current returns like dividend and gain or loss on the realisation of investments are recognised as net operating income in the income statement.

Revenue recognition

Revenue is recognised when earned. The Company's revenue mainly includes rendering services to other group companies and other related parties. Income from the sale of services is recognised according to the service's level of completion,provided the progress of the service and its income and costs can be reliably measured. Revenue is presented as Other income in the income statement.

Foreign currency translation

The financial statements are presented in Norwegian kroner (NOK),which is the functional currency of Ferd AS. Transactions in foreign currency are recognised and measured in NOK at the date of the transaction. Monetary items in foreign currency are translated to NOK on the basis of the exchange rate at the date of the balance sheet. Gain and loss due to currency changes is recognised in the income statement.

Classification of financial instruments

Financial instruments constitute a substantial part of Ferd's balance sheet and are of considerable significance for the Company's financial position and result. Financial assets and liabilities are recognised when the Company becomes a party to the contractual obligations and rights of the instrument. All financial instruments are classified in the following categories,pursuant to IAS 39,at their initial recognition:

1. Financial instruments at fair value and with changes in value recognised through profit and loss
2. Loans and receivables
3. Financial liabilities

Financial instruments are classified as held for trading and included in category 1 if acquired primarily for benefiting from short-term price fluctuations. Derivatives are classified as held for trading and as current assets.

Pursuant to the "fair value option" in IAS 39,financial instruments can also be classified at fair value,with changes in value recognised in the income statement. The instrument must initially be recognised at fair value with value changes through profit and loss and also meet certain criteria. The key assumption for applying the "fair value option" is that a group of financial assets and liabilities are managed on a fair value basis and that management evaluates the earnings following the same principle.

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They are classified as current assets,unless they are expected to be realised more than 12 months after the balance sheet date. Loans and receivables are presented as trade receivables,other receivables and bank deposits in the balance sheet.

Financial liabilities that are not included in the category held for trading and not measured at "fair value through profit and loss" are classified as other liabilities.

Recognition,measurement and presentation of financial instruments in the income statement and balance sheet

Financial instrument transactions are recognised on the date of the agreement,which is when the Company has made a commitment to buy or dispose of the financial instrument. Financial instruments are derecognised when the contractual rights to the cash flows from the asset expire or are transferred to another party. Correspondingly,the financial instruments are derecognised when the Company on the whole has transferred the risks and rewards connected with the ownership.

Financial instruments at "fair value through profit and loss" are initially measured at quoted prices at the balance sheet date or estimated on the basis of measurable market information available at the balance sheet date. Transaction costs are recognised in profit or loss. In subsequent periods,the financial instruments are presented at fair value based on market values or generally accepted calculation methods.

Borrowings,receivables and financial liabilities are initially measured at fair value with the addition of direct transaction costs. In subsequent periods,the assets and liabilities are measured at amortised cost by using the effective interest method. Losses on loans and receivables are recognised in profit and loss.

Gain and loss from the realisation of financial instruments,changes in fair values and interest income are recognised in the income statement in the period they arise. Dividend is recognised as income when the Company has established the right to receive payment. Net income related to financial instruments is presented as operating income in the income statement.

Financial derivatives and hedge accounting

The Company applies financial derivatives to reduce any potential loss from exposures to unfavourable changes in exchange rates or interest rates. The derivates are recognised as financial instruments at fair value,and the the value changes are recognised in the income statement. Ferd does not apply hedge accounting in the financial statements.

Income taxes

The income tax expense includes tax payable and changes in deferred tax. Income tax on items recognised in other comprehensive income (OCI) is also recognised in OCI,and tax effects on items recognised directly in equity is also recognised in equity.

The tax payable for the period is calculated according to the tax rates and regulations ruling at the end of the reporting period. Deferred tax is calculated on temporary differences between book and tax values of assets and liabilities in the financial statements and any tax effects of loses carried forward at the reporting date.

Deferred tax assets are only recognised in the balance sheet to the extent that it is probable that there will be sufficient taxable profits to utilise the benefits of the tax reducing temporary differences. Deferred tax liabilities and assets are calculated according to the tax rates and regulations ruling at the end of the reporting period and at nominal amounts. Deferred tax liabilities and assets are recognised net when the Company has a legal right to net assets and liabilities,and is able to and intend to settle the tax obligation net.

Property,plant and equipment

Property,plant and equipment are measured at cost less accumulated depreciation and impairment. The cost includes expenses directly attributable to the acquisition of the asset. Expenses incurred after the acquisition are recognised as assets when future economic benefits are expected to arise from the asset and can be reliably measured,whereas current maintenance is expensed.

Property,plant and equipment are depreciated on a straight-line basis over their expected useful lives. If indications of impairment exist,the asset is tested for impairment.

Impairment

Property,plant and equipment is considered for impairment when there are indications to the effect that future earnings cannot support the carrying amount.

The difference between the carrying value and recoverable amount is charged to the income statement as a write-down. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to less is the amount that can be recovered at a sale of an asset in a transaction performed at arm's length between well informed and voluntary parties,less costs to sell. The value in use is the present value of future cash flows expected to be generated by an asset or a cash-generating unit. Impairment losses are subsequently reversed when the impairment indicator no longer exists.

Leasing

Leases are classified either as operating or finance leases based on the actual content of the agreements. Leases under which the lessee assumes a substantial part of risk and return are classified as finance leases. All of the Company's present leases are classified as operating leases.

Leasing costs in operating leases are charged to the income statement when incurred and are classified as other operating expenses.

Trade and other receivables

Current receivables are initially recognised at fair value. In subsequent periods,provisions for actual and possible losses are considered. The Company reviews the receivables on a regular basis and prepares estimates for losses as a basis for the provisions in the balance sheet.

Cash and cash equivalents

Cash and cash equivalents include cash,bank deposits and other short-term and easily realisable investments that will fall due within 3 months,also including restricted funds. Bank overdraft is presented as short-term debt to finance institutions in the balance sheet. In the statement of cash flows,the overdraft facility is included in cash and cash equivalents.

