KISTEFOS

ANNUAL REPORT 2013

Contents

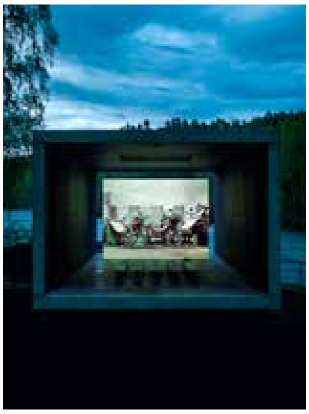


Photo: Jiri Havran

FRONT PAGE SCULPTURE

JOHN GERRARD
«Pulp Press» (Kistefos), 2013

"Pulp Press" (Kistefos), 2013 is a high-tech installation that portrays the production process in the old pulp factory. This year's sculpture is connected to the old pulp factory from 1889 in a unique way. The installation, which was specifically designed for Kistefoss, was produced in collaboration with A2, a firm of architects from Dublin, Ireland. It took Gerrard two years to develop this high-tech animation. The animation presents the production process that once took place at Kistefos Træsliberi, with pictures of the machinery and the production hall. Gerrard has done this digitally with the aid of technology used by the military and video games developers. Gerrard studied the machinery at Kistefoss, as well as the machinery at A/S Norske Skog Follum's former paper factory in Hønefoss. The animation depicts the production of paper, which is then saved to a hard drive. Over the course of one year, three hard drives are filled with sheets of virtual paper.

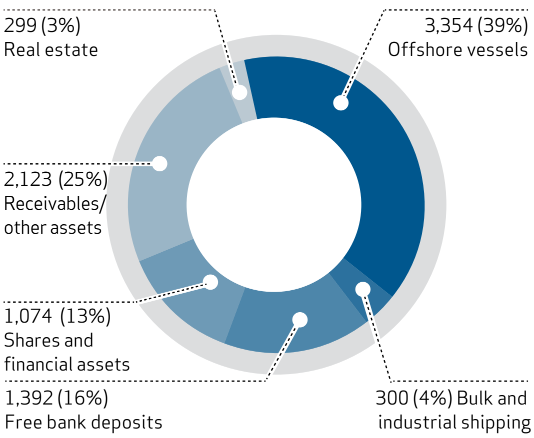
Key figures – Group

(NOK million)

PROFIT AND LOSS STATEMENT	2013	2012	2011	2010	2009
Operating revenue	10,488	10,277	9,077	7,906	4,997
Operating profit	220	246	(56)	492	86
Year's result	**(401)**	**(93)**	**(388)**	**234**	**499**
BALANCE SHEET					
Fixed assets	4,704	5,228	5,542	4,984	2,047
Bank deposits	1,392	980	1,164	884	863
Other current assets	2,446	2,522	2,568	2,248	2,417
Book equity	2,449	2,106	2,310	2,894	1,873
Long-term liabilities	4,868	5,173	5,118	4,023	2,882
Short-term liabilities	1,224	1,452	1,846	1,199	572
Total assets on balance sheet	**8,541**	**8,731**	**9,274**	**8,116**	**5,327**
SOLVENCY					
Book equity ratio	28.7%	24.1%	24. 9%	35.7%	35.2%

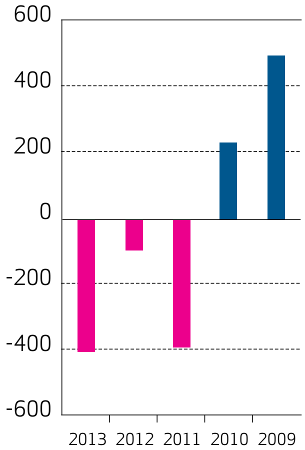
Book value of assets

(NOK million)



Net Income

(NOK million)



Highlights of 2013

- The results in TransAtlantic's Industrial Shipping division remained weak and unsatisfactory throughout the year. The result before tax was a loss of SEK 283 million in 2013.
- Western Bulk raised NOK 300 million through an unsecured bond issue in the first quarter.
- Digitale Medier, which was originally spun off from the Opplysningen 1881 Group, was sold in the second quarter. The sale resulted in an accounting profit of NOK 222 million for the Group.
- A contract was signed in the second quarter for the sale of the Atex Group's North American business to an American buyer. Due to its weak results, Kistefos wrote down Atex's book value by NOK 278 million in the financial statements.
- During the year, Western Bulk signed contracts for long-term leases, with options to buy, of a further 11 Supramax and Ultramax vessels. The vessels will be delivered during 2014–2017.
- The Oslo Stock Exchange started trading Western Bulk shares on Friday, 25 October. After the listing, Kistefos owns 60% of the company.
- Rederi AB TransAtlantic issued a short-term debt instrument of SEK 140 million in June. The loan was repaid in December. The subsidiary Viking Supply Ships issued a NOK 100 million unsecured bond in the market before the summer, this matures in September 2014.
- Viking Supply Ships signed a contract with a major oil company for four of the AHTS vessels. The contract is for the 2014 and 2015 drilling seasons, with options for the 2016 and 2017 seasons. The contract is worth USD 120 million for the fixed period. Viking Supply Ships was also awarded a two-year contract worth USD 50-60 million for consultancy services with a company owned by a major oil company.
- The parent company repaid around NOK 900 million in interest-bearing debt in 2013. Parts of this were financed by a three-year, unsecured, NOK 650 million bond issue.
- Rederi AB TransAtlantic conducted a new rights issue amounting to SEK 148 million in December. The issue was fully guaranteed by Kistefos.

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 (60.4%)
  - Offshore
    - Viking Supply Ships (62.9%)
  - Other Investments
    - Opplysningen 1881 (100%)
    - Advanzia Bank (59.7%)
    - Phonero (49.8%)
    - Atex (85.3%)
    - Infront (27.7%)
    - yA Bank (24.4%)
    - Other investments and activities

Western Bulk ASA was listed on the Oslo Stock Exchange on 25 October 2013.
From the left: Benedicte Bakke Agerup (Board Member), Kristin Gjertsen (Board Member), Christian V. Christensen (Group Executive Vice President, WB Shipholding and Atlantic), Bente A. Landsnes (CEO, Oslo Stock Exchange), Jan Christian Tungland (Vice President, Steel & Bulk), Rolf A. Wikborg (Board Member), Jens Ismar (CEO), Henning E. Jensen (Board Member), Egil Husby (CRO), Håvard Furu (CFO), Knut J. Krogsrud (General Manager Shipowning), Marianne Loe (Business Controller), Cathrine Fosse (Head of Treasury & Business Control) and Tormod Teig (Corporate Risk Manager).

Annual Report

The consolidated result after tax for 2013 was a loss of NOK 401 million, compared with a loss of NOK 93 million in 2012. The weak consolidated figures are due to the negative figures from the subsidiary Rederi AB TransAtlantic (RABT), SEK -359 million in 2013 compared with SEK -393 million in 2012, and a NOK 278 million write-down of the carrying amount relating to Atex Group Ltd. Most of the Group's other companies are showing satisfactory development and several of the portfolio companies are showing good progress with respect to their results.

During 2013, there have been some major transactions that have changed the underlying structure of the Group. In October, we listed Western Bulk ASA and reduced our stake to around 60%. Kistefos also sold the wholly-owned subsidiary Digitale Medier 1881 AS in 2013 for a recorded profit of NOK 222 million. The Group's revenues increased by NOK 211 million from NOK 10,277 million in 2012 to NOK 10,488 million in 2013. The increase was due to the profit from the sale of Digitale Medier, which is classified as revenue in the consolidated financial statements, as well as a NOK 369 million increase in revenue in Western Bulk. The reorganisation and reduction of TransAtlantic's activities within Industrial Shipping reduced revenues from the TransAtlantic Group by NOK 111 million. Because of the sale of Viking Barge's fleet towards the end of 2012 and Digitale Medier in the second quarter of 2013, revenues and non-recurring effects from transactions dropped, for the purposes of comparison, by a total of NOK 231 million from 2012 to 2013.

The Group's operating profit amounted to NOK 220 million in 2013. This is NOK 26 million lower than in 2012. The most important changes were due to the reduced operating profit in RABT, NOK 58 million lower, and Western Bulk, NOK 71 million lower, the disappearance of the result from Viking Barge, NOK 117 million, and the parent company's NOK 19 million lower operating profit. The positive effect of the sale of Digitale Medier, NOK 222 million, and the NOK 36 million higher operating profit in Opplysningen 1881 offset the reduced operating profit from shipping activities.

The Group's net financial result was reduced by NOK 239 million from NOK -299 million in 2012 to NOK -538 million in 2013. The reduction was heavily affected by the NOK 278 million write-down in the investment in Atex. Other important elements of the net financial result are the dividends received from investments, which increased by NOK 31 million, and gains of NOK 24 million in the parent company's portfolio of shares. The Group's net interest expenses increased by NOK 13 million compared with 2012.

No research and development costs were expensed in 2013.

