NOTE 1 GENERAL INFORMATION AND ACCOUNTING 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 consolidated financial statements

Ferd AS' consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the EU. This is the first year consolidated financial statements have been prepared for Ferd AS.

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.

Consolidation and consolidated financial statements

The consolidated financial statements show the overall financial results and the overall financial position for the parent company Ferd AS and entities where Ferd has a direct or indirect controlling influence. A controlling interest normally exists when Ferd AS either directly or by other controlling entities has a stake exceeding 50 % of the voting capital.

Non-controlling interests in subsidiaries are disclosed as part of equity,but separated from the equity that can be attributed to the shareholders of Ferd AS. The non-controlling interests are either measured at fair value or at the proportionate share of identified assets and liabilities.The principle for measuring non-controlling interests is determined separately for each business combination.

Subsidiaries are consolidated from the date when the Group achieves control,and are excluded when such control ceases. Should there be a change in ownership in a subsidiary without loss of control,the change is accounted for as an equity transaction. The difference between the compensation and the carrying value of the non-controlling interests are directly recognised in equity and allocated to the shareholders of Ferd AS. At a loss of control,the subsidiary's assets,liabilities,non-controlling interests and any accumulated currency differences are derecognised. Any remaining interests at the date of loss of control are measured at fair value,and gain or loss is recognised in the income statement.

Inter-company transactions,balances and unrealised internal gains are eliminated. When required,adjustments are made to the financial statements of subsidiaries to bring their accounting principles in line with those used by the Group.

Business combinations

Business combinations are accounted for by the acquisition method. This implies the identification of the acquiring company,the determination of the date for the take-over,the recognition and measurement of identifiable acquired assets,liabilities and any non-controlling interests in the acquired company,and the recognition and measurement of goodwill or gain from an acquisition made on favourable terms.

Assets,liabilities taken over and contingent liabilities taken over or incurred are measured at fair value at the acquisition date. Goodwill is recognised as the total of the fair value of the consideration,including the value of the non-controlling interests and the fair value of former owner’s share,less net identifiable assets in the business combination. Direct costs connected with the acquisition are recognised in the income statement.

Any contingent consideration from the Group is recognised at fair value at the acquisition date. Changes in the value of the contingent consideration considered to be a financial liability pursuant to IAS 39,are recognised in the income statement when incurred. At step-by-step business combinations,the Group’s former stake is measured at fair value at the date of the take-over. Any adjustments in value are recognised in the income statement.

Investments in associates and joint ventures

Associates are entities over which the Group has significant,but not controlling,influence. Significant influence implies that the Group is involved in strategic decisions concerning the company’s finances and operations without controlling these decisions. Significant influence normally exists for investments where the Group holds between 20 % and 50 % of the voting capital. Associates are accounted for in accordance with the equity method in the consolidated financial statements.

A joint venture is a contractual arrangement requiring unanimous agreement between the owners about strategic,financial and operational decisions. Joint ventures are incorporated in the consolidated financial statements using the equity method.

Investments in associates and joint ventures are classified as non-current assets in the balance sheet.

The exemption clause in IAS 28 about using the equity method for investments in associated companies owned by investment entities,and the corresponding exemption in IAS 31 for joint ventures,is the basis for presenting the investments in the business area Ferd Capital. These associates are recognised at fair value with value changes through profit and loss,and are classified as current assets in the balance sheet.

Associates and joint ventures are accounted for using the equity method,which implies that Ferd's share of associates' profit or loss is disclosed on a seperate line in the income statement. The carrying amount of the investment includes the share of total comprehensive income in the associated company. The accounting principles are adjusted to bring them in line with those of the Group. The carrying amount of investments in associates is classified as “Investments in associated companies and joint ventures”,and includes goodwill identified at the date of acquisition,reduced by any subsequent impairments.

Revenue recognition

Revenue is recognised when earned. The Group’s consolidated revenue mainly includes selling goods,rendering IT services and delivering packing systems.

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and reward of the ownership,income from the sale can be expected and the amount can be reliably measured. Revenue 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. Should the contract contain several elements,revenue from each element is recognised separately,provided that the transfer of risk and control can be separately assessed. Contracts concerning the sale of filling machines and packing materials are commercially connected,and revenue is therefore recognised in total for the contract.

Revenue is measured at fair value and presented net of rebates,value added tax and similar taxes.

At the sale of intangible and tangible assets,gain or loss is calculated by comparing the proceeds with the residual value of the sold asset. Calculated gain/loss is included in operating income or expenses,respectively.

Foreign currency translation

Transactions in foreign currency in the individual Group entities are recognised and measured in the functional currency of the entity at the transaction date. Monetary items in foreign currency are translated into the functional currency at the exchange rate prevailing at the balance sheet date. Currency differences are recognised in the income statement with the exception of currency differences on loans in foreign currencies hedging a net investment and inter-company balances considered to be part of the net investment. These differences are recognised in total comprehensive income until the investment is disposed of.

The consolidated financial statements are presented in Norwegian kroner (NOK),which is the functional currency of the parent company. When a subsidiary in foreign currency is consolidated,income and expense items are translated into Norwegian kroner at an average weighted exchange rate throughout the year. For balance sheet items,including excess values and goodwill,the exchange rate prevailing at the balance sheet date is used. Exchange differences arising when consolidating foreign subsidiaries are recognised in total comprehensive income until the subsidiary is disposed of.

Classification of financial instruments

Financial instruments constitute a substantial part of Ferd’s consolidated accounts and are of considerable significance for the overall financial standing and result of the Group. Financial assets and liabilities are recognised when the Group becomes a party to the contractual obligations and rights of the instrument. Pursuant to IAS 39,all Ferd’s financial instruments are initially classified in the following categories:

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 as part of category 1 if acquired primarily for benefiting from short-term price deviations. Derivatives are classified as held for trading unless they are part of a hedging instrument,another asset or liability. Assets held for trading are classified 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 statement of financial position

Purchases and sales of financial instrument transactions are recognised on the date of the agreement,which is when the Group 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 have been transferred to another party. Correspondingly,financial instruments are derecognised when the Group on the whole has transferred the risk and reqard of 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.

Loans and financial liabilities are initially measured at fair value with the addition of direct transactions costs. In subsequent periods,the assets and liabilities are measured at amortised cost by using the effective interest method. Loss on impairment of loans and receivables is recognised in the income statement.

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 income is recognised when the Group has established the right to receive payment. Net finance income related to financial instruments is classified as operating income and presented as “Income from financial investments” in the income statement.

Financial derivatives and hedge accounting

The Group applies financial derivatives to reduce any potential loss from exposures to unfavourable changes in exchange rates or interest rates. Financial derivatives related to a highly probable planned transaction (cash flow hedges) are recognised in accordance with the principles for hedge accounting when the hedge has been documented and meets the relevant requirements for effectiveness. Ferd is not applying hedge acounting of derivatives aquired to reduce risk in an asset or liabilities recognised in the balance sheet. Derivatives not qualified for hedge accounting are classified as financial instruments at fair value,and changes in value are recognised in the income statement.

Cash flow hedging is presented by recognising a change in fair value of the financial derivative applied as cash flow hedging in total comprehensive income until the underlying transaction is accounted for. The ineffective portion of the hedge is recognised immediately in profit or loss.

When the hedge instrument expires or is disposed of,the planned transaction is carried out,or when the hedge no longer meets the criteria for hedge accounting,the accumulated effect of the hedging is recognised in the income statement.

Income taxes

The income tax expense includes tax payable and changes in deferred tax. Income tax on balances recognised in other income and expenses in total comprehensive income is also set-off against other income and expenses in total comprehensive income,and tax on balances related to equity transactions are set off against 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 carrying values and tax values of assets and liabilities. Deferred tax liabilities associated with the initial recognition of goodwill in business combinations are not carried in the balance sheet. No deferred tax is recognised on those investment properties at fair value that are expected to be sold as limited companies and thereby not setting off any tax liability.

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 Group has a legal right to net assets and liabilities.

Goodwill

Goodwill is the difference between the cost of an acquisition and the fair value of the Group’s share of net assets in the acquired business at the acquisition date. Goodwill arising on the acquisition of subsidiaries is classified as intangible assets.

Goodwill is tested for impairment annually,or more often if there are indications of impairment,and carried at cost less accumulated depreciation. Impairment losses are not reversed in subsequent periods. Goodwill arising on the acquisition of a share in an associate is included in the carrying amount of the investment and tested for impairment as part of the carrying amount of the investment. Gain or loss arising from the realisation of a business includes goodwill allocated to the business sold. For the purpose of impairment testing,goodwill is allocated to the relevant cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combinations.

Intangible assets

Intangible assets acquired separately are initially carried at cost. Intangible assets acquired in a business combination are recognised at their fair value at the time of the combination. In subsequent periods,intangible costs are recognised at cost less accumulated depreciation and impairment.

Intangible assets with a definite economic life are depreciated over their expected useful life. Normally,straight-line depreciation methods are applied,as this generally reflects the use of the assets in the most appropriate manner. This applies for intangible assets like software,customer relations,patents and rights and capitalised development costs. Intangible assets with an indefinite life are not depreciated,but tested for impairment annually. Some of the Group's capitalised brands have indefinite economic lives.

Research,development and other in-house generated intangible assets

Expenses relating to research activities are recognised in the income statement as they arise.

In-house generated intangible assets arising from development are recognised in the balance sheet only if the following conditions are met:

- The asset can be identified.
- It is probable that the asset will generate future cash flows.
- The development costs can be reliably measured.

In-house generated intangible assets are amortised over their estimated useful lives from the date when the assets are available for use. If the conditions for capitalisation are not met,the expenses are recognised in the income statement as incurred.

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. Current maintenance is expensed.