Pension costs and pension funds/obligations

Defined benefit plans

A defined benefit plan is a pension scheme defining the pension payment an employee will receive at the time of retirement. The pension is normally determined as a part of the employee's salary. The Company's net obligation from defined benefit pension plans is calculated separately for each scheme. The obligation represents an estimate of future retirement benefits that the employees have earned at the balance sheet date as a concequence of their service in the present and former period. The benefits are discounted to present value reduced by the fair value of the pension funds.

The net pension cost of the period is included in payroll costs and comprises the total of the benefits earned during the year,the interest cost on the liability,the expected yield of the pension funds and the accrued social security tax. Estimate deviations are recognised as other income and expenses in the statement of comprehensive income.

Changes in defined benefit obligations due to changes in pension schemes are recognised over the estimated average remaining service period when the changes are not immediately recognised. Gain or loss on a curtailment or settlement of a plan is recognised in the income statement when the curtailment or settlement occurs. A curtailment occurs when the Company decides to reduce significantly the number of employees covered by a plan or amends the terms of a defined benefit plan to the effect that a significant part of the current employees' future earnings no longer qualify for benefits or will qualify for reduced benefits only.

Provisions

A provision is recognised when the Company has an obligation as a result of a previous event,it is probable that a financial settlement will take place and the amount can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period,discounted at present value if the discount effect is significant.

Current liabilities

Accounts payable and other current liabilities are initially recognised at fair value and subsequently measured at amortised cost. Accounts payable and liabilities are classified as current when they fall due within 12 months after the balance sheet date or are integrated in the Company's ordinary operating activities.

Dividend

Dividend and the distribution of group contribution proposed by the Board is recognised as current liabilities pursuant to the exemption in the regulation to the Norwegian Accounting Act section 3-9.

Business areas

Ferd reports business areas in line with how the Company`s management makes,monitors and evaluates its decisions. The segments are identified based on whose results are regularly reviewed by management and used for allocation of capital and other resources,and assess performance.

Cash flow statement

The cash flow statement has been prepared using the indirect method,implying that the basis used is the Company's profit before tax to present cash flows generated by operating activities,investing activities and financing activities respectively.

Related parties

Parties are considered to be related when one of the parties has the control,joint control or significant influence over another party. Parties are also related if they are subject to a third party's control,or one party can be subject to significant influence and the other joint control. A person or member of a person's family is related when he or she has control,joint control or significant influence over the business. Companies controlled by or being under joint control by key executives are also considered to be related parties. All related party transactions are completed in accordance with written agreements and established principles.

New accounting standards according to IFRS

The financial statements have been prepared in accordance with standards approved by the International Accounting Standards Board (IASB) and International Financial Reporting Standards - Interpretations Committee (IFRIC) effective for accounting years starting on 1 January 2012 or earlier.

New and amended standards applied by Ferd effective from the accounting year 2012:

Amendments to IAS 1 Presentation of Financial Statements

The amendments include a requirement to group income and expenses in total comprehensive income on the basis of whether there is a potential for reclassifying them to the income statement or not. The amendment has had an impact on the presentation of comprehensive income and the statement of changes in equity.

Amendment to IFRS 7 Financial Instruments - disclosures

The amendment concerns disclosure requirements in connection with transfers of financial assets where the Company still has an involvement. The amendment has no significant impact for Ferd AS.

Amendments to IAS 12 Income Taxes

Under the amendments the measurement of deferred tax liability is required to reflect the tax consequences of recovering the carrying amount of an investment property entirely through sale. The changes have had no impact for the financial statements of Ferd AS.

New and amended standards not yet implemented by Ferd:

Amendments to IAS 19 Employee Benefits

In the changed IAS 19,the ”corridor method” is not allowed for the recognition of actuarial gains/losses. Actuarial gains/losses shall in their entirety be recognised in other comprehensive income in the period they arise. Ferd does not apply the corridor method,hence this change has no impact for Ferd.

The amended IAS 19 also a new approach to presenting pensions

The pension earnings shall be presented in the income statement as salary expenses,whereas net interest can be included in the finance items. In addition,in benefit schemes net interest shall be calculated by applying the discount interest rate on the net obligation,i.e.,the pension obligation less earned funds. This implies that return shall no longer be calculated on the funds. The changes are effective for acounting years starting on 1 January 2013. Ferd expects to implement the amended standard from this date.

Amendment to IFRS 7 Financial Instruments- disclosures

The amendment implies that enterprises must provide a number of quantitative information related to setting-off financial assets against financial liabilities. The amendment is effective for accounting years starting on 1 January 2013. The Company expects to implement the changed standard from this date,but the changes are expected to have no or very limited impact for Ferd AS.

Amendments to IAS 32 Financial Instruments – presentation

IAS 32 has been amended to clarify the set-off requirements in the standard. The changes become effective for annual periods beginning on 1 January 2014. Ferd expects to implement the amended standard from this date,but the changes are expected to have no or very limited impact for Ferd AS.

IFRS 9 Financial Instruments

IFRS 9 will replace the current IAS 39. The project is divided in several phases. The first phase concerns classification and measurement and has been finalised by IASB. The classification and measurement requirements for financial liabilities in IAS 39 are continued,with the exception of financial liabilities recognised at fair value with changes in value through profit and loss (the fair value option),where changes in value connected with the company’s own credit risk is separated and recognised in other income and expenses in total comprehensive income. Phase 2 concerns impairment of financial instruments and phase 3 hedge accounting,but neither has so far been completed by IASB. IFRS 9 is effective for accounting years starting on 1 January 2015,but the standard has not yet been approved by the EU. Ferd expects to implement IFRS 9 starting on 1 January 2015. Those parts of IFRS 9 that have been completed so far,have relatively limited consequences for Ferd AS.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 applies to enterprises with interests in companies that are consolidated,and companies not consolidated,but in which the enterprise nevertheless is engaged. IFRS 12 combines the disclosure requequirements for subsidiaries,joint arrangements,associates and non-consolidated entities into one standard. IFRS 12 becomes effective for annual periods beginning on or after 1 January 2014 (earlier adoption is allowed),and the standard has been approved by the EU. Ferd expects to implement IFRS 12 starting on 1 January 2014,and the implementation will have an impact on Ferd's notes to the financial statements as a consequence of increased information requirements.