The Group's total assets recognised on the balance sheet was reduced by NOK 242 million from NOK 8,783 million in 2012 to NOK 8,541 million in 2013. Intangible assets decreased by NOK 209 million, due to the sale of Digitale Medier. The book value of the vessels in the TransAtlantic Group was also reduced by a total of NOK 234 million due to the fleet reduction and write-down of the carrying amount. At the same time, the Group's book value of investments in shares was reduced by NOK 143 million, largely due to the aforementioned NOK 278 million write-down. The Group's total cash holdings increased by NOK 411 million to NOK 1,392 million at the end of the year.

At year-end 2013, the Group's external, long-term, interest-bearing debt amounted to NOK 4,563, which represents a reduction of NOK 127 million compared with 2012. The net reduction was due to repayments of long-term debt to financial institutions totalling NOK 1,089 million and the new, unsecured bond debt totalling NOK 962 million that the Group has raised.

Given the year's results, and other changes and translation differences, the Group's book equity increased by NOK 329 million from NOK 2,120 million in 2012 to NOK 2,449 million at year-end 2013. The Group is assumed to have considerable additional values in addition to the book values.

The parent company's liquidity at the end of the year was good.

The liquidity situation in the subsidiary TransAtlantic has at times been challenging given its weak results. A SEK 148 million rights issue was conducted in December in order to ensure sufficient liquidity while the company's Industrial Shipping segment was restructured. The rights issue was guaranteed by Kistefos. The company has defined and initiated a number of concrete activities aimed at improving the company's liquidity and profitability. The measures involve a combination of stronger sales activities, which over time will hopefully result in higher income, and implementing a number of cost reduction and rationalisation plans. TransAtlantic's liquidity is considered good, taking into account the new rights issue the company have announced that will take place in the second quarter of 2014.

The liquidity situation in other major group companies is good.

At year-end 2013, the parent company's book equity amounted to NOK 1,780 million, equivalent to 46.0% of the total balance sheet.

The parent company's total assets decreased by NOK 1,142 million from NOK 5,012 million in 2012 to NOK 3,871 million in 2013. The parent company's result after tax was a profit of NOK 258 million in 2013. The profit was due to a positive financial result, in which realised net gains on shares and other financial instruments amounted to NOK 331 million, and the recognition of NOK 389 million in other financial income, primarily dividends and group contributions from subsidiaries. Unrealised net write-downs amounting to NOK 281 million have been recognised as costs. The parent company's external interest expenses increased by NOK 10 million from NOK 115 million to NOK 125 million.

The Group is exposed to various types of risk. In addition to the inherent market risk in each company or project, the Group's activities are exposed to other operating and financial risks. The Group is exposed to currency exchange risks through its operations and ownership positions, and hedges its operational activities against currency fluctuations where this is deemed appropriate. The Group seeks to maintain a long-term, currency neutral position in that the Group's liabilities are in various foreign currencies that reflect the income in the various currencies over time. There is an inherent risk linked to short-term and long-term liquidity in the Group, and the Group's board focuses on ensuring that liquidity is satisfactory at any given time. The focus of the Group's board on liquidity is important in today's unstable financial markets and is intended to fulfil the obligations of the company and the Group, as well as to ensure the Group is in a position to act quickly on interesting opportunities when these materialise. The Group is also exposed to changes in interest rates where the Group's liabilities are subject to variable rates. The risk that counterparties will be unable to meet their financial obligations is deemed low in the offshore segment, but is slightly higher, relatively, for shipping activities. The Group's board and management team actively monitor the various parts of the business that are exposed to risk.

Group companies

REDERI AB TRANSATLANTIC, SWEDEN (62.9%) INDUSTRIAL SHIPPING
2013 saw the continuation of the restructuring process in Industrial Shipping. The primary goal of the process is to achieve profitable operations in the division. Industrial Shipping has sold and returned around twenty vessels in recent years, centralised the organisation to Gothenburg, halved the number of legal units, closed a majority of offices, and considerably reduced the number of employees in the organisation. As part of focusing on its core activities, RoRo and Container, TransAtlantic's small bulk vessels have been chartered to another Swedish shipping company, which has taken over the commercial operations of the former small bulk division. In total, these activities have resulted in a lower cost base for Industrial Shipping, but also a lower top line.

In June 2013, TransAtlantic issued a SEK 140 million short-term loan certificate in order to finance the restructuring programme. This was repaid via a SEK 148 million rights issue in December 2013. The issue was fully guaranteed by Kistefos.

Industrial Shipping's revenues fell by SEK 425 million from SEK 2,212 million in 2012 to SEK 1,787 million in 2013. This decline was mainly due to the fact that Industrial Shipping has practically moved out of the bulk market in addition to a continued weak market in other segments with low demand and strong competition. The operating result amounted to a loss of SEK 187 million and the result before tax was a loss of SEK 283 million in 2013, down from a loss of SEK 230 million in 2012.

In the first quarter of 2014, Kistefos announced that we have acquired further shares in RABT, which means we have an obligation to offer to buy the remaining shares in the company. At the time the annual financial statements were presented, the size of the stake Kistefos would increase its holding to had not been fully clarified.

VIKING SUPPLY SHIPS A/S, DENMARK (62.9% VIA RABT)
At year-end 2013, Viking Supply Ships A/S (VSS) owned three icebreaking anchor handling tug supply (AHTS) vessels, four high ice-class AHTS vessels, and four platform supply vessels (PSV). It also has a standard AHTS vessel and two PSVs on charter parties with options to buy.

Demand for Viking Supply Ships' substantial expertise in operating in areas with ice and extreme weather conditions is expected to increase as exploration for oil and gas increases in Arctic waters. The focus on this segment of the market has proven successful so far. VSS was awarded a contract by a major oil company for four AHTS vessels for the 2014 and 2015 drilling seasons, with options for 2016 and 2017. The contract for the fixed period is worth USD 120 million.

2013 was characterised by a high level of activity, which included a NOK 100 million bond issue in the Norwegian bond market, establishing a local office in Canada in order to increase its presence in the region, and being awarded a two-year contract for consultancy services with a company owned by a major oil company; the contract is worth USD 50–60 million.

VSS' revenues increased by NOK 109 million from NOK 898 million in 2012 to NOK 1,007 million in 2013. VSS' operating profit amounted to NOK 44 million in 2013. The result before tax for 2013 was a loss of NOK 59 million. The operating profit was negatively impacted by a NOK 80 million write-down of the value of the vessels due to exchange rate fluctuations.

WESTERN BULK ASA, OSLO (60.4%)
The company is one of the world's leading operators of dry bulk vessels. It primarily focuses on the Supramax/Ultramax segment (40,000–65,000 dwt), but also operates Handysize and Panamax tonnage, which are respectively somewhat smaller and somewhat larger than Supramax/Ultramax. In 2013, the company had an average of 153 vessels at its disposal, which is 24 more vessels than in 2012 (129 vessels).

The company's revenues increased by USD 51 million from USD 1,144 million in 2012 to USD 1,195 million in 2013. 2013 was characterised by continued low rates for dry bulk vessels and there was an imbalance between demand for transport services and the supply of vessels throughout the year. The average rate for Supramax was about USD 10,300 in 2013, compared with about USD 9,500 in 2012. The net margin developed negatively from 2012 to 2013 due to a lower margin per vessel day in a weak market with low volatility, and was USD 54.7 million in 2013 compared with USD 71.2 million in 2012. The increase in the number of vessels operated by Western Bulk counteracted some of this negative development.

During the year, Western Bulk's Shipholding division signed contracts for the long-term lease of a further 11 Supramax and Ultramax vessels. The vessels will be delivered between 2014 and 2017. All of the vessels have lease contracts with options to buy for Western Bulk. At year-end 2013, the division's fleet consisted of one vessel on a bareboat charter, four part-owned vessels and 22 vessels on time charters, 18 of which are newbuilds that will be delivered in 2014–2017.

KISTEFOS EIENDOM AS (100%)
Following the adoption of the zoning plan in 2011, Bergmoen AS (57.3%) took on the role of developing comprehensive visions for Gardermoen Business Park, organising the landowners, coordinating marketing, and

establishing models for investing in and operating joint infrastructure.

In 2013, Bergmoen was in charge of marketing Gardermoen Business Park to specific industries and companies that could potentially establish themselves in the area.

OPPLYSNINGEN 1881 AS, OSLO (100%)
Opplysningen 1881 is Norway's leading directory service with listings of individuals and businesses. The Company experienced further falls in volumes for both Voice and SMS, but maintained a market share of around 80% for Voice and 70% for SMS in 2013.

Opplysningen 1881's revenues decreased by NOK 23 million from NOK 444 million in 2012 to NOK 421 million in 2013 due to the aforementioned fall in volumes. The company's profit after tax improved from NOK 91 million in 2012 to NOK 111 million in 2013 due to substantial cost savings and a profit of NOK 27 million from the sale of domain rights related to Digitale Medier AS.