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

Impairment

Property,plant and equipment and intangible assets that are depreciated are considered for impairment when there are indications to the effect that future earnings cannot support the carrying amount. Intangible assets with undefined useful lives and goodwill are depreciated,but evaluated annually for impairment.

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. Other leases are classified as operating leases.

The object and liability of finance leases with the Group as the lessee is initially recognised at the lower of the object's fair value and the present value of the minimum lease. Lease payments are apportioned between the liability and finance cost in order to achieve a constant rate of interest on the remaining balance of the liability. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term,provided that the Group will not assume ownership by the end of the lease term.

Finance leases with the Group as the lessor are initially recognised at the beginning of the period as a receivable equal to the Group's net investment in the lease agreement. The lease payments are apportioned between the repayment of the main balance and finance income. The finance income is calculated and recognised as a constant periodical return on the net investment over the lease period. Direct costs incurred in connection with the lease agreement are included in the value of the asset.

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

Investment property

Investment properties are acquired to achieve long-term return on hiring or an increase in value,or both. Properties are measured at cost at the acquisition date,including transaction costs. In subsequent periods,investment properties are measured at fair value,based on market prices. The fair value of investment properties reflects,i.a.,rental income from existing lease contracts and the expectation of the future rental income based on the market situation on the balance sheet date.

Revenue from investment properties includes the period’s net change in value of the properties together with rental income of the period less property related costs in the same period.

Inventories

Inventories are stated at the lower of cost and net realisable value. The costs of inventories are determined on a first-in-first-out basis. The cost of finished goods and goods in progress consists of costs related to product design,consumption of materials,direct wages and other direct costs. The net realisable value is the estimated selling price less estimated variable expenses for completion and sale.

Accounts receivable and other receivables

Current receivables are initially recognised at fair value. In subsequent periods,provisions for actual and possible losses are considered. The Group 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. Restricted funds are also included. Drawings on bank overdraft are presented as current liabilities 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 Group'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 periods. 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 return of the pension funds and the accrued social security tax. Positive and negative 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 Group 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.

Defined contribution plans

Contributions to defined contribution pension plans are recognised as expenses in the income statement when the employees have rendered services entitling them to the contributions.

Provisions

A provision is recognised when the Group 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.

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 proposed by the Board is classified as equity and recognised as a liability when approved by the shareholders in a General Meeting.

<u>Business areas</u>

Ferd reports business areas in line with how Ferd'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 resorces,and assess performance.

Cash flow statement

The cash flow statement has been prepared using the indirect method,implying that the basis used is the Group'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 implemented by Ferd effective from the accounting year 2012:

Amendments to IAS 1 Presentation of Financial Statements

The amendments only concern presentation and 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 Group still has an involvement. The amendment has no significant or very limited impact for Ferd.

Amendment 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 change has implied that Ferd no longer recognises deferred tax on investment properties,as it is assumed that all sales of investment properties are made as sales of shares and thereby not setting-off any tax liability.

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 estimate deviations. Estimate deviations shall in their entirety be recognised in the statement of 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 has 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 finance items. In addition,net interest in benefit schemes 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 no longer shall be calculated on the funds. The changes are effective for accounting 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. Ferd 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. The Group expects to implement the amended standard from this date,but the changes are expected to have no or very limited impact for Ferd.

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 a 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.

IFRS 10 Consolidated Financial statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements and SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities. The content of the term "control" is somewhat changed compared to IAS 27. IFRS 10 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. In addition,IASB has issued a proposal for amending IFRS 10 concerning an exemption to consolidate investment entities. The amendmends are also expected to be effective from 1 Januar 2014. Ferd expects to implement IFRS 10 starting on 1 January 2014,but the changes are expected to have very limited consequences for Ferd.

IFRS 11 Joint Arrangement

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 concerns joint arrangements and have guidelines for accounting for two different types of joint arrangements – joint operations and joint ventures. According to IFRS 11,joint ventures shall be accounted for using the equity method pursuant to IAS 28. IFRS 11 becomes effective for annual periods beginning on or after 1 January 2014,and the EU has approved the standard. Ferd intends to implement IFRS 10 starting on 1 January 2014. Ferd must analyse all joint arrangements to clarify whether there are any arrangements qualifying to be joint activities,but Ferd expects that the consequences from applying IFRS 11 will be limited.

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 requirements 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.

Amendments to IAS 28 Investments in Associates and Joint Ventures (revised)

IAS 28 has been extended to include investments in joint ventures. The standard describes the accounting for such investments and how to apply the equity method. The changes become effective for annual periods beginning on or after 1 January 2014,and the standard has been approved by the EU. The Group expects to implement IFRS 10 starting on 1 January 2014,but the consequences are expected to be insignificant,as Ferd presently applies the equity method on joint ventures.

NOTE 2 ACCOUNTING ESTIMATES AND JUDGMENTAL CONSIDERATIONS

Management has used estimates and assumptions in the preparation of the consolidated 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 Group 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 external credit ratings.

Determination of the fair value of investment properties

The Ferd Group has several investment 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 determining the cash flows and required rates of return are described below.

Future cash flows are based on the following factors:
- Existing contracts
- Expected future rentals
- 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:
- Location
- Standard
- Expected market development
- Rent level compared to the rest of the market
- The tenant’s financial strength
- 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.

Impairment considerations of goodwill

Goodwill is tested annually for impairment by discounting expected future cash flows of the cash-generating unit to which goodwill is allocated. If the discounted value of future cash flows is lower than the carrying value, goodwill is written down to the recoverable amount. The impairment tests are based on assumptions of future expected cash flows and estimates of the discount interest rate.

Note 8 has details on the impairment considerations for goodwill .

Depreciation and impairment of tangible and intangible assets

Tangible and intangible assets with definite lives are recognised at cost. The acquisition cost less the residual value is depreciated over the expected useful economic life. The carrying values will depend on the the Group's estimates on useful lives and residual values. These assumptions are estimated on the basis of experience, history and judgemental considerations. The estimates are adjusted if the expectations change.

Testing for impairment is undertaken when indicators of a permanent decline in value of tangible or intangible assets are identified. These tests are based on estimates and assumptions on future cash flows and discount interest rate.

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 17 has details on the assumptions used. Changes in assumptions can result in significant changes in pension obligations and funds in the balance sheet.

Deferred tax assets

Deferred tax assets of tax losses to carry forward and other tax-reducing differences are recognised in the balance sheet to the extent that it is probable that the deferred tax assets can be utilised against future taxable income. Management is required to use significant judgement to determine the size of the deferred tax assets recognised in the balance sheet, the basis being the expectation of the future taxable income, the expected time for utilising the deferred tax asset and future tax planning strategies.

Provision for losses on receivables

The provision for losses on receivables is estimated on the risk for not recovering the outstanding amounts due. The assessment is based on historical experience, the aging of the receivable and the counterparty's financial situation.

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:

<u>Ferd Capital</u> 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". Those companies where Ferd Capital has control have been consolidated into the consolidated financial statements, and the business area reporting therefore comprises the consolidated results from these companies, as well as the value changes and management costs of the non-consolidated companies. The value of the investments and the value changes are shown in the accounts of Ferd AS, where Ferd Capital reports MNOK 1 640 in operating result. The value of Ferd Capital's portfolio constitutes MNOK 6 342 at 31 December 2011 and MNOK 8 913 at 31 December 2012 measured at fair value.

Ferd Capital prioritises investments in companies where we have the relevant expertise. The team comprises highly qualified staff with operational experience from active owner funds, 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 internatinally both in Europe and the Middle-East.

<u>Ferd Invest</u> is an active investor managing a considerable portfolio of Nordic listed shares. The business area primarily invests in individual shares, which are assumed to have a large potential, and is measured against a total Nordic index.

<u>Ferd Special Investments</u> (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 achieves particular opportunities other investors are not able to utilise, either due to the requirement for capital, long-term conditions or other.

<u>Ferd Hedgefond</u> invests in various types of hedge funds managed by hedge fund environments abroad. The business area shall provide a satisfactory risk-adjusted return and ensure a risk diversification for Ferd.

<u>Ferd Eiendom</u> is an active property investor responsible for the Group'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.

<u>Other</u> 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 the total risk exposure. Additionally, operating expenses related to Ferd's management and internal bank are included .

NOK 1 000	**Ferd AS Group**	**Ferd Capital**	**Ferd Invest**	**Ferd Special Investments**	**Hedgefond** **Ferd**	**Ferd Eiendom**	**Other**
Result 2012							
	10 465	10 464					

Sales income	10 465 326	10 464 382				944	
Income from financial investments	3 234 991	1 081 221	654 655	182 447	137 678	- 52 774	1 231 764
Other income	483 836	39 445				444 082	310
Operating income	**14 184 153**	**11 585 048**	**654 655**	**182 447**	**137 678**	**392 252**	**1 232 074**
Operating expenses excl. depreciation and impairment	9 872 908	9 719 959	23 928	12 852	8 255	39 845	68 069
EBITDA	**4 311 246**	**1 865 089**	**630 727**	**169 595**	**129 422**	**352 407**	**1 164 005**
Depreciation and impairment	452 849	451 398	77	58	37	368	911
Operating profit	**3 858 396**	**1 413 691**	**630 650**	**169 537**	**129 385**	**352 039**	**1 163 094**
Share of profit from associated companies and joint ventures	87 010	56 965				30 045	
Profit before finance items and income tax expense	**3 945 406**	**1 470 656**	**630 650**	**169 537**	**129 385**	**382 083**	**1 163 094**
Statement of financial position 31 December 2012							
Intangible assets	1 731 348	1 731 348					
Tangible assets and investment properties	3 377 888	1 381 850	117		442	1 991 498	3 981
Investments accounted for by the equity method	599 321	258 732				340 590	
Investments classified as current asset	15 388 186	4 140 076	3 473 772	1 480 585	1 607 396	319	4 686 039
Other assets*	5 439 300	3 982 241	52 839	291 122	79 027	296 752	737 320
Total assets	**26 536 044**	**11 494 246**	**3 526 728**	**1 771 707**	**1 686 865**	**2 629 158**	**5 427 340**

