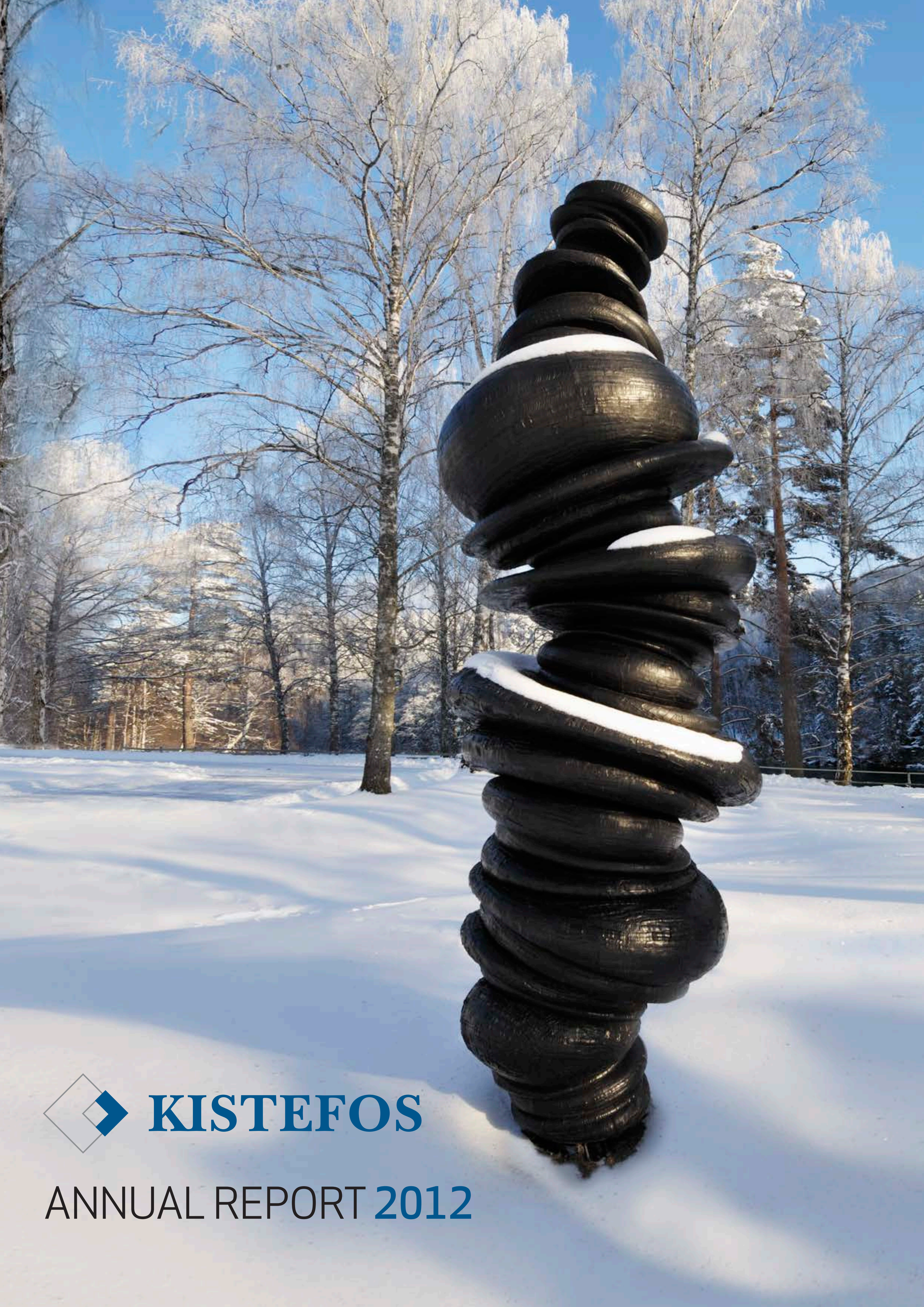


KISTEFOS

ANNUAL REPORT 2012

FRONT PAGE SCULPTURE

TONY CRAGG
"Articulated Column"

"Articulated Column" was produced by artist Tony Cragg (born in 1949) in 2001. The museum's sculpture is the last in a series of three; the first one was created in 1996.

"Articulated Column" is made of bronze, and despite its height and weight, feels light and movable, almost floating. The round forms that comprise the core of the sculpture help create the impression that the sculpture is dancing or wobbling from side to side. The shape also creates associations to water swirling or to a whirlwind with the force of a tornado.

Contents

CEO's report

2012 was a year where most of the focus was on further development of our existing portfolio companies.

Henning E. Jensen
CEO,
Kistefos

The dry bulk market was fairly stable, with low rates. In this difficult market, Western Bulk showed that its business model can also handle this type of challenge, and by operating a record number of ships in 2012 the company continued to deliver good results for the group.

In 2011, we began developing Rederi AB TransAtlantic into two solid business areas, and this work continued in 2012. Much has been done, but a great deal of work remains before the project is finished. We feel that Viking Supply Ships, the offshore branch of RABT, is well positioned, but at the same time much work remains in order to achieve a higher number of long-term contracts.

Both we and the market expected the offshore market to recover in 2012, following a poor 2011. However, this recovery did not materialize, contributing to the group's annual results not meeting our expectations. Industrial Shipping has major challenges in a falling market. Here we are focusing on gaining market shares and cutting costs. The shipping market in which we operate was characterized by high supply of ships and a concurrent fall in demand. TransAtlantic definitely noticed these challenges in 2012.

For Opplysningen 1881, the trend of a declining total market for personal directory services continued in 2012. This has been evident since alternative channels and new technological solutions like Internet directory services and text searches were established in the market. To compensate for this decline, we had an ongoing focus on increasing the efficiency of operations and the customers service experience. This allowed the company to deliver equally strong results in 2012 as in 2011, even though the top line is in decline.

Our investments in Advanzia Bank, yA Bank and Phonero also showed a positive trend in 2012. Despite the current economic climate, our two banks showed healthy and strong growth during the past year. We are continuing to attract new customers, and losses on loans remain at a low level. We will continue to participate in strategic decisions, and actively continue to develop these companies. We expect 2013 to also be a good year.

Even though there is at times low activity in the different markets in which the Kistefos group operates, this does not mean that we are leaning back and waiting passively for something to happen. On the contrary, we are constantly looking for ways to improve our enterprise. Whether it be shipping, property or TMT, it is always possible to improve. This is an area in which we had a strong focus in 2012; one we will maintain in 2013. As CEO of Kistefos, I find that no two days are the same – fortunately. 2013 will no doubt bring both opportunities and challenges, but I am sure that we will meet them with the positive attitude that "anything is possible".

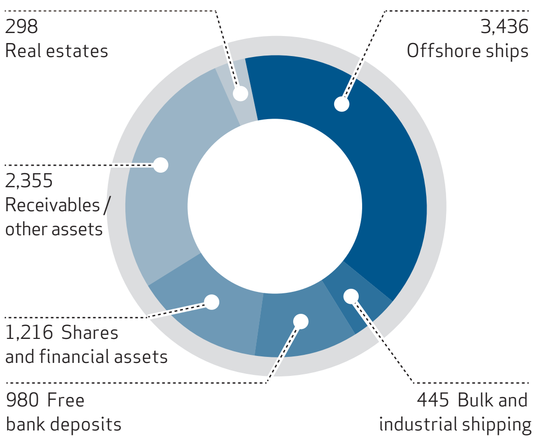
Key figures - Group

(NOK million)

	2012	2011	2010	2009	2008
PROFIT AND LOSS STATEMENT					
Operating income	10,277	9,077	7,906	4,997	6,707
Operating result	246	(56)	492	86	590
Year's result	**(93)**	**(388)**	**234**	**499**	**308**
BALANCE SHEET					
Fixed assets	5,228	5,542	4,984	2,047	1,849
Bank deposits	980	1,164	884	863	950
Other current assets	2,522	2,568	2,248	2,417	2,416
Equity	2,106	2,310	2,894	1,873	1,592
Long-term liabilities	5,173	5,118	4,023	2,882	2,755
Short-term liabilities	1,452	1,846	1,199	572	868
Total assets on balance sheet	**8,731**	**9,274**	**8,116**	**5,327**	**5,215**
SOLVENCY					
Book equity ratio	24.1%	24.9%	35.7%	35.2%	30.3%

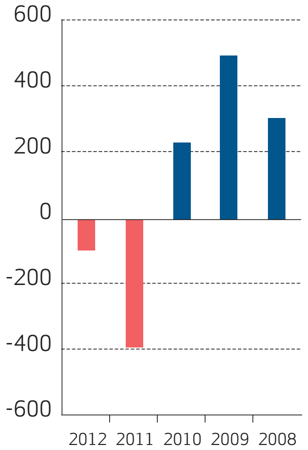
Book value of assets

(NOK million)



Net Income

(NOK million)



Highlights 2012

- Rederi AB TransAtlantic had a weak year. The industrial shipping division saw a large offering of tonnage in our niche, at the same time that the offshore market never had the expected level of increase. A comprehensive strategy project was initiated to increase the efficiency of operations and to improve the company's services for customers.

- In 2012, Atex Group Ltd appointed a new chief executive officer and a restructuring process that will ensure that the company is still able to meet its customers' changed needs was initiated. The 2012 results reflects the impact of this restructuring process.

- In Q4, Kistefos AS sold its subsidiary Viking Barge DA's 7 North Sea barges to Ugland Shipping AS for a total of EUR 17.5 million, and recorded a profit of NOK 76.3 million.

- In January 2012, Viking Supply Ships A/S took delivery the last AHTS vessel "Brage Viking" as part of its newbuild programme. VSS has taken delivery 4 AHTS vessels from the Asterillos Zamakona yard in Spain.

- In Q4, Kistefos AS accepted an offer from BASF of NOK 12.50 for the shares in Pronova BioPharma ASA. At the time, Kistefos held just over 9% of the share capital in the company. BASF's offer was later increased to NOK 13.50 per share, and Pronova announced on 21 January 2013 that BASF had received approval by over 90% of the shareholders regarding acquisition of the shares.

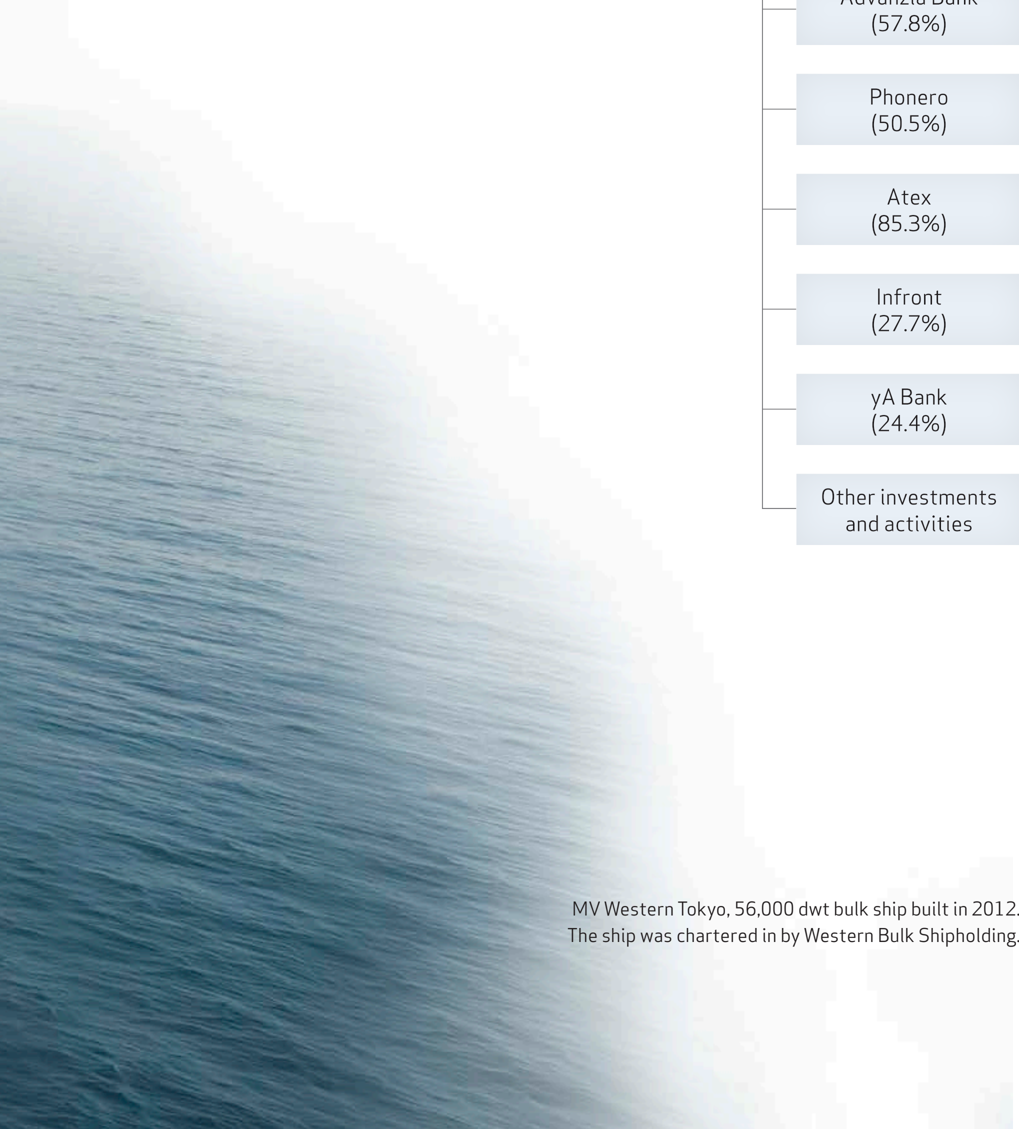
- In Q4, VSS entered into a sale- leaseback agreement for the AHTS vessel "Odin Viking". The transaction freed up a total of SEK 164 million.

- In Q4, Rederi AB TransAtlantic acquired the operations of the Finish shipping company Merilinja.

This is Kistefos AS

Kistefos AS is a private investment company owned by Christen Sveaas. The company comprises wholly-owned and part-owned industrial companies within offshore, shipping and IT, as well as strategic investments in various listed and unlisted companies, principally within banking/finance, telecommunications and real estate.

- KISTEFOS AS
  - Shipping
    - RABT Industrial Shipping (62.9%)
    - Western Bulk (96.1%)
  - Offshore
    - Viking Supply Ships (62.9%)
    - SBS Marine (62.9%)
  - Other investments
    - Opplysningen 1881 (100%)
    - Digitale Medier 1881 (100%)
    - Advanzia Bank (57.8%)
    - Phonero (50.5%)
    - Atex (85.3%)
    - Infront (27.7%)
    - yA Bank (24.4%)
    - Other investments and activities



MV Western Tokyo, 56,000 dwt bulk ship built in 2012.
The ship was chartered in by Western Bulk Shipholding.

Annual report

The Kistefos Group's Net result for 2012 was weaker than expected, mainly due to still very weak results in the 62.9% owned subsidiary Rederi AB TransAtlantic with its two divisions, Industrial Shipping and Viking Supply Ships. The deficit here in 2012 was of the same magnitude as in 2011, around NOK 400 million. Most of the Group's other businesses reported solid results and several show good progress. Western Bulk and Opplysningen 1881 show strong operational performance and profitability in 2012. Group results after tax was a loss of NOK 93 million, a significant improvement from the loss of NOK 388 million in 2011.

Performance and financial situation

In 2012, the Kistefos Group's underlying corporate structure is largely unchanged compared to the previous year. Opplysningen AS 1881 and Digitale Medier 1881 AS have been consolidated for the full year, compared to 8 months in 2011. In 2012, Kistefos bought out all external owners in these companies and now owns 100%. Towards the end of the year, the subsidiary Viking Barge DA sold its entire fleet of seven North Sea barges, which resulted in a gain of NOK 76.3 million.

The Group ´s operating income increased from NOK 9,077 million in 2011 with NOK 1,200 million to NOK 10,277 million in 2012. The increase was due to growth in Western Bulk AS with NOK 876 million, while the consolidation of Opplysningen 1881 AS and Digitale Medier AS for a full calendar year has resulted in an increase of revenue of NOK 174 million compared to 2011.

The Group's operating result was NOK 246 million in 2012. Compared to 2011 this is an increase of NOK 302 million. The significant changes comingas a result of improved operating profit in RABT with NOK 116 million and Western Bulk with NOK 102 million, increased operating profit from Opplysningen 1881 and Digitale Medier with NOK 49 million, combined with improved operating result of the parent company Kistefos AS of NOK 33 million.