Other, non-consolidated companies

ADVANZIA BANK S.A., LUXEMBOURG (59.7%)
Advanzia Bank S.A. (Advanzia) is a Luxembourg-based online bank without physical branches in which all the communication with customers takes place via the internet, mobile phone, post or the bank's customer service line. Advanzia launched no-fee credit cards in France at the end of 2012. The bank now distributes credit cards in three markets: Germany, France and Luxembourg. The bank has become one of the largest issuers of revolving MasterCard credit cards in Germany.

The total number of active credit cards by year-end 2013 was 380,000, an increase of 17% since year-end 2012. The bank funds its operations through equity and customer deposits, and at the turn of the year had 19,000 deposit customers. The bank has enjoyed another year with a solid increase in income, and total net income in 2013 amounted to EUR 83 million, up from EUR 59 million in 2012. At year-end 2013, net lending to customers, after provisions for losses, amounted to EUR 499 million, up 23% compared with 2012. Advanzia has thus achieved two milestones: gross lending of half a billion euro and credit-card turnover of one billion euro. Profit after tax amounted to EUR 21 million for 2013, an increase of 62% from EUR 13 million in 2012.

The company's capital adequacy ratio of 16.1% at year-end 2013 was very satisfactory and represents an increase from 15.6% at year-end 2012.

ATEX GROUP LTD., UK (85.3%)
Atex Group Ltd. is a leading, global provider of software to the media industry and a major market player within its niche in this market. The company primarily provides solutions within the business areas of advertising, editorial and distribution systems. Most of the companies in this industry (including Atex) have a background in print-based media. Atex sold two product lines in 2013, AdBase and Audience, and the existing business associated with these products. Based on analyses and assessments of the investment in Atex, it was decided to write down its book value by NOK 278 million.

Atex's revenues amounted to USD 73 million in 2013, compared to USD 84 million in 2012. The focus in 2014 will be on further developing Content Management and strengthening the sales organisation. Adapting the new organisation in relation to its remaining activities due to the aforementioned sale of business will also be a priority.

PHONERO AS, KRISTIANSAND (49.8%)
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 provides solutions that range from online switchboard solutions to IP telephony, although its main focus is on mobile telephony. A high level of service, a focus on customer satisfaction, and effective distribution are central to the company's business philosophy and strategy.

At year-end 2013, Phonero had about 50,000 business subscribers, an increase from about 40,000 subscribers at year-end 2012.

The company's revenues increased by NOK 49 million from NOK 269 million in 2012 to NOK 318 million in 2013. At the same time, the company's operating profit improved significantly from a profit of NOK 8 million in 2012 to a profit of NOK 36 million in 2013.

YA HOLDING ASA, OSLO (29.99%)
yA Bank AS offers products such as consumer loans, credit cards, debit cards, deposit accounts, and payment services. yA Bank is a Norwegian online bank with no physical branches. The bank communicates with its customers via its website, the phone, and collaborating agents and partners.

yA Holding ASA reported a good increase in revenues in 2013. Total net income was NOK 197 million, an increase of NOK 28 million compared with 2012. The group's profitability improved and the result before losses and tax amounted to NOK 100 million in 2013 compared to NOK 84 million in 2012.

At year-end 2013, yA Bank's capital adequacy ratio was at 15.8%, which exceeds the Financial Supervisory Authority of Norway's requirement of 12.5%. The bank is thus well capitalised and positioned for finance further growth. Kistefos increased its stake in the company to 29.99% in the first quarter of 2014.

INFRONT AS, OSLO (27.7%)
Infront AS is Scandinavia's leading company within real-time solutions for information about, and trading in, 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 results for 2013 were characterised by a high level of activity in Infront, but also a challenging market with many of the company's customers focusing on costs. This has reduced the operating result compared with the year before.

Revenues increased by NOK 2 million from NOK 169 million in 2012 to NOK 171 million in 2013. The operating profit was NOK 12 million in 2013 compared to NOK 22 million in 2012.

SPRINGFONDENE AND ALLIANCE VENTURE POLARIS
It was decided in 2013 that Alliance Venture and Springfondet would merge and establish a new fund to further develop the leading environment in Norway for early-phase ICT investments. The new fund will be called Alliance Venture Spring and is expected to launch in the first quarter of 2014. Alliance Venture Spring will be around NOK 500 million in size and is one of two seed corn

funds in which the state decided in 2013 to invest capital on a 50/50 basis with private investors. Kistefos has invested directly in three of the most promising companies in Springfondet's portfolio: Kappa Bioscience AS, Ostomycure AS and Promon AS.

Organisation and the environment

The Kistefos Group, including the portfolio companies, employed a total of 1,965 full time equivalents at year-end 2013. The parent company's head office is in Oslo. The Group runs a global business.

The number of full time equivalent positions in the parent company has been stable at 16, four of whom were women and 12 men. The working environment in Kistefos is good. Total sick leave in the parent company numbered 19 days (0.7%) in 2013. No serious accidents or injuries were reported in the Group or the parent company in 2013.

The Group wants to ensure that both genders have equal opportunities with respect to skills enhancement, compensation and development opportunities. The Group practices a personnel and recruitment policy that does not discriminate. The parent company and the Group practice gender equality in recruitment and seek a balanced number of men and women. The Kistefos Group has drawn up its own code of conduct that sets out the guidelines that apply for preventing discrimination, etc. and also ensures duties are properly allocated when there is a particular need.

Kistefos does not pollute the environment to any significant extent. However, the Group is involved in activities that are potential sources of pollution. The Boards of directors of these companies are responsible for ensuring that their enterprises are being operated properly and in accordance with the applicable guidelines for preventing and limiting pollution of the environment.

Material events after the balance sheet date, going concern assumption

There have been no events, other than those already mentioned, after the balance sheet date of material importance to the presented financial statements.

The annual financial statements have been prepared on the assumption that the Group is a going concern. The Board confirms that the basis for making such an assumption exists.

Outlook

The parent company repaid NOK 900 million in bank loans during 2013. This was financed partly through sales of shares and business, and partly through a new bond issue.

The outlook for Viking Supply is better than it has been for a number of years. During the fourth quarter, we were awarded a multi-year contract for four of our AHTS vessels by a major oil company. A multi-year consultancy agreement was also signed with an oil company. Both contracts will start in 2014. The contracts were won thanks to systematic work over time and represent recognition of our employees' experience and expertise. Together the contracts help to raise the company's future income to a higher level compared with earlier years.

The restructuring of TransAtlantic's Industrial Shipping division continues for the fourth year and the markets it operates in continued to develop negatively in 2013 as well. We expect this trend to continue in 2014. The poor outlook for container shipping in TransPal Line led to a decision to wind up this part of the business in the first quarter of 2014. This will reduce the number of employees in the national organisation from just over 200 to around 70 over a two-year period. As a consequence of the restructuring we have been working on for a while, we expect the line to deliver substantially better overall figures towards the end of 2014 than those we saw in 2013.

We expect Advanzia to maintain the good pace of growth we have seen in the last few years and to deliver good results and satisfactory dividends in the coming year.

During the first half of 2014, Bergmoen will take over ownership of plots of land we have had options on and its focus will be on developing these.

Western Bulk was listed on the stock exchange in 2013. Kistefos sold NOK 440 million in shares in Western Bulk as part of this process. The market outlook for 2014 appears better than it was for 2013. A better rate level is expected going forward and the company aims to increase the number of vessels it has in operation. We are well positioned for an upturn after three years of weak markets.

Overall, the outlook for 2014 appears to be better than it was at the beginning of last year and we expect underlying operations in our main companies to develop positively in the coming year.

Allocation of the year's result

The Board proposes the following allocation of the year's result :

NOK mill.	
Year's result	258,099
Transferred to other equity	(258,099)
Total allocation of the year's result	**258,099**

The Board proposes that a group contribution of NOK 40.839 million be paid to subsidiaries. It is proposed that no dividend be paid.

Oslo, 25 March 2014
On the Board of Kistefos AS

Christen Sveaas
Executive Chairman

Erik Wahlstrøm
Board Member

Christian H. Thommessen
Board Member

Martin Reimers
Board Member

Tom Ruud
Board Member
CEO

The Board of Kistefos AS
From the left: Martin Reimers (Board Member) with Rapp the elk hound, Henning E. Jensen, Erik Wahlstrøm (Board Member), Tom Ruud (Board Member, CEO), Christen Sveaas (Executive Chairman) with Brum the elk hound, and Christian H. Thommessen (Board Member).

Rederi AB TransAtlantic

www.rabt.se

The TransAtlantic group's revenues fell from SEK 3,274 million in 2012 to SEK 2,925 million in 2013 due to the continued restructuring of the Industrial Shipping division (IS). The fall was compensated for to some extent by higher turnover in Viking Supply Ships (VSS).

2013 was affected by the continued restructuring process in Industrial Shipping that was started in 2012 in order to improve the division's profitability. Industrial Shipping has sold and returned around twenty vessels in recent years, completed centralising its operations to Gothenburg, closed a majority of offices, and considerably reduced the organisation. As part of focusing on its core activities, RoRo and Container, TransAtlantic's small bulk vessels have also been chartered to AtoB@C, which has taken over all the commercial operations of TransAtlantic's small bulk division. This has resulted in a lower cost base for Industrial Shipping, but also a lower top line. Industrial Shipping's result before tax was a loss of SEK 283 million in 2013, down from a loss of SEK 229 million in 2012.