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

NOK 1 000	**Ferd AS Group**	**Ferd Capital**	**Ferd Invest**	**Ferd Special Investments**	**Ferd Hedgefond**	**Ferd Eiendom**	**Other**
Income statement 2011							
Sales income	9 320 120	9 320 120					
Income from financial investments	- 314 447	301 789	- 654 377	130 931	- 59 005		- 33 785
Other income	141 956	15 855			20	125 261	820
Operating income	**9 147 629**	**9 637 763**	**- 654 377**	**130 931**	**- 58 985**	**125 261**	**- 32 964**
Operating expenses	8 612 814	8 492 366	7 895	15 823	10 425	45 535	40 772
EBITDA	**534 815**	**1 145 398**	**- 662 272**	**115 108**	**- 69 410**	**79 727**	**- 73 736**
Depreciation and impairment	374 168	373 122	77	61	54	292	561
Operating profit	**160 647**	**772 276**	**- 662 349**	**115 047**	**- 69 464**	**79 434**	**- 74 296**
Income on investments accounted for by the equity method	32 237	12 082				20 155	
Profit before finance items and income tax expense	**192 884**	**784 358**	**- 662 349**	**115 047**	**- 69 464**	**99 589**	**- 74 296**
Statement of financial position 31 December 2011							
Intangible assets	1 751 449	1 751 449					
Tangible assets and investment properties	2 956 514	1 433 015	194		537	1 519 070	3 698
Investments accounted for by the equity	657 004	329 130				311 406	16 468

method	657 004	329 130				311 406	16 468
Investments classified as current asset	13 476 441	3 028 666	2 938 422	1 395 973	1 492 666	476	4 620 239
Other assets*	5 226 231	4 437 450		99 332	69 814	132 781	486 853
Total assets	**24 067 639**	**10 979 711**	**2 938 616**	**1 495 305**	**1 563 016**	**1 963 733**	**5 127 258**

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

NOTE 4 GEOGRAPHICAL ALLOCATION OF REVENUES

NOK 1 000	**2012**	**2011**
Norway	4 084 030	2 931 817
Sweden	1 042 339	745 450
Germany	942 905	921 506
Netherlands	477 232	415 217
USA	385 779	132 359
Russia	376 298	381 975
Canada	365 511	643 480
Austria	349 948	401 044
Denmark	282 573	404 971
Spain	233 214	210 139
Great Britain	213 881	290 790
France	186 094	419 192
Rest of the world	1 525 522	1 422 182
Total revenue	**10 465 326**	**9 320 120**

Sales revenues are allocated on the basis of where the customers live.

NOTE 5 INCOME FROM FINANCIAL INVESTMENTS

Income from financial investments by the varous investments categories:

NOK 1 000	**2012**	**2011**
Listed shares	576 907	- 680 555
Unlisted shares and investments in other equity instruments	2 349 321	299 469
Hedge funds	50 099	53 105
Investments in debt instruments	258 664	13 534
Total income from financial investments	**3 234 991**	**- 314 447**

NOTE 6 SALARIES AND REMUNERATIONS

NOK 1 000	2012	2011
Salaries	1 797 351	1 456 274
Social security tax	230 146	207 117
Pension costs (note 17)	81 520	52 502
Other benefits	56 217	88 491
Total	**2 165 234**	**1 804 384**
Average number of man-labour years	3 570	3 486

Salary and remuneration to group management

				2012				2011
NOK 1 000	Salary	Bonus	Benefits in kind	Pension	Salary	Bonus	Benefits in kind	Pension
Group CEO, Johan H. Andresen (from 1 Jan. 2012 until 30 Sept. 2012)	991		140		1 312		149	
Group CEO, John Giverholt (from 1 Oct. 2012 until 31 Dec. 2012)	825		51	228				
Other members of group management (from 1 Jan. 2012 until 30 Sept. 2012)	5 917	907	546	2 132	7 122	6 656	490	2 268
Other members of group management (from 1 Oct. 2012 until 31 Dec. 2012)	1 125		82	682				
Sum	**8 858**	**907**	**819**	**3 042**	**8 434**	**6 656**	**639**	**2 268**

Ferd's group management has changed considerably during 2012. Dag Opedal resigned from group management in the spring of 2012. Effective from 1 October, Ferd was reorganised, and Johan H. Andresen and Arthur Sletteberg resigned from group management. Tom Erik Myrland became Chief Investment Director and Erik Rosness Chief Financial Officer. Former CFO,John Giverholt, became the new Group Chief Executive Officer. The above remunerations represent payment up until 1 October for the former group management and after 1 October for the new.

The Group CEO's bonus scheme is limited to one year's salary. Bonus is based on the results achieved 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 pension basis higher than 12 G and and an early retirement pension scheme giving him the opportunity to retire when he is 65.

The Group CEO is entitled to 9 months pay after termination of employment if 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. Ferd has adequate security for the loan. The loan has no defined instalment plan.

Fees to the Board

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

NOTE 7 **INTANGIBLE ASSETS**

NOK 1 000	2012	2011
Goodwill (note 8)	1 013 715	1 044 102
Other intangible assets	717 633	707 347
Carrying amount at 31 December	**1 731 348**	**1 751 449**

2012

NOK 1 000	Software	Brands	Patents and rights	Capitalised development costs	Customer relations	Total
Cost at 1 January	295 468	136 376	225 659	74 578	409 609	1 141 691
Additions	19 272	37 462	123	40 152	20 940	117 949
Disposals	- 1 836					- 1 836
Exchange difference	- 4 116		- 12 085	- 4 478		- 20 679
Cost at 31 December	308 788	173 838	213 697	110 252	430 550	1 237 125
Acc. amortisation and impairment at 1 January	231 853	2 680	169 730	8 832	21 250	434 345
Additions of amortisations at acquisitions						
Current year amortisation charge	38 886	4 020	28 270	- 6 598	46 639	111 217
Disposals	- 1 836					- 1 836
Exchange differences	- 14 850		- 9 384			- 24 234
Accumulated amortisation at 31 December	251 077	6 700	188 616	2 234	67 889	516 516
Accumulated impairment at 31 December	2 976					2 976
Carrying amount at 31 December	**54 735**	**167 138**	**25 081**	**108 018**	**362 661**	**717 633**
Economic life	3-5 years	> 20 years to indefinite	3-10 years	10 years	10-15 years	
Amortisation method	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	

2011

NOK 1 000	Software	Brands	Patents and rights	Capitalised development costs	Customer relations	Total
Cost at 1 January	265 214	55 976	226 276	43 490		590 957
Additions	30 237	80 400		31 396	409 609	551 642
Disposals	- 62					- 62
Exchange difference	79		- 617	- 308		- 846
Cost at 31 December	295 468	136 376	225 659	74 578	409 609	1 141 691
Acc. amortisation and impairment at 1 January	227 608		164 043	8 832		400 483
Additions of amortisations at acquisitions						
Current year amortisation charge	7 052	2 680	6 048		21 250	37 030
Disposals	- 2 976					- 2 976
Exchange differences	169		- 361			- 192
Accumulated amortisation at 31 December	228 877	2 680	169 730	8 832	21 250	434 344
Accumulated impairment at 31	2 976					

December	2 970					
Carrying amount at 31 December	**63 615**	**133 696**	**55 930**	**65 746**	**388 360**	**707 347**
Economic life	3-5 years	> 20 years to indefinite	3-10 years	10 years	10-15 years	
Amortisation method	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line	

Research and development

Costs expensed to research and development in fiscal year 2012 totalled MNOK 118. The corresponding cost for 2011 was MNOK 114.

NOTE 8 GOODWILL AND INFORMATION ON BUSINESS COMBINATIONS

Pursuant to IFRS 3 Business combinations, the net assets of acquired companies have been assessed at fair value at the acquisition date. The remaining part of the consideration after allocating the consideration to identifiable assets and liabilities, is recognised as goodwill. The table below shows the values and movements in the the various goodwill items in the Group.

2012

NOK 1 000	**Norrwin AB (Lundhags)**	**Alf Valde**	**Elopak Europa**	**Seco Invest (TeleComputing)**	**Total**
Cost at 1 January			470 719	621 776	1 092 495
Additions	1 385	16 053			17 438
Disposals				- 27 807	- 27 807
Exchange differences			- 22 148		- 22 148
Cost at 31 December	1 385	16 053	448 571	593 969	1 059 978
Accumulated impairment at 1 January			48 393		48 393
Impairment		563			563
Disposal of subsidiary					
Exchange differences			- 2 693		- 2 693
Accumulated impairment at 31 December		563	45 700		46 263
Carrying amount at 31 December	**1 385**	**15 490**	**402 871**	**593 969**	**1 013 715**

Changes in 2012:

In 2012, Ferd (through Swix) has acquired Norrwin AB and Original Teamwear AS with accounting effect from 1 January 2012. The acquisitions have increased intangible assets (brands and patents) by a total of MNOK 37,6 (note 7), in addition to goodwill amounting to appr. one million. The cost of the shares in Norrwin AB constituted MNOK 66,8, whereas the shares in Original Teamwear AS were purchased in two steps. Original was an associate with a carrying value of MNOK 8,8 at the beginning of 2012, and in addition MNOK 28,4 were paid in 2012. The companies have contributed to Ferd's consolidated financial statements with MNOK 142 in turnover and MNOK 19 in profit before tax in 2012.

During 2012, Ferd (through Mestergruppen) acquired Alf Valde AS with accounting effect from 1 July 2012. The acquisition has increased Ferd's goodwill by MNOK 16. The cost for the shares constituted MNOK 23. Alf Valde has contributed to Ferd's consolidated financial statements with MNOK 33 in turnover og MNOK 2 in profit before tax in 2012.