The Group's net financial result improved from NOK -390 million in 2011 with NOK 91 million to NOK -299 million in 2012. The change is complex, but the main reason for the change is improved results related to the parent company's financial portfolio. In the opposite direction, the Group's interest expenses increased from NOK 199 million in 2011 with NOK 118 million to NOK 317 million. The interest expenses are affected by the group raising NOK 800 million in bond loans during the year, divided by NOK 300 million in Viking Supply Ships A/S and 500 million in the parent company Kistefos at the end of the year.

No research and development costs have been recorded in 2012.

The Group's total book value of assets decreased from NOK 9,274 million in 2011 with NOK 543 million to NOK 8,731 million in 2012. The reduction relates mostly to the reduction in the RABT fleet totaling NOK 176 million, along with sale of the barges in Viking Barge with NOK 60 million and the sale of the property in Underhaugsveien 15 with NOK 173 million.

At the end of 2012, the Group ´s external, long-term interest-bearing debt was NOK 4,690 million, a decrease of NOK 60 million compared to 2011. The change is due to repayment of long-term liabilities to credit institutions of NOK 816 million, and currency adjustments of debt in foreign currency of NOK 44 million. During the year, the Group has raised bond loans of NOK 800 million.

As a result of the net loss, other changes and conversion differences, the Group's equity decreased from NOK 2,310 million in 2011 to NOK 2,106 million at the end of 2012. The Group's free cash position was NOK 980 million at year end, a decrease of NOK 184 million compared to last year. In the first quarter, the Group's liquidity has been further strengthened by Western Bulk AS having raised a 4-year bond loan of NOK 300 million.

The parent company's liquidity at year end is satisfactory. The parent company is an investment company, and as such has two main sources of liquidity. These are dividends and upward flow of income in the consolidated companies, and the sale of investments. The parent company's management and administration work continuously to ensure adequate liquidity.

On the basis of weak results, the liquidity situation of the subsidiary RABT has been strained. To ensure adequate liquidity through its restructuring phase, the company decided in April 2013 to carry out a share issue of SEK 150 million, guaranteed by Kistefos. The company has defined and implemented a number of specific activities to strengthen the company's liquidity and profitability. The measures are a combination of increased sales activity, which, over time, hopefully will lead to higher income and a number of cost reduction and efficiency improvement plans. At the same there is a full focus on strategic opportunities.

The liquidity situation in other significant businesses is sound.

At the end of 2012, the parent company's equity was NOK 1,522 million, NOK 1,021 million of which was distributable equity. The Group's equity at year-end was NOK 2,105 million. It is believed that the Group has significant additional values beyond book value.

The parent company's total assets increased from NOK 4,696 million in 2011 with NOK 316 million to NOK 5,012 million in 2012. The parent company's result after tax was a profit of NOK 136 million in 2012. The profit is largely due to a positive financial result of net income from subsidiaries of NOK 210 million and realized gains on shares and other financial instruments of NOK 72 million.

The Group is exposed to various types of risk. In addition to the inherent market risk in each company or project, there are other operational and financial risks associated with the Group's activities. The Group is exposed to currency exchange risk through its operations and ownership positions, and is hedging its operational activities against currency fluctuations where it is deemed appropriate. The Group seeks to maintain a neutral long-term currency position in the Group's debt in various foreign currencies, reflecting revenues in different currencies over time. There is an inherent risk associated with short-term and long-term liquidity of the Group, and the Board focus that the liquidity at all times shall be good. The Group ´s Board focus on liquidity is important in today's turbulent financial markets and to ensure the achievement of the company and the Group's obligations, but also for the group to be able to act opportunistically in interesting possibilities should such possibly materialize.

The Group is also exposed to changes in interest rates as the Group's liabilities are subject to variable interest rate. The risk that counterparties do not have the financial ability to meet their obligations is considered low in the offshore area, but is somewhat relatively higher for shipping activities. The Group's Board and management actively monitor the various parts of the business that is exposed to the risk.

Group companies

REDERI AB TRANSATLANTIC, SWEDEN (62.9% OWNED)

The year 2012 was characterized by a comprehensive strategic process within Industrial Shipping in order to streamline operations and improve its services to customers. Strong decline in our main customer markets and the bankruptcy of a customer strongly affected the results in a negative way. Viking Supply Ships' (VSS) earnings were negatively impacted by a weak offshore market in 2012.

RABT INDUSTRIAL SHIPPING, SWEDEN (62.9% OWNED)

In 2012, the Industrial Shipping business area has gone through major restructuring efforts to streamline the company as much as possible. Industrial Shipping has reduced the number of divisions from five to three, and also disposed of 11 vessels during the year. At the end of 2012, the company operates 37 vessels of which nine are owned.

In October 2012, Industrial Shipping purchased the operations of the Finnish company Merilinja, and thus the company has improved its competitive position in Northern Finland and Belgium.

The shipping company ´s three divisions are:

- The RoRo Baltic division, which consists of 7 RoRo ice class vessels that handles most types of cargo such as automobiles, trucks, heavy machinery and equipment for the mining industry.
- Containers, which consist of 8 modern, ice class container vessels that conduct line traffic between Sweden, England and Germany.
- The Bulk division, which operates 22 mid-size ice class bulk vessels and RoRo ships between Europe and North America, as well as along the east coast of North America.

Industrial shipping ´s operating income decreased from SEK 2,259 million in 2011 with SEK 47 million to SEK 2,212 million in 2012. The main reason for the changes is a weak market with low demand, high competition and oversupply of vessels in the markets which the company operates. The operating result was negative by SEK -199 million and profit before tax showed a loss of SEK -229 million in 2012.

VIKING SUPPLY SHIPS A/S, DENMARK (62.9% OWNED)

By the end of 2012, Viking Supply Ships A/S (VSS) owns 3 anchor handling vessels with ice breaking capabilities, 4 Ice Class 1A anchor handlers and 4 platform supply vessels. In addition, the company has a standard anchor handling vessel and 2 platform sypply vessels long-term charter.

The focus on expertise in operations in and under ice conditions and extreme weather conditions has proven to be successful – VSS had more days of operations in areas with ice and extremely rough weather in 2012 than ever before, and the company has achieved a very good track record on such operations.

VSS revenues increased from NOK 639 million in 2011 with NOK 259 million to NOK 898 million in 2012.

VSS operating result was NOK 5.5 million in 2012. Profit before tax was a loss of NOK -157 million in the same period. Operating profit was mainly affected negatively by a year of weak spot market for offshore vessels.

Viking Supply Ships built 4 ice-enhanced AHTS Ice Class 1A vessels at the Spanish shipyard Astilleros Zamakona. The last vessel in the series was delivered in January 2012. The total investment amounts to approximately NOK 1,800 million. The vessels have a design that makes them suitable for operations in areas with ice or extreme weather conditions. During the year, there has been substantial recruitment and training of the crews for the vessels. The crews of these ships are divided between Swedish, Danish and Norwegian seamen.

WESTERN BULK AS, OSLO (96.1% OWNED)

The company is one of the world's leading operators of dry bulk vessels with a primary focus on the supramax segmentet (40 000–61 000 dwt), although the company also operates Handysize tonnage (28 000–40 000 dwt). In 2012, the company had an average of 129 vessels at its disposal, which is 26 more vessels than in 2011 (103 ships).

Despite a very challenging market with the lowest rate levels we have seen in decades, the company improved profitability considerably, and net profit increased from USD 20.1 million in 2011 to USD 27.8 million in 2012. The company's operating income increased from USD 1,030 million in 2011 by USD 114 million to USD 1,144 million in 2012. The dry cargo market rates kept declining also in 2012, as there has been a major increase in available fleet on a global basis compared to the growth in tonnage demand. The average rate level was reduced from USD 14,400 in 2011 to USD 9,500 in 2012. The increase in Western Bulk-operated vessels has offset the reduced rate level and contributed to the increased revenues.

During the year, the Western Bulk Shipholding division entered into contracts for long-term charters with purchase options of five additional Supramax vessels, one of which was delivered in 2012 and the other four to be delivered in 2014 and 2015.

In addition, the division has taken delivery of three Supramax vessels on long-term leases with purchase options that were entered into before 2012. At the end of the year, the division's fleet consisted of one vessel on bare boat, four partially owned vessels and 11 vessels on time-charter with purchase options, of which seven are new builds for delivery in 2014–2015.

KISTEFOS EIENDOM AS, OSLO (100% OWNED)
Since the regulation plan was adopted in 2011, Bergmoen AS has undertaken the leadership task of developing comprehensive visions for Gardermoen Næringspark, organizing landowners for coordinated marketing and establishing models for investment and operation of public infrastructure.

In 2012, Bergmoen fronted the marketing of Gardermoen Næringspark in general, and towards specific industries/businesses that may be relevant for new establishments.

In 2012, Kistefos Eiendom AS sold 100% of its shares in Underhaugsveien 15 AS.

VIKING BARGE AS, KRISTIANSAND (100% OWNED)
In December 2012, Viking Barge DA sold its 7 North Sea barges to an external party outside the Group. Operating profit from the barge operations increased from NOK 19.5 million in 2011 with NOK 21.4 million to NOK 40.9 million until the sale in 2012, which resulted in a gain on the sale of barges of NOK 76.3 million included in this year's accounts.

OPPLYSNINGEN 1881 AS, KRISTIANSAND (100% OWNED)
Opplysningen 1881 is Norway's leading provider of private and corporate information. In 2012, the information services experienced a further decline in volume for both "Voice" and "SMS", but maintained a market share of about 70% for voice and 60% for SMS.

The operating income in Opplysningen 1881 was reduced from NOK 480 million in 2011 with NOK 36 million to NOK 444 million in 2012 due to the aforementioned decline in volume. As a result of significant cost savings and cost effectiveness processes, the company's net income remained unchanged and amounted to NOK 91 million in 2012.

DIGITALE MEDIER AS, OSLO (100% OWNED)
Digital Medier AS operates the website www.1881.no, which has experienced solid growth since it was established in 2005, and has at times been the fastest growing website in Norway. The product side has achieved recognition as exemplified by being voted best directory service twice over the last years by the European Association of Directory Publishers, the industry's own European body. 1881.no has about 900 000 unique users each week.

Operating income in Digital Medier increased from NOK 183 million in 2011 with NOK 7 million to NOK 190 million in 2012. Profit after tax showed a significant improvement from a profit of NOK 6 million in 2011 to a profit of NOK 23 million in 2012.

Other non-consolidated companies

ADVANZIA BANK S.A., LUXEMBOURG (59.7% OWNED)
Advanzia Bank S. A (Advanzia) is a Luxembourg based virtual bank without branches in which all the communication with customers takes place by mail, mobile phone, post or the bank's customer service telephone helpline. At the end of year 2012, Advanzia launched their no fee credit cards in France, and the bank now has distribution of credit cards in three markets: France, Germany and Luxembourg. The bank has taken the position as one of the largest issuers of revolving MasterCard credit cards in Germany.

The total amount of credit cards in active use by the end of 2012 was 309 000, an increase of 28% from the end of 2011. The bank finances its operations through equity and customer deposits, and had 17 000 depositors at the end of the year. The bank experienced yet a year of solid growth in revenues, and total net revenue in 2012 was EUR 59 million, up from EUR 47 million in 2011. Loan losses have shown slower growth than loan balance in 2012, contributing to a strong growth in profitability. Profit after tax amounted in 2012 of EUR 13 million, up 44% from EUR 9 million in 2011.

The company has a very satisfactory capital coverage ratio of 15.6% at the end of 2012, an increase from 15.3% at the end of 2011.

ATEX GROUP LTD., UK, (85.3% OWNED)
Atex Group Ltd. is a leading global supplier of software to the media industry and the largest company in the world within this market. The company provides solutions primarily in the business areas of advertising systems, editorial systems and distributions systems. Atex provides software and integrated solutions for both print and electronic media activities including ad management. This is an industry where most actors (including Atex) has a background in print media.

Atex had sales of USD 84 million in 2012 compared to USD 91 million in 2011.
In 2012, the company received new management, and conducts a substantial restructuring of its operations in order to adapt the structure and costs of a reduced market.

PHONERO AS, KRISTIANSAND (50.5% OWNED)
Phonero operates as a virtual operator in the Norwegian business market for mobile telephony and fixed telephony. The company has a broad product portfolio and supplies solutions ranging from web-based PBX solutions for IP telephony, but with primary focus on mobile telephony. Central to the company's business philosophy and strategy is a high level of service, attention to customer satisfaction and efficient distribution.

Phonero had at the end of 2012 over 40 000 corporate customers, representing an increase of approximately 10 000 customers from the end of 2011.

The company's operating revenue increased from NOK 198 million in 2011 with NOK 71 million to NOK 269 million. At the same time the company's operating profit improved significantly from a profit of NOK 1 million in 2011 to a profit of NOK 8 million in 2012.

YA BANK ASA, OSLO (24.4% OWNED)
yA Bank ASA offers products such as consumer loans, credit cards, debit cards, deposit accounts and payment services. yA Bank is a Norwegian internet bank without branches. The bank communicates with its customers via its website, telephone and cooperating partners and agents.

yA Bank reported a solid increase in revenues in 2012, and total net revenues were NOK 15 million, up 26.6% from 2011. The Group increased its profitability significantly and pre- tax losses ended in 2012 at NOK 83 million, up 58% from 2011.

yA Bank had at the end of 2012 a solid capital coverage ratio of 14.7%, which is significantly above the requirement from the FSA of 10.0%. The bank is thus well capitalized and positioned for further growth.

INFRONT AS, OSLO (27.7% OWNED)
Infront AS is a leading company in the development and sale of real time solutions for information and trading in stocks and other financial instruments. The core product, "The Online Trader", is a market leader in the Nordic countries and about to get a good foothold in selected markets outside the region.

The results in 2012 are influenced by a high level of activities at Infront, but also a challenging market where several of the customers have increased focus on cost reductions. This has contributed to reduced operating income and profitability compared to previous year.

Operating revenue in 2012 was reduced by NOK 19 million from 188 million to NOK 169 million.

The operating profit for 2012 was NOK 25 million, compared with NOK 39 million in 2011.

SPRINGFONDET I (50% OWNED) AND SPRINGFONDET II (70% OWNED)
The Springfondet funds are two funds affiliated with the community at Oslo Science Park. The funds invest in early stage companies developing innovative products of services. In June 2011, the Springfondet II was established, with a total asset of NOK 100 million of which Kistefos has committed NOK 70 million.

Kistefos has invested directly in three of the most promising companies in Sprinfondet's portfolio: Kappa Bioscience AS, Ostomycure AS og Promon AS.

Organization and environment
The Kistefos Group, including portfolio companies, employed 2 175 full time equivalents by the end of 2012. The parent company's head office is in Oslo. The Group operates a global business.

In the parent company, the number of employees has been reduced from 17 to 16, comprising of 5 women and 11 men. The working environment at Kistefos is good. In 2012 there has been a total of 67 days of sick leave (2%) in the parent company. There are no reported injuries of accidents in the Group in 2012.

The Group is committed to facilitating both sexes equal opportunities related to skills enhancment, compensation and development opportunities. The Group practices a personnel and recruitment policy that does not discriminate. Kistefos Group has drawn up a "code of conduct" which describes the policies that underlie such preventing discrimination and also provide organizing work for special needs. This "code of conduct" will be implemented and further developed in 2013.

Kistefos is not engaged in polluting activities of significance. However, the Group is engaged in various activities where there may be potential sources of contamination. The individual boards of these companies are responsible for ensuring that operations are conducted properly and in accordance with the guidelines for preventing and limiting environmental pollution.

Material events after the balance sheet date, going concern assumption
After the balance sheet date there have not been any material events besides those already mentioned that affect the financial statements for the year. The annual accounts have been prepared on the basis of a going concern assumption. The board confirms that the basis for a going concern assumption exists.

Outlook
We repeat ourselves to the point of boredom; "The financial crisis is not over", although conditions in 2012 has begun to calm down despite major challenges in the Euro zone which still (April 2013) find itself in recession. We do not believe in recovery until at least 2014. The rest of the world seems to show positive growth trends and perhaps the U.S. will surprise on the upside. The Norwegian financial market is still characterized by limited willingness by the banks to issue new loans, but the historical record profits and increased capital implies a normalization and increased lending will. In 2012, Norway has seen a significant increase in issued bonds, and this market has become an important source of financing for businesses. In the Kistefos Group, both the parent company and its subsidiaries Viking Supply Ships A/S and Western Bulk AS have utilized this funding source. An active bond market suggests that a number of companies are able to raise capital for their investments – although often at a high price. We believe this funding source will be an important complement to bank loans in the future. The price is higher than bank loans, but also bank loan prices have increased significantly due to high capital requirements and less competition. In addition, issued bonds are often without collateral, while bank loans require collateral.