IFRS 13 Fair Value Measurement

The standard specifies principles and guidance for measuring fair value on assets and liabilities. The objective of the standard has been to establish a single source of guidance under IFRS for all fair value measurements,with a view to ensuring a common definition of fair value across all other standards and provide a uniform guidance to measuring fair value. IFRS 13 becomes effective for annual periods beginning on or after 1 January 2014 (earlier adoption is allowed),and the EU has approved the standard. Ferd expects to implement IFRS 13 starting on 1 January 2014,but it is not expected that the clarifications in IFRS 13 will have any significant consequences for Ferd.

Amendments to IAS 27 Separate Financial Statements (revised)

As a consequence of the new IFRS 10 and IFRS 12,amendments were made to IAS 27 coordinating this standard with the new accounting standards. IFRS 10 replaced those parts of IAS 27 that concerned consolidated financial statements. IAS 27 is now limited to accounting for the financial statements of the parent company,and will therefore not apply for the group accounts when implemented. The changes become effective for annual periods beginning on or after 1 January 2014,and the standard has been approved by the EU. Ferd expects to implement the amended standard starting on 1 January 2014.

NOTE 2 ACCOUNTING ESTIMATES AND JUDGMENTAL CONSIDERATIONS

Management has used estimates and assumptions in the preparation of the financial statements. This applies for assets, liabilities, income, expenses and disclosures. The underlying estimates and assumptions for valuations are based on historical experience and other factors considered to be relevant for the estimate on the balance sheet date. Estimates can differ from actual results. Changes in accounting estimates are recognised in the period they arise. The main balances where estimates have a significant impact on disclosed values are mentioned below. The methods for estimating fair value on financial assets are also described below.

Determination of the fair value of financial assets

The balance sheet of the Ferd includes a large part of financial assets at fair value. The fair value assessment of financial assets will at varying degrees be influenced by estimates and assumptions related to factors like future cash flows, the required rate of return and interest rate level. The most significant uncertainty concerns the determination of fair value of the unlisted financial assets.

<u>Listed shares</u>

Fair value on financial assets with standard terms traded in active and liquid markets are determined at noted market prices on the balance sheet date (the official closing price of the market).

<u>Unlisted shares and investments in other equity instruments</u>

The class “Unlisted shares and bonds” comprises private shares and investments in private equity funds. Fair value is determined by applying well-known valuation models. The input to the valuation models is related to future estimates and assessments of a number of factors existing on the balance sheet date.

Ferd is of the opinion that estimates of fair value reflect estimates and assumptions that the parties in an independent transaction are expected to consider relevant, including the factors impacting expected cash flows and the degree of risk associated with them.

<u>Hedge funds</u>

The hedge funds are managed by external parties providing Ferd with monthly, quarterly or half-yearly estimates of the fair value. The estimates are verified by independent administrators. In addition, the total return from the funds is assessed for reasonableness against benchmark indices.

<u>Investments in debt instruments</u>

The fair value of interest-bearing investments is determined on the basis of quoted prices. If such prices are not available, the investment is valued in accordance with price models based on the current yield curve and external credit ratings.

<u>Derivatives</u>

The fair value of derivatives is based on quoted market prices. If such prices are not available, the investment is valued in accordance with price models based on the current yield curve and other relevant factors.

Determination of the fair value of subsidiaries with properties

Ferd has subsidiaries with significant properties recognised at fair value. The fair value is based on the discounted value of future cash flows, and the estimate will be impacted by estimated future cash flows and the required rate of return. The main principles for deciding the cash flows and required rates of return are described below.

Future cash flows are based on the following factors:

1) Existing contracts
2) Expected future rentals
3) Expected vacancies

The required rate of return is based on a risk-free interest with the addition of a risk premium for the property.

The risk premium is based on:
1) Location
2) Standard
3) Expected market development
4) Rent level compared to the rest of the market
5) The tenant`s financial strength
6) Property specific knowledge

In the event that transactions concerning comparable properties close to the balance sheet date have taken place, these values are applied as a cross-reference for the valuation.

Determination of fair value of other subsidiaries

Ferd has subsidiaries with investments of the same character as Ferd AS. The fair value of these subsidiaries are set to the carrying value of equity, adjusted for non-recognised unrealised gain on the underlying investments. The underlying investments are value according to the same principles and methods as Ferd AS' direct investments.

Pension funds and obligations

The calculation of pension obligations implies the use of judgements and estimates on a number of financial and demographical assumptions. Note 15 has details on the assumptions used. Changes in assumptions can result in significant changes in pension obligations and funds in the balance sheet.

NOTE 3 **BUSINESS AREAS**

Ferd's segment reporting complies with IFRS 8. Ferd is an investment company, and the Company's management makes decisions and monitors and evaluates these decisions based on the fair value of the Company's investments and their changes in value. The operating segments are identified on the basis of capital and resource allocation. Ferd is divided into the following five business areas:

Ferd Capital is an active and long-term investor in privately owned and listed companies. Ferd has a general approach to investments in the area going from late-venture to "buy-out". Ferd Capital prioritises investments in companies where we have the relevant expertise. The team comprises highly qualified staff with operational experience from manufacturing, business development, finance and strategic consultancy. Ferd Capital manages the Group's long-term active equity investments, the largest investments being:

- Elopak (97 percent stake) is one of the world's leading manufacturers of packing systems for fluid food articles. With an organisation and cooperating partners in more than 40 countries, the company's products are sold and marketed in more than 100 countries on all continents.

- TeleComputing (97 percent stake) is a leading supplier of IT services to small and medium-sized enterprises in Norway and Sweden. The company supplies a broad range of netbased applications and customised operating and outsourcing services in addition to system development, customer assistance and other consultancy services.

- Swix Sport (100 percent stake) is developing, manufacturing and marketing ski wax, ski poles, accessories and textiles for sporting and active leasure time use under the brands Swix, Ulvang and Bavac, Toko, Original and Lundhags. The company has extensive operations in Norway as well as abroad through subsidiaries in, i.a., Sweden, USA, Japan and Germany.

- Mestergruppen (94,5 percent stake) is a prominent participant in the Norwegian building materials market concentrating on the professional part of the market. The company's operations include developing land and projects, housing and cottages and the sale of building materials.