In June 2013, TransAtlantic issued a short-term SEK 140 million loan certificate in order to finance the restructuring programme. This was repaid through a SEK 148 million rights issue in December 2013, which was fully guaranteed by Kistefos.

Viking Supply Ships's (VSS) revenues increased from NOK 898 million in 2012 to NOK 1,007 million in 2013, and the result before tax increased from NOK -157 million in 2012 to NOK -59 million in 2013.

The focus on operating in areas with ice and in extreme weather conditions has proven successful and VVS was awarded a contract in the four quarter with a major oil company for four of the AHTS vessels. The contract is for the 2014 and 2015 drilling seasons, with options for the 2016 and 2017 seasons. The drilling season is expected to start around April/May each year and last for six months each season. The total value of the fixed contract is USD 120 million.

The TransAtlantic group's result after tax was a loss of SEK 359 million in 2013, a slight improvement on the loss of SEK 393 million in 2012.

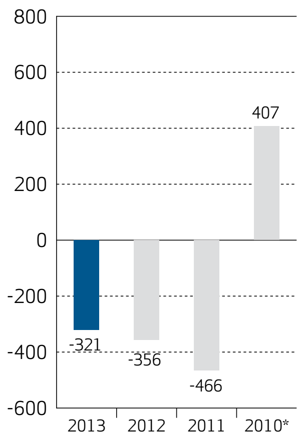
First quarter

- The result after tax was a loss of SEK 137 million in the first quarter, compared with a loss of SEK 132 million in the first quarter of 2012.
- Viking Supply Ships decided to implement a new organisational structure, which entails the centralisation of all operations and support functions at the head office in Copenhagen.
- The Swedish Maritime Administration (SMA) decided not to renew the contracts of the AHTS vessels Tor Viking and Balder Viking. The vessels will thus be available for new contracts after the first quarters of 2014 and of 2015 respectively.
- Viking Supply Ships entered into a longer charter party with a major oil company for one of the company's AHTS ice-breaker vessels.
- Viking Supply Ships implemented a new, NOK 85 million tranche within its existing bond issue.

Second quarter

- The result after tax was a loss of SEK 62 million in the second quarter, compared with a loss of SEK 124 million in the second quarter of 2012.
- Industrial Shipping ended two tax lease structures in the UK, which freed up liquidity and transferred a financial asset to TransAtlantic. This used to formally belong to one of the tax lease structures. The financial asset was sold in the third quarter of 2013.
- As part of the restructuring process in Industrial Shipping, the company recognised restructuring costs with a net effect of SEK -18 million in the second quarter.
- The board decided to seek the shareholders' permission to conduct a rights issues worth up to SEK 150 million in the fourth quarter in order to ensure satisfactory, stable financing going forward. The issue was fully guaranteed by Kistefos. In connection with this, TransAtlanctic also issued a SEK 140 million certificate loan with a term of

RESULT BEFORE TAX
SEK million



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

six months as bridge financing until the planned rights issue had been completed.
- In June, Viking Supply Ships issued a new unsecured, NOK 100 million bond issue that will mature in September 2014.

Third quarter
- The result after tax was a profit of SEK 43 million in the third quarter, compared with a loss of SEK 42 million in the third quarter of 2012. The group reported a positive interim result thanks to good results in Viking Supply Ships, which achieved an operating result of SEK 100 million in the third quarter.
- As part of focusing on its core activities, RoRo and Container, TransAtlantic's small bulk fleet were chartered to AtoB@C, which took over all the commercial operations of TransAtlantic's small bulk division on 1 September.
- Industrial Shipping sold the vessels TransEagle and TransFalcon.
- Thomas Bergendahl became the group's CFO in July.

Fourth quarter
- The result after tax was a loss of SEK 203 million in the fourth quarter, compared with a loss of SEK 95 million in the fourth quarter of 2012.
- Viking Supply Ships signed a contract for four AHTS vessels with a major oil company in October. The contract is for the 2014 and 2015 drilling seasons, with options for the 2016 and 2017 seasons. The drilling season is expected to start around April/May each year and last for six weeks. The total value of the fixed contract term is USD 120 million.
- TransAtlantic conducted a SEK 148 million rights issue in December. The rights issue was fully subscribed by existing shareholders.
- Tom Ruud took over as CEO of Rederi AB TransAtlantic.
- Viking Supply Ships decided to open a local office in St. John's in Canada to increase its presence in the region.
- Viking Supply Ships was awarded a two-year contract for consultancy services with a company owned by a major oil company. The contract involves providing advice on logistics, supplying offshore operations with equipment, and other matters. The contract is estimated to be worth a total of around USD 50–60 million, depending on the actual services that are delivered.
- Given the weak results and negative cash flow within Industrial Shipping, a new rights issue worth around SEK 150 million has been proposed in order to accelerate the ongoing restructuring in Industrial Shipping, and to create the conditions that would allow the group to be spilt more quickly.

SEK million	2013	2012	2011
Revenues	2,925	3,274	2,989
EBITDA	272	120	67
Operating profit/(loss)	(193)	(143)	(348)
Result before tax	(321)	(356)	(466)
Total assets	4,884	5,745	6,283
Book equity	1,749	2,104	2,493
No. of employees	866	843	833
Kistefos' ownership interests	62.9%	62.9%	62.9%
CEO	Tom Ruud	Henning E. Jensen	Henning E. Jensen

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. The business area has posted big losses in recent years and in 2013 further steps were taken in the restructuring process that was started in 2012 to improve profitability. Industrial Shipping has sold and returned around twenty vessels in recent years, centralised its operations to Gothenburg, closed six offices, and considerably reduced the organisation. As part of focusing on its core activities, RoRo and Container, all of TransAtlantic's small bulk vessels have been chartered to AtoB@C, which took over all the commercial operations of TransAtlantic's small bulk division on 1 September. A number of assets that did not belong to the core activities were also sold. The number of legal units was more than halved during the year; all measures that will help considerably to reduce the complexity of the division.

The mission of Industrial Shipping, which mainly consists of line traffic with RoRo and container vessels, is to collaborate on achieving the highest utilisation rates for the vessels and high levels of service for Industrial Shipping's customers. This is combined with a logistics infrastructure consisting of our own terminals and a good, land-based 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 Nordic 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 serious need to reduce lead times and costs, so that they can be competitive in the international market. Industrial Shipping's larger customers include StoraEnso, Rautaruukki, Hapag Lloyd, MSC, Fiskeby, SSAB and IKEA Distribution.

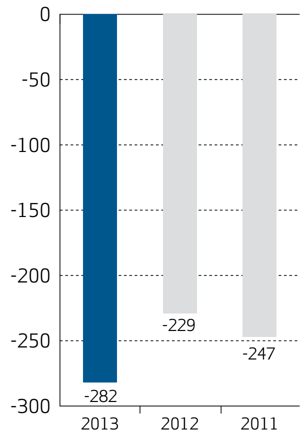
Restructuring and focus on core activities
As well as cost reducing measures, the company has worked on focusing on core services and reducing the complexity of the organisation. This resulted in all the commercial business in TransAtlantic's small bulk division being outsourced on 1 September to AtoB@C, which also charters TransAtlantic's small bulk fleet.

A number of assets that were not considered part of its core activities have been sold, including a property in Skärhamn, the shipbroking company Percy Tham AB, and the subsidiary Västerviks Logistik och Industri AB. The number of legal units has also been more than halved in order to reduce the complexity of the group.

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 maintains 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 start of 2013, Industrial Shipping had a total of 37 vessels, nine of which it owned. During 2013, the company returned a numbered of leased vessels and sold a total of four vessels: the bulk vessels TransEagle and TransFalcon, and the container vessels TransFrej and TransOdin. This means that at the start of 2014, Industrial Shipping operates a total of 30 vessels, of which five owned.

RESULT BEFORE TAX
SEK million



The RoRo vessel "TransPine" 18 855 dwt.

THE BUSINESS AREA

- One of Sweden's largest shipping companies
- Head office in Gothenburg
- Focus on the Baltic Sea with a leading position in Bottenviken
- Major customers within Nordic primary industries
- Fleet of 34 vessels at year-end 2013, five of which it owns
  - 9 RoRo vessels
  - 9 container vessels
  - 11 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. Environmental certification covers 54 environmental management points for operations both at sea and on land. TransAtlantic heavily focuses on the environment and continuously monitors the environmental impact of each voyage.

SEK million	2013	2012	2011
Revenues	1,787	2,212	2,259
EBITDA	(83)	(127)	(35)
Operating profit	(270)	(199)	(219)
Result before tax	(282)	(229)	(248)
Total assets	558	967	1,321
Book equity	76	254	537*
No. of employees	379	381	442
Kistefos' ownership interests	62.9%	62.9%	62.9%
CEO	Tom Ruud	Henning E. Jensen	Henning E. Jensen

*Due to the changed group structure, the 2011 equity is pro forma.