There are minor changes in the purchase price allocations of Mestergruppen and Telecomputing (acquisitions in 2011). The changes have resulted in a reduction in goodwill of MNOK 28, whereas customer relations have increased by MNOK 20 (note 7).

2011

NOK 1 000	**Elopak Europa**	**Seco Invest (TeleComputing)**	**Total**
Cost at 1 January	472 282		472 282
Additions		621 776	621 776
Disposals			
Exchange differences	- 1 563		- 1 563
Cost at 31 December	470 719	621 776	1 092 495
Accumulated impairment at 1 January	48 590		48 590
Impairment			
Disposal of			

Disposal of subsidiary			
Exchange differences	- 197		- 197
Accumulated impairment at 31 December	48 393		48 393
Carrying amount at 31 December	**422 326**	**621 776**	**1 044 102**

Changes in 2011:

In 2011, Ferd acquired Mestergruppen and the Telecomputing Group (Seco Invest), effective from 1 May 2011.

The acquisition of Telecomputing has increased the Group's goodwill by MNOK 622. Before the acquisition, Ferd had a stake of 46 % and recognised the investment in Telecomputing at fair value. The acquisition of Telecomputing has also increased intangible assets of MNOK 134,8 in customer relations and MNOK 80,4 in brands as well as minor additions of patents and rights (note 7). The cost of Ferd's shares in Telecomputing was MNOK 461. The acquisition of Telecomputing has contributed positively to the Group's result before tax with MNOK 85,2 in 2011.

The acquisition of Mestergruppen has increased the Group's carrying amount of customer relations by MNOK 230,1 (note 7). The cost of Ferd's shares in Mestergruppen was MNOK 396. Mestergruppen has contributed to the Group's result before tax with MNOK 83,6 in 2011.

Impairment testing for goodwill:

Goodwill is allocated to the Group's cash generating units, and is tested for impairment annually or more frequently if there are indications of impairment. Testing for impairment implies determining the recoverable amount of the cash generating unit. The recoverable amount is determined by discounting future expected cash flows, based on the cash generating unit's business plans. The discount rate applied to the future cash flows is based on the Group's weighted average cost of capital (WACC), adjusted to the market's appreciation of the risk factors for each cash generating unit. Growth rates are used to project cash flows beyond the periods covered by the business plans.

Cash generating units

The goodwill items specified above are mainly related related to Elopak and Telecomputing, in addition to two minor goodwill items related to new acquisitions in 2012 in the sub-groups Swix and Mestergruppen.

Goodwill related to Elopak is allocated to the cash generating unit Europe, which consists of Elopak's European markets, including the internal production and supply organisation. This goodwill has a carrying value of MNOK 302 at 31 December 2012. The rationale for determining Europe as one cash-generating unit is the inherent dynamics of this market. The trend is that customers are merging, and have easy access to the supply in Europe. Elopak adapts to its customers by distributing the production of cartons for the various markets according to the optimal production efficiency in Europe. The historical geographical criteria for production and demands from customers are no longer as important. As a consequence of this development, the split of margins along Elopak's value chain will be subject to change from one year to another. Hence, one European business unit will be the best indicator for assessing any impairment of goodwill.

Goodwill related to Telecomputing concerns Telecomputing's operations in Norway and Sweden. The goodwill has a carrying amount of MNOK 594 as at 31 December 2012. For impairment purposes, Telecomputing is considered to be one cash generating unit due to similar activities.

Goodwill in Mestergruppen concerns the acquisition of Alf Valde in 2012. The goodwill amounts to MNOK 16 and is considered as a separate cash generating unit at impairment testing. This goodwill has not been tested for impairment in 2012.

Impairment testing and assumptions:

The recoverable amount for the cash generating unit is calculated on the basis of the present value of expected cash flows. The cash flows are based on assumptions about future sales volumes, selling prices and direct costs. These assumptions are based on historical experience from the market, adopted budgets and the Group's expectations of market changes. Having carried out impairment testing, the Group does not expect significant changes in current trade. This implies that expected future cash flows mainly are a continuation of observed trends.

Determined cash flows are discounted at a discount interest rate. The rate applied and other assumptions are shown below.

Calculated recoverable amounts in the impairment tests are positive, and based on the tests, the conclusion is that no impairment is required in2012. The inherent uncertainty connected with the assumptions on which the impairment testing is based is illustrated by sensitivity analyses. The conclusions are tested for changes in discount and growth rates. The sensitivity analyses show robust conclusions for impairment testing.

Detailed description of the assumptions used:

	Discount rate after tax (WACC)		Discount rate before tax		Growth rate 2-5 years		Long-term growth rate	
	2012	2011	2012	2011	2012	2011	2012	2011
Europe	4,5 %	5,4 %	6,3 %	7,5 %	2,0 %	2,0 %	0,0 %	0,0 %
Seco Invest	5,8 %	6,4 %	6,5 %	7,2 %	2,0 %	2,0 %	2,5 %	2,0 %

The discount rate reflects the market's assessment of the risk specific to the cash generating unit. The rate is based on the weighted average cost of capital for the industry. This rate has been further adjusted to reflect the specific risk factors related to the cash generating unit, which has not been reflected in the cash flows.

The average growth rate in the period 2 to 5 years is based on Ferd's expectations for the development in the market in which the business operates. Ferd uses a stable growth rate to extrapolate the cash flows beyond 5 years.

EBITDA represents operating profit before depreciation and is based on the expected future market development. Committed operating efficiency improvement measures are taken into account. Changes in the outcomes for these initiatives may influence future estimated EBITDA.

Investment costs necessary to meet expected future growth are taken into account. Based on management's assessment, the estimated investment costs do not include investments that improve the current assets' performance. The related cash flows are treated correspondingly.

NOTE 9 **TANGIBLE ASSETS**

2012

NOK 1 000	**Buildings and property**	**Machines and installations**	**Fixtures and equipment**	**Total**
Cost at 1 January	416 174	3 699 376	230 081	4 345 631
Additions	34 771	361 125	15 204	411 100
Disposals	- 24 756	- 211 006	- 8 528	- 244 290
Exchange differences	- 15 702	- 151 859	- 6 247	- 173 808
Cost at 31 December	410 487	3 697 636	230 510	4 338 633
Accumulated depreciation and impairment at 1 January	262 631	2 462 125	179 288	2 904 044
Accumulated depreciation on acquisition				
Depreciation of the year	13 937	303 885	20 849	338 671
Impairment of the year		2 394	4	2 398
Derecognised depreciation	- 17 427	- 158 558	- 6 605	- 182 590
Exchange differences	- 10 993	- 103 868	- 5 064	- 119 925
Accumulated depreciation at 31 December	248 148	2 505 978	188 472	2 942 598
Accumulated impairment at 31 December	2 100	26 462	238	28 800
Carrying amount at 31 December	**162 339**	**1 191 658**	**42 038**	**1 396 035**

Estimated economic life of depreciable assets	5-50 years	5-15 years	3-13 years	
Amortisation method	Straight-line	Straight-line	Straight-line	

2011

NOK 1 000	**Buildings and property**	**Machines and installations**	**Fixtures and equipment**	**Total**
Cost at 1 January	364 009	3 025 470	206 413	3 595 892
Additions	64 673	868 063	53 642	986 378
Disposals	- 12 381	- 167 840	- 29 401	- 209 622
Exchange differences	- 127	- 26 317	- 573	- 27 017
Cost at 31 December	416 174	3 699 376	230 081	4 345 631
Accumulated depreciation and impairment at 1 January	239 655	2 047 317	148 514	2 435 486
Accumulated depreciation on acquisition	10 379	258 067	27 350	295 796
Depreciation of the year	13 763	303 449	21 329	338 541
Impairment of the year	2 112	- 539		1 573
Derecognised depreciation	- 3 439	- 131 305	- 17 500	- 152 244
Exchange differences	161	- 14 864	- 405	- 15 108
Accumulated depreciation at 31 December	262 631	2 462 125	179 288	2 904 044
Accumulated impairment at 31 December	2 265	25 449	246	27 960
Carrying amount at 31 December	**153 543**	**1 237 251**	**50 793**	**1 441 587**

Estimated economic life of depreciable assets	5-50 years	5-15 years	3-13 years	
Amortisation method	Straight-line	Straight-line	Straight-line	

NOTE 10 OTHER OPERATING EXPENSES

NOK 1 000	**2012**	**2011**
Sales and administration costs	164 519	109 950
Lease of buildings etc.	213 686	109 781
Travel expenses	139 040	159 849
Losses and change in write-downs of trade receivables	16 362	8 215
Fees to auditors, lawyers, consultants	130 080	120 976
Other expenses	425 750	442 447
Total	**1 089 437**	**951 218**

NOTE 11 AUDIT FEES

Ernst & Young is Ferd's Group auditor. Some minor Group companies are audited by other audit firms.

NOK 1 000	Audit fee	Other assurance services	Tax services	Other non-audit services	Total
2012					
Ernst & Young	8 891	451	790	2 271	12 403
Others	471	17	74	11	573
Total	**9 362**	**468**	**864**	**2 282**	**12 976**
2011					
Ernst & Young	8 245	66	270	5 359	13 939
Others	408		456	76	940
Total	**8 653**	**66**	**726**	**5 435**	**14 879**

Fees are exclusive of VAT.

Other non-audit services mainly comprise due diligence services 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 12 INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Associates and joint ventures are accounted for using the equity method.

A list of all associates and joint ventures and shareholdings is presented in note 20.