- Aibel (49 percent stake) is a leading supplier to the international upstream and gas industry with the emphasis on the Norwegian shelf. The company is engaged in operating, maintaining and modifying offshore and land based plants, and is also supplying complete production and processing installations.

- Interwell (34 percent stakel) is a preeminent Norwegian supplier of high-tech well tools to the international oil and gas industry. The company's most important market is the Norwegian shelf, but it has in recent years also gained access to several significant markets both in Europe and the Middle-East. The company supplies innovative plugs and packs highly in demand with the customers. The products and services are primarily utilised in the manufacturing phase and play a important role in the oil companies' efforts to secure wells or increase the exploitation rate on existing oil and gas fields.

Ferd Special Investments (SI) has a wide mandate to make investments, but so far only hedge fund in the second-hand market have been purchased. SI makes investments where Ferd assumes there are opportunities within this niche.

Ferd Hedgefond invests in types of hedge funds with varying mandates, managed by asset managers based abroad. In addition to giving a satisfactory risk-adjusted return, the business area shall ensure a risk diversification for Ferd in total.

Ferd Eiendom is an active property investor responsible for Ferd's investments in property. Operations include developing, leasing and managing office, warehouse and logistic properties and developing housing property for sale, mainly in the Oslo area. The projects are partly carried out internally, partly together with selected external cooperating partners. Ferd Eiendom also invests in foreign property funds.

Other mainly comprises investments in externally managed private equity funds that do no require much daily follow-up and are monitored by management rather than allocated to a separate business area. Hence, these securities are part of Other. Other also comprises some financial instruments management may acquire to adjust Ferd's total risk exposure. Additionally, opreating expenses related to Ferd's management and internal bank are included in Other.

NOK 1 000	Ferd AS	Ferd Capital	Ferd Invest	Ferd Special Investments	Ferd Hedgefond	Ferd Eiendom	Other
Income statement 2012							
Operating income	**3 936 778**	1 731 345	654 655	174 584	137 678	72 390	1 166 127
Operating expenses	**- 196 627**	- 91 091	- 24 005	- 12 411	- 8 292	- 13 409	- 47 418
Operating profit	**3 740 151**	**1 640 254**	**630 650**	**162 173**	**129 385**	**58 981**	**1 118 709**
Balance sheet 31 December 2012							
Investments in subsidiaries	**8 610 741**	6 781 355		35 438		1 168 849	625 100
Investments classified as current assets	**12 268 488**	1 241 127	3 473 772	1 464 558	1 607 396	130	4 481 505
Other assets*	**1 931 900**	890 581	52 671	274 261	79 079	264 034	371 275
Total assets	**22 811 130**	**8 913 063**	**3 526 443**	**1 774 256**	**1 686 475**	**1 433 013**	**5 477 881**

*) The business area's net bank overdraft are included here and deducted from the other assets.

NOK 1 000	**Ferd AS**	**Ferd Capital**	**Ferd Invest**	**Ferd Special Investments**	**Ferd Hedgefond**	**Ferd Eiendom**	**Other**
Income statement 2011							
Operating income	**- 281 051**	177 668	- 653 837	131 607	- 58 985	122 967	- 470
Operating expenses	**- 177 878**	- 95 710	- 7 972	- 15 884	- 10 479	- 14 233	- 33 601
Operating profit	**- 458 929**	**81 958**	**- 661 809**	**115 723**	**- 69 464**	**108 734**	**- 34 071**
Balance sheet 31 December 2011							
Investments in subsidiaries	**6 483 565**	4 688 261		29 302		1 129 949	636 052
Investments classified as current assets	**11 427 992**	1 160 771	2 895 122	1 266 352	1 582 940	130	4 522 678
Other assets*	**2 059 782**	492 975	- 8 496	95 351	- 104 779	317 555	1 267 177
Total assets	**19 971 338**	**6 342 007**	**2 886 625**	**1 391 005**	**1 478 160**	**1 447 634**	**6 425 906**

*) The business area's net bank overdraft are included here and deducted from the other assets.

NOTE 4 **INCOME FROM FINANCIAL INVESTMENTS**

NOK 1 000	Dividend and group contributions from financial investments *)	Unrealised value change on financial investments	Net gains on sales of financial investments	Total
Investments in subsidiaries	101 786	1 662 327		**1 764 113**
Shares and stakes in other companies		- 3 084		**- 3 084**
Listed shares	72 442	355 399	149 066	**576 907**
Unlisted shares and investments in other equity instruments	21 322	1 380 165	- 111 916	**1 289 571**
Hedge funds	9 131	- 120 558	138 374	**26 947**
Investments in debt instruments	- 952	265 693	- 2 117	**262 625**
Total 2012	**203 730**	**3 539 942**	**173 407**	**3 917 079**

NOK 1 000	Dividend and group contributions from financial investments *)	Unrealised value change on financial investments	Net gains on sales of financial investments	Total
Investments in subsidiaries	287 583	- 243 023		**44 560**
Shares and stakes in other companies				
Listed shares	61 535	- 806 129	47 803	**- 696 791**
Unlisted shares and investments in other equity instruments	54 114	116 818	236 711	**407 643**
Hedge funds		- 184 120	207 572	**23 452**
Investments in debt instruments	5 388	- 86 697	4 194	**- 77 115**
Total 2011	**408 620**	**-1 203 150**	**496 279**	**- 298 251**

*) Cash distributions from private equity are mainly offset against the carrying value of the funds and are not recognised in the income statement.

NOTE 5 SALARIES AND REMUNERATIONS

NOK 1 000	**2012**	**2011**
Salaries	123 145	93 173
Social security tax	16 770	12 998
Pension costs (note 15)	4 667	11 616
Other benefits	3 359	3 657
Total	**147 941**	**121 444**
Average number of man-labour years		45

Salary and remuneration to Group CEO

NOK 1 000	Salary	Bonus	Benefits in kind	Pension
John Giverholt	2 626	0	202	911

The Group CEO's bonus agreement is limited to an annual salary. Bonus is based on achieved results in the Group.

The Group CEO participates in Ferd's collective pension schemes and is thereby entitled to a defined benefit pension. He also has an additional arrangement for a penson basis higher than 12 G and and an early retirement pension scheme giving him the opportunity to retire at the age 65.