When we last took stock and looked to the future, we expected a significant improvement in our offshore operations in VSS. We must, with the answer in hand, note that the offshore market did not get that envisaged boom. The market was characterized by too great supply in relations to demand, and the results in this business were unsatisfactory. We still think that our fleet of efficient and relatively new ship with a focus on niche markets; operating in ice, and our expert personnel is well equipped in a market with good prospects. We do not slow down, and expect a significant improvement in the results in 2013.

The restructuring of the industrial shipping business in RABT has continued throughout the year and will continue in 2013. We have now been working with this restructuring for almost 3 years, and it still means hard work where we have to balance various measures to ensure higher growth, while effectiveness still needs to be improved and costs reduced further. The market for industrial shipping in the Baltic Sea has continued to evolve negatively in 2013, and the supply of tonnage is huge in our niches. We recently guaranteed an equity issue of SEK 150 million and will increase focus on strategic opportunities to show significantly better results in the near future. The result for 2013 will still be negative, but hopefully at a lower level than the previous 2011 and 2012.

Western Bulk showed again that the company has a business model that works, and even with a record low bulk market, the company provides very good results. We see small signs of improvement in rate levels, but there may be seasonal fluctuations. However, we expect a weak market like that of 2012, the result will be of the same magnitude as in 2012. If markets improve, the company will profit significantly on the optionality built up both in chartering division and ship owning division.

We expect a significantly improved result for Advanzia Bank SA, with continued strong growth in customer base and stable funding conditions. Rollout of banking concept in France would result in a loss, but is important for future customer and profit growth. Traditionally, it takes three years of deficit before black numbers can be displayed.

For Opplysningen 1881, the market will probably continue to decline, but relatively well sustained results can be expected. In 2012, Digital Medier AS showed good progress and we expect continued positive develpment this year. Phonero AS will still show substantial customer growth and significantly improved performance.

In Bergmoen AS, there is and has been several years of active work with final completion of the detailed development plan, and we expect that this will be completed during 2013. This will allow for significantly increased activity around this area, which is the largest industrial area in Norway. There is considerable increase in interested parties, and we are excited about the future of this company.

We can hope that 2013 will bring stable growth and development, but recognize that uncertainty still prevails in many parts of the world. For Kistefos this means that we must be prepared to act quickly and seize opportunities when they arise. We must be prepared for the fact that some of our businesses operate in markets where it can still take some time before we see an improvement. How the year ends, we know only when we add up the numbers next year, but what is certain is that this year is not going to bore us either!

Allocation of the year's result

The board proposes the following allocation of the year's net result:

NOK mill.	
Year results	135.617
Group contributions	-55.806
Transferred to other equity	-79.811
Total allocation of the year's result	**-135.617**

The board proposes that a group contribution of NOK 144.289 million be paid to subsidiaries. It is proposed that no dividend be paid.

23 April 2013
The Board of Directors Kistefos AS

Christen Sveaas	Tom Ruud	Erik Wahlstrøm	Christian H. Thommessen	Martin Reimers	Henning E. Jensen
Executive Chairman	*Board member*	*Board member*	*Board member*	*Board member*	*CEO*

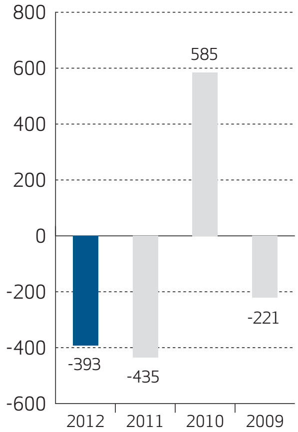
The Board of Kistefos AS. From the left: Christian H. Thommessen, Christen Sveaas (Executive Chairman), Martin Reimers, Erik Wahlstrøm, Henning E. Jensen (CEO) and Tom Ruud. In the background, Nils Aas' sculpture of Christen Sveaas' grandfather, Consul Anders Sveaas.

Rederi AB TransAtlantic

TransAtlantic
www.rabt.se

The TransAtlantic group's turnover rose from SEK 2,989 million in 2011 to SEK 3,274 million in 2012, due to higher turnover in Viking Supply Ships (VSS). The increase was somewhat counteracted by a downscaling of the operations in the Industrial Shipping division (IS) through sale of vessels and returning vessels on time charters. 2012 was characterized by a comprehensive strategy process in Industrial Shipping to streamline the company, increase the efficiency of operations and to improve the company's services towards the customers. Viking Supply Ships' result was negatively affected by a poor offshore market in 2012, while the company's ice strategy in 2012 was successful, with a higher volume of engagements in Arctic waters than in the past. In 2012, the company ook delivery of the last of 4 AHTS ice class vessels from the Asterillos Zamakona yard in Spain. The group's net result after tax was SEK -393 million; of which restructuring amounted to SEK -29 million.

RESULT AFTER TAX
SEK million



1st Quarter

Increased costs, a poor shipping market, and only a weak improvement in the offshore market had a negative impact on the result before tax of SEK -132 million in Q1. Viking Supply Ships raised NOK 300 million in an unsecured bond loan in the Norwegian bond market, due in March 2017. Viking Supply Ships took delivery of AHTS Brage Viking in January. The former main office in Skärhamn was sold. Industrial Shipping's terminal in Hull was launched.

2st Quarter

Q2 earnings were poor for both Viking Supply Ships and Industrial Shipping, but the underlying results were better than in Q1. To reverse the negative trend, an Industrial Shipping cost savings project was initiated, with a number of strategic and operational actions, including shutting down offices in Stockholm and Västerås, and an increased focus on bunker savings. The charter agreement between VSS and Sakhalin Energy Investment Company Ltd (SEIC) took full effect during the quarter. In Q2, Industrial Shipping reduced its fleet to 37 ships, compared with 48 at the beginning of the year to better meet the demand in the market. Renegotiation of several time charters during the quarter also had a positive effect on Industrial Shipping.

3st Quarter

The group's Q3 earnings were higher than during the previous quarter, with better results for both VSS and Industrial Shipping. A combination of better contract coverage and an occasionally improved offshore spot market in the North Sea contributed during the quarter to generate a positive cash flow for VSS. VSS extended the contract with Centrica Energy for PSV Freyja Viking by one year, with an option for another year. At the same time that cost-cutting measures were executed at Industrial Shipping, a new growth strategy was drawn up and its implementation began.

4st Quarter

The group's Q4 earnings were SEK 765 million. The leaseback transaction for Odin Viking freed up SEK 164 million in liquidity. Industrial Shipping established a line between Szczecin, Poland, and Hull, England. RABT the operations shipping company Merilinja as part of the new growth strategy.

SEK million	2012	2011	2010
Operating income	3,274	2,989	2,394
EBITDA	120	67	883*
Operating result	-143	-348	455*
Result after tax	-393	-435	585*
Total assets	5,745	6,283	5,111
Book equity	2,103	2,493	2,396
No. of employees	787	833	911
Kistefos's ownership interest	62.9%	62.9%	50%
CEO	Henning E. Jensen	Henning E. Jensen	Stefan Eliasson

*2010 includes profit generated from sale of the anchor handling business of SEK 775 million.

Brage Viking breaking ice in the Baltic Sea.

Industrial Shipping

Industrial Shipping's business concept is to add value for European industrial customers by delivering the best quality and most reliable environmentally-efficient logistics solutions. A strategy process was initiated in 2012 to streamline the company, increase the efficiency of operations and improve the company's services towards its customers. Industrial Shipping made strategic acquisitions as part of a new growth strategy, and initiated cost-cutting measures to improve the company's profitability.

Industrial Shipping

The goal of Industrial Shipping, which consists of five different divisions with a total of 37 bulk, container and RoRo vessels, is a collaboration to achieve the highest utilization rate of the vessels and high levels of service for Industrial Shipping's customers. This will be combined with a logistics infrastructure consisting of our terminals and a strong land transport network. With the Baltic Sea as a geographical base, the business focuses on contract-based freight, primarily for customers in the forestry, steel, energy and mining industries.

Major customers within Scandinavian primary industries

TransAtlantic works with some of the largest players in the timber and steel industries in Finland and Sweden. These customers operate in a global market and have strict requirements concerning time and quality. These companies have a great need to reduce lead times and costs, so that they can be competitive in the international market. Industrial Shipping's largest customers include StoraEnso, Rautaruukki, Rottneros, Hapag Lloyd, SMA, SCA, Sveaskog and SSAB.

Cost-cutting programme initiated in 2012

A cost-cutting programme was initiated in 2012 to improve the profitability in the business area. The plan contains a number of strategic and operative actions, including shutting down offices in Stockholm and Västerås, and a greater focus on bunker savings. As part of this work, the company also reduced the fleet by selling ships to adapt supply in the market, renegotiating time charters, and registering its ships abroad.

New growth strategy and acquisition of the operations of shipping company

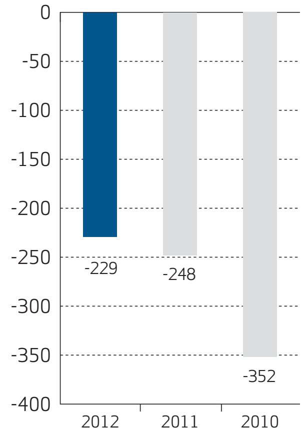
At the same time as cost-cutting was initiated, the company worked to implement a new growth strategy, including a greater focus on the customers' needs, which strengthened the company's sales organization. There was also a focus on strengthening the market base in the Baltic Sea, streamlining services, and covering the entire logistics chain. As part of this, Industrial Shipping acquired the operations of the Finnish shipping company Merilinja in October, and also established a new line between Poland and the UK.

Flexible fleet

A large proportion of Industrial Shipping's vessels are leased, which means that the fleet can quickly be adapted to the customers' needs and updated in line with technological developments and new requirements concerning environmental friendliness. This is combined with a base of owned vessels in order to satisfy a long-term need for modern ice class vessels and the right tonnage for customers. This sustains a high level of competence in areas like vessel operation, cargo economics and vessel development.

A long-term restructuring process is taking place in all divisions which will result in fewer, but larger and more efficient vessels. At the end of 2011 / beginning of 2012, Industrial Shipping had 48 vessels, while time charters were renegotiated in 2012, and vessels were returned, leading to the fleet being reduced to 37 at the end of the year; with 9 being owned by the company.

RESULT BEFORE TAX
SEK million



FACTS ABOUT THE BUSINESS AREA

- One of Sweden's largest shipping companies
- Head office in Gothenburg and other offices in Sweden, and in Hull, Helsinki, Riga, Tallinn, Szczecin, Antwerp and Raahe
- Focus on the Baltic Sea with a leading position in Bottenviken
- Major customers within Scandinavian primary industries
- Three co-operating divisions
- Integrated logistics solutions
- 37 vessels; of which 9 are owned by the company
  - 7 RoRo vessels
  - 8 container vessels
  - 22 bulk vessels

ENTIRE FLEET ENVIRONMENTALLY AND QUALITY-CERTIFIED

TransAtlantic is certified pursuant to the ISO 9001 quality management system and the ISO 14001 environmental management system. The environmental certification covers 54 environmental management points for operations both at sea and on land. TransAtlantic focuses intensely on the environment and continuously measures the environmental impact of each voyage.

TransPine.

SEK million	2012	2011	2010
Operating income	2,212	2,259	1,865
EBITDA	-127	-35	-61
Operating result	-199	-219	-323
Result before tax	-229	-248	-352
Total assets	967	1 321	n.a.*
Book equity	254	537*	n.a.*
No. of employees	381	442	609
Kistefos's ownership interest	62.9%	62.9%	50.0%
CEO	Henning E. Jensen	Henning E. Jensen	Stefan Eliasson

*Due to the changed group structure, the 2011 equity is pro forma and the 2010 equity is not relevant.

Western Bulk

www.westernbulk.no

Western Bulk is a global leader in the dry cargo market, operating in the Handysize and Supramax segments. The company recently also established activities in the Panamax segment. The company's business is organized in two divisions: Chartering and Shipholding.

Western Bulk – group

Western Bulk AS
Parent company

Western Bulk Chartering AS
Chartering and trading operations

Western Bulk Shipholding AS
Vessel-owning operations

Financial highlights

The gross freight income increased from USD 1,030 million in 2011 to USD 1,144 million in 2012. The high gross turnover is mainly due to the fleet increase, which to some extent was counteracted by a lower rate level. The net result before tax was USD 28.3 million in 2012, compared with USD 19.9 million during the previous year.

Western Bulk Chartering

The chartering division consists of eight business units that are located in the company's five offices in Oslo, Monaco, Singapore, Seattle and Santiago, Chile. In 2012, Western Bulk operated on average 129 vessels, compared with 103 in 2011 and 95 in 2010. Western Bulk will increase the number of vessels in operation, with focus on quality tonnage with an environmentally-friendly design and reduced bunker consumption.

Western Bulk Shipholding

The Shipholding division was established in 2009, with focus on investing in and controlling vessels. In 2012, Western Bulk entered into five new long-term time charters with an option to buy. One of these vessels was delivered in 2012, while the remaining four are new builds that will be delivered in 2014 and 2015. The company also received three other new builds in 2012 for long-term charter parties. The Shipholding fleet consists of 16 vessels; seven of which are new builds. Four of the vessels are part-owned, and the remaining vessels have been leased on long-term charter parties with options to buy. It is the intention of Shipholding to further increase its investments in quality tonnage with an energy-efficient and environmentally-friendly design.

Market trends

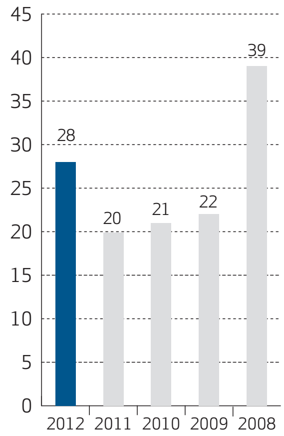
The Supramax index was USD 12,296 per day at the beginning of 2012, and USD 7,654 per day at the end of the year; a 38% decline during the year. The average rate level fell from USD 14,400 in 2011 to USD 9,500 per day in 2012. The volatility was relatively low throughout the year. The ship values in the second-hand market started at about USD 25.5 million for a five-year old 56,000 dwt Supramax and fell by 24% during the year.

The environment

Maritime transport is the most discharge-friendly form of transport of raw materials. However, the use of fossil fuel leads to ships discharging gases that include CO_2 and NOX. Western Bulk focuses on using environmentally-friendly vessels with the lowest possible fuel consumption per tonne of carried raw material, and all the owned and leased vessels comply with international standards and regulations relating to emissions and safety with respect to health and the environment.

RESULT AFTER TAX

USD million



Market outlook

The dry cargo market is expected to remain weak in 2013. Despite expected growth in demand, with Chinese imports of raw materials as the most important driver, the market outlook for the dry cargo market is still negative. The delivery of vessels from a large order book is expected to exceed what the anticipated growth in global trade can absorb in the short-term. In other words, there are no expectations of an imminent reduction in the overhang on the supply side, but if the market continues at the same low level or deteriorates even further, an increase may be expected in the scrapping of tonnage that will help improve the basic picture over time. Based on the negative prospects for 2013, we may also experience that some players in the market will struggle finacially and may not survive a prolonged downturn which again may lead to interesting opportunities.

35.3
MILLION TONNES
In 2012, Western Bulk carried a total of 35.3 million tonnes of cargo.

47,194
SHIP DAYS
In 2012, Western Bulk had a total of 47,194 ship days.

129
SHIPS
In 2012, Western Bulk had 129 ships at its disposal.

MV Western Tokyo, 56,000 dwt bulk ship built in 2012. The ship was chartered in by Western Bulk Shipholding.

USD million	2012	2011	2010
Operating income	1,143.6	1,030.3	1,081.9
EBITDA	31.5	24.7	47.5
Operating result	30.0	23.7	45.2
Result before tax	28.3	19.9	42.7
Total assets	241.7	230.5	227.7
Book equity	100.8	70.2	73.7
No. of employees	98	95	88
Kistefos's ownership interest	96.12%	94.30%	94.00%
CEO	Jens Ismar	Jens Ismar	Jens Ismar

Viking Supply Ships

VIKING SUPPLY SHIPS AS
SHIPOWNERS
www.vikingsupply.com

Strong position in the Arctic offshore

Viking Supply Ships' substantial expertise in operating in areas with ice and under extreme weather conditions will increase in importance as oil and gas exploration takes off in Arctic waters. The venture has been successful, with more contract days in Arctic waters in 2012 than ever before. 2012 was also a year marked by high activity, including issuing a NOK 300 million bond loan in the Norwegian bond market, and delivery of the last of four AHTS vessels from the Asterillos Amakona yard in Spain.