Western Bulk

Western Bulk
www.westernbulk.no

Western Bulk is a global leader in the dry cargo market, operating in the Handysize, Supramax/Ultramax and Panamax segments. The company was listed on the Oslo Stock Exchange in 2013. The company's business is organised into 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 performance

Gross freight income increased by USD 51 million from USD 1,144 million in 2012 to USD 1,195 million in 2013. The high gross revenue was mainly due to the fleet expansion, which to some extent was counteracted by a lower rate level during large parts of the year. The net result before tax was USD 12.7 million in 2013, compared with USD 28.3 million during the previous year.

Western Bulk Chartering

The chartering division consists of seven business units that are located in the company's offices in Oslo, Singapore, Seattle and Santiago, Chile. In 2013, Western Bulk operated on average 153 vessels, compared with 129 in 2012 and 103 in 2011. Western Bulk will increase the number of vessels in operation, with a focus on quality tonnage with environmentally-friendly designs and reduced bunker consumption.

Western Bulk Shipholding

The Shipholding division was established in 2009, with a focus on investing in and controlling vessels. In 2013, Western Bulk entered into 11 new long-term time charter parties with options to buy. The newbuilds will be delivered in the period 2014–2017. The Shipholding fleet consists of 27 vessels; 18 of which are newbuilds. 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 selectively increase its investments in quality tonnage with energy-efficient and environmentally-friendly designs.

Market trends

At the start of 2013, the Supramax index was at USD 7,654 per day and it fluctuated around 7–10,000 per day for a long time before levels increased in the fourth quarter to more than USD 15,000 per day. The average rate level increased from USD 9,500 in 2012 to USD 10,300 per day in 2013. The volatility in the market was low throughout the year. Vessel values in the second-hand market started at about USD 19.5 million for a five-year old 56,000 dwt Supramax and rose by 26% during the year.

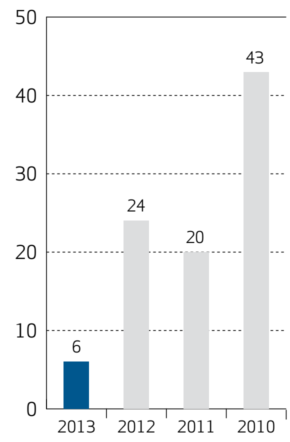
The environment

Maritime transport is the most emission-friendly form of transport for raw materials. However, the use of fossil fuel leads to vessels emitting 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. All the vessels that are owned or leased comply with international standards and regulations relating to emissions and health and environmental safety.

Market outlook

The dry cargo market is expected to develop positively in 2014 with somewhat higher rates and volatility. Western Bulk is well positioned to benefit from any hike in rates in 2014 with leased vessels on attractive rate levels and a substantial stock of option days where the company can choose to extend existing lease contracts for vessels at a fixed rate.

RESULT BEFORE TAX
USD million



37,9
MILLION TONNES

In 2013, Western Bulk carried a total of 37.9 million tonnes of cargo.

550
PORTS

Western Bulk's vessels called at more than 550 ports in 104 different countries in 2013. This is equivalent to more than 70% of the world's countries with a coastline.

153
VESSELS

Western Bulk had an average of 153 vessels at its disposal in 2013.

MV Western Texas is part-owned by WB Shipholding.

USD million	2013	2012	2011
Revenues	1,195.1	1,143.6	1,030.3
EBITDA	17.9	30.3	24.7
Operating profit	15.7	27.9	23.1
Result before tax	6.3	24.2	19.9
Total assets	292.6	249.7	238.6
Book equity	111.8	106.1	73.2
No. of employees	104	98	95
Kistefos' ownership interests	60.4%	96.1%	94.3%
CEO	Jens Ismar	Jens Ismar	Jens Ismar

* 2013 and 2012 = IFRS.

Viking Supply Ships

VIKING SUPPLY SHIPS AS
SHIPOWNERS
www.vikingsupply.com

Strong position in 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. This focus has proven successful so far: VSS was awarded a contract by a major oil company for four AHTS vessels for the 2014 and 2015 drilling seasons, with options for 2016 and 2017. The contract for the fixed period is worth around USD 120 million. 2013 was characterised by a high level of activity, which included a NOK 100 million bond issue in the Norwegian bond market, establishing a local office in Canada in order to increase its presence in the region, and being awarded a two-year contract for consultancy services with a company owned by a major oil company; the contract is worth USD 50–60 million.

Extensive experience

Viking Supply Ships' (VSS) core activity is in the global Offshore and Offshore/ice-breaking segment. The fleet consists of three AHTS vessels/icebreakers, four ice-class AHTS vessels, and one conventional AHTS vessel adapted for 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' main office is in Copenhagen and it has local offices in Kristiansand, Aberdeen, Stenungsund, Moscow and St. John's in Canada.

Expertise in ice and working in 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. Viking Supply Ships has carried out operations in Arctic waters for customers like Shell, Exxon, Statoil, and Cairn Energy.

Contract for four AHTS vessels awarded

Viking Supply Ships signed a contract with a major oil company for four of the AHTS vessels. The contract is for the 2014 and 2015 drilling seasons, with options for the 2016 and 2017 seasons. The drilling season is expected to start around April/May each year and last for six months. The total value of the fixed contract is around USD 120 million.

Consultancy contract awarded

Viking Supply Ships was awarded a two-year contract for consultancy services with a company owned by a major oil company. The contract involves providing advice on logistics, supplying offshore operations with equipment, and other matters. The contract is estimated to be worth a total of around USD 50–60 million, depending on the actual services that are delivered.

Local office established in Canada

Viking Supply Ships decided to open a local office in St. John's in Canada to increase its presence in the region. All the major oil companies that operate offshore in the eastern part of Canada have offices in the area, and having a local presence is considered strategically important. The Canadian market is growing strongly and in addition to existing oil fields such as Hibernia, White Rose and Terra Nova, there will be major exploration activities in other oil fields in the region in the future.

FACTS ABOUT THE BUSINESS AREA

- Head office in Copenhagen with offices in Aberdeen, Stenungsund, Kristiansand, Moscow and St. John's (Canada).
- Around 457 employees, 400 of whom work on the vessels
- One of the few operators with real Arctic offshore experience

- 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 of which are bareboat)

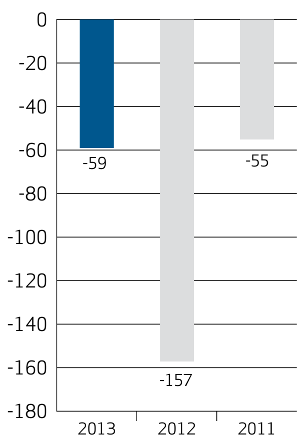
ACTIVITIES IN 2013

- VSS signed a contract with a major oil company for four AHTS vessels for the 2014 and 2015 drilling seasons, with options for the 2016 and 2017 seasons.
- Viking Supply Ships decided to implement a new organisational structure, which entails the centralisation of all operations and support functions at the head office in Copenhagen.
- Viking Supply Ships raised NOK 100 million via an unsecured bond issue in the Norwegian bond market. It matures in September 2014.
- VSS established an office in St. John's in Canada to increase its presence in the region.
- Viking Supply Ships was awarded a two-year contract worth a potential USD 50-60 million for consultancy services with a company owned by a major oil company.

AHTS ICE-10 Icebreaker, «Balder Viking».

RESULT BEFORE TAX

NOK million



VIKING SUPPLY SHIPS

NOK million	2013	2012	2011*
Revenues	1,007	898	639
EBITDA	299	196	205
Operating profit	44	6	16
Result before tax	(59)	(157)	(55)
Total assets	4,204	4,237	4,059
Book equity	1,719	1,723	1,584
No. of employees	457	406	391
Kistefos' ownership interests	62.9%	62.9%	62.9%
CEO	Christian Berg	Christian Berg	Christian Berg

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

AHTS

NOK	2013	2012	2011
Fixture rate per day	324,000	307,000	252,000
Utilisation rate (%)	73%	65%	73%
Average day rate	236,520	199,500	184,000

PSV

GBP	2013	2012	2011
Fixture rate per day	11,000	11,200	11,900
Utilisation rate (%)	76%	75%	87%
Average day rate	8,360	8,400	10,353

Opplysningen 1881

In 2013, Opplysningen 1881 achieved an operating result before write-downs of NOK 164 million. In 2013, the company saw growth in new services, profits from the sale of domains, and continued cost reductions compared with 2012, which compensate for a falling market within its core Voice and SMS services.

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 was sold, in its entirety, to Amedia AS in the middle of 2013.

Business areas

The core services of Opplysningen 1881 AS are directory services by Voice and SMS. The company also has a 'new services' business area, which consists of Ekspert-hjelp, Mobilsøk, B2B and Ask Adam. Eksperthjelp offers expert services via telephone and email via the www.ekspert-hjelp.no portal. Everyone from doctors, lawyers, IT experts and tradesmen offer their services through this portal which serves as an extension of 1881 and will form part of information 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. AskAdam is a manual, expanded information service via SMS.