The Group CEO is entitled to 9 months pay after termination of employment is he has to resign from his position.

Ferd AS has a receivable on the CEO of NOK 600 000, which is subject to interest on market based terms. The loan has no defined instalment plan.

Fees to the Board

No specific fees have been paid for board positions in Ferd AS.

NOTE 6 OTHER OPERATING EXPENSES

NOK 1 000	**2012**	**2011**
Lease of buildings etc.	6 006	6 090
Fees to auditors, lawyers, consultants	20 815	29 310
Travel expenses	2 243	1 461
Other expenses	17 686	18 125
Total	**46 750**	**54 986**

NOTE 7 AUDIT FEES

Specification of fees to the Company's auditors, Ernst & Young:

NOK 1 000	2012	2011
Audit fees	1 330	880
Other attestation services	12	
Tax assistance	12	270
Other non-audit services	940	2 337
Total	**2 295**	**3 487**

Other non-audit services mainly comprise due diligence servicies and assistance in the facilitation and quality assurance of data in connection with Ferd's implementation of a new consolidation tool. All amounts are exclusive of VAT.

NOTE 8 INCOME TAXES

NOK 1 000	2012	2011
The tax expense comprises:		
Income tax payable	1 931	
Change in deferred tax	- 38 366	- 96 063
Tax concerning prior periods	3 122	1 348
Tax effect of net rendered group conribution	69 113	87 833
Tax expense	**35 800**	**- 6 882**

Reconciliation of nominal and effective tax rate

NOK 1 000	2012	2011
Result before tax	3 664 764	- 386 971
Expected tax expense according to nominal tax rate (28 %)	1 026 134	- 108 352
Non-taxable gains/losses and return on securities	- 34 861	- 136 007
Changes in value, securities	- 959 693	228 144
Adjustment of tax from prior periods	3 122	1 348
Tax effect of other permanent differences	1 098	7 986
Tax expense	**35 800**	**- 6 882**
Effective tax rate	1,0 %	4,8 %

Deferred tax assets and liabilites

NOK 1 000	2012	2011
Receivables	- 3 310	- 5 768
Shares and bonds	1 285	35 541
Tangible assets	6 874	8 536
Provisions	- 5 662	
Net pensions	- 19 508	- 21 406
Balance sheet value 31 December, deferred tax asset (-)/liability (+)	**- 20 320**	**16 903**

Change in net deferred tax recognised in balance sheet

NOK 1 000	2012	2011
Balance sheet value 1 January	16 903	117 333
Charged in period	- 38 366	- 96 063
Tax set-off against other comprehensive income (actuarial gains/losses - pensions)	1 143	- 4 367
Balance sheet value 31 December	**- 20 320**	**16 903**

NOTE 9 TANGIBLE ASSETS

2012

NOK 1 000	**Buildings and land**	**Fixtures and equipment**	**Total**
Cost at 1 January	2 709	19 906	**22 615**
Additions	371	2 925	**3 296**
Disposals		- 765	**- 765**
Cost at 31 December	**3 080**	**22 066**	**25 146**
Accumulated depreciation and impairment at 1 January		13 262	**13 262**
Depreciation of the year		1 936	**1 936**
Accumulated depreciation and impairment at 31 December		**15 198**	**15 198**
Carrying amount at 31 Decmeber	**3 080**	**6 868**	**9 948**
Estimated economic life of depreciable assets	-	4-10 years	
Depreciation method		Straight-line	

2011

NOK 1 000	**Buildings and land**	**Fixtures and equipment**	**Total**
Cost at 1 January	2 709	18 351	**21 060**
Additions		3 784	**3 784**
Disposals		- 2 229	**- 2 229**
Cost at 31 December	**2 709**	**19 906**	**22 615**
Accumulated depreciation and impairment at 1 January		12 996	**12 996**
Depreciation of the year		1 448	**1 448**
Disposal of depreciation		- 1 182	**- 1 182**
Accumulated depreciation and impairment at 31 December		**13 262**	**13 262**
Carrying amount at 31 Decmeber	**2 709**	**6 644**	**9 353**
Estimated economic life of depreciable assets	-	4-10 years	
Depreciation method		Straight-line	

NOTE 10 **SHARES AND STAKES EXCEEDING 10 % OWNERSHIP IN OTHER COMPANIES**

	Business office	Stake
Subsidiaries		
Det Oversøiske Compagnie AS	Bærum	100 %
Elopak AS	Røyken	97,2%
FC Well Invest AS	Bærum	100 %
FC-Invest AS	Bærum	100 %
Ferd Aibel Holding AS	Bærum	100 %
Ferd Capital Partners AS	Bærum	100 %
Ferd Eiendom AS	Bærum	100 %
Ferd Malta Holdings ltd	Malta	100 %
Ferd MG Holding AS	Bærum	97 %
Ferd Sosiale Entreprenører AS	Bærum	100 %
Kapole II AS	Bærum	18,2%
Norse Crown Company Ltd. AS	Bærum	100 %
Swix Sport AS	Oslo	100 %
Non-current ownership > 10 %		
Herkules Capital I AS		40,0 %
NMI AS		12,5 %
Current ownership > 10 %		
ARKeX Ltd		17,3 %
CF Engine AS		37,9 %
Energy Ventures AS		31,8 %
Energy Ventures IS		19,1 %
Energy Ventures II AS		26,0 %
Energy Ventures II KS		22,1 %
Energy Ventures III AS		25,0 %
Energy Ventures III GP LP		25,0 %
Energy Ventures III LP		18,7 %
Eniram Ltd		27,6 %
Help Forsikring AS		17,0 %
Herkules Private Equity Fund I (LP-I) Limited		76,1 %
Herkules Private Equity Fund II (LP-I) Limited		74,5 %
Herkules Private Equity Fund III (LP-I) Limited		25,1 %
Intera Fund I		12,0 %
Marical Inc		22,4 %
Napatech AS		39,8 %
NRP Fleetfinance IV D.I.S		20,0 %
SPV Herkules II LP		81,5 %
Streaming Media AS		16,6 %
The Cloud Ltd		14,8 %
Vensafe ASA		23,1 %

NOTE 11 **FINANCIAL INSTRUMENTS**

The table below is an overview of carrying and fair value of the Company's financial instruments and their classification in the financial statements. It is the starting point for additional information on the Company's financial risk and refers to notes to follow.