Extensive experience

Viking Supply Ships' (VSS) core activity is in the global Offshore and Offshore / ice breaking segment. The fleet consists of 3 AHTS vessels / ice breakers, 4 ice-classified AHTS vessels, and one conventional AHTS vessel adapted to the North Sea. Viking Supply Ships Ltd in Aberdeen also operates a fleet of five modern and one older PSV vessel.

VSS has extensive offshore experience that dates back to the beginning of the company in 1974. VSS's main office is in Copenhagen, with local offices in Kristiansand, Aberdeen, Gothenburg and Moscow.

Strong competence on ice and under extreme weather conditions

Viking Supply Ships' substantial expertise in operating in ice and under extreme weather conditions will be important as oil and gas exploration takes off in Arctic waters. The increasing activity in these areas will create opportunities for multi-year contracts with oil companies and thus balance volatile earnings from the North Sea spot market. In addition to a modern fleet suited to operations in the ice, Viking Supply Ships possesses leading expertise in this area. On average, the officers on board our AHTS vessels have over 10 years' experience in ice breaking and offshore operations. The focus on competence on ice and extreme weather conditions has proven to be successful – VSS had several days of operations in areas with ice extremely bad weather in 2012 than ever before, and the company has achieved a very good track record in such operations. Viking Supply Ships has conducted operations in Arctic waters for customers like Shell, ENI Norge, Cairn Energy and Statoil since 2007.

Delivery of the last of four ice-reinforced AHTS vessels in 2012

Viking Supply Ships has built four ice-reinforced AHTS vessels at the Spanish Astilleros Zamakona yard. The last vessel in the series was delivered in January 2012. The design of the vessels mean they are particularly suited to operations in areas with ice or extreme weather conditions, such as those found in the Barents Sea.

Sale and leaseback of Odin Viking

In December 2012, Viking Supply Ships entered into a sale leaseback transaction with Norseman Offshore AS for the Odin Viking AHTS vessel. The transaction's sale price was USD 53 million. The bareboat agreement with Norseman Offshore AS is valid for 8 years, with purchase and sale options during the lease period. VSS will be responsible for all operation and maintenance costs during the bareboat period.

FACTS ABOUT THE BUSINESS AREA

- Head office in Copenhagen, with offices in Aberdeen, Gothenburg, Kristiansand and Moscow
- Around 400 employees, 350 of whom are on the vessels
- One of the few operators with real experience from the Arctic offshore
- Contacts with the Swedish Maritime Administration
  - Ice breaking with new vessels
  - Vessel management for the five Swedish state-owned ice-breakers
- A fleet of 14 vessels:
  - Three combined AHTS ice-breakers
  - Four ice class 1 A AHTS vessels
  - One standard AHTS vessel (bareboat)
  - Six non-ice class PSV vessels (two on bareboat)

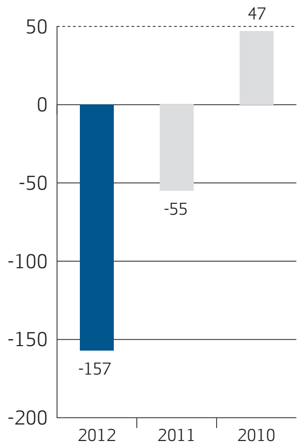
ACTIVITIES IN 2012

- Viking Supply Ships obtained NOK 300 million as an unsecured bond loan in the Norwegian bond market, due in March 2017.
- 1 more AHTS Ice Class 1 A delivered as part of the new build programme; the last of four.
- The charter agreement between VSS and Sakhalin Energy Investment Company Ltd (SEIC) for Vidar Viking took full effect during the year.
- VSS extended the contract with Centrica for PSV Freyja Viking by one year, with an option for another year.
- VSS entered into an agreement with Norseman Offshore AS regarding sale leaseback of the Odin Viking AHTS vessel.

Loke Viking.

RESULT BEFORE TAX

NOK million



VIKING SUPPLY SHIPS

NOK million	2012	2011*	2010*
Operating income	898	639	590
EBITDA	183	205	201
Operating result	6	16	88
Result before tax	-157	-55	47
Total assets	4,243	4,059	3,122
Book equity	1,723	1,584	1,365
No. of employees	406	391	311
Kistefos's ownership interest	62.9%	62.9%	100.0%
CEO	Christian Berg	Christian Berg	Stefan Eliasson

*Pro forma with VSS and SBS Marine calculated on a 100% basis in both 2010 and 2011

AHTS

NOK	2012	2011	2010
Fixture rate per day	301,000	252,000	287,000
Utilization rate (%)	67%	73%	80%
Average day rate	200,000	184,000	228,000

PSV

USD	2012	2011	2010
Fixture rate per day	17,800	18,500	16,400
Utilization rate (%)	75%	87%	83%
Average day rate	13,400	16,100	13,700

Opplysningen 1881

In 2012, Opplysningen 1881 achieved an operating result before depreciations and write-downs of NOK 142 million. The company experienced growth in new services, and in 2012 received full effect of the cost reductions initiated in 2011. This compensated for the reclining market the company experienced in the voice and SMS core services. In 2012, Kistefos bought out all minority shareholders in Opplysningen 1881 AS.

Kistefos became involved with Opplysningen 1881 through its ownership of Carrot Communications ASA. In mid-2007, Carrot was sold to Opplysningen 1881 against a settlement in shares, and Kistefos became the second largest shareholder in 1881 with about 30.4% of the shares. In 2011, Kistefos bought out the two other large shareholders, A. Wilhelmsen and Telenor, and became the majority shareholder of the company. In 2012, Kistefos bought out the remaining minority shareholders.

As a step in refining the various business areas, Opplysningen 1881 spun off its Internet division at the end of 2010. This company is called Digitale Medier 1881 AS, and is now fully-owned by the Kistefos group.

Business areas

The core services of Opplysningen 1881 AS are directory services by voice and SMS. The company also has the "New services" business area, which consists of Eksperthjelp, Mobilsøk, B2B and Ask Adam. Eksperthjelp offer expert services via telephone and email via the www.eksperthjelp.no portal. Everyone from doctors, lawyers, IT experts and tradesmen offers their services through this portal which in the long-term can serve as an extension of 1881 and thus will help define the directory services of the future. Through the Mobilsøk service, Opplysningen 1881 offers an application that automatically displays the name of the person calling, even if the person is not stored in the phone's contact list.

2012 performance

The directory services saw a further reduction in volumes for both voice and SMS in 2012. Longer calls due to more complicated questions or inquiries other than about name, number and address compensated for the fall in volume to some extent. In 2012, Opplysningen 1881 kept its market shares from the previous year, despite strong competition in the market.

Growth in new services partly compensates for a declining market in the core services. Eksperthjelp has seen a good trend in the past few years, and in 2012 it accounted for almost 10% of Opplysningen 1881's turnover. The service is expected to be an increasingly large contributor to sales and profits for the company in the future. Moreover, the business areas Mobilsøk/B2B and AskAdam accounted for around 12% of Opplysningen 1881's turnover in 2012.

In order to be in forefront of an anticipated decline in volumes, in the past couple of years Opplysningen 1881 made organizational changes and increased its focus on efficiency. The aim was to preserve profitability at the company by adjusting the cost base ahead of decreases in volume. 1881 succeeded with these measures.

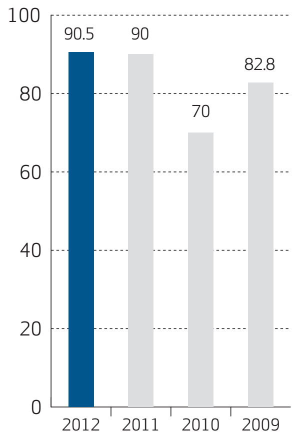
Kistefos is represented on the board of directors by Gunnar Jacobsen (chairman of the board) and Tom Olav Holberg (board member).

NOK million	2012	2011	2010*
Operating income	444	480	565
EBITDA	143	158	126
Operating result	123	129	104
Result after tax	91	90	70
Total assets	301	325	372
Book equity	112	115	84
No. of employees	168	188	309
Kistefos's ownership interest	100.0%	90.5%	30.0%
Man. Dir.	Jan Erik Sørgaard	Jan Erik Sørgaard	Jan Erik Sørgaard

*pro forma figures

www.1881.no

RESULT AFTER TAX
NOK million



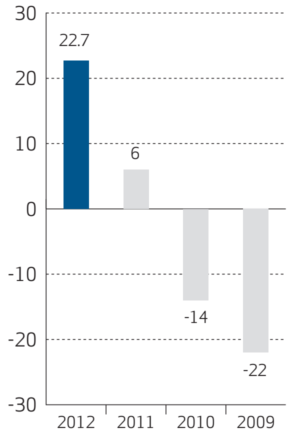
"Opplysningen 1881 is Norway's decidedly largest directory service. The company's database contains over 8 million listings and it is updated every day with up to 70,000 changes. Opplysningen 1881 is among Norway strongest brands, with a market share for directory services via voice and SMS of 70–80%."

www.1881.no

Digitale Medier

In 2012, Digitale Medier had its strongest year ever, and the operating result before depreciations was NOK 34 million. During the year, the company strengthened its sales organization and its turnover grew, despite the further restructuring of multiple parts of the organization. The company was spun off from Opplysningen 1881 at the end of 2010, and has showed a positive trend since then.

RESULT AFTER TAX
NOK million



Digitale Medier is an extension of Opplysningen 1881's acquisition of Infomediahuset in 2005 and subsequent Internet ventures. The company sells directory listings and banner advertising on www.1881.no to advertisers and uses sales companies, telemarketing and its own sales staff in its distribution. The spin off from Opplysningen 1881 was part of the refinement of the various business areas in the group.

The web site www.1881.no has grown linearly since its start-up, and at times was the fastest-growing Web site in Norway. It has twice been named the best directory service by the European Association of Directory Publishers, the industry's own European body. The Web site www.1881.no attracts around 900,000 unique weekly users, which proves that it has produced a good service.

2012 performance

In 2012, Digitale Medier more than doubled its operating profit. The Group's EBITDA increased by NOK 19 million from NOK 15 million in 2011 to NOK 34 million in 2012. The increase was due to greater sales and costs savings by further increasing the efficiency of the sales organization, as well as reducing IT costs and staffing in back-office functions.

In 2012, the company focused on optimizing the customer and sales distribution, which in practice means that the company changed its sales focus from having a few large customers to a more optimal distribution, with more SME customers. Historically, the directory industry has had good cash flows from SME, and this is expected to be the situation in the future as well.

Kistefos is represented on the board of directors by Gunnar Jacobsen (chairman of the board) and Tom Olav Holberg (board member).

"Through 1881.no, Digitale Medier offers access to Norway's largest database of names, numbers and addresses, with over 8 million listings. During the year, Digitale Medier reinforced its strong position and has about 1 million users weekly through its Internet and mobile portals."

NOK million	2012	2011	2010*
Operating income	190.0	183	171
EBITDA	34.1	15	-7
Operating result	28.0	4	-22
Result after tax	22.7	6	-14
Total assets	190.7	161	158
Book equity	39.0	22	28.3
No. of employees	104	123	107
Kistefos's ownership interest	100.0%	90.5%	30%
Man. Dir.	Pål Arne Grøttem	Pål Arne Grøttem	

* pro forma figures

Advanzia Bank

Advanzia Bank S.A. (Advanzia) is a Luxembourg-based virtual bank without branches in which all communication with customers takes place by Internet, mobile, post or the bank's customer service telephone. At the end of 2012, Advanzia launched no-fee credit cards in France. The bank now distributes credit cards in three markets: France, Germany and Luxembourg. The bank has assumed the position of one of the largest issuers of revolving MasterCard credit cards in Germany.

The bank's primary product is a no-fee credit card. Customer intake was good in 2012, and about 100,000 new customers began using the card actively during the year. The card is marketed either directly via the Internet or in collaboration with partners. At the end of 2012, the bank had issued over 462,000 credit cards; 309,000 of which were in active use. This was a 28% increase, compared with 2011. Net lending to customers, after provisions for losses, amounted to EUR 403 million; up 32% compared to the end of 2011.

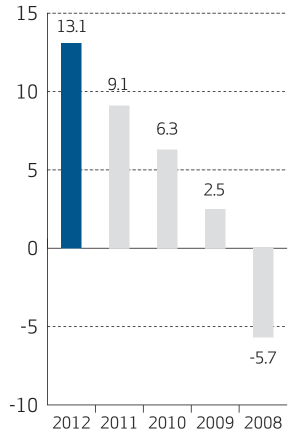
To secure reasonable and predictable financing, Advanzia also offers deposit accounts at competitive terms. At the end of 2012, Advanzia had over 17,000 active accounts with total deposits of EUR 571 million, an increase of 20% compared to the end of 2011. The deposit customer base is stable, and shows strong loyalty towards the bank and satisfaction.

In October 2012, Advanzia expanded its credit card business to France. A significant market potential, diversification of revenues and risk, and a desire to benefit from the bank's scalable systems to an even greater extent are important reasons for this strategic decision. The marketing and costs associated with the expansion initially kept at a moderate level, while the bank's processes and systems are adapted to this new market.

www.advanzia.com

RESULT AFTER TAX

EUR million



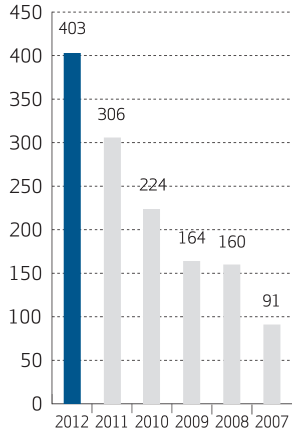
Key figures	2012	2011	2010
Active credit cards	309,000	242,000	194,000
Net lending to customers	EUR 403 million	EUR 306 million	EUR 226 million
Deposits from customers	EUR 571 million	EUR 475 million	EUR 329 million

EUR million	2012	2011	2010
Net income	58.6	47.4	36.0
Result before losses and tax	36.9	28.7	21.4
Losses on lending, loans and guarantees	-18.8	-15.9	-12.6
Result after losses and tax	13.1	9.1	6.3
Total assets	635.5	523.9	371.8
Book equity	57.2	44.1	35.0
No. of employees	69	61	51
Kistefos's ownership interest	59.7%	59.7%	59.7%
CEO	Marc E. Hentgen	Marc E. Hentgen	Marc E. Hentgen

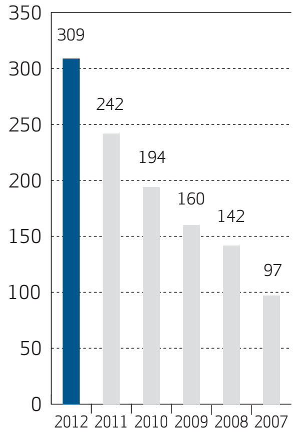
LUXEMBOURG

Advanzia's head office is in Luxembourg, one of Europe's financial centres. The quick implementation of EU regulations and a strong financial markets policy and regulatory focus makes Luxembourg an excellent base for Advanzia.

NET LENDING BALANCE
EUR million



ACTIVE CREDIT CARDS
Thousands



2012 performance

The bank experienced a continued increase in income during 2012. The total net income amounted to EUR 58.6 million, an increase of 24% compared to 2011, when net income amounted to EUR 47.4 million.

Advanzia continues to focus on optimizing the bank's risk management systems, and the loss trend for the credit card debt was positive in 2012. This is illustrated by the growth in the gross lending balance continuing to be higher than the growth in the losses on lending, which in 2012 were, respectively, 30% and 18%.

The result after losses and tax for 2012 amounted to EUR 13.1 million, which represents an increase of 43% since 2011. The return on equity in 2012 was 26%, up from 23% in 2011. At the end of 2012, Advanzia had a solid capital adequacy ratio of 15.6%; up from 15.3% in 2011, and it thus maintained solvency, combined with a strong growth. The bank's liquidity ratio was persistently strong throughout the year, with aliquidity rate of about 40%.

2013 outlook

The bank is planning to increase sales and marketing activities further in 2013. At the same time, it has budgeted for continued good growth in both income and profits.

Kistefos is represented on the board of directors by Henning E. Jensen (chairman of the board) and Christian Holme and Thomas Altenhain as board members.

Atex Group

www.atex.com

Atex is the leading software supplier to the media industry and the largest global actor within its niche in this market. Its head office is in the UK. The company supplies software and integrated solutions for media-intensive companies' printing and electronic activities, including advertisement management. The solution covers advertising, editorial and distribution systems. Most of the companies in the industry (including Atex) have a background in print media.

Atex's 2012 turnover was a total of USD 84 million. Atex conducted a restructuring process in 2012 that is expected to secure long-term viability and attractive products for the market.