2012

NOK 1 000	**Al-Obeikan Elopak factory for Packaging Co**	**Elopak South Africa Ltd**	**Lala Elopak S.A. de C.V.**	**Tiedemanns-byen DA**	**Harbert European Real Estate Fund II**	**Harbert European Real Estate Fund III**	**Others**	**Total**
Ownership and voting share	49 %	50 %	49 %	50 %	26 %	22 %		
Cost at 1 January	54 100	25 692	153 093	106 768	133 253	44 000	111 910	628 815
Share of result at 1 January	62 782	55 316	83 685	2 332	37 020	4 721	- 3 106	242 750
Accumulated impairment of goodwill at 1 January	- 12 600	- 2 200					- 1 085	- 15 885
Transfer from the company	- 15 308	- 26 029	- 61 827		- 13 342		- 5 865	- 122 371
Net exchange differences/eliminations	- 21 143	- 11 918	- 28 348		- 3 053	- 293	- 11 551	- 76 306
Carrying amount at 1 January	**67 831**	**40 861**	**146 603**	**109 100**	**153 877**	**48 428**	**90 303**	**657 004**
Additions						35 664	14 464	50 128
Disposals		- 41 373			- 21 251	- 28 523	- 25 300	- 116 447
Sale during the year								
Share of the result of the year*	13 960	5 599	17 215	6 641	17 074	6 331	- 2 615	64 204
Transfers from the company	- 14 571		- 23 136					- 37 707
Net exchange differences/eliminations	- 8 873	- 5 087	- 1 058				- 2 843	- 17 861
Carrying amount at 31 December	**58 347**		**139 624**	**115 741**	**149 700**	**61 900**	**74 009**	**599 321**

*) Gain on the sale of Elopak South Africa Ltd constitutes 22 806.

2011

NOK 1 000	**Al-Obeikan Elopak factory for Packaging Co**	**Elopak South Africa Ltd**	**Lala Elopak S.A. de C.V.**	**Tiedemanns-byen DA**	**Harbert European Real Estate Fund II**	**Harbert European Real Estate Fund III**	**Others**	**Total**
Ownership and voting share	49 %	50 %	49 %	50 %	26 %	22 %		
Cost at 1 January	54 100	25 692	153 093	106 768	122 284		122 277	584 214
Share of result at 1 January	88 667	45 921	57 653		23 918		- 11 011	205 148
Accumulated impairment of goodwill at 1 January	- 12 600	- 2 200					- 1 085	- 15 885
Transfer from the company	- 15 308	- 9 697			- 13 342		- 5 865	- 44 212
Net exchange differences/eliminations	- 21 616	- 2 501	- 8 684				- 11 178	- 43 979
Carrying amount at 1 January	**93 243**	**57 215**	**202 062**	**106 768**	**132 860**		**93 138**	**685 286**

Additions					10 969	44 000	67 807	122 775
Disposals							- 45 271	- 45 271
Sale during the year							- 27 803	- 27 803
Share of the result of the year	- 25 885	9 395	26 032	2 332	13 102	4 721	2 540	32 237
Impairment of goodwill								
Transfers from the company		- 16 332	- 61 827					- 78 159
Recognised directly in equity								
Net exchange differences/eliminations	473	- 9 417	- 19 664		- 3 053	- 293	- 108	- 32 062
Carrying amount at 31 December	**67 831**	**40 861**	**146 603**	**109 100**	**153 877**	**48 428**	**90 303**	**657 004**

The table below shows a summary of financial information related to Ferd's largest investments in associates and joint ventures on a 100 percent basis. The stated figures represent fiscal year 2012. The figures are unaudited.

NOK 1 000	**Al-Obeikan Elopak factory for Packaging Co**	**Elopak South Africa Ltd**	**Lala Elopak S.A. de C.V.**	**Tiedemanns-byen DA**	**Harbert European Real Estate Fund II**	**Harbert European Real Estate Fund III**
Operating revenue	215 520	40 765	230 347	475 665	30 084	127 037
Operating profit	19 262	7 828	28 130	40 910	21 684	74 494
Profit after tax and minority	13 960	5 599	17 215	20 589	26 957	78 810
Total assets	158 368		160 727	779 634	582 150	663 970
Total liabilities	109 943		47 368	549 007	563	28 573

Ownership share, transactions and balances with enterprises accounted for by the equity method:

	Stake/voting share	Sales from equity investees to Ferd		Ferd's net receivables / payables towards equity investees		Ferd's guarantees to equity investees	
NOK 1 000	**2012**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Al-Obeikan Elopak factory for Packaging Co	49,0 %			26 992	77 734	105 642	62 857
Boreal GmbH	20,0 %						
Elocap Ltd.	50,0 %	94 249	126	- 8 419	- 11 815		
Elopak South Africa Ltd	50,0 %				22 156		
Frogn Næringspark AS	50,0 %						
Harbert European Real Estate Fund II	25,9 %						
Harbert European Real Estate Fund III	22,2 %						
Hunstad Sør Tomteselskap AS	31,6 %						
Impresora Del Yaque	51,0 %		10 424	23 488	1 243		
Kråkeland Hytteservice AS	33,5 %						
Lala Elopak S.A. de C.V.	49,0 %	20 182	825	2 659	2 224		
Lofoten Tomteselskap AS	35,0 %						
Madla Byutvikling AS	33,3 %						
Nordic Material Purchase AB	50,0 %						
Original AS	20,0 %						
Solheim Byutviklingselskap AS	33,1 %						
Tastarustå Byutvikling AS	33,3 %						
Tiedemannsbyen DA	50,0 %						

Total	**114 431**	**11 375**	**44 720**	**91 542**	**105 642**	**62 857**

NOTE 13 SPECIFICATION OF FINANCE INCOME AND EXPENSE

Finance income

NOK 1 000	**2012**	**2011**
Interest income from bank deposits	78 598	28 982
Interest income from related parties	63 794	12 608
Other interest income	23 893	3 227
Foreign exchange gain and other finance income	66 311	10 258
Total	**232 597**	**55 075**

Finance expense

NOK 1 000	**2012**	**2011**
Interest expense to finance institutions	210 701	172 992
Interest expense to related parties	17 658	12 921
Other interest expense	72 871	60 224
Foreign exchange loss and other finance expenses	264 092	29 887
Total	**565 323**	**276 024**

None of the financial items originate from financial instruments measured at fair value.

NOTE 14 **INCOME TAXES**

Specification of income tax expense

NOK 1 000	2012	2011
Tax payable of net profit		
Income tax payable for the year	138 917	63 635
Adjustments of prior periods	8 826	- 5 387
Total tax payable	**147 743**	**58 248**
Deferred tax expense		
Change in deferred tax recognised in the income statement	34 990	- 24 645
Effects of changes in tax rates and prior years' taxes	3 881	678
Total deferred tax	**38 872**	**- 23 967**
Income tax expense	**186 615**	**34 280**

Reconciliation of nominal to effective tax rate

NOK 1 000	2012	2011
Profit before tax	3 612 680	- 28 065
Estimated income tax expense at nominal tax rate (28 %)	1 011 550	- 7 858
Losses and other deductions without any net tax effect	7 039	- 11 518
Non-taxable income related to securities	- 810 164	87 992
Other non-taxable income, incl. value changes in investment property	- 26 049	- 43 594
Effect of changes in tax legislation and tax rates	- 268	- 1 704
Adjustment of prior periods	12 707	- 4 598
Tax effect of other permanent differences	- 8 201	15 561
Income tax expense	**186 615**	**34 280**
Effective tax rate	**5,2 %**	**-122,1 %**

Tax recognised in other comprehensive income

NOK 1 000	2012	2011
Actuarial losses on pension obligations	959	14 333
Cash flow hedges	2 378	10 458
Total tax recognised in other comprehensive income	**3 337**	**24 791**

Deferred tax assets and liabilities

NOK 1 000	2012	2011
Inventories	21 414	24 899
Receivables	6 678	6 510
Stocks and bonds	10 636	- 23 622
Other differences	32 266	- 78 658
Fixed assets	- 153 123	- 37 867
Intangible assets	- 128 457	- 107 403
Net pensions	65 931	70 207
Tax losses to carry forward	190 785	223 341
Total	**46 130**	**77 409**
Unrecognised deferred tax assets	- 233 373	- 252 294
Net carrying value at 31 December of deferred tax assets (+)/liabilities (-)	**- 187 243**	**- 174 885**

Deferred tax assets are reviewed on each balance sheet date, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow for a part or all of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability shall be settled or the asset be realised, based on tax rates and legislation prevailing at the balance sheet date.

Tax losses to carry forward, gross

NOK 1 000	2012
2013	10 071

2014	12 445
2015	13 794
After 2015	232 136
Without expiration	623 832
Total tax losses to carry forward	**892 278**

Change in net deferred tax in balance sheet

NOK 1 000	**2012**	**2011**
Carrying value at 1 January	- 174 885	- 109 394
Currency differences	- 1 529	1 546
Acquisition of subsidiary	- 30 464	- 98 882
Recognised in income statement during the period	- 38 872	23 967
Tax recognised in other comprehensive income	3 337	24 791
Other changes *	55 170	- 16 913
Carrying value at 31 December	**- 187 243**	**- 174 885**

*) Other changes mainly relate to implementation effects, the tax effect of internal gains and corrections of previous years' errors.