NOK 1 000	Financial instruments measured at fair value over profit and loss	Financial instruments measured at amortised cost: Lending and receivables	Financial instruments measured at amortised cost: Financial obligation	TOTAL	Fair value
Non-current assets					
Investments in subsidiaries	8 610 741			8 610 741	8 610 741
Loans to group companies		675 967		675 967	675 967
Non-current shares and ownership in other companies	51 599			51 599	51 599
Other non-current receivables		67 040		67 040	67 040
Total 2012	**8 662 340**	**743 007**		**9 405 347**	**9 405 347**
Total 2011	**6 538 248**	**629 637**		**7 167 885**	**7 167 885**
Current assets					
Short-term receivable on group companies		64 648		64 648	64 648
Other short-term receivables		131 351		131 351	131 351
Listed shares	3 476 584			3 476 584	3 476 584
Unlisted shares and investments in other equity instruments	5 574 122			5 574 122	5 574 122
Hedge funds	3 062 694			3 062 694	3 062 694
Investments in debt instruments	155 088			155 088	155 088
Bank deposits		911 028		911 028	911 028
Total 2012	**12 268 488**	**1 107 027**		**13 375 515**	**13 375 515**
Total 2011	**11 427 992**	**1 366 109**		**12 794 101**	**12 794 101**
Long-term debt					
Long-term interest-bearing debt			2 493 514	2 493 514	2 493 514
Total 2012			**2 493 514**	**2 493 514**	**2 493 514**
Total 2011			**3 323 266**	**3 323 266**	**3 323 266**
Short-term debt					
Trade accounts payable			5 378	5 378	5 378
Public duties etc.			9 752	9 752	9 752
Debt to group companies			272 498	272 498	272 498
Other short-term debt			11 508	11 508	11 508
Total 2012			**299 136**	**299 136**	**299 136**
Total 2011			**222 640**	**222 640**	**222 640**

Fair value hierachy - Financial assets and liabilities

Ferd classifies instruments measured at fair value in the balance sheet by a fair value hierachy. The hierarchy has the following levels:

Level 1: Valuation based on quoted prices in active markets for identical assets without adjustments. An active market is characterised by the fact that the security is traded with adequate frequency and volume in the market. The price information shall be continuously updated and represent expected sales proceeds. Only listed shares owned by Ferd Invest are considered to be level 1 investments.

Level 2: Investments where there are quoted prices, but the markets do not meet the requirements for being characterised as active. In addition, investments where the valuation can be fully derived from the value of other quoted prices, including the value of underlying securities, interest rate level, exchange rate etc. Financial derivatives like interest rate swaps and currency futures are also considered to be level 2 investments. Some funds in Ferd's hedge fund portfolio are considered to meet the requirements of level 2. These funds comprise composite portfolios of shares, unit trust funds, interest securities, raw materials and other negotiable derivatives. For such funds the value (NAV) is reported on a continuous basis, and the reported NAV is applied on transactions in the fund.

Level 3: All Ferd's other securities are valued on level 3. The valuation is based on valuation models where parts of the utilised information cannot be observed in the market. Securities valued on the basis of quoted prices or reported value (NAV), but where significant adjustments are required, are assessed on level 3. Shares with little or no trading, where an internal valuation is required to determine the fair value, are assessed on level 3. For Ferd this concerns all venture investments, private equity investments and funds where reported NAV need to be adjusted. A reconciliation of the movements of assets on level 3 is shown in a separate table.

The table shows at what level in the valuation hierarchy the different measurement methods for the Group's financial instruments at fair value is considered to be:

NOK 1 000	Level 1	Level 2	Level 3	Total 2012
Investments in subsidiaries			8 610 741	8 610 741
Non-current shares and ownership in other companies			51 599	51 599
Listed shares	3 476 584			3 476 584
Unlisted shares and investments in other equity instruments		6 448	5 567 674	5 574 122
Hedge funds		1 600 948	1 461 746	3 062 694
Investment in debt instruments		155 088		155 088
Total 2012	**3 476 584**	**1 762 484**	**15 691 760**	**20 930 828**

NOK 1 000	Level 1	Level 2	Level 3	Total 2011
Investments in subsidiaries			6 483 565	6 483 565
Non-current shares and ownership in other companies			54 683	54 683
Listed shares	2 895 122			2 895 122
Unlisted shares and investments in other equity instruments	9 042		4 548 984	4 558 026
Hedge funds		1 371 510	1 477 781	2 849 291
Investments in debt instruments		1 125 553		1 125 553
Total 2011	**2 904 164**	**2 497 063**	**12 565 013**	**17 966 239**

Reconciliation of movements in assets on level 3

NOK 1 000	Opening bal. 1 Jan. 2012	Purchases	Sales	Transfers from level 3	Recognised in P/L 2012	Closing bal. 31 Dec. 2012
Investments in subsidiaries	6 483 565	469 949	- 5 100		1 662 327	8 610 741
Non-current shares and ownership in other companies	54 683				- 3 084	51 599
Unlisted shares and investments in other equity instruments	4 548 984	186 454	- 390 765	- 6 448	1 229 449	5 567 674
Hedge funds	1 477 781	690 982	- 490 577	- 375 735	159 295	1 461 746
Total	**12 565 013**	**1 347 385**	**- 886 442**	**- 382 183**	**3 047 987**	**15 691 760**

NOK 1 000	Opening bal. 1 Jan. 2012	Purchases	Sales	Transfers from level 3	Recognised in P/L 2012	Closing bal. 31 Dec. 2012
Investments in subsidiaries		781 410			- 243 023	6 483 565
Non-current shares and ownership in other	38 598	16 085				54 683

companies							
Listed shares	6 976					- 6 976	
Unlisted shares and investments in other equity instruments	4 928 026		215 635	- 856 169	- 6 976	268 468	4 548 984
Hedge funds	683 823		1 521 043	- 689 884		- 37 201	1 477 781
Total	**11 602 601**		**2 534 173**	**-1 546 053**	**- 6 976**	**- 18 732**	**12 565 013**

Investments in unlisted shares managed in-house are valued on the basis of an earnings multiple, adjusted by a liquidity discount reduction and the addition of a control premium. The corrections are made directly on the multiple. Finally, the equity value is calculated by deducting net interest-bearing debt.