In recent years the market has undergone a comprehensive transition as a result of the need to develop functionality that ensures that the media industry's traditional systems can communicate across media channels, from paper and Web sites to social media and mobile devices. Atex has developed these solutions, and the company's technology is already integrated into several of the world's leading media companies. Atex has installed its software with over 1,000 customers in over 40 countries. The great need for a change in customer products has also resulted in a need for Atex to change and restructure.

The company, with its broad platform of products and global distribution, is the result of four major acquisitions during the past 10 years. 2012 was a year of restructuring for Atex, and significant improvements were made to the company's product portfolio, product organization and sale capacity. Atex is confident that the company is now well-positioned to help its customers towards further growth and to increase their operational efficiency.

In 2013, there will be a focus on the product portfolio, new client verticals, marketing and sales organization, and growth. Given the market-controlled development of software as a service (SaaS), Atex will continue to increase the efficiency of its products, services and organization in the coming year.

In 2012, Kistefos was represented on Atex's board by Henning E. Jensen (chairman of the board) and Nishant Fafalia (member of the board).

Atex's stand at a trade fair.

Atex's products can be used on different technological platforms.

USD million	2012	2011	2010
Operating income	83.9	91.3	83.8
EBITDA	-1.3	7.3	12.8
Total assets	148.8	144.2	161.3
Book equity	2.8	14.7	28.5
No. of employees	505	591	570
Kistefos's ownership interest	85.3%	75.1%	66.2%
Man. Dir.	Gary Stokes	Jim Rose	Jim Rose

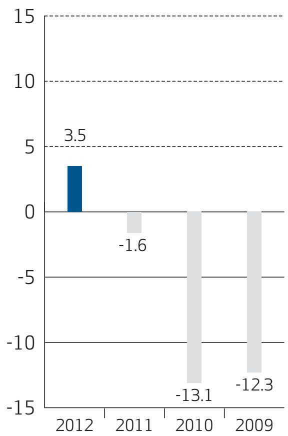
www.phonero.no

Phonero

In 2012, Phonero increased its turnover by 37%, compared with the previous year, and achieved a positive operating result before depreciations of NOK 14 million, compared with NOK 5 million in 2011. Phonero, which was established in the autumn of 2008, had a 2012 turnover of NOK 269 million. During the year, the company grew by over 30% in terms of the number of subscribers, and ended the year with over 40,000 subscribers. For the third year in a row, the EPSI survey named the company the best mobile operator for the corporate market.

RESULT AFTER TAX

NOK million



Phonero operates as a virtual operator in the Norwegian corporate market for mobile telephony and fixed telephony. The company delivers basic products from Telenor's 'wholesale' platform, but performs central functions like product, invoicing and internal customer support. The company has a broad product portfolio and provides solutions that range from online switch-board solutions to IP telephony, although its main focus is on mobile telephony. Key to the company's business concept is level of service, customer satisfaction and efficient distribution.

Norway's best mobile phone operator

Phonero consolidated its position as Norway's best mobile operator in the corporate market in EPSI's annual survey of Norwegian companies for the third year in a row. Phonero is clearly better than the competition in five out of six categories, and for the third year in a row Phonero scored decidedly highest on perceived service quality. By achieving a score of 78.8, against an industry average of 72.8, Phonero may call itself the Norwegian champion in customer service for the third year in a row. It is impressive that the company has achieved and consolidated this position in such a short period of time.

2012 performance

2012 was Phonero's fourth full year of operations. The 2012 EBITDA was NOK 14 million; a strong improvement compared of NOK 5 million during the previous year. The organic growth since its establishment in the autumn of 2008 has been very good. The company started 2012 with about 30,000 subscribers, and ended the year with about 40,000 subscribers, with linear growth throughout the year. The company's growth means that it is now better positioned to transition into segments where the customers have more employees. This will challenge the organization at all levels and especially motivate the sales organization, in addition to representing an opportunity for further development for the company.

At the end of the year, Phonero had 200 employees at offices in Kristiansand, Trondheim, Oslo, Bergen and Stavanger.

Kistefos is represented on the board of directors by Gunnar Jacobsen (board member). The board is led by Ditlef de Vibe.

For the third year in a row, Phonero consolidated its position in the corporate market. In the year's EPSI survey, Phonero scored best in five out of six categories, and is naturally very proud of still being able to call itself the Norwegian champion in customer service.

NOK million	2012	2011	2010
Operating income	268.6	197.6	119.1
EBITDA	13.6	5.1	-14.5
Operating result	8.3	0.6	-16.0
Result after tax	3.5	-1.6	-13.1
Total assets	98.3	83.4	71.9
Book equity	19.1	20.3	20.6
No. of employees	200	165	120
Kistefos's ownership interest	50.5%	50.5%	50.5%
Man. Dir.	Thore Berthelsen	Thore Berthelsen	Thore Berthelsen

Bergmoen

Bergmoen is the largest actor at the Gardermoen Business Park, located between the E6 motorway and Oslo Airport Gardermoen. Its immediate proximity to Oslo Airport and the capital make the Business Park and the Gardermoen region one of Norway's most attractive growth regions.

Here Bergmoen and its sister company Gardermoen Forum AS control a site of some 1,400 decares and will develop about 1,000,000 sq. meters of commercial buildings.

Following the adoption of the zoning plan in 2011, Bergmoen took the role of developing overall visions for the Business Park, organizing the landowners for coordinated marketing, and establishing models of investment and operation of a joint infrastructure.

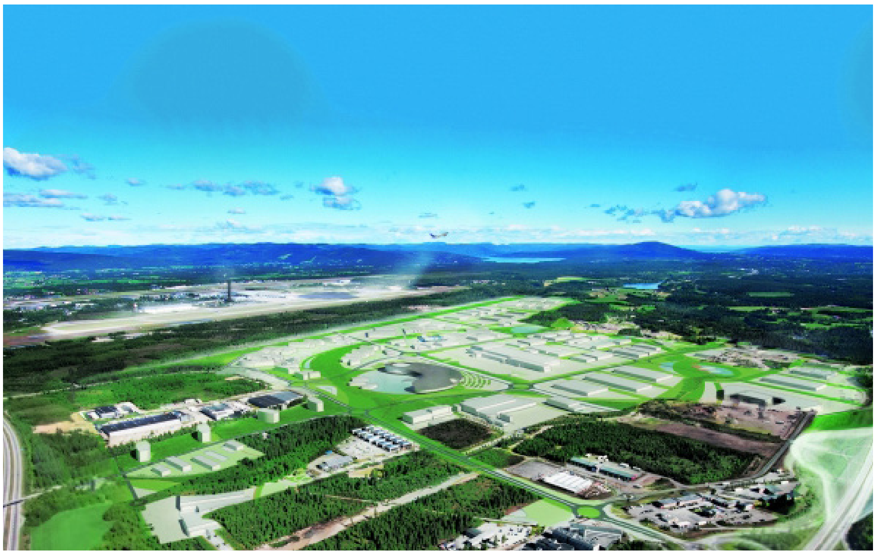
In 2012, Bergmoen was in charge of marketing the Business Park on a general basis, and specifically towards industries/businesses that may be relevant to new businesses.

A number of companies are already established at the Business Park, and Coop Handel will establish its central warehouse for Eastern Norway here, with 50,000 sq.m. of new builds, and an overall investment of some NOK 1.5 billion.

Starting in 2013, the area will be marketed as "Gardermoen Business Park" (previously "Gardermoen næringspark"), with the vision to create a "national meeting place for all types of business, with modern buildings in a green setting".
See **www.gardermoenbusinesspark.no**

We expect major investments to be made at the Gardermoen Business Park in the years to come, and Bergmoen is now open to allowing partners/investors into individual projects / sub-divided fields.

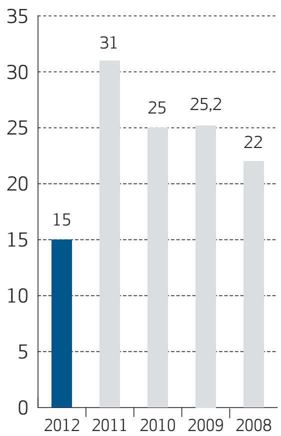
Bergmoen AS is led by Managing Director Rolf Hansteen. Kistefos is represented on the board of directors by Henning E. Jensen (chairman of the board) and Olav Haugland and Hege Galtung (board members).



Modern buildings with a good communication and road infrastructure will be integrated with green structures. The parks can be used for different activities adapted to each business.

www.infront.no

RESULT AFTER TAX
NOK million



INFRONT AS, OSLO
Infront AS is the Nordic region's leading supplier of information and trade solutions for shares and other financial instruments. Its core product, 'The Infront Terminal', is the market leader in Scandinavia and is currently in the process of establishing a good foothold in selected markets outside Scandinavia. The 2012 sales revenues were NOK 169.3 million.

Infront's products can be adapted to each user, and used on most platforms.

Infront

2012 was another year with a focus on expansion in Europe, while the company consolidated its leading position in the Nordic contries. The level of activity was high throughout the year, but a challenging market and strong focus on costs among the company's customers led to the company's result after tax in 2012 being NOK 15 million; a decline from NOK 31 million in 2011.

Kistefos AS made its first investment in Infront in 2000 and increased its stake further in 2007. At present Kistefos owns about 27.7% of the shares in Infront. The other principal shareholders are mainly the company's founders and management.

Infront is Scandinavia's leading company within the development and sale of real-time solutions for information, and trade in shares and other financial instruments. Its core product 'The Infront Terminal', is the market leader in Scandinavia.

'The Infront Terminal' is delivered as a pure information terminal or as an integrated information and trading system. Leading banks and financial institutions use Infront's solutions both internally and as an advanced Internet-based information and trading system for their customers.

In 2012, Infront entered into an agreement with the French company Infinancials which means that Infront will acquire all of the shares in the company. Infinancials delivers analysis tools and fundamental data for listed companies globally. This acquisition has strengthened Infront's own product and enable a broader solution.

2012 performance

As in prior years, in 2012 Infront continued to strengthen its position in the domestic market at the same time as developing its international ambitions. A difficult market and challenging times for the banking and finance sector entailed limited growth during the year. Despite this, a decision was made to continue to focus on international expansion in 2013, which will continue to affect margins in the short-term and medium-term. Infront has seen that the company's product platform is in demand and is being considered in many more situations than before. The company is expected to benefit from this expansion when the markets recover.

Kistefos is represented on the board of directors by Gunnar Jacobsen (chairman of the board) and Christian Holme (board member).

NOK million	2012	2011	2010
Operating income	169.3	187.9	164.6
EBITDA	29.9	43.9	27.6
Operating result	25.2	38.6	22.0
Result after tax	14.8	31.0	25.0
Total assets	95.2	92.4	94.1
Book equity	29	13.8	10.9
No. of employees	92	87	87
Kistefos's ownership interest	27.7%	27.7%	27.7%
CEO	Kristian Nesbak	Kristian Nesbak	Kristian Nesbak

yA Bank

yA Holding ASA is the parent company of a group with two business areas: yA Bank and MetaTech. The group offers financial services to individuals in Norway. The group wants to challenge the traditional way of buying and using financial services through the use of modern technology.

yA Holding – group

yA Holding ASA

yA Bank AS
100%

MetaTech AS
100%

yA Bank is a Norwegian online bank with licences issued by the Norwegian authorities and is subject to Norwegian supervision. yA Bank is also a member of the Norwegian deposit guarantee scheme, which means that customers are covered by the deposit guarantees that apply to Norwegian banks. The bank has no branches, and communicates with its customers via the company's Web site, the telephone, agents and partners. yA Bank offers products like consumer loans, credit cards, debit cards, deposit accounts and payment services.

MetaTech is a Norwegian technology company that supplies banking systems to banks and employee purchasing offices, including systems for operating yA Bank's credit cards and loans. yA Bank is responsible for around 50% of MetaTech's turnover.

2012 performance

yA Holding reported a good increase in revenues in 2012, and the total net income was NOK 155 million; up 26.6% from 2011. The group increased its profitability considerably, and the net result in 2012 was NOK 41 million; up 86% from 2011.

At year-end 2012, yA Bank's capital adequacy ratio was solid at 14.7%, which significantly exceeds the Financial Supervisory Authority of Norway's requirement of 10.0%. The bank is thus well capitalized and equipped to finance further growth.

2013 outlook

yA Holding expects growth in both income and profits in 2013.

In 2013, yA Bank will continue to focus on growing the bank's lending portfolio, especially within the credit card and consumer loan segments. The bank is receiving a large number of new loan applications and expects a large number of new customers in 2013 as well. However, lending in 2013 will continue to be subject to the bank's strict credit rating, which will limit the scope for growth.

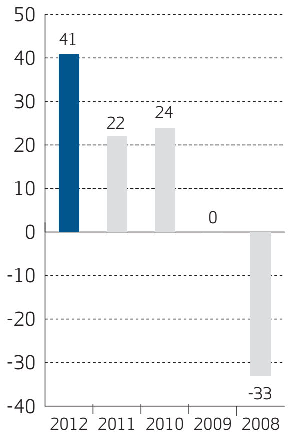
In 2013, Kistefos is represented on the board of directors by Tom Ruud as board member and Christian Holme as deputy board member.

Key figures (NOK million)	2012	2011	2010
Net lending to customers	1,572	1,293	1,009
Deposits from customers	1,906	1,654	1,162.0

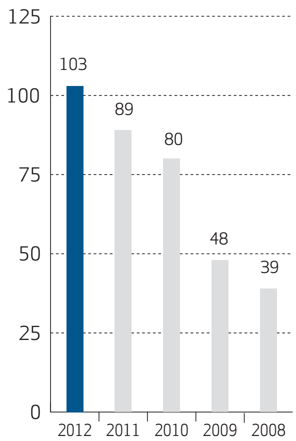
NOK million	2012	2011	2010
Net income	154.9	122.4	92.2
Result before losses and tax	82.7	54.3	48.8
Losses on lending and write-downs	-25.2	-21.3	-14.4
Result after losses and tax	41.4	22.4	24.8
Total assets	2,239.5	1,938.2	1,420.3
Book equity	304.9	265.6	240.4
No. of employees	45	48	45.5
Kistefos's ownership interest	24.4%	24.4%	0.0%
CEO	Svein Lindbak	Svein Lindbak	Svein Lindbak

www.ya.no

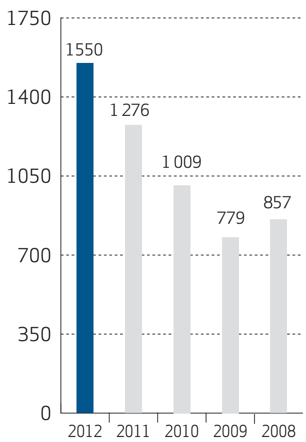
RESULT AFTER TAX
NOK million



ACTIVE CUSTOMERS
Thousands



NET LENDING BALANCE
NOK million



The Oslo Innovation Center and Kistefos own 50% of Springfondet I each. The ownership of Springfondet II is split 30% / 70%, respectively.

Springfondet

Springfondet consists of two funds. Springfondet I was established in 2006 with total assets of NOK 60 million, and is owned 50/50 by the Oslo Innovation Center and Kistefos. Springfondet II was established in 2011 with total assets of NOK 100 million and is owned 70/30 by Kistefos and the Oslo Innovation Center. Springfondet's focus throughout 2012 was on assessing and executing new investments, and follow-up and development of existing portfolios.

Purpose

Springfondet is often the first professional investor in a company, and invests start-up and follow-up capital early in an enterprise's life cycle, typically in companies or projects with unique technology, a good business model, and large international potential.

Development in 2012

Kappa Bioscience AS had a good year. The company received regulatory approval from the EU, and thus began marketing and sales in Europe. Turnover rose by 250%, compared to 2011. Promon AS employed a new CEO, so that the founder can focus more on technological development in the role as CTO. The company is involved in many exciting sales processes, and the positive trend is expected to accelerate in 2013. BMI was wound up as a separate biomedicine investment company, and the share portfolio was distributed among the owners. Springfondet thus became a direct owner of Vaccibody AS, Nextera AS and Serodus AS; all early-phase pharmaceutical companies with exciting technology platforms.

New investments

Springfondet II made two new investments during the year in, Outracks Technologies AS and AIMS Innovation AS. Outracks is developing a tool for developers of graphic-heavy applications like games, etc. The tool makes it very easy to create powerful applications that can be used across platforms like Android, Windows and iOS. The goal is to challenge Adobe Edge/Flash. AIMS has launched a tool to monitor complex integrations of different IT systems like ERP, CRM and financial systems. AIMS helps prevent system errors and to repair them quickly if they may arise.