Performance in 2013

The information service experienced a further reduction in volumes for both Voice and SMS in 2013. Longer calls due to more complicated questions or questions other than about name, number and address have compensated for the fall in volume to some extent. Surveys show that the company maintained its market shares throughout the year.

Growth in new services partly compensates for a falling market in the core services. Eksperthjelp has developed well in the last couple of years. The service is expected to become an increasingly large contributor to sales and profits in the company in the future. Together with the business areas Mobilsøk/B2B and AskAdam, Eksperthjelp was responsible for about one quarter of Opplysningen 1881's turnover in 2013.

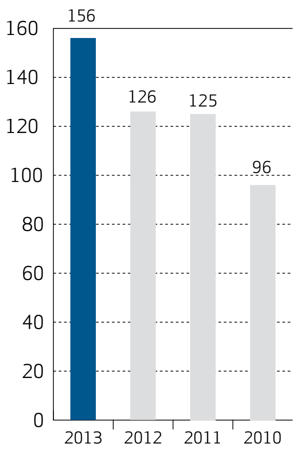
Anticipating further falls in volumes, Opplysningen 1881 has made organisational changes and increased its focus on efficiency in the past couple of years. The aim has been to preserve profitability in the company by adjusting the cost base ahead of decreases in volume. The measures the company has implemented have been successful and the cost base has been reduced considerably, which means that it is in a somewhat better position to maintain the result than the turnover.

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

www.1881.no

RESULT BEFORE TAX

NOK million



NOK million	2013	2012	2011
Revenues	421	444	480
EBITDA	164	143	158
Operating profit	151	123	129
Result before tax	156	126	125
Total assets	257	304	325
Book equity	165	164	115
No. of employees	164	168	188
Kistefos' ownership interests	100.0%	100.0%	90.5%
CEO	Jan Erik Sørgaard	Jan Erik Sørgaard	Jan Erik Sørgaard

Sale of Digitale Medier 1881 AS. Digitale Medier, which was originally spun off from the Opplysningen 1881 group, was sold to Amedia AS at the end of June 2013. The sale resulted in an accounting profit of NOK 222 million.

www.advanzia.com

Advanzia Bank

Advanzia Bank S.A. (Advanzia) is a Luxembourg-based online bank without physical branches in which all the communication with customers takes place via the internet, mobile phone, post or the bank's customer service line. At year-end 2013, Advanzia offered credit cards in three markets: Germany, France and Luxembourg. The bank is now the second largest issuer of revolving MasterCard credit cards in Germany and in 2013 credit card turnover passed the one billion euro mark.

The bank's primary product is a no fee credit card. Customer acquisition was good in 2013 and more than 120,000 new customers began using the card actively during the year.

At the end of 2013, the bank had issued over 560,000 credit cards; 380,000 of which were in active use. This is a 17% increase, compared with 2012. At year-end 2013, net lending to customers, after provisions for losses, amounted to EUR 499 million, up 23% compared with 2012.

Advanzia also offers deposit accounts at competitive terms to secure reasonable and predictable financing. At the end of 2013, Advanzia had more than 19,000 active accounts with total deposits of EUR 653 million, an increase of 14% compared with the end of 2012.

Advanzia expanded its credit card business to France at the end of 2012. Advanzia believes France offers considerable market potential, income and risk diversification, and an opportunity to exploit the bank's scalable systems. The post launch trend has been positive, but activity is being kept at a moderate level until the bank's processes and systems have been adapted to the new market.

Performance in 2013

Total net income amounted to EUR 82.7 million in 2013, an increase of 41% compared with 2012 when net income amounted to EUR 58.8 million. The strong income growth is in part due to one extraordinary transaction that contributed EUR 4.4 million. The growth excluding extraordinary income was 33%.

The result after losses and tax for 2013 amounted to EUR 21.3 million, which represents an increase of 63% compared to 2012. The return on equity was 34.3% in 2013, up from 26.0% in 2012. At the end of 2013, Advanzia had a solid capital adequacy ratio of 16.1%; slightly above the 15.6% figure for 2012, and it thus managed to grow strongly and maintain its financial strength. The bank distributed EUR 7.5 million to shareholders in 2013. The bank's liquidity ratio was persistently strong throughout the year at around 35%.

Outlook for 2014

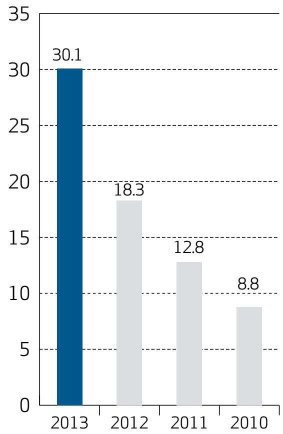
The bank is budgeting for continued good growth in both income and the result, and is also considering geographical expansion.

Kistefos is represented on the board of directors by Tom Ruud (Chairman), Christian Holme and Thomas Altenhain (board members).

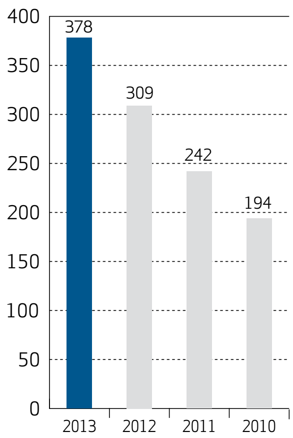
Key figures	2013	2012	2011
Active credit cards	378,000	309,000	242,000
Net lending to customers	EUR 499 mill.	EUR 405 mill.	EUR 306 mill.
Deposits from customers	EUR 653 mill.	EUR 571 mill.	EUR 475 mill.

EUR million	2013	2012	2011
Net income	82.7	58.8	47.4
Result before losses and tax	54.4	37.1	28.7
Losses on lending, loans and guarantees	(24.3)	(18.8)	(15.9)
Result after losses, before tax	30.1	18.3	12.8
Total assets	732.9	635.5	523.9
Book equity	71.0	57.2	44.1
No. of employees	77	69	61
Kistefos' ownership interests	59.7%	59.7%	55.8%
CEO	Marc E. Hentgen	Marc E. Hentgen	Marc E. Hentgen

RESULT BEFORE TAX
EUR million



ACTIVE CREDIT CARDS
Figures in 1 000s



Atex Group

www.atex.com

ATEX is a leading global software supplier to the media industry ATEX is primarily represented in the print media segment while playing an active role in transforming this industry into the digital space. Its head office is located in the UK and the business is centered around the European and Asia Pacific markets. Most of the companies in the industry (including ATEX) have a background in print media.

The product portfolio consists of several products for managing (news) content and channel distribution via print and digital delivery. In addition, ATEX offers advertising solutions. Atex has a strong history in print media having most significant print media companies on the customer list and is rapidly penetrating the customer base with digital products.

In recent years the market has undergone a comprehensive transition. Distribution of content is not any longer print only, but more and more via digital channels like PC, mobile, tablets and social media through web based delivery models. Atex has developed solutions for these new distribution channels and continues to further develop these solutions. The ATEX products are installed as mission critical systems in several of the world's leading media companies.

Atex's 2013 revenues amounted to USD 39 million excluding the revenues from the product lines that were sold to Newscycle. During 2013 Atex sold two product lines; AdBase and Audience and all business associated with these products. The disposed product lines were heavily weighted towards North America, but a part of the business was also installed in Europe and Asia Pacific. The sale of these two product lines closed on October 31st, 2013. The ATEX 2013 financials include the contribution from this business up until that date as well as the gain on the sale.

In 2014, there will be a focus on further development of Content Management, and strengthening the sales organization. In addition, following the sale of the business mentioned above there will be a focus on adopt the organization to the new structure post the sale of the product lines mentioned above.

ATEX is entering into a new phase, the interim management in place since 2012 has departed and new managment has been put in place. Effective January 1st, 2014 Henning Jensen, previously chairman of Atex and CEO of Kistefos AS, has been named CEO of Atex and Nishant Fafalia, previously board member of Atex and still investment analyst at Kistefos, has been named CFO.

Kistefos is represented on Atex's board by Tom Ruud (chairman of the board), Henning E. Jensen (member of the board) and Gunnar Jacobsen (member of the board).

Atex's stand at a trade fair.

Atex's products are compatible with various technological platforms.

USD million	2013*	2012	2011
Revenues	72.6	83.9	83.9
EBITDA	10.0	(1.3)	(1.3)
Total assets	54.9	148.8	148.8
Book equity	14.2	2.8	2.8
No. of employees	296	505	505
Kistefos' ownership interests	85.3%	85.3%	85.3%
CEO	Henning E. Jensen	Gary Stokes	Gary Stokes

* 2013 includes business that was sold in the period up to 31 October 2013, as well as the profit from its sale.
Unaudited figures.