Some subsidiaries are valued in the same manner as unlisted shares, cf. above. The valuation of other subsidairies is based on the companies' recorded equity and adjusted for value changes not recognised. Underlying investments are valued according to the same principles as in Ferd AS, whereas investment properties are valued by discounting future expected cash flows.

A significant part of venture investments constitutes companies with no positive cash flows. This implies a greater degree of uncertainty in the valuations of the companies. Valuations are based on international guidelines (EVCA guidelines), i.e., the lower of cost and fair value unless a transaction at a higher value has taken place.

The valuation of investments in externally managed private equity and hedge funds is based on value reports received from the funds. The hedge funds in the SI portfolio are adjusted for estimated discount on the funds based on estimates made by brokers.

NOTE 12 RISK MANAGEMENT - INVESTMENT ACTIVITIES

There have been no significant changes concerning the Company's risk management in the area during the period.

CAPITAL ALLOCATION AND IMPAIRMENT RISK

The capital allocation in Ferd is decided by the Board each year. The allocation of capital is one of the Board's most important responsibilities, as the return and risk to a high degree is determined by the classes of assets Ferd is investing in, and the allocation between these classes. A structured capital allocation secures a conscious relationship to the diversification and use of Ferd's capital base and ability to manage risk. Ferd's management is, on a regular basis, assessing Ferd's available risk capacity and whether the distribution of the funds at all times is in line with the assumptions and requirements that are the basis for the allocation.

Ferd's principal strategic allocation is seeking a balance between industrial and financial investments.

The allocation shall be in line with the owner's willingness and ability to take risk. One measure of this risk willingness is the size of the decline in value in kroner or per cent the owner accepts if any of the markets Ferd is exposed to should experience very heavy and quick downfalls. This has an impact on how much equity that can be invested in assets with a high risk of decline in value and is measured and followed up by stress tests.

The loss risk is assessed as a possible total reduction in value expressed in kroner and as a percentage of equity. Due to Ferd's long-term approach, the owner can accept significant fluctuations in value-adjusted equity.

CATEGORIES OF FINANCIAL RISK

Liquidity risk

Ferd strongly emphasises liquidity and assumes that the return from financial investments shall contribute to cover current interest costs. Hence, it is important that Ferd's balance sheet is liquid, and that the possibility to realise assets corresponds well when Ferd's debt is due. Ferd has determined that under normal market conditions, at least 4 billion kroner of the financial investments shall comprise assets that can be realised within a quarter of a year. This is primarily managed by investments in listed shares and hedge funds. Note 16 has an overview of due dates of the debt.

Currency risk

Ferd has defined intervals for exposure in Norwegian kroner, euro, USD and Swedish kroner. As long as the exposure is within these intervals, Ferd is not making any currency adjustments. If Ferd's exposure exceeds these intervals, steps are taken to adjust the exposure to the established currency curve.

SENSITIVITY ANALYSIS, IMPAIRMENT RISK IN INVESTMENT ACTIVITIES

The stress test is based on a classification of Ferd's equity in different asset classes, exposed for impairment as follows:

- The Norwegian stock market declines by 30 percent
- International stock market decline by 20 percent
- The market value of property declines by 10 percent
- The interest rate curve shifts by 1 percentage point
- The Norwegian krone appreciates by 10 percent

In order to refine the calculations, it is considered whether Ferd's investments will decline more or less than the market. As an example, it is assumed that private investments in a stress test scenario have an impairment loss of 1.5 - 2 times the market (30-60 per cent in Norway and 20-40 per cent abroad).

The impairment risk is presented as an impairment expressed in NOK and as a percentage of equity. The table below shows the estimated impairment risk for the last two years.

NOK 1 000	**2012**	**2011**
Price risk: Norwegian shares decline by 30 percent	-4 400 000	-4 100 000
Price risk: International shares decline by 20 percent	-1 100 000	- 700 000
Price risk: The market value of property declines by 10 percent	- 200 000	- 200 000
Interest rate risk: The interest rate curve increases by 1 percentage point		
Currency risk: The Norwegian krone appreciates 10 percent	- 600 000	- 500 000
Total impairment in value-adjusted equity	**-6 300 000**	**-5 500 000**
Impairment as a % of net asset value	32 %	34 %

In the sensitivity analyses, Ferd's exposure in Aibel in 2012 is reduced to 49 % compared to 2011, when it amounted to appr. 80 %, as a consequence of the transaction with Ratos made in December 2012. Ferd's exposure in Pronova will not be reduced until 2013, as the sale of shares transaction takes place in the new year.

NOTE 13 **BANK DEPOSITS**

The following restricted funds are included in the bank deposits in the balance sheet:

NOK 1 000	**2012**	**2011**
Employees' withheld tax	5 518	4 130

NOTE 14 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of the Company consists of 183.267.630 shares at a nominal value of NOK 1.-.

Owner structure

Shareholders as at 31 December 2012:

	Number of shares	Stake
Ferd Holding AS	176 629 907	96,38 %
Dref Lojal AS	2 649 588	1,45 %
Dref Lojal II AS	1 381 898	0,75 %
Dref Lojal III AS	2 244 577	1,22 %
Dref Lojal IV AS	361 660	0,20 %
Total number of shares	**183 267 630**	**100,00 %**

Ferd AS is a subsidiary of Ferd Holding AS, being a subsidiary of Ferd JHA AS. Ferd shares offices with its parent companies in Lysaker, Bærum. The consolidated financial statements of the parent company are available upon request.

Shares indirectly owned by the CEO and board members of Ferd AS:	Position	Stake
Johan H. Andresen	Chair of the Board	15,14 %
John Giverholt	CEO/Board member	0,29 %
Erik Rosness	Board member	0,06 %
Gry Skorpen	Board member	0,05 %

The children of Johan H. Andresen own appr. 85 % of Ferd AS indirectly by ownership of shares in Ferd Holding AS.