NOTE 15 **INVESTMENTS IN SHARES WITH OWNERSHIP IN EXCESS OF 10 %**

Subsidiaries	Business office	Ownership
Det Oversøiske Compagnie AS	Bærum	100,0 %
Elopak AS med datterselskaper	Røyken	97,2 %
Ferd Aibel Holding AS	Bærum	100,0 %
Ferd Eiendom AS med datterselskaper	Bærum	100,0 %
Norse Crown Company Ltd. AS	Bærum	100,0 %
Swix Sport AS med datterselskaper	Oslo	100,0 %
Ferd Malta Holdings Ltd	Malta	100,0 %
FC Well Invest AS	Bærum	100,0 %
FC-Invest AS	Bærum	100,0 %
Seco Invest AS med datterselskaper (Telecomputing)	Asker	96,1 %
Ferd Capital Partners AS	Bærum	100,0 %
Ferd Sosiale Entreprenører AS	Bærum	100,0 %
Ferd MG Holding AS	Bærum	96,6 %
Mestergruppen AS med datterselskaper	Oslo	91,3 %
Kapole II AS	Bærum	18,2 %
Joint ventures		
Impresora del Yaque	Dominican Republic	51,0 %
Elocap Ltd	Israel	50,0 %
Frogn Næringspark AS	Trondheim	50,0 %
Associated companies		
Al-Obeikan Elopak factory for Packaging Co	Saudi Arabia	49,0 %
Elopak South Africa Ltd	South Africa	50,0 %
Lala Elopak S.A. de C.V.	Mexico	49,0 %
Harbert European Real Estate Fund II	London	25,9 %
Harbert European Real Estate Fund III	London	9,8 %
Tiedemannsbyen DA	Oslo	50,0 %
Lofoten Tomteselskap AS	Bodø	35,0 %
Hunstad Sør Tomteselskap AS	Bodø	31,6 %
Tastarustå Byutvikling AS	Stavanger	33,3 %
Madla Byutvikling AS	Stavanger	33,3 %
Boreal GmbH	Germany	20,0 %
Solheim Byutviklingselskap AS	Stavanger	33,3 %
Kråkeland Hytteservice AS	Sirdal	33,5 %
Sirdal Boligutleie	Klepp	7,0 %
Financial non-current assets with more than 10 % ownership		
Herkules Capital I AS		40,0 %
NMI AS		12,5 %
Financial current assets with more than 10 % ownership		
ARKeX Ltd		17,3 %
Bidco Holding AS (Aibel)		49,0 %
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 (GP-I) Ltd		40,0 %

Herkules Private Equity Fund I (GP-II) Ltd	40,0 %
Herkules Private Equity Fund I (LP-I) Limited	76,1 %
Herkules Private Equity Fund II (GP-I) Ltd	40,0 %
Herkules Private Equity Fund II (GP-II) Ltd	40,0 %
Herkules Private Equity Fund II (LP-I) Limited	74,5 %
Herkules Private Equity Fund III (GP-I) Ltd	4,2 %
Herkules Private Equity Fund III (GP-II) Ltd	4,2 %
Herkules Private Equity Fund III (LP-I) Limited	25,1 %
Intera Fund I	12,0 %
Interwell AS	34,0 %
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	18,5 %

NOTE 16 **INVESTMENT PROPERTY**

Investment property

NOK 1 000	**2012**	**2011**
Balance at 1 January	1 514 927	684 778
Acquisitions	65 136	499 285
Additions through improvements	65 418	291 814
Disposals	- 6 963	- 13 900
Net change in investment property valuation	343 335	52 950
Carrying amount at 31 December	**1 981 853**	**1 514 927**

Income from investment property

NOK 1 000	**2012**	**2011**
Rental income from properties	98 850	59 743
Costs directly attributable to the investment properties	- 6 472	- 7 304
Net change in property revaluation	343 335	52 950
Total	**435 713**	**105 389**

The fair value of investment property

The investment properties are measured at fair value. Fair value is the amount for which an asset could be traded between knowledgeable, voluntary parties in an arm's length transaction. Market prices are considered when determining the market rent and required rate of return.

All of the Group's investment properties are measured yearly based on cash flow models. Future cash flows are calculated on the basis of signed contracts, as well as future cash flows based on expected market prices. No external valuations have been obtained. Note 2 gives a detailed description of the parameters used to calculate the fair value.

NOTE 17 **PENSION COSTS AND LIABILITIES**

THE GROUP'S PENSION PLANS

The Group's companies have established pension plans in accordance with local laws. Employees in the Group's companies in Norway are participating in defined benefit or defined contribution pension plans that comply with the rules for mandatory occupational pension.

Defined benefit plans

Defined benefit plans provide employees with the right to defined future pension benefits. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each pension plan. The amount is an estimate of future benefits that employees have earned based on years of service and salary at retirement. Benefits are discounted to present value, and the recognised obligation is reduced by the fair value of plan assets for funded pension schemes. Changes in assumptions, staff numbers and variances between estimated and actual salary increases and return on assets result in actuarial gains and losses. Actuarial gains and losses and gains and losses resulting from a curtailment or termination of pension plans, are recognised immediately in the income statement.

The defined benefit pension plans consist of group schemes as well as some additional arrangements, including employees with a retirement basis over 12 G, and AFP.

Defined contribution plans

For defined contribution plans, the Group's obligations are limited to making specific contributions. Payments to defined contribution pension plans are recognised as expenses in the income statement when the employees have rendered services entitling them to the contribution.

Other service related long-term benefits

In addition to the pension schemes described above, Ferd has obligations related to future health contributions for some groups of employees in USA.

ECONOMIC ASSUMPTIONS

Ferd has defined benefit plans in several countries with varying economic conditions affecting the assumptions that are the basis for calculating pension obligations. The parameters are adapted to conditions in each country. The discount rate is determined as a weighted average of the yields at the reporting date on AA-rated corporate bonds, or government bonds in cases where there is no market for AA-rated corporate bonds. The government bond interest rate is applied for Norwegian schemes. To the extent that the bond does not have the same maturity as the obligation, the discount rate is adjusted. The weighted average discount rate at 31 December 2012 was 2,3 percent. Actuarial assumptions for demographic factors and retirement are based on generally accepted principles in the insurance business. Future mortality rates are based on statistics and mortality tables. The weighted average long-term expected return on plan assets is 3,8 percent. The expected long-term return is based on the total portfolio, not on the returns of individual pension asset categories. The return is based exclusively on historical returns, without adjustments.

Economic assumptions in Norwegian companies at 31 December

	2012	2011
Discount rate	2,20 %	2,60 %
Expected return on pension assets	3,60 %	4,10 %
Expected wage growth	0-3,25%	3,50 %
Future expected pension regulation	1,75 %	1,30 %
Expected regulation of base amount (G)	3,00 %	3,25 %

Interval for the economic assumptions at 31 December

	2012	2011
Discount rate	2.00-4.15	2.50-4.70
Expected return on pension assets	2.75-7.00	2.75-7.00
Expected wage growth	0.00-1.00	0.00-4.00
Future expected pension regulation	0.00-0.55	0.00-1.75

PENSION OBLIGATIONS

Reconciliation of net liability against balance sheet

NOK 1 000	2012	2011
Pension liabilities for defined benefit pension plans	- 211 528	- 254 890

Pension assets for defined benefit pension plans	9 505	15 457
Total defined benefit obligation recognised in the consolidated statement of financial position	- 202 023	- 239 433

DEFINED BENEFIT PLANS

Specification of the recognised liablity

NOK 1 000	**2012**	**2011**
Present value of unfunded pension liabilities	- 69 469	- 91 456
Present value of wholly or partly funded obligations	- 469 621	- 590 197
Total present value of defined benefit obligations	- 539 091	- 681 653
Fair value of pension assets	337 068	442 220
Total defined benefit obligation recognised in the consolidated statement of financial position	- 202 023	- 239 433

Movements in liabilities for defined benefit pension plans

NOK 1 000	**2012**	**2011**
Liability for defined benefit pension plans at 1 January	681 653	713 725
Fair value of current service cost	24 635	29 670
Interest expenses on the pension liability	20 487	38 503
Actuarial (gains) / losses on the pension liabilities	12 768	60 220
Settlement of pension plans	- 17 936	- 209 839
Curtailment of pension schemes	115	- 16 809
Plan changes	- 32 370	
Change in liability due to acquisition/sale of subsidiaries		81 818
Benefits paid	- 128 361	- 24 528
Social security tax	113	
Exchange differences on foreign plans	- 22 015	8 893
Liability for defined benefit pension plans at 31 December	539 091	681 653

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	442 221	515 175
Expected return from pension assets	14 725	28 569
Actuarial gains / (losses) on the pension assets	- 14 791	- 21 405
Contributions from employer	22 212	44 506
Administration expenses	- 645	- 1 814
Contributions from employees	2 838	1 982
Increase in pension funds due to the acquisition of subsidiaries		79 421
Settlements		- 178 949
Benefits paid	- 114 239	- 47 153
Exchange difference on foreign plans	- 15 253	21 890
Fair value of pension assets at 31 December	337 068	442 221

Pension assets include the following

NOK 1 000	**2012**	**2011**
Equity instruments	54 630	114 206
Liability instruments	92 103	103 116
Managed by insurance	138 418	63 433
Property Investments	271	593
Bank deposits	343	445
Other assets	51 303	160 428
Total pension assets	337 068	442 221

Actuarial (gains) / losses recognised in comprehensive income

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

Current year actuarial (gains) / losses on liabilities (defined benefit schemes)	12 768	60 220
Current year actuarial (gains) / losses on pension assets (defined benefit schemes)	14 791	21 405
Total actuarial (gains) / losses recognised in comprehensive income (defined benefit schemes)	27 559	81 625

PENSION COSTS

NOK 1 000	**2012**	**2011**
Defined benefit plans	- 2 582	5 950
Defined contribution plans	85 028	44 666
Early retirement and other schemes	- 927	1 887
Total pension costs recognised in current year payroll costs	81 520	52 502

DEFINED BENEFIT PLAN PENSION COSTS

Pension costs recognised in income statement

NOK 1 000	**2012**	**2011**
Present value of this year's pension earned	24 635	29 670
Contribution from employees	- 2 838	
Curtailment of pension schemes and plan changes	- 32 255	- 36 654
Interest expenses on the pension liability	20 487	38 503
Expected return on pension assets	- 14 725	- 28 570
Social security tax	113	
Administration costs	1 999	3 000
Total pension costs recognised in the Group's income statement	- 2 582	5 950