Several follow-up investments were also made during the year, primarily in the companies Kappa Bioscience AS and Promon AS.

Springfondet is led by Johan Gjesdahl and Bente Loe. The board consists of Karl Christian Agerup, as chairman of the board, and Alexander Woxen from the Oslo Innovation Centre, and Henning E. Jensen and Finn Ivar Marum from Kistefos.

Alliance Venture Polaris

Alliance Venture Polaris AS is an investment company that focuses on early-phase growth companies in Norway.

Alliance Venture Polaris AS' main office is in Oslo. The company was established in December 2006 as one of four nationwide seed capital funds. The shareholders in Alliance Venture Polaris have committed about NOK 172 million in private capital. 80% of the capital was paid at the beginning of 2013. Innovation Norway is also contributing a subordinated loan with a limit of about NOK 167 million, so that the fund will have total assets of about NOK 339 million.

The fund is managed by an experienced team of industry professionals who have extensive experience in developing, selling and managing technology companies internationally. They focus on investing in companies with unique technology and global potential, where they have the expertise, network and experience to actively contribute to the company's development.

Kistefos owns 17.4% of Alliance Venture Polaris, and is thus its largest shareholder.

Alliance Venture Polaris' management team: From the left: Erling Maartman-Moe, Jan-Erik Hareid, Arne Tonning and Bjørn Christensen.

Company	Market	Ownership interest
3D Perception	Advanced projection systems for aircraft simulators and control rooms etc.	35.9%
bMenu	Software for automatic generation of Web sites for mobile phones	38.7%
Encap	Software for authentication and security solutions for mobile phones	55.5%
Integraso	Software for product monitoring and social media analysis	53.4%
MemfoACT	Carbon membrane for separating biogases	14.1%
Never.no	Software for interaction and integration of social media in TV and screen-based advertising	29.9%
Novelda	High-precision, short-range radar integrated on a microchip	37.9%
Optosense	Sensor for detection of gases in ventilation systems, etc.	28.7%
Pageplanner	Software for publishing magazines on paper, the Internet, iPads and mobile phones	52.1%
Phonofile	Digital aggregator and distributor of music	26.0%
Ping Communications	Integrated receivers (home system) for the Internet, telephones, TV, etc.	45.8%
poLight	Auto focus lenses and cameras for mobile telephones	18.8%

Kistefos Public Service Fellowship Fund

Kistefos has awarded scholarships from the Kistefos Public Service Fellowship Fund since 2007. The fund was established to support Norwegian students in their pursuit of Master's degrees in public administration at the Harvard Kennedy School, USA.

THE YEAR'S FELLOWS

Erlend Haugen started as an ideological student of the media and social movements. He later became an advocate for different environmental organizations. He soon became interested in the financial consequences of environmental politics and the power of economic arguments, which led him to pursue postgraduate studies in Economics at the University of Sydney. Before he came to the Kennedy School, Erlend worked as a communications adviser for the Norwegian Ministry of Foreign Affairs in New York, where he covered Arctic issues and energy politics.

Laila Matar grew up as a Palestinian refugee in Syria before moving to Norway at the age of six. Experiencing life under a dictatorship was an experience which led to a passion for human rights and democracy. After graduating from McGill University with First Class Joint Honors in Philosophy and Political Science in 2009, Laila accepted a position at the Cairo Institute for Human Rights Studies (CIHRS), an independent regional NGO dedicated to civil and political rights in the Middle East and Northern Africa.

As a child in Chile, **Alfredo Zamudio** realized that steps needed to be taken to improve the quality of people's lives. Shortly after his family arrived in Norway as refugees, Alfredo decided to not only be a passenger through life, but to become an active participant. Throughout his professional life, Alfredo has worked with human rights by developing local communities and socio-political issues. Alfredo has worked directly with humanitarian aid during the past 15 years, most recently with the Norwegian Refugee Council, spending part of the time in conflict zones like Darfur, East Timor and Colombia.

From the left: Erlend Haugen, Laila Matar and Alfredo Zamudio.

The scholarship will be awarded to at least two students each year and is funded through a donation from Kistefos AS of about NOK 8 million. Recipients of the scholarship must sign a binding contract to work in the public sector for a period of at least three years after graduation.

The fund was established because Christen Sveaas was on the school's Dean's Council. The objective of the fund is to train professional leaders who will contribute to better and more efficient operation of the public sector.

Norwegian candidates who are awarded a place at the Harvard Kennedy School are also eligible for the Kistefos scholarship. Previous and future graduates of Oslo Handelsgymnasium are particularly encouraged to apply, and will be given preference if candidates are otherwise equally qualified.

The scholarship was awarded for the sixth time in the spring of 2012; to Erlend Haugen and Alfredo Zamudio, who will both take a Mid-Career Master in Public Administration, and Laila Matar, who will take a Master in Public Policy.

The Kistefos Museum

The Kistefos Museum Foundation is just an hour's drive northwest of Oslo in an idyllic setting framed by the Randselva river. The purpose of the foundation is to operate the museum and conduct research into the industrial activities of A/S Kistefos Træsliberi. The museum grounds are also home to one of Europe's largest contemporary sculpture parks and modern exhibition premises that host annual art exhibitions.

Kistefos AS is the principal sponsor of the Kistefos Museum, and contributed NOK 5 million in 2012. All of its supporters are crucial to the museum's ability to develop and attract new visitors. Other contributors to the museum's operation were the home municipality of Jevnaker, and Sparebank 1 Ringerike Hadeland. In 2012, the Directorate for Cultural Heritage provided a grant of NOK 1.4 million for management, operation and maintenance of the old pulp factory. During the past four years, the Directorate for Cultural Heritage has contributed NOK 20.4 million towards rehabilitation. The Freedom of Expression Foundation, Sparebank 1 Ringerike and Jevnaker, Sparebankstiftelsen DNB NOR, Sat Sapienti, the Anders Sveaas charitable foundation and Oppland county administration have helped realize projects that have resulted in improvement of the quality of several of the museum's business areas. We further received an anonymous gift of NOK 400,000.

The Kistefos Museum had fantastic visiting figures for the 2012 season. There were a total of 36,629 (21,059) registered visitors; 10,955 (5,514) of whom were paying visitors. This was an increase of some 70%, compared with 2011, and a 100% increase in paying visitors.

During the 2012 season, the Kistefos Museum put on the exhibition "Ai Weiwei – Interlacing", a unique solo exhibition for renowned Chinese contemporary artist Ai Weiwei (born in 1957). The exhibition represented the first major photography and video exhibition of this artist. Ai Weiwei has become one of the world's most renowned artists in a short period of time. In 2011, he was named the art world's most powerful and most influential person by art magazine "ArtReview". That year he was nominated to one of the year's 100 most important people by prestigious "Time Magazine". "Ai Weiwei – Interlacing" concentrated on Ai Weiwei's diversity as an artist; this time focusing on photography. The exhibition showed hundreds of blog photos, mobile photos, and other snapshots from the 1980s until today.

For the 2013 season, the Kistefos Museum has the pleasure of putting on an exciting exhibition with Norwegian artist Fredrik Raddum (1973). He is a well-known artist in sculpture and installation art, and is one of the most humoristic and accessible young artists in the country. Raddum works with everything including polyester, steel, aluminium, silicon and plastic in his humoristic and surreal figures.

The season will last from 26 May to 6 October.

www.kistefos.museum.no

Opening day in the radiant sun.

Ai Weiwei: Interlacing (2012). Installation photo Kistefos Museum 2012.

Christen Sveaas during the opening of the 2012 season.

Ai Weiwei: Interlacing (2012). Installation photo Kistefos Museum 2012.

Photo on this page:
Kistefos Museum/Vegard Kleven.

AHTS Vidar Viking.

PROFIT AND LOSS STATEMENT

For the period 1 January – 31 December

PARENT COMPANY				GROUP	
2011	2012	(Amounts in NOK 000s)	Note	2012	2011
		OPERATING INCOME			
0	0	Freight revenues ships and barges		9,506,085	8,512,419
0	0	Other revenues		630,852	446,763
0	0	Gain on disposal of fixed assets		77,066	14,177
0	27,818	Other operating income		62,587	103,786
0	**27,818**	**Total operating income**	1	**10,276,590**	**9,077,145**
		OPERATING EXPENSES			
0	0	Cost of goods		138,268	98,883
47,644	37,484	Wages and salaries	3	579,023	510,883
0	0	Operating expenses ships and barges		8,527,349	7,659,756
0	0	Operating expenses real estate		21	3,863
175	110	Depreciation of fixed and intangible assets	4	250,826	398,362
29,683	34,702	Other operating expenses	3	535,285	461,350
77,502	**72,296**	**Total operating expenses**		**10,030,772**	**9,133,097**
(77,502)	**(44,478)**	**OPERATING RESULT**		**245,819**	**(55,952)**
		FINANCIAL INCOME AND EXPENSES			
(14,469)	210,494	Income from investments in subsidiaries and associated companies		7,249	(13,419)
27,187	18,356	Interest received from companies within the group		0	0
11,089	5,569	Other interest received		18,857	18,651
(129,438)	72,139	Net gains (losses) on shares and other financial instruments		(9,136)	(133,663)
14,852	87,309	Other financial income	2	78,731	44,481
0	(6,497)	Change in value of shares and other financial instruments (unrealized)		(1,971)	(25,307)
(83,839)	(72,572)	Interest paid to group companies		0	0
(82,957)	(115,044)	Other interest expenses		(317,055)	(198,538)
(19,776)	(10,603)	Other financial expenses	2	(75,257)	(82,596)
(277,352)	**189,152**	**Net financial income/(expenses)**		**(298,581)**	**(390,391)**
(354,854)	**144,673**	**Result before tax**		**(52,763)**	**(446,343)**
61,507	(9,057)	Taxes	7	(40,035)	58,833
(293,347)	**135,617**	**NET INCOME**		**(92,798)**	**(387,509)**
		Minority share of net income for the period		(121,678)	(147,547)
		Majority share of net income for the period		28,880	(239,962)

BALANCE SHEET

Per 31 December

PARENT COMPANY				GROUP	
2011	2012	(Amounts in NOK 000s)	Note	2012	2011
		ASSETS			
		FIXED ASSETS			
0	0	Deferred tax assets	7	97,076	82,873
0	0	Goodwill (badwill)	4	(147,492)	(188,917)
0	0	Other intangible assets	4	638,091	668,458
0	**0**	**Total intangible assets**		**587,675**	**562,414**
0	0	Real estate		297,901	493,613
0	0	Ships, PSV and AHTS		3,436,414	3 612,099
0	0	Ship, Industrial shipping		314,244	404,824
0	0	Ships, Bulk carriers		130,613	142,746
0	0	Barges		0	59,914
2,868	366	Operating equipment, FF&E, machines etc.		52,448	59,319
2,868	**366**	**Total tangible fixed assets**	4	**4,231,620**	**4,772,515**
3,224,336	3,033,196	Investments in subsidiaries	5	0	0
405,828	678,916	Loans to group companies		0	0
0	0	Investments in associated companies		60,073	58,878
0	0	Restricted bank deposits	9	99,557	67,798
0	0	Other long term receivables		31,952	0
58,614	77,042	Total financial fixed assets		217,321	80,652
3,688,778	**3,789,153**	**Total financial fixed assets**		**408,903**	**207,328**
3,691,647	**3,789,520**	**Total fixed assets**		**5,228,198**	**5,542,257**
		CURRENT ASSETS			
0	0	Inventory		75,799	29,258
4,126	5,539	Accounts receivables		590,455	638,553
268,312	452,886	Receivables from group companies		77,789	0
50,329	13,606	Other receivables		562,062	586,694
322,768	**472,031**	**Total inventory and receivables**		**1,306,105**	**1,254,506**
558,407	490,124	Shares and other financial instruments	6	1,216,185	1,313,145
123,624	260,510	Bank deposits and cash	9	980,337	1,163,769
1,004,799	**1,222,665**	**Total current assets**		**3,502,627**	**3,731,419**
4,696,446	**5,012,184**	**TOTAL ASSETS**		**8,730,827**	**9,273,677**

BALANCE SHEET

Per 31 December

PARENT COMPANY				GROUP	
2011	2012	(Amounts in NOK 000s)	Note	2012	2011
		EQUITY AND LIABILITIES			
		EQUITY			
		Restricted Equity			
310,828	310,828	Share capital		310,828	310,828
0	77,508	Other paid in equity		77,508	0
		Retained earnings			
1,055,409	1,134,153	Other Equity		906,502	971,405
		Minority interests		**811,819**	**1,028,060**
1,366,237	**1,522,489**	**Total equity**	8	**2,105,657**	**2,310,293**
		LIABILITIES			
21,630	18,793	Deferred tax	7	212,615	210,928
1,526,635	1,342,531	Liabilities to financial institutions	9	3,954,560	4,750,096
1,674,286	1,354,190	Liabilities to group companies		0	32,755
0	454,500	Unsecured bond loan		735,032	0
12,504	63,321	Other long-term liabilities	3	271,256	123,870
3,235,055	**3,233,335**	**Total long-term liabilities**		**5,173,463**	**5,117,650**
		SHORT-TERM LIABILITIES			
0	0	Liabilities to financial institutions		26,069	138,582
1,596	2,423	Trade creditors		295,120	408,108
0	0	Tax payable	7	21,684	51,939
6,744	2,100	Government taxes, holiday pay, tax deductions		34,898	32,720
76,014	221,797	Liabilities to group companies		85,601	53,492
10,798	30,042	Other short-term liabilities		988,334	1,160,906
95,153	**256,362**	**Total short-term liabilities**		**1,451,707**	**1,845,747**
3,330,209	**3,489,697**	**Total liabilities**		**6,683,819**	**6,963,395**
4,696,446	**5,012,184**	**TOTAL EQUITY AND LIABILITIES**		**8,730,827**	**9,273,677**

23 April 2013
The Board of Directors Kistefos AS

Christen Sveaas	Tom Ruud	Erik Wahlstrøm	Christian H. Thommessen	Martin Reimers	Henning E. Jensen
Executive Chairman	*Board member*	*Board member*	*Board member*	*Board member*	*CEO*

CASHFLOW STATEMENT

Per 31 December

PARENT COMPANY			GROUP	
2011	2012	(Amounts in NOK 000s)	2012	2011
		CASH FLOW FROM OPERATIONAL ACTIVITIES		
(354,854)	144,673	Profit before taxes	(52,763)	(503,023)
0	0	Taxes (paid)/repaid during the year	(51,939)	16,154
175	110	Depreciations and amortisations	250,826	398,362
0	(6,304)	Gain on disposals of fixed assets	(77,066)	(14,177)
129,438	762	Net gain/loss on sale of shares and other financial instruments	9,136	133,663
3,324	(1,413)	Change in accounts receivables	48,098	(149,435)
941	827	Change in trade creditors	(112,988)	181,445
14,468	(210,494)	Income on investment in subsidiary and associated companies	(7,249)	13,419
0	(44,000)	Dividend provision	0	0
(14,274)	6,497	Change in value of shares and other financial instruments	1,971	25,307
7,308	34,556	Change in other receivables and other liabilities	(191,661)	345,653
(213,474)	**(74,785)**	**A = Net cash flow from operating activities**	**(183,635)**	**447,368**
		CASH FLOW FROM INVESTMENT ACTIVITIES		
(493)	8,695	Reduction/increase operating equipment, FF&E, machinery etc	(15,966)	(38,982)
0	0	Reduction/(increase) ships	70,400	(352,298)
0	0	Reduction/(increase) intangible assets	30,367	(659,687)
0	0	Reduction/(increase) goodwill	0	0
0	0	Reduction/(increase) barges	121,570	0
0	0	Reduction/(increase) buildings, land, and other real estate	149,706	(12,362)
(126,826)	211,844	Reduction/(increase) investments in subsidiaries/associated companies	6,054	(28,175)
(46,700)	68,283	Reduction/(increase) shares and other financial instruments	85,853	(126,151)
0	0	Change in restricted bank deposits	(31,759)	(234,612)
10,990	(18,427)	Change in other long-term receivables	(168,621)	258,728
0	0	Cash in acquired and disposed subsidiaries/associated companies	0	(1,124)
276,967	(82,168)	Change in receivables to group companies	0	0
113,938	**188,227**	**B = Net cash flow from investment activities**	**247,604**	**(1,194,663)**
		CASH FLOW FROM FINANCING ACTIVITIES		
258,123	(184,104)	Increase/(reduction) liabilities to financial institutions	(908,017)	1,141,258
	454,500	Increase/(reduction) of unsecured bond loan	735,000	0
2,103	70,061	Increase/(reduction) other long-term liabilities	147,386	(22,270)
(134,280)	(337,314)	Reduction/(Increase) in loan to group companies	(78,435)	(79,540)
(12,376)	0	Payment of dividends	0	(12,376)
113 570	**3,144**	**C = Net cash flow from financing activities**	**(104,066)**	**1,027,072**
		OTHER CHANGES		
0	20,300	Other changes, accounting principles, and currency fluctuations	(143,334)	0
0	**20,300**	**D = Net other changes**	**(143,334)**	**0**
14,034	136,886	A+B+C+D = Net change in bank deposits and cash	(183,431)	279,777
105,590	123,624	Bank deposits and cash as per 1 January	1,163,769	883,992
123,624	**260,510**	**Bank deposits and cash as per 31 December**	**980,338**	**1,163,769**

ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Accounting Act and generally accepted accounting principles in Norway.