FERD'S PENSION PLANS

Ferd has established pension schemes in accordance with Norwegian legislation. The employees participate in defined benefit plans complying with the requirements of mandatory occupational pension.

Defined benefit plans

Defined benefit pension plans give the employees the right to determined future pension benefits. Ferd's net obligation reagarding these pension schemes is calculated separately for each scheme. The obligation is an estimate of future benefits earned by the employees, based on the number of service years and the salary level at the age of retirement. The benefits are disounted to present value, and the recognised obligation is reduced by the fair value of the pension funds for funds based pension schemes. Changes in assumptions, total number of members and deviations between estimated and actual salary increases and return on funds result in actuarial gains and losses. Such gains and losses are recognised in total comprehensive income.

The defined benefit plans comprise collective schemes and some additional arrangements including early retirement pension for Group mnagement. Until 2012, Ferd has also had a benefit plan for employees with a pension pension exceeding 12 G, but this scheme was replaced by a contribution plan at the end of 2012. The plan change has been recognised in the income statement.

Financial assumptions at 31 December

	2012	**2011**
Discount rate	2,20 %	2,60 %
Expected return from pension assets	3,60 %	4,10 %
Expected wage growth	3,25 %	3,50 %
Future expected pension regulation	1,30 %	1,30 %
Expected regulation of base amount (G)	3,00 %	3,25 %

DEFINED BENEFIT PLANS

Specification of the recognised liability

NOK 1 000	**2012**	**2011**
Present value of unfunded pension liabilities	27 976	46 177
Present value of wholly or partly funded obligations	102 614	91 271
Total present value of defined benefit obligations	130 590	137 448
Fair value of pension assets	60 920	61 000
Total defined benefit obligation recognised in the balance sheet	**69 670**	**76 448**

Movement in the liability for defined benefit pension plans

NOK 1 000	**2012**	**2011**
Liability for defined benefit pension plans at 1 January	137 448	119 323
Present value of the pension earnings of the year	13 715	3 500
Interest expense on the pension liability	2 819	4 423
Actuarial gains/losses on the pension liability	- 9 017	15 597
Plan changes	- 9 826	
Benefits paid	- 4 549	- 5 395
Liability for defined benefit pension plans at 31 December	**130 590**	**137 448**

Movement in fair value of pension assets for defined benefit pension plans

NOK 1 000	**2012**	**2011**
Fair value of pension assets at 1 January	61 000	56 277
Expected return from pension assets	2 548	2 697
Actuarial gains/losses on pension funds	- 4 936	
Contribution from employer	6 455	5 366
Administration expenses	- 508	
Benefits paid	- 3 639	- 3 340
Fair value of pension assets at 31 December	**60 920**	**61 000**

Pension assets include the following

NOK 1 000	**2012**	**2011**
Managed by insurance companies	60 920	61 000
Total pension assets	**60 920**	**61 000**

Pension costs recognised in the income statement

NOK 1 000	**2012**	**2011**

Present value of this year's pension earnings	13 715	9 890
Interest expense on the pension liability	2 818	4 423
Plan changes	- 9 826	
Administration expenses	508	
Expected return from pension assets	- 2 548	- 2 697
Total pension costs recognised in the income statement	**4 667**	**11 616**

NOTE 16 **LONG-TERM DEBT**

Long-term interest-bearing debt by currency

NOK 1 000	**Amount in currency 2012**	**Amount in NOK 2012**	**Amount in NOK 2011**
NOK		500 000	1 200 000
USD	200 000	1 113 050	1 193 590
EUR	120 000	880 464	929 676
Balance sheet value at 31 December		**2 493 514**	**3 323 266**

Ferd has a total lending facility of NOK 5 billion, and the above debt is included therein.

All the long-term debt is due in 2015.

NOTE 17 TRANSACTIONS AND BALANCES WITH GROUP COMPANIES

Ferd AS has the following loans and balances with group companies:

NOK 1 000	2012	2011
Receivables		
Long-term loans to group companies	675 967	628 926
Short-term receivables on group companies	64 648	82 543
Total receivables	740 615	711 469
Debt		
Short-term debt to group companies	272 498	194 728
Sum gjeld	272 498	194 728

Alle group balances bear an interest of 6 months NIBOR + 2 % points.
Long-term loans bear interest at assumed market terms.

NOK 1 000	2012	2011
Services billed to group companies		
Management fees	8 640	4 428
Property management	10 820	9 596
Total income	19 460	14 024
Interest income on intercompany loans		
Interest income	53 839	51 604
Total interest income	53 839	51 604

NOTE 18 CONTINGENT AND OBLIGATIONS NOT RECOGNISED IN BALANCE SHEET

Guarantees and obligations not recognised in balance sheet

NOK 1 000	**2012**	**2011**
Unpaid, committed capital to private equity funds	828 261	1 213 456
Total	**828 261**	**1 213 456**

Contingent obligations and litigation

Ferd AS has been sued by Amorin in connection with Ferd's former engagement in TiMar (Portugal). In 2013, Ferd agreed to a settlement involving an insignificant amount.

NOTE 19 CHANGE OF PRINCIPLE

Ferd AS is an investment company, where measurement at fair value is key. Hence, Ferd presents financial statements with all investments at fair value. Ferd applies fair value in the daily management of the Company, in allocation of the Company's capital and when monitoring the Company's results. Pursuant to IAS 27.38, Ferd has decided to change the measurement of the subsidiaries to fair value in the statement of financial position.

The change of principle implies that the subsidiaries are converted to fair value at 1 January 2011, i.e., by the beginning of the first comparable period. In numbers, the consequences for 2011 of the change of principle are as follows (NOK000):

Shares in subsidiaries and equity increase by NOK 4 283 651 at 1 January 2011
Operating income and result for 2011 are reduced by NOK 243 023
Shares in subsidiaries and equity have increased by NOK 4 040 628 at 31 December 2011

NOTE 20 **MERGER**

On 27 November 2012, Ferd AS has merged with the wholly owned Kapole AS. The merger was carried out in accordance with the rules on simplified merger in the Companies Act, and no compensation was paid. As Kapole AS was fully owned by the acquiring party, the merger has been accounted for using the continuity method.