NOTE 18 **INVENTORIES**

2012

NOK 1 000	**Raw materials**	**Work in progress**	**Finished goods**	**Total**
Cost at 31 December	334 416	434 828	980 334	1 749 578
Provision for obsolescence at 1 January	10 777		123 273	134 050
Write-down	2 240	1 280	2 754	6 274
Provision for obsolescence at 31 December	13 017	1 280	126 027	140 324
Carrying value at 31 December	**321 399**	**433 548**	**854 307**	**1 609 254**

2011

NOK 1 000	**Raw materials**	**Work in progress**	**Finished goods**	**Total**
Cost at 31 December	389 618	213 297	1 022 061	1 624 976
Provision for obsolescence at 1 January	47 698	611	89 017	137 326
Write-down	2 366		34 561	36 927
Reversed write-down	- 1 113	- 611	- 5 129	-6 853
Provision for obsolescence at 31 December	48 951		118 449	167 400
Carrying value at 31 December	**340 667**	**213 297**	**903 612**	1 457 576

NOTE 19 **CURRENT ASSETS**

NOK 1 000	2012	2011
Prepayments	85 835	80 968
VAT and tax receivables	111 049	134 026
Current interest-bearing receivables	52 121	41 906
Other current receivables	391 260	164 879
Carrying amount at 31 December	**640 265**	**421 779**

NOK 1 000	2012	2011
Accounts receivable, gross	1 020 040	1 156 734
Allowances	- 33 295	- 47 664
Carrying amount at 31 December	**986 745**	**1 109 070**
Total current receivables	**1 627 010**	**1 530 849**

Overdue accounts recievables by age

NOK 1 000	2012	2011
Up to 30 days	111 522	125 503
30-60 days	30 274	64 062
60-90 days	21 026	38 881
Over 90 days	30 147	56 321
Total	**192 970**	**284 767**

NOTE 20 FINANCIAL INSTRUMENTS

The following is a summary of the carrying value and fair value of the Group's financial instruments and how these have been treated in the accounts. The table is the basis for further information on the Group's financial risk and refers to subsequent notes.

		Financial instruments measured at amortised cost			
NOK 1 000	Financial instruments measured at fair value through profit and loss	Lending and receivables	Financial obligation	Total	Fair value
Non-current assets					
Other financial non-current assets	51 599	233 660		285 259	285 259
Total 2012	**51 599**	**233 660**		**285 259**	**285 259**
Total 2011	**158 917**	**256 300**		**415 217**	**415 217**
Current assets					
Short-term receivables		1 627 010		1 627 010	1 627 010
Listed shares	3 476 584			3 476 584	3 476 584
Unlisted shares and investments in other equity instruments	8 699 217			8 699 217	8 699 217
Hedge funds	3 078 721			3 078 721	3 078 721
Investments in debt instruments	133 664			133 664	133 664
Bank deposits		1 683 997		1 683 997	1 683 997
Total 2012	**15 388 186**	**3 311 007**		**18 699 193**	**18 699 193**
Total 2011	**13 476 441**	**3 164 030**		**16 640 471**	**16 640 471**
Long-term debt					
Long-term interest-bearing debt			5 283 103	5 283 103	5 283 103
Other long-term debt			350 309	350 309	350 309
Total 2012			**5 633 412**	**5 633 412**	**5 633 412**
Total 2011			**5 909 002**	**5 909 002**	**5 909 002**
Short-term debt					
Short-term interest-bearing debt			362 440	362 440	362 440
Other short-term debt			1 855 693	1 855 693	1 855 693
Total 2012			**2 218 133**	**2 218 133**	**2 218 133**
Total 2011			**2 923 114**	**2 923 114**	**2 923 114**

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**
Assets				
Other financial non-current assets			51 599	51 599
Listed shares	3 476 584			3 476 584
Unlisted shares and investments in other equity instruments		6 448	8 692 769	8 699 217
Hedge funds		1 600 948	1 477 773	3 078 721
Investments in debt instruments		133 664		133 664
Total 2012	**3 476 584**	**1 741 060**	**10 222 141**	**15 439 785**

NOK 1 000	**Level 1**	**Level 2**	**Level 3**	**Total 2011**
Assets				
Other financial non-current assets			158 917	158 917
Listed shares	2 895 122			2 895 122
Unlisted shares and investments in other equity instruments	9 042		6 658 405	6 667 447
Hedge funds		1 310 539	1 477 781	2 788 320
Investments in debt instruments		1 125 553		1 125 553
Total 2011	**2 904 164**	**2 436 092**	**8 295 103**	**13 635 358**

Specification of assets in 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**
Other financial non-current assets	158 917		- 63 578		- 43 740	51 599
Unlisted shares and investments in other equity instruments	6 658 405	186 454	- 347 180	- 120 380	2 315 470	8 692 769
Hedge funds	1 477 781	690 982	- 490 577	- 359 707	159 295	1 477 773
Total	**8 295 103**	**877 436**	**- 901 335**	**- 480 087**	**2 431 025**	**10 222 142**

NOK 1 000	**Opening bal. 1 Jan. 2011**	**Purchases**	**Sales**	**Transfers from level 3**	**Recognised in P/L 2011**	**Closing bal. 31 Dec. 2011**
Other financial non-current assets	91 921	66 996				158 917
Listed shares	6 976			- 6 976		
Unlisted shares and investments in other equity instruments	7 449 579	215 636	- 856 169	- 331 072	180 431	6 658 405
Hedge funds	584 142	1 521 043	- 689 884		62 479	1 477 781
Total	**8 132 619**	**1 803 675**	**-1 546 052**	**- 338 048**	**242 910**	**8 295 103**

Transfers from level 3 are mainly due to the step-by-step acquisition of Telecomputing in 2011.

Valuation of assets classified in level 3

Financial assets in level 3 include investments managed in-house, venture investments, private equity funds and hedge funds. The values at the balance sheet date are shown below.

NOK 1 000	2012	2011
Industrial investments and venture investments	4 191 993	2 915 310
External private equity funds	4 552 375	3 902 012
Hedge funds	1 477 773	1 477 781
Total	**10 222 142**	**8 295 103**

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.

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 21 RISK MANAGEMENT - INVESTMENT ACTIVITIES

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

Risk management concerning operations, primarily Elopak, is accounted for in note 26.

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 overall strategic allocation aims at maintaining 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 percent 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 potential total impairment expressed in kroner and as a percentage of equity. Ferd's long-term strategy contributes to the fact that the owner can accept large fluctuations in net asset value.

CATEGORIES OF FINANCIAL RISK

Liquidity risk

Ferd has a strong focus on liquidity and is of the opinion 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 with when Ferd's debt is due. The Group 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.

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 the Group's equity in different asset classes, exposed for impairment as follows:

- The Norwegian stock markets decline by 30 percent
- International stock markets 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 percent in Norway and 20-40 percent 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 in 201 and 2012.

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 22 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.

NOTE 23 NON-CURRENT LIABILITIES

Long-term interest-bearing debt

NOK 1 000	Amount in currency 2012	Amount in NOK 2012	Amount in NOK 2011
NOK	2 273 899	2 273 899	2 562 972
USD	202 500	1 126 990	1 282 184
EUR	145 855	1 070 757	1 163 261
DKK	380 000	374 905	438 219
GBP	10 000	90 248	102 057
SEK	374 743	321 304	195 247
CHF	4 100	25 000	35 747
Carrying value at 31 December 2012		**5 283 103**	**5 779 687**
Other long-term debt		350 309	129 315
Total non-current liabilities		**5 633 412**	**5 909 002**

Instalments determined in contracts

NOK 1 000	**2012**
2014	273 265
2015	2 743 152
2016	179 863
2017	2 437 132
Total	**5 633 412**

The first year's instalment of long-term debt is presented as part of the short-term interest-bearing debt.

NOTE 24 OTHER CURRENT LIABILITIES

NOK 1 000	**2012**	**2011**
Trade payables	755 698	826 359
Public duties etc.	229 784	181 174
Other short-term debt	1 043 002	1 134 390
Total	**2 028 484**	**2 141 923**

NOTE 25 SECURED BORROWINGS, GUARANTEES AND CONTINGENT LIABILITIES

Secured borrowings

NOK 1 000	2012	2011
Loan facilities	1 418 637	3 218 120
Factoring	19 872	63 638
Total	**1 438 509**	**32 817 586**

Loan facilities comprise various credit facilities in the Group, normally secured by receivables, inventories, tangible assets and investment property. Interest terms are floating interest rates.

Carrying amounts of pledged assets

NOK 1 000	2012	2011
Investment property	1 611 814	953 349
Other tangible assets	142 886	
Inventories	213 678	
Receivables	377 867	696 375
Total	**2 346 245**	**1 649 724**
Maximum exposure to the above assets	2 346 245	1 649 724
Issued guarantees		92 005

Guarantees and off-balance sheet liabilities

NOK 1 000	2012	2011
Commited capital to fund investments	993 986	1 402 557
Commitment to provide loans	3 283	18 000
Guarantees without security	665 210	2 005
Clauses on minimum purchases in agreements with supplier	152 408	
Other obligations*	82 044	575 050
Sum	**1 896 931**	**1 997 611**

*) Other obligations mainly concern repurchase commitments on sales of machines and investment obligations relating to developing investment property and the building of a manufacturing plant.

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 26 RISK MANAGEMENT - OPERATIONS

Risk relating to the investment activities of Ferd is described in note 21.

Currency risk

Contracted currency flows from operations are normally secured in their entirety, while projected cash flows are hedged to a certain extent. Interest payments related to the Group's foreign currency loans are mostly secured by corresponding cash flows from the Group's activities. Instruments such as currency forward contracts, currency swaps and options can be used to manage Ferd Group's currency exposure.