Principles of consolidation
The consolidated accounts include the parent company Kistefos AS and operations where the company has a controlling interest, directly or indirectly, regardless of company structure. The consolidated financial statements are prepared in accordance with uniform principles for the entire group. Internal transactions, profits, assets and liabilities are eliminated. The cost price for shares and interests in subsidiaries is eliminated in the consolidated financial statements against equity in the subsidiary at the time of establishment or acquisition (the acquisition method). Added value is distributed on the assets to which they refer and are amortized over the assets' expected lifespan. Added value which cannot be attributed to tangible or intangible assets are classified as goodwill and amortized.

Some group companies comply with IFRS. Where there are differences between IFRS and the Accounting Act/GAAP in Norway, the subsidiaries' accounts have been restated prior to consolidation so that they are consistent with the parent company's accounting principles.

When consolidating foreign subsidiaries, balance sheet items are translated at the balance sheet date. Income statement items are translated at average rate for the year. The translation difference is recognized directly in group equity.

Subsidiaries, associated companies and joint ventures
Subsidiaries and associated companies are included in the parent company using the cost method. This is a change from previous years principle where subsidiaries were included using the equity method. The new accounting principle has been implemented with effect from 01.01.2012. The change has no effect on equity. Comparative figures are not restated. Under the cost method, the investment in subsidiaries is written down when the book value of the subsidiary is lower than the estimated fair value of the subsidiary, and the impairment is deemed to be temporary.

Investments in companies in which the participants according to agreement exercise joint control, are incorporated using the proportionate method. According to the proportionate method, assets, liabilities, income and expenses are included in the company's percentage ownership interest. Added/less value at the time of purchase as well as internal profits are also taken into consideration.

Minority interests are recognised as separate items in the income statement and balance sheet. Minority share of profits is calculated by the subsidiary's income after taxes. In the balance sheet the minority interest is calculated as a share of the subsidiary's equity for intragroup eliminations.

Evaluation and classification of assets and liabilities
Assets meant for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables to be repaid within a year is classified as current assets. Classification of short-term and long-term debt is based on analogue criteria. Current assets are valued at the lower of estimated fair value and cost. The first year's instalment of long-term debt is included in long-term debt.

Financial instruments
The accounting treatment of financial instruments follows the intention behind the conclusion of the agreements. Upon conclusion the agreement is defined either as hedging or as trading.

The Group's financial instruments consist of derivatives related to freight, bunker and currency and interest rate. The derivatives are meant to hedge cash flows and future performance. Gains/losses on financial hedging instruments are recorded at the time the hedged items affects the P&L.

Assets and liabilities in foreign currency
Balance sheet items in foreign currency not hedged against changes in exchange rate are valued at the balance sheet rate. Balance sheet items in foreign currency hedged against exchange rate fluctuations with financial instruments are valued at the hedged rate.

Transactions in foreign currencies are converted to the spot rate on the transaction date.

Intangible assets
Intangible assets are capitalized to the extent that the criteria for capitalization are met. Goodwill (badwill) are not attributable added values (less values) from acquisitions, and are depreciated (recorded) over 5 years.

Intangible assets consist among other things of capitalized sales costs depreciated over the financial lifespan of the sales contracts, administrative support systems depreciated over two to five years, as well as brand names and licenses.

Internally developed operational systems
Expenses for maintenance of internally developed operational systems are recorded as they are incurred. Development costs directly attributable to design and testing of an identifiable and unique operational system controlled by the group, is recorded as an intangible asset when certain criteria are met.

Other development costs not meeting these criteria are recorded as they are incurred. Development costs which are recorded as costs cannot be capitalized as assets on the balance sheet in later periods.

Capitalized in-house developed operating systems are depreciated linearly over the expected useable lifespan (five years maximum).

Fixed assets
Fixed assets are recorded on the balance sheet at acquisition costs minus accumulated financial depreciations. The depreciations are linear and are set on the basis of an evaluation of each asset's remaining economic life. Furnishings of leased premises are depreciated over the lease period.

Depreciation of fixed assets
In cases where the recoverable amount (highest of use value and sales value) of fixed assets is lower than the recorded value, the item is depreciated to the recoverable amount. The depreciation is reversed if the basis for the depreciation is no longer present.

New-builds
Shipyard instalmets for new-builds are recorded as fixed assets as payments take place. New ships are recorded on the balance sheet when the ship is delivered from the shipyard. Recorded cost price is the sum of paid workshop terms based on exchange rate at the time of payment, with the addition of costs during the construction period.

Lease commitments
The group distinguishes between financial lease and operational lease based on an evaluation of the lease contract at the time of signing. A lease contract is classified as financial if the major part of risk and control associated with ownership is transferred to the lessee through the contract. All other lease contracts are classified as operational lease. When a lease contract where the group is the lessee is classified as financial

lease, the rights and obligations are recorded and classified as assets and liabilities. The interest element of lease payment is included in interest costs and the capital element of lease payment is treated as repayment of debt. The leasing commitment is the remaining part of the principal amount. In case of operational lease the lease amount is treated as an ordinary operating cost.

Stocks, shares and other financial instruments

Financially motivated investments in shares and other financial instruments are classified as current assets and are assessed according to the portfolio principle. The portfolio is assessed collectively and the value is adjusted if the total holding has lower value than the acquisition cost. Shares with a lasting and permanent deposition are depreciated to fair value. Financial instruments are assessed at market value, or at the lowest value principle.

For short-term investments in listed instruments the market value principle is used. Realized and unrealized gains/losses are recorded as financial items

Short-term investments in companies where the group owns over 50% are not consolidated when the purpose of the investment is to realize the whole or parts of each investment after completed structuring and development. This is in accordance with the generally accepted accounting principles which assume that such investments are temporary in nature and should thus be included in current assets.

Received dividend and other profit distributions from the companies are recognized as financial income when received. Dividends exceeding the share of earned result in the owner period are recorded as a reduction of the cost of the shares.

The group has a hedging policy and uses various freight derivatives, bunker derivatives and currency derivatives in order to secure future results. In accordance with the Accounting Act § 4-1 no. 5, gain and loss on hedging instruments and hedging objects are recorded in the same period for hedgings done in accordance with the agreed hedging policy.

Depreciation is done if the total market value of the group's lease contracts, freight contracts and freight/bunker derivatives is negative. If the negative value exceeds recognized assets associated with the portfolio, the excess is deposited as a liability.

Receivables

Receivables are recorded at nominal value with deductions for expected losses.

Bunkers and other inventories

Bunkers and other inventories are recorded in the balance sheet under other current assets. Inventories are valued at the lowest of cost price and fair value.

Principles for recognition of income and expenses

Travel related income and expenses from offshore and shipping activities are accrued based on the duration of the travel before and after the year-end. Bareboat based freight income is treated as freight income. Interest income is recorded as it is acquired.

Sales are recognized when the revenue can be reliably measured, and it is likely that the economic advantages associated with the transaction will flow to the group and special criteria associated with the various forms of sale mentioned below are met. The group bases it estimates for recording income on history, evaluation of the type of customer and transaction as well as special conditions associated with each transaction.

Manual directory inquiries (Voice products – Directory assisted requests)

The service is considered delivered at the time when the call is being made.

The customers are billed by the telecom operators (operators) through the ordinary telephone bill. The group bills the operators. Earned income, not billed, is presented as accounts receivable. Income is measured at fair value of fees received from operators, in other words net for operator share, and not at fair value of the fee paid by the end customer.

SMS income is generated when customers send requests to the group per SMS. Income from SMS services are recorded based on actual traffic in the report period.

The SMS income is measured at fair value of the fee received, which is a fixed price based on a price list.

Maintenance and classification costs

Periodic maintenance and docking of ships are capitalized and expensed over the period leading up to the next periodic maintenance. When new constructions are delivered, a portion of the cost price is capitalized as periodic maintenance. Actual expenses for continuous maintenance are charged to the operating income when such maintenance takes place.

Pensions

Pension costs and pension liabilities are calculated according to linear earnings based on the assumption of the discount rate, future regulation of wages, pensions and national insurance benefits, future return on pension plan assets as well as actuarial assumptions of mortality, voluntary retirement, etc. Pension plan assets are valued at fair value and deducted from the net pension liabilities in the balance sheet. Changes in the liability due to changes in pension plans are distributed over the assumed remaining accrual period. The same applies to estimate changes if the deviation exceeds 10% of the largest of gross pension liabilities and pension plan assets.

Taxes

Tax expenses are linked to the net profit and consists of the sum of payable taxes and changes in deferred tax/deferred tax asset. Deferred tax in the balance sheet is calculated on the basis of temporary differences between accounting and tax values. Net deferred tax asset is capitalized to the extent it is probable that the asset can be utilized.

Assumption of continued operations

The accounts have been prepared under the assumption of continued operation.

Cash flow statement

The company uses the indirect method for cash flow statement

Transactions between related parties

Kistefos AS performs some administrative services for the other companies in the group. The services are priced and billed based on the principle of arm's length between related parties.

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in NOK 000s)

NOTE 1 – BUSINESS AREAS

	Kistefos Shipping		Kistefos Offshore	
	Bulk	Industrial shipping	AHTS/PSV	Barges
Operating Income 2011	5,776,162	1,950,316	638,753	42,141
Operating Income 2012	6,652,437	1,899,960	889,563	140,434

	Real estate	IT/Telecom	Other	Group
Operating Income 2011	94,507	434,006	141,260	9,077,145
Operating Income 2012	19,605	612,057	62,534	10,276,590

Operating income by geographic areas	2012	2011
Nordic region	2,479,266	2,161,186
Rest of Europe	3,461,626	2,846,196
North America	909,315	1,005,756
Rest of the world	3,426,383	3,064,007
Total	**10,276,590**	**9,077,145**

NOTE 2 – COMBINED ITEMS

	Parent Company		Group	
	2012	2011	2012	2011
Share dividends	58,805	12,106	15,535	21,612
Gain on foreign exchange	28,384	2,746	62,995	22,852
Other financial income	120	0	201	18
Total other financial income	**87,309**	**14,852**	**78,731**	**44,481**
	2012	**2011**	**2012**	**2011**
Loss on foreign exchange	(550)	(19,773)	(19,183)	(36,748)
Other financial expenses	(10,053)	(3)	(56,073)	(45,847)
Total other financial expenses	**(10,603)**	**(19,776)**	**(75,257)**	**(82,596)**

NOTE 3 – PAYROLL EXPENSES, NUMBER OF FTES, COMPENSATION ETC

	Parent Company		Group	
	2012	2011	2012	2011
Wages and salaries, holiday pay, fees etc.	29,379	38,617	454,119	387,233
National insurance contribution	4,246	6,075	67,793	72,104
Pension Expenses	2,647	1,827	30,441	31,576
Other staff expenses	1,213	1,125	26,670	19,974
Total payroll expenses	**37,484**	**47,644**	**579,023**	**510,883**
Number of person-years	16	17	1,199	1,320
Number of person-years including crew	16	17	1,255	1,330

Payroll expenses for crews are recognised under operating expenses, ships and barges.

Remuneration of the company's officers and managing director

Chairman of the Board of Directors, NOK 0, other fees paid to the Board of Directors, NOK 1,000.

The Managing Director's salary, bonus, pensions and other remuneration amounted to a total of NOK 4,063 in 2012.

The Managing Director has a bonus agreement based on achievements, value development, etc., and an agreement of severance pay for 12 months after resignation. Beyond the above-mentioned benefits for the Managing Director and the members of the Board of Directors, there are no other agreements relating to bonuses, pensions, warrants or options.

Fees to the auditors

	Parent Company	Group	
		Parent company's auditor	Other auditors
Statutory audit	748	748	5,090
Assistance with preparing annual accounts, tax returns and other tax services	220	220	1,939
Services other than audit	506	506	1,190
TOTAL	**1,474**	**1,474**	**8,219**

The parent company and some of the subsidiaries have a pension scheme which include a total of 19 (20) employees in the parent company and 796 (1 1014) employees in the group as at December 31, 2012 (2011), whereof 3 are retired in the parent company and 378 in the group. The schemes give rights to defined future benefits. These depends mainly on the number of qualifying years, wage level at retirement and the size of the benefits from national insurance. The collective pensions scheme is financed by fund accumulation organized in a life insurance company. Net pension cost is in its entirety classified as payroll expense in the financial statements. Kistefos AS is obligated to have an occupational pension scheme in accordance with the Mandatory Occuptaional Pensions Act, and the scheme satisfies the current requirements. Of those included in the group's pension schemes are 223 in a deposit scheme and 573 in a defined benefit scheme.

	Parent Company		Group	
Pension costs and liabilities in the accounts	**2012**	**2011**	**2012**	**2011**
Current value of this year's pension contributions	2,688	1,869	11,822	10,447
Interest cost of accrued pension liability	261	211	8,191	8,209
Expected return on pension assets	(297)	(318)	(11,480)	(10,495)
Amortisation	0	(51)	(4,693)	(1,207)
Payroll tax and administration costs	374	249	2,479	1,544
Adjustment IFRS to NGAAP	0	0	0	2,700
Net pension costs and defined contribution plans	0	0	5,138	2,771
This year's pension cost/(income)	**3,026**	**1,960**	**11,457**	**13,969**
Pension funds/(liabilities)				
Estimated pension liabilities	(8,097)	(6,877)	(214,067)	(301,615)
Pension funds (at market value)	6,447	5,692	225,777	277,536
Unrecognized actuarial differences	(446)	(282)	(73,537)	(37,823)
Estimated payroll tax	0	0	(664)	(2,617)
Adjustment IFRS to NGAAP	0	0	0	(2,700)
Net pension funds/(liabilities)	**(2,096)**	**(1,467)**	**(62,491)**	**(67,219)**
	2012	**2011**	**2012**	**2011**
Estimate assumptions				
Discount rate	4.00%	3.90%	3.0–4.4%	3.3–3.9%
Expected returns	4.20%	4.80%	3.0–4.2%	4.80%
Wage and salary adjustment rate	3.50%	4.00%	3.0–3.5%	4.00%
National Insurance Scheme's basic pension adjustment rate	3.25%	3.75%	3.0–3.25%	3.75%
Pension adjustment rate	0.20%	0.70%	0.2–2.0%	0.7–1.3%

NOTE 4 – FIXED ASSETS

	Parent Company	Group			
	Fixtures machinery, etc.	Fixtures machinery, etc.	Buildings, etc.	Land	Ships, offshore Newbuilds
Aquisition cost as of 1 January	19,885	133,198	210,183	310,191	3,883,772
Reclassification	0	(36)	0	(1,506)	298
Foreign currency translation	0	(3,709)	(942)	0	(54,364)
Additions during the year	0	23,571	0	3,518	565,290
Disposals during the year	(2,169)	(5,364)	(191,931)	(15,847)	(636,040)
Aquisition cost closing balance	**17,716**	**147,660**	**17,310**	**296,356**	**3,758,956**
Depreciations and amortisations as per 1 January	17,016	73,937	26,761	0	178,046
Foreign currency translation	0	190	0	89	(5,938)
This year's depreciations	111	22,837	2,157	0	150,478
Additions this year	0	0	0	0	0
Disposals during the year	222	(1,753)	(13,242)	0	0
Accumulated depreciations and amortisations	17,349	95,211	15,676	89	322,543
Book value closing balance	**366**	**52,448**	**1,634**	**296,267**	**3,436,414**
Economic life	5–10 years	5–10 years	50 years		20–25 years
Depreciation plan	Straight line	Straight line	Straight line		Straight line

	Other intangible assets	Ships Industrial shipping	Ships Bulk carriers	Barges	Goodwill/ (Badwill)	Total Group
Aquisition cost as of 1 January	829,925	525,248	151,635	191,760	(100,637)	6,135,275
Reclassification	(3,372)	0	0	0	2	(4,614)
Foreign currency translation	(1,606)	(23,386)	(893)	0	3,151	(81,749)
Additions during the year	30,861	17,261	4,927	3,307	0	648,735
Disposals during the year	(216)	(101,114)	0	(195,067)	0	(1,145,579)
Aquisition cost closing balance	**855,592**	**418,009**	**155,670**	**0**	**(97,484)**	**5,552,068**
Depreciations and amortisations as per 1 January	173,684	120,423	8,889	131,845	88,284	801,869
Foreign currency translation	0	357	9,141	0	0	3,839
This year's deprecations	43,849	50,493	7,027	12,258	(38,273)	250,826
Additions this year	0	0	0	0	0	0
Disposals during the year	(27)	(67,509)	0	(144,103)	0	(226,634)
Accumulated depreciations and amortisations	217,508	103,764	25,057	0	50,011	829,859
Book value closing balance	**638,091**	**314,244**	**130,613**	**0**	**(147,492)**	**4,722,220**
Economic life	2–99 years	25 years	25 years	20 years	5–10 years	
Depreciation plan	Straight line/ 3% balance	Straight line	Straight line	Straight line	Straight line	

Goodwill from other aquisitions in 2010 are included with NOK 8.8 million and are amortised over 10 years. Amortisation time is based on the company's rent contract

After increased ownership share in Rederi AB Transatlantic, a negative goodwill of NOK 201 million accured. The remaining amount as at 31 December 2012 is NOK 165 million.