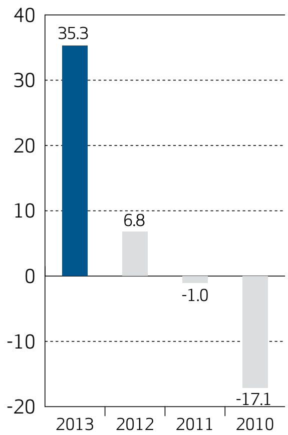
phonero
www.phonero.no

Phonero

Phonero increased its revenues by 18% in 2013 compared with 2012 and achieved a positive operating result before depreciation of NOK 43 million, which is NOK 29 million higher than in 2012. The company increased its subscriber base by more than 23% during the year and had around 50,000 subscribers at year-end 2013.

RESULT BEFORE TAX

NOK million



Kistefos owns just under 50% of Phonero. The remaining shares in the company are owned by the founders, management and other employees in the company.

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 such as product, billing and customer support internally. The company has a broad product portfolio and provides solutions that range from online switchboard solutions to IP telephony. It main focus is on mobile telephony Key to the company's business concept is level of service, customer satisfaction and efficient distribution.

Performance in 2013

EBITDA for 2013 amounted to NOK 43 million, a strong improvement from NOK 14 million the year before and NOK 5 million in 2012. This was due to a higher turnover, an improved margin, and the company's success with its product platform for switchboards, including as wholesale products.

Its organic growth since inception in autumn 2008 has been very strong. The company started 2013 with around 40,000 subscribers and ended the year with around 50,000 subscribers with linear growth throughout the year. The company's growth means that it is now better positioned to transition into segments where the businesses have more employees. This will challenge the organisation at all levels and especially motivate the sales organisation, in addition to it 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.

Phonero has more than 12,000 Norwegian corporate customers and each month more than 200 companies choose Phonero as their new provider of telephony solutions.

NOK million	2013	2012	2011
Revenues	318.1	268.6	197.6
EBITDA	42.6	13.6	5.1
Operating profit	36.0	8.3	0.6
Result before tax	35.3	6.8	(1.0)
Total assets	94.4	98.3	83.4
Book equity	8.2	19.1	20.3
No. of employees	200	200	165
Kistefos' ownership interests	49.8%	50.5%	50.5%
CEO	Thore Berthelsen	Thore Berthelsen	Thore Berthelsen

Bergmoen

Bergmoen is the largest actor at Gardermoen Business Park, which is located between the E6 motorway and Oslo Airport Gardermoen. Its proximity to Oslo Airport and the capital makes Gardermoen an exciting area for the development of all types of industry and a potential national meeting place with modern buildings in green surroundings.

Here Bergmoen and its sister company Gardermoen Forum AS control a site of some 900,000 square metres with potential for the development of around 700,000 square metres of commercial buildings.

A number of companies are already established in the business park and Coop Handel opened its new central warehouse for Eastern Norway here in 2013 with a new building of around 50,000 square metres and a total investment of around NOK 1.5 billion.

Following the adoption of the zoning plan in 2011, Bergmoen took on the role of developing comprehensive visions for Gardermoen Business Park, organising the landowners in order to coordinate marketing, and establishing models for investing in and operating joint infrastructure.

In 2013, Bergmoen continued marketing the business park, on a general basis and specifically to industries/businesses that could be relevant new businesses. It also continued working on the early-phase development of the business park.

Bergmoen started exercising site purchase options in 2013 and will become the owner of the plots in 2014.

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.

Bergmoen AS is led by Managing Director Rolf Hansteen. Kistefos AS is represented on the board by Tom Ruud (Chairman) and Olav Haugland and Hege Galtung (board members).

Gardermoen Business Park – Norway's largest development site for commercial buildings.

Modern buildings with good communications and road infrastructure will be integrated with green structures. The park sites can be used for different activities tailored to each industry.

INFRONT

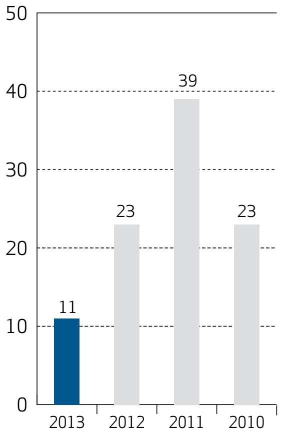
www.infront.no

Infront

In 2013, Infront continued its focus on expansion in Europe, while consolidating its leading position in the Nordic region. Activity was high throughout the year. The market was challenging and the company's customers were heavily focused on costs.

RESULT BEFORE TAX

NOK million



INFRONT

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 the Nordic countries and is gaining a foothold in selected markets outside the Nordic region. Sales revenues amounted to NOK 171 million in 2013.

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

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

Performance in 2013

In 2013, as in prior years, Infront continued to strengthen its position in the domestic market in parallel with developing its international ambitions. A difficult market and challenging times for the banking and finance sector resulted in limited growth during the year. Despite this, a decision has been taken to continue focusing on international expansion in 2014, 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 far more situations than it was before. The company is expected to benefit from this expansion when the markets recover.

In 2013, for the 17th time in a row, Infront's news agency, Nyhetsbyrån Direkt AB, won the award for being the best financial news agency in Sweden, closely followed by Bloomberg and Reuters.

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

Infront's products can be tailored to the individual use and are compatible with most platforms.

NOK million	2013	2012	2011
Revenues	170.8	169.3	187.9
EBITDA	26.8	29.9	43.9
Operating profit	12.1	25.2	38.6
Result before tax	11.0	22.7	38.7
Total assets	90.1	95.2	92.4
Book equity	27.3	19.0	13.8
No. of employees	93	92	87
Kistefos' ownership interests	27.7%	27.7%	27.7%
CEO	Kristian Nesbak	Kristian Nesbak	Kristian Nesbak

yA Bank

www.ya.no

yA Holding ASA is the parent company of a group with two business areas: yA Bank and MetaTech. The group offers financial services to private individuals in Norway. The group aims 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 consumer finance bank. Its head office is in Oslo and it focuses on the Norwegian market. The bank has no physical branches and communicates with its customers through agents, partners and a call centre. yA Bank offers services such as consumer loans, credit cards, debit cards, deposit accounts and payment services. MetaTech is a Norwegian technology company. Its head office is in Trondheim and it offers system services to the financial sector, including a large proportion of yA Bank's own IT systems.

Performance in 2013

yA Bank enjoyed stable lending growth throughout the year and at year-end 2013 net lending to customers amounted to NOK 2 016 million, which represents an increase of NOK 444 million from 2012. This loan balance generated net interest income of NOK 174 million, an increase of 18% from the year before. The result after tax amounted to NOK 60 million in 2013, an increase of 44% from 2012. The growth in the result is partly due to recognised non-recurring income of NOK 10 million linked to the sale of a portfolio of commitments with recognised losses.

yA Bank's core capital ratio was 15.8% at the end of the year and its equity amounted to NOK 337 million. During 2013, the Financial Supervisory Authority of Norway rescinded the special requirement that yA Bank had to have an extra 2% capital adequacy above general market regulations. yA Bank also raised NOK 40 million in subordinated bonds in 2013, which contributes to the bank's primary capital ratio of 17.9%. yA Bank is, therefore, considered to be in a good position to meet the steadily stricter capital requirements. yA Holding paid out NOK 2.8 million in dividends in 2013.

Outlook

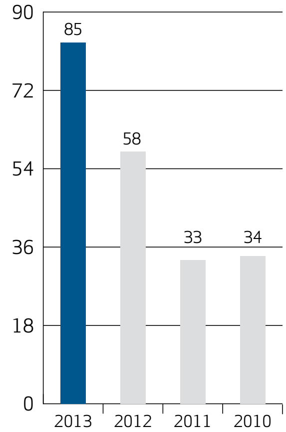
In 2014, the group will continue to focus on growing yA Bank's lending portfolio, within the credit card and consumer loan segments. The bank expects stable operating expenses and continued positive growth in profitability. Robert Berg has taken over as CEO in 2014.

Key figures (NOK million)	2013	2012	2011
Net lending to customers	2,016	1,572	1,276
Deposits from customers	2,260	1,906	1,654

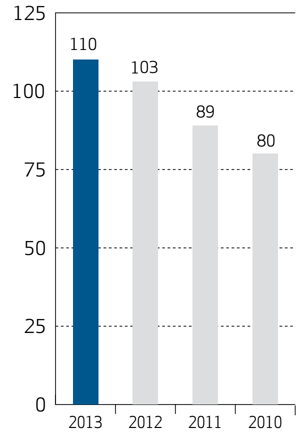
NOK million	2013	2012	2011
Net income	196.7	168.8	139.5
Result before losses and tax	99.8	83.6	54.3
Losses on lending and write-downs	(17.0)	(25.2)	(21.3)
Result after losses, before tax	82.8	58.5	33.1
Total assets	2,718.8	2,241.8	1,938.2
Book equity	336.6	304.9	265.6
No. of full time equivalents	40.7	45.3	47.8
Kistefos' ownership interests	29.9%*	24.4%	24.4%
CEO	Robert Berg	Svein Lindbak	Svein Lindbak

* Kistefos has increased its stake from 24.4% to 29.9% in the first quarter of 2014.

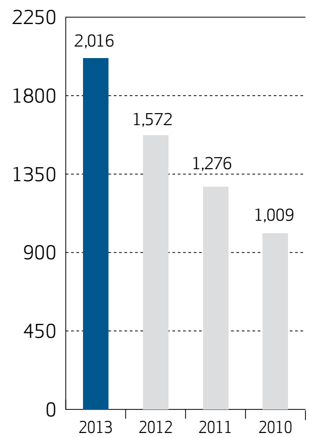
RESULT BEFORE TAX
NOK million



ACTIVE CUSTOMERS
Figures in 1 000s



NET LENDING BALANCE
NOK million



Oslo Innovation Center and Kistefos each own 50% of the Springfondet I. 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 Kistefos and Oslotech. Springfondet II was established in 2011 with total assets of NOK 100 million and is owned 70/30 by Kistefos and Oslotech.

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.

Performance in 2013

Throughout 2013, Springfondet focused on following up and further developing the existing portfolio. Springfondet is led by Johan Gjesdahl and Bente Loe. The board of directors consists of Gunnar Jacobsen (Chairman) and Fredrik Brask from Kistefos and Karl Christian Agerup and Jørn Omland from Oslotech.

Alliance Venture Polaris

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

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

Alliance Venture's head office is in Oslo and it manages the Alliance Venture Polaris fund. The fund was established in December 2006 as one of four seed corn capital funds in Norway. The shareholders in Alliance Venture Polaris have committed about NOK 172 million in private capital, where around 90% of the capital was paid in at the start of 2014. Innovation Norway also contributes with a subordinated loan with a limit of about NOK 167 million, meaning the fund has total assets of about NOK 339 million.

Alliance Venture is managed by an experienced team of industry professionals with 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.

It was decided in 2013 that Alliance Venture and Springfondet would merge and establish a new fund to further develop the leading environment in Norway for early-phase ICT investments. The new fund will be called Alliance Venture Spring and is expected to launch in the second quarter of 2014. Alliance Venture Spring will be around NOK 500 million in size and is one of two seed corn funds in which the state decided in 2013 to invest capital.

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

Company	Market	Stake
3D Perception	Perception-advanced projection systems for aircraft simulators and control rooms etc.	35.9%
bMenu	Software for automatically generating websites for mobile phones	36.8%
Encap	Software for authentication and security solutions for mobile phones	73.3%
MemfoACT	Carbon membrane for separating biogases	12.9%
Never.no	Software for product monitoring and social media analysis	31.5%
Novelda	High-precision, short-range radar integrated on a microchip	32.7%
Optosense	Sensor for detecting gases in ventilation systems, etc.	28.7%
Pageplanner	Software for publishing magazines on paper, the internet, iPads and mobile phones	50.1%
Phonofile	Digital aggregator and distributor of music	26.0%
poLight	Auto focus lenses and cameras for mobile phones	16.5%

Kistefos Public Service Fellowship Fund

Kistefos has awarded the Kistefos Public Service Fellowship Fund scholarship 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 scholarship is awarded each year and funded through a donation from Kistefos AS of about NOK 8 million. Recipients of scholarships 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 admitted to the Harvard Kennedy School simultaneously qualify for the Kistefos scholarship. Previous and future graduates of Oslo Handelsgymnasium are particularly encouraged to apply and will be preferred if candidates are otherwise equally qualified. In spring 2013, the scholarship was awarded for the seventh time, and for the second time to Laila Matar who is going to do a Master's in Public Policy. Matar was recently in Beirut, Lebanon, conducting surveys in connection with her study of the Syrian refugee crisis in Lebanon.

Scenary at the Harvard Kennedy School.

HARVARD UNIVERSITY JOHN F. KENNEDY SCHOOL OF GOVERNMENT

THIS YEAR'S FELLOW

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 Honours 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.

www.kistefos.museum.no

The inside of the industrial hall at Kistefos Museum.

Fredrik Raddum, "Teddy – Beast of the Hedonic Treadmill", 2013.

From the opening of the year's exhibition "Fall Out", Fredrik Raddum.

Photo on this page:
Kistefos-Museet/Vegard Kleven.

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 which arrange annual art exhibitions.

Kistefos AS is the Kistefos Museum's main sponsor and donated NOK 4 million in 2013. 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 its home municipality of Jevnaker and Sparebank 1 Ringerike Hadeland. In 2013, the Directorate for Cultural Heritage provided a grant of NOK 1,085,350 for the management, operation and maintenance of the old pulp factory. Stiftelsen Sat Sapiente, Anders Sveaas Almennyttige Fond, the municipality of Ringerike, Oppland County Council and Buskerud County Council have all contributed to the realisation of projects that have raised the quality of work in a number of the museum's areas of activity.

Kistefos Museum enjoyed fantastic visitor numbers in the 2012 season and it was very disappointing that we did not manage to sustain these in 2013. Kistefos Museum experienced a big drop in visitor numbers compared with the year before. Nonetheless, we still ended up with an average year. There were a total of 20,360 (36,629) registered visitors; 5,375 (10,955) of whom were paying visitors.

During the 2013 season, Kistefos Museum put on a retrospective exhibition of the Norwegian artist Fredrik Raddum. The exhibition was titled FALL OUT... and sheds light on where Fredrik Raddum is today as an artist. Raddum is known for his figurative sculptures that are both humorous and social criticism. A number of the sculptures were new works in bronze. The theme of the new works involves things such as human self-immolation and what is left of the person after they have caught fire. A number of Raddum's earlier works deal with the theme of man vs. nature and culture, and elements such as fires and trees recur in many of these works. But they also light shed light on man's ability to block out certain aspects of life and man's relationship with violence. The exhibition was staged on both floors of the art hall and consists of 45 works. The exhibition was curated by Allis Helleland, a board member of Kistefos Museum. At the same time as the exhibition was opened, a new sculpture was also unveiled outside the entrance to the art hall. "Teddy – Beast of the Hedonic Treadmill" (2013) by Fredrik Raddum is a teddy bear that has made itself comfortable at Kistefos Museum. Two legs and a red jersey can be seen sticking out behind Teddy. It looks like Teddy has sat on someone. Raddum uses a teddy bear to point to man's over consumption, mass production and unnecessary purchase of teddy bears that are suffocating the world. Teddy could be seen in conjunction with the exhibition in the art hall.

This year's sculpture is by the internationally famous, Irish artist John Gerrard. "Pulp Press" (Kistefos), 2013 is a high-tech installation that portrays the production process in the old pulp factory. This year's sculpture is connected to the old pulp factory from 1889 in a unique way. The installation, which was specifically designed for Kistefoss, was produced in collaboration with A2, a firm of architects from Dublin, Ireland. It took Gerrard two years to develop this high-tech animation. The animation presents the production process that once took place at Kistefos Træsliberi, with pictures of the machinery and the production hall. Gerrard has done this digitally with the aid of technology used by the military and video games developers. Gerrard studied the machinery at Kistefoss, as well as the machinery at A/S Norske Skog Follum's former paper factory in Hønefoss. The animation depicts the production of paper, which is then saved to a hard drive. Three hard drives have been filled with sheets of virtual paper in just one year.

PROFIT AND LOSS STATEMENT

For the period 1 January – 31 December

PARENT COMPANY				GROUP	
2012	2013	(Amounts in NOK 1 000s)	Note	2013	2012
		REVENUE			
0	0	Freight revenues ships and barges		9,603,798	9,506,085
0	0	Other revenues		499,369	630,852
0	0	Gain on disposal of fixed assets		0	77,066
27,818	7,598	Other operating income		384,818	62,587
27,818	**7,598**	**Total operating revenue**	1	**10,487,984**	**10,276,590**
		OPERATING EXPENSES			
0	0	Variable sales costs and cost of goods		115,253	138,268
37,484	46,753	Wages and salaries	3	522,327	579,023
0	0	Operating expenses ships and barges		8,833,648	8,527,370
110	75	Depreciation and write-downs of fixed and intangible assets	4	415,247	250,826
34,702	24,673	Other operating expenses	3	381,841	535,285
72,296	**71,501**	**Total operating expenses**		**10,268,315**	**10,030,772**
(44,478)	**(63,903)**	**OPERATING PROFIT/(LOSS)**		**219,669**	**245,819**
		FINANCIAL INCOME AND EXPENSES			
210,494	354,507	Income from investments in subsidiaries and associated companies		1,001	7,249
18,356	66,896	Interest received from companies within the group		0	0
5,569	6,271	Other interest received		20,158	18,857
72,139	331,141	Net gains (losses) on shares and other financial instruments		3,247	(9,136)
87,309	34,014	Other financial income	2	126,815	78,731
(6,497)	(280,780)	Change in value of shares and other financial instruments (unrealised)		(266,780)	(1,971)
(72,572)	(52,047)	Interest paid to group companies		(