Outstanding foreign exchange forward contracts

		Currency		NOK	
NOK	**Currency**	**Purchase**	**Sale**	**Purchase**	**Sale**
	CAD	5 818	- 19 829	32 601	- 111 118
	CHF	3 579	- 604	21 822	- 3 681
	EUR	43 155	- 111 091	317 620	- 817 632
	JPY	3 053 200	- 944 710	197 535	- 61 120
	NOK	336 339	- 84 533	336 339	- 84 533
	RUB		- 224 950		- 41 191
	SEK	134 497	- 70 172	115 238	- 60 124
	CZK	10 080		2 956	
	GBP		- 3 661		- 33 039
	DKK		- 16 971		- 16 744
	ILS	5 454		8 153	
	USD	42 695	- 9 683	238 059	- 53 991
Total				**1 270 323**	**-1 283 173**

Interest rate risk

Ferd's interest rate risk relates to short-term borrowings and is managed by the Group's internal bank in accordance with separate guidelines. The Group has short-term fixed interest rates on long-term funding. This applies for loans in Norwegian kroner, as well as in foreign currency. The Group uses interest rate swaps to reduce interest rate exposure by switching from floating rates to fixed rates for a portion of the loans.

Interest rate swaps

NOK	**Currency**	**Amount**	**Receives**	**Pays**	**Time remaining to maturity**
	DKK	100 000	6M CIBOR	Fixed 2,97% - 4,15%	2,7 - 4,5 years
	EUR	65 000	3M-6M EURIBOR	Fixed 1,25 - 2,88%	1,5 - 5,0 years
	GBP	10 000	6M LIBOR	Fixed 2,46% - 3,12%	0,5 - 4,2 years
	NOK	200 000	1M-6M NIBOR	Fixed 4,91% - 5,72%	1,6 - 3,0 years
	RUB	160 000	3M MOSPRIME		1,0 year
	SEK	50 000	3M STIBOR		4,0 years

The table includes derivatives for hedging.

Credit risk

Credit risk is the risk that a counterparty will default on his/her contractual obligations resulting in financial loss to the Group. Ferd has adopted a policy that the Group only shall be exposed to credit-worthy counterparties, and independent credit analyses are obtained for all counterparties when such analyses are available. If not, the Group uses other publicly available financial information and its own trade to assess creditworthiness.

NOTE 27 HEDGE ACCOUNTING - OPERATIONS

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedges related to hedged transactions that have not yet taken place. Movements in the hedging reserve are described in the table below.

				2012				2011
NOK 1 000	Interest rate swaps	Currency futures	Commodity derivatives	**Total**	Interest rate swaps	Currency futures	Commodity derivatives	**Total**
Opening balance	- 23 938	11 050	- 19 011	**- 31 899**	- 16 705	13 037	19 721	**16 053**
Gain/loss on cash flow hedges	11 394	59 593	- 56 202	**13 315**	- 19 512	14 064	- 22 205	**- 27 653**
Income/expense recognised in the income statement	- 16 379	- 83 635	80 390	**- 19 624**	10 527	- 15 661	- 25 623	**- 30 757**
Deferred tax (note 14)	935	4 510	- 4 537	**2 378**	1 752	- 390	9 096	**10 458**
Effect of cash flow hedging in comprehensive income	- 4 051	- 19 532	19 651	**- 3 931**	- 7 233	- 1 987	- 38 732	**- 47 952**
Closing balance	- 27 989	- 8 482	640	**- 35 830**	- 23 938	11 050	- 19 011	**- 31 899**

Negative amounts represent a liability and a reduction in equity.

Gain/loss transferred from other income and expenses in the income statement is included in the following items in the income statement:

NOK 1 000	**2012**	**2011**
Sales revenue	- 727	2 485
Raw material costs and changes in inventories	8 486	28 801
Other operating expenses	375	10 498
Net financial result	11 490	- 11 027
Total	**19 624**	**30 757**

Negative amounts represent income.

NOTE 28 LIQUIDITY RISK

Liquidity risk - operations

Liquidity risk concerning operations relates primarily to the risk that Elopak, Telecomputing, Mestergruppen and Swix will not be able to service their financial obligations as they fall due. This risk is managed by maintaining adequate cash reserves and overdraft opportunities in banking and credit facilities, as well as continuously monitoring future and actual cash flows.

The following tables provide an overview of the Group's contractual maturities of financial liabilities. The tables are compiled based on the earliest date the Group may be required to pay.

31.12.12

NOK 1 000	Less than 1 year	1-3 years	3-5 years	Total
Finance institutions	362 440	2 840 370	2 442 733	5 645 543
Accounts payable	755 698			755 698
Related parties		11 498	32 731	44 229
Other non-current liabilities		164 550	141 530	306 080
Other current liabilities	1 106 157			1 106 157
Total*	**2 224 295**	**3 016 418**	**2 616 994**	**7 857 707**

31.12.11

NOK 1 000	Less than 1 year	1-3 years	3-5 years	Total
Finance institutions	890 131	2 161 922	3 617 765	6 669 818
Accounts payable	826 359			826 359
Other non-current liabilities		129 315		129 315
Other current liabilities	1 315 564			1 315 564
Total*	**3 032 054**	**2 291 237**	**3 617 765**	**8 941 056**

*) The table does not include lease obligations, guarantees and off-balance sheet liabilities, ref. notes 25 and 29 respectively.

The table below shows the anticipated receipts and payments on derivatives:

31.12.12

NOK 1 000	Less than 1 year	1-3 years	Over 3 years	Total
Net settlement				
Interest rate swaps	51 446			51 446
Currency futures	10 252			10 252
Commodity derivatives	- 600			- 600
Total	**61 098**			**61 098**

31.12.11

Beløp i NOK 1 000	Less than 1 year	1-3 years	Over 3 years	Total
Net settlement				
Interest rate swaps	- 16 524	- 28 831	- 5 458	- 50 813
Currency futures	22 841			22 841
Commodity derivatives	22 256			22 256
Total	**28 573**	**- 28 831**	**- 5 458**	**- 5 716**

Credit facilities

The table below shows a summary of used and unused credit facilities at 31 December:

	2012		**2011**	
	Used	Unused	Used	Unused
Overdraft:				
Secured	47 078	314 940	318	109 682
Unsecured	54 982	440 696		100 000
Credit facilities:				
Secured	1 604 440	1 567 090	575 922	383 132
Unsecured			3 300 000	1 700 000

Factoring:				
Secured	4 311	15 561	63 638	37 263
Unsecured	391 113	416 599	366 727	376 484
Total secured	**1 655 829**	**1 897 591**	**639 878**	**530 077**
Total unsecured	**446 095**	**857 295**	**3 666 727**	**2 176 484**

NOTE 29 **OPERATING AND FINANCE LEASES**

The Group as lessor, operating leases

The Group leases fixtures and equipment under operating leases. Essentially, equipment is rented out to Elopak's customers who use them in their own production.

Specification of income from operating leases	**2012**	**2011**
Total variable leases recognised as income	90 229	
Minimum leases (including fixed leases) recognised as income		66 600
Total variable leases recognised as income	**90 229**	**66 600**

At the balance sheet date, the Group has contracted the following future minimum leases:	**2012**	**2011**
Totally due next year	70 128	61 839
Totally due in 2-5 years	175 879	121 333
Totally due after 5 years	28 075	26 276
Total	**274 082**	**209 448**

The amounts have not been discounted.

The Group as lessor, finance leases

Specification of income from finance leases	**2012**	**2011**
Total variable leases recognised as income		
Finance income from agreements on finance leasing	1 476	384
Total income fra finance leases	**1 476**	**384**

Gross investment compared to the present value of outstanding minimum leases:	**2012**	**2011**
Gross receivables from leasing agreements	17 714	8 331
Finance income not yet earned	- 2 969	- 1 145
Net investment from finance leases (present value)	**14 745**	**7 186**

The Group as lessee, operating leases

Specification of expenses from operating leases	**2012**	**2011**
Total variable leases recognised as expenses	184 846	98 676
Minimum leases (including fixed leases) recognised as expense	47 979	58 657
Subleases recognised as cost reductions	- 899	
Total leasing costs	**231 926**	**157 333**

Due for payment	**2012**	**2011**
Total costs next year	238 682	162 697
Total costs 2-5 years	736 636	508 175
Total costs after 5 years	478 246	340 168
Total	**1 453 564**	**1 011 039**

The amounts have not been discounted.

Distribution of the same leasing obligation on leasing objects	**2012**	**2011**
Buildings and land	751 031	916 448
Machines and plants	16 839	
Fixtures, vehicles and equipment	685 694	94 591
Total leasing obligations related to operating lease commitments	**1 453 564**	**1 011 039**

The Group as lessee, finance leasing

Specification of leasing costs	**2012**	**2011**
Total variable leases recognised as expenses	7 263	
Total leasing costs	**7 263**	

Future minimum leases and corresponding present	**Minimum lease**	**Calculated**	**Present**

values, by due dates:	Minimum lease	interest	value
Total due in one year	9 399	7 504	1 895
Total due in year 2-5	7 876	7 580	296
total due after 5 years			
Total leasing obligations related to finance leasing		**15 084**	**2 191**

Net carrying value of leased assets, by asset class	2012	2011
Buildings and property		
Machines and plants	3 362	
Fixtures, vehicles and equipment	19 470	1 497
Total carrying value of leased assets	**22 832**	**1 497**

The fixed assets are also included in note 9.

NOTE 30 RELATED PARTIES

Associated companies and joint ventures

Transactions with associated companies and joint ventures are accounted for in note 12.

The Board and executives

The board members' rights and obligations are stated in the Articles of Association and Norwegian law. The Group has no significant contracts in which a board member has a substantial interest. Ownership in Ferd AS by board members is stated in note 22, and information on fees to board members and executives in note 6.