Intangible assets:
Intangible assets arise from the aquisition of Digitale Medier 1881 AS and Opplysningen 1881 AS in 2011. Brand names are amortised by 3% balance amortisation.

Lease agreements:
Western Bulk has concluded some long-term T/C agreements with a duration longer than 12 months from 1 January 2013. This represent a lease liability of USD 580.3 million excluding options.

Western Bulk has a remaining capital commitment to Western Alterna Partnership and Western Alterna GP LLC of approximately USD 2.3 million.

Viking Supply Ships' subsidiaries SBS and RABT have lease agreements for a total of 16 chartered ships with a future obligation of SEK 2,293 million. Future commited time-charter revenues are minimum SEK 2,699 million.

In addition to the abovementioned lease obligations, the parent company and the group have ordinary lease commitments related to premises, fixed assets etc.

NOTE 5 – INVESTMENTS IN SUBSIDIARIES

	AS Bagatelle	Aldebaran AS	Kistefos Eiendom AS	Kistefos Int. Equity AS	Kistefos Venture Capital AS	Viking Barge AS	Oktant Invest AS
Aquisition time	2010	1999	1999	1999	1999	2008	1993
Business office	Oslo	Oslo	Oslo	Oslo	Oslo	Kristiansand	Oslo
Ownership share/voting rights	100%	100%	100%	100%	100%	100%	100%
Aquisition cost	19,961	484,067	178,006	438,467	347,328	25,243	88,459
Aquisition of minority share	0	0	0	0	0	0	0
Merger of subsidiaries	0	0	0	0	0	0	0
Write-down of booked value	(2,501)	(2,087)	0	0	0	0	0
Other changes and transfers to/ (from) the company	0	2,088	0	0	52,826	0	(9,970)
Book value as per 31 December	**17,460**	**484,068**	**178,006**	**438,467**	**400,154**	**25,243**	**78,489**

	Viking Invest AS	Waterfront Shipping AS	Western Bulk AS	VSSR II AS	Kistefos Rederi Holding AS	Total
Aquisition time	1998	2000	1996/2006/ 2009/2012	2008	2007	
Business office	Kristiansand	Oslo	Oslo	Kristiansand	Oslo	
Ownership share/voting rights	100%	-	96.1%	-	100%	
Aquisition cost	861,942	67,950	437,011	128,274	147,630	3,224,336
Aquisition of minority share	0	0	15,271	0	0	15,271
Merger of subsidiaries	0	(57,978)	0	(26,020)	83,997	0
Write-down of booked value	0	0	0	0	0	(4,588)
Other changes and transfers to/ (from) the company	0	(9,972)	62,555	(102,254)	(197,097)	(201,824)
Book value as per 31 December	**861,942**	**0**	**514,837**	**0**	**34,530**	**3,033,196**

NOTE 6 – SHARES AND FINANCIAL INSTRUMENTS

PARENT COMPANY

	Number of shares	Ownership interest (%)	Book value
Bryggen 2005 AS*	1,000	100.0%	5,100
Advanzia Bank SA*	111,055	52.8%	277,989
Springfondene			24,700
Protia AS	1,386,914	38.7%	8,899
Progress Holding AS	402	14.3%	7,552
Kappa Bioscience AS	329	36.8%	19,540
OstomyCure AS*	2,815,984	57.7%	36,661
Kistefos Alliance AS*	2,000	100.0%	1,058
Kistefos PE Holding KS		7.6%	2,082
Ya Holding ASA	6,819,157	24.4%	76,597
Kistefos Partners AS*	50,000	100.0%	34,483
Other shares and financial instruments			(4,535)
Total shares and financial instruments – Parent company			**490,124**

SHARES AND FINANCIAL INSTRUMENTS OWNED BY SUBSIDIARIES	Number of shares	Ownership interest (%)	Book value
China New Enterprice Investment AS (WB)	556	32.8%	38,920
Advanzia Bank SA (WB)	13,965	6.6%	37,064
Atex Media Group Limited – ordinary shares*	4,732,810	85.3%	358,993
Atex Media Group Limited – preference shares*	451,050,348	99.8%	164,644
Promon AS	72,250	20.3%	7,034
Infront AS	593,175	27.7%	22,095
Intellicom AS	709,710	32.6%	22,261
Toktumi Inc (including 3 243 260 warrants)	40,909,760	33.6%	16,770
Phonero AS *	17,834	50.5%	31,209
Bambuser AB	4,782,382	7.9%	12,289
Other shares and financial instruments			13,490
Total shares and financial instruments – Subsidiaries			**726,062**
Total shares and financial instruments – Group			**1,216,185**

* Not consolidated due to temporary ownership.

NOTE 7 – TAXES

	Parent Company		Group	
Tax expenses for the year	**2012**	**2011**	**2012**	**2011**
Changes deferred tax/deferred tax assets	(2,837)	(6,884)	(12,515)	28,596
Changes deferred tax due to made (received) group contributions	11,894	(54,611)	0	0
Other changes	0	(11)	30,867	(139,650)
Taxes payable this year	0	0	21,684	51,939
Correction previous years' taxes	0	0	0	282
This year's tax cost/(income)	**9,057**	**(61,507)**	**40,035**	**(58,833)**

Tax payable in this year's tax expense		
Operating result before tax	144,673	(354,854)
Permanent differences	1 632	1,644
Share of results, affiliated companies	645	(1,352)
Permanent differences, shares	(64,809)	129,439
Dividends	204	33,453
Change in temporary differences	10,133	4,235
Share of results from investments in subsidiaries	(210,169)	14,469
Received/(made) group contribution	281,378	(855)
Received/(made) group contribution with tax effect	(163,687)	195,041
Basis for tax payable	**0**	**13,520**
Tax (28%)	0	3,786
Application of unused share dividends	0	(3,786)
Taxes payable in this year's result	**0**	**0**

Specification of basis for deferred tax:	Parent Company		Group	
Offsetting differences	**2012**	**2011**	**2012**	**2011**
Temporary differences, receivables	0	0	(1,780)	(1,821)
Temporary differences, fixed assets	(466)	(465)	(15,245)	168,166
Temporary differences, gains account	53,014	66,267	554,828	675,584
Temporary differences, others	14,571	11,450	464,294	478,707
Total	**67,119**	**77,252**	**1,002,097**	**1,320,636**
Temporary differences, affiliated companies	0	0	(34,414)	(33,042)
Temporary differences, shares	0	0	5,984	5,984
Loss carry-forward for tax purposes	0	0	(633,213)	(860,714)
Temporary differences other	0	0	0	2,772
Change in deferred tax/(deferred tax assets)	**67,119**	**77,252**	**340,454**	**435,636**
Deferred tax/(deferred tax assets)	**18,793**	**21,631**	**95,327**	**121,978**
Deferred tax	**18,793**	**21,631**	**212,615**	**210,928**
Deferred tax assets	**0**	**0**	**(97,076)**	**(82,873)**

NOTE 8 – EQUITY

PARENT COMPANY

	Share capital	Other paid equity	Other equity	Total Equity
Opening balance	310,828	0	1,055,409	1,366,237
Profit/(loss) for the year	0	0	135,617	135,617
Net received/(made) group contributions	0	77,508	(55,806)	21,702
Other changes and conversion differences	0	0	(1,067)	(1,067)
Closing balance	**310,828**	**77,508**	**1,134,153**	**1,522,489**

The company's share capital is NOK 310,828 divided into 22,202,000 shares at NOK 14 each. All shares carry equal rights.
The company's shares are owned by Kistefos Holding AS (63.2%), AS Holding AS (32.3%) and Portfolio Management AS (4.5%), all companies indirectly owned by Christen Sveaas.

GROUP

	Share capital	Other paid equity	Other equity	Minority interests	Total Equity
Equity as at 31 December 2011	310,828	0	1,055,332	1,033,113	2,399,273
Correction previous years in subsidiary	0	0	-83,927	-5 053	-88,980
Opening balance	310,828	0	971,405	1,028,060	2,310,293
Profit/(loss) for the year	0	0	28,880	(121,678)	(92,798)
Net received/(made) group contributions	0	77,508	(55,806)	0	21,702
Other changes and conversion differences	0	0	(38,977)	(94,563)	(133,540)
Closing balance	**310,828**	**77,508**	**905,502**	**811,819**	**2,105,657**

Correction of error in previous accounting periods
The 2011 figures have been restated due to historical one-off costs that were miscategorized in 2009, resulting in a correction of the opening balance equity of USD 14.9 million at the beginning of the year. The one-off costs relate to a contractual default in 2009 by on of the customers of the the Group, and have previously been treated as part of the total contract portfolio resulting in a deferred recognition of the costs related to a defaulted contract. Following the correction, all relevant costs are recognized in 2009 when the default materialized. The annual result for 2011 has improved by USD 10,1 compared to the result presented in the 2011 annual report. The cash flow impact from the default occurred in 2009, so there are no changes to the reported cash flow statement for 2011.

NOTE 9 – DEBT, MORTGAGES, GUARANTEES AND RESTRICTED BANK DEPOSITS

The parent company has a debt of NOK 1,342,531 (2011: 1,526,635) pledged in assets with book values of NOK 2,503,818 (2011: 2,266,261).
The Group has debt of NOK 4,179,093 (2011: 4,750,096) pledged in assets with book values of NOK 7,636,850 (2011: 8,054,767).

The Group has debt which matures later than 5 years of a total of NOK 555,635 (2011: 908,769)

Part of the debt held by Rederi AB TransAtlantic is in breach with the covenants set out by the bank. The Group is not in compliance with certain financial covenants. The Group has initiated activities to increase revenues, reduce costs, improve working capital, conduct active liquidity control and adapt the fleet. Furthermore, the Group works actively together with the banks to ensure stable financing on both short and long terms, including any potential waivers for 2013 and future years. Rederi AB TransAtlantic has received waivers from the relevant banks for the fourth quarter 2012 due to non-compliance on certain financial covenants.

Bank deposits
Of the parent company's and the Group's bank deposits, NOK 90,502 (2011: 15,204) are in an escrow account as collateral for forward-funded shares. These can be freed upon realization of the investments. Also, NOK 1,326 (2011: 4,693) are held in tax deductions account.

Guarantees etc.
Kistefos AS has in favour of the lender guaranteed for a loan taken out by its wholly owned subsidiary Telecom Holding AS. The outstanding loan, which is secured by mortgages in the shares in Opplysningen 1881 AS and Digitale Medier 1881 AS, amounts to NOK 240 million at year-end. At the date of the statutory accounts, the loan has been re-financed with a different bank, and Digitale Medier AS is no longer a part of the pledge or the guarantee. Kistefos' guarantee had not been exposed to losses when the accounts were prepared.

As of 31 December 2012, Western Bulk AS has issued guarantees on behalf of subsidiaries for the benefit of third parties in the amounts of USD 61.4 million related to performance of mortgage debt (Western Stavanger), ISDA agreements for derivative trading, bunker oil procurement and performance of COA contracts. In addition, Western Bulk has issued performance guarantees on behalf of subsidiaries for the benefit of third parties in relation to long term charter-in contracts. The guarantees do not specify amounts, but remaining charter hire commitments under the contracts that have been guaranteed are about USD 503 million as of 31 December 2012.

Rederi AB TransAtlantic has provided guarantees for the subsidiary's fulfilment of time-charter contracts. The guarantees total SEK 2,358.8 million.

Opplysningen 1881 AS and Digitale Medier 1881 AS (subsidiaries of Telecom Holding AS) has provided guarantees as collateral for various operational obligations. As collateral for the obligations, there are bank guarantees, surety and pledges at a total value of NOK 67.4 million.

NOTE 10 – DISPUTES

The subsidiary Kistefos Venture Capital AS received in November 2009 the Tax Assessment Office's decision where they say they disagree with the company's treatment of profits in connection with the realization of shares in 2004. The profit constituted approximately NOK 209 million, corresponding to NOK 59 million in taxes for Kistefos Venture Capital AS. The case was heard in the District Court in November 2010, and the court upheld the government's claim. Legal fees were not awarded to the government. The verdict was appealed to the Court of Appeal, where the case was ruled in favour of the State. Kistefos Venture Capital will appeal the case for the Supreme Court. Otherwise this will not entail payable tax, but reduce the tax loss carried forward with the corresponding amount. No provisions were made in the accounts.

The subsidiary Western Bulk AS is involved in several legal disputes, both as a defendant and as a plaintiff. The company makes accounting provisions based on the individual cases. The provisions made in the financial statements are assessed to be sufficient. The Group does not wish to describe the provisions in detail due to ongoing cases. As per 31 December, total provisions are USD 5.2 million.

NOTE 11 – FINANCIAL RISK FACTORS

Operational exposure
The Group has considerable operational activities abroad and needs continuous exposure in foreign currencies in order to maintain its daily operations. The majority of the companies maintain both their income and costs in the same currency. In total, the currency risk related to cash items is therefore relatively modest and is not hedged using derivatives. Some minor items in subsidiaries are hedged through currency-contracts.

The Group's operations in shipping and offshore are exposed to the global shipping market, and results will fluctuate with rates and utilization. Where appropriate, freight derviatives are used to hedge or adjust the risk exposure to the market. The group is also greatly affected by changes in oil prices which can cause significant fluctuations in bunker costs. To reduce the bunker risk, swap and forward contracts for fuel are utilized.

Currency risk related to the balance sheet
The consolidated financial statement is presented in NOK. Balance risk occurs when the subsidiaries' balances are translated from their accounts in local currencies to NOK. The group's liabilities are raised based on the currency composition of assets in the balance.

Interest risk
The group's interest risk is mainly associated with long-term loans. Loans with floating interest rates involve an interest risk for the group's cash flow. Overall, the interest risk constitutes a relatively modest item. Some items in subsidiaries are hedged through interest rate futures.

Liquidity risk
The Group has focus on liquidity reserves and necessary liquidity to cover commitments from operations. Minimum liquidity levels in loan covenants are monitored on a running basis. Furthermore, there is focus on required liquidity for use of derivatives for hedging purposes

NOTE 12 – MATERIAL TRANSACTIONS, TRANSACTIONS WITH AFFILIATED COMPANIES

On 14 December 2012, the subsidiary Viking Barge DA sold its 7 barges for a combined price of EUR 17.5 million. Net profit from disposal of fixed assets are NOK 76.3 million

Kistefos AS has had the following transaction with related party, made on an arms length principle based on estimated market values

Type of transaction	Related party	Amount
Sale of shares	Western Bulk AS	26,000 USD

The parent company has internal liabilities and receivables from other group companies. Interest for these are calculated based on NIBOR + 1.5% margin. Kistefos also performs some administrative duties for other group companies. These are invoiced based on the arms lenght principle.

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Til generalforsamlingen i
Kistefos AS

AUDITORS REPORT

Report on the Financial Statements

We have audited the financial statements of Kistefos AS, which comprise the financial statements for the parent company, showing a profit of NOK 135,617,000, and the financial statements for the group, showing a loss of NOK 92,798,000. The financial statements of the parent company and of the group comprise the balance sheet as at December 31, 2012, the income statement and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with Norwegian accounting act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the parent company Kistefos AS and the group as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 23rd of April 2013
RSM Hasner Kjelstrup & Wiggen AS

Translation, not to be signed

Per-Henning Lie
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

The Auditor's Report refers to the annual report on pages 8–12 and the annual accounts and notes on pages 35–47.

Container vessel in Østersjøen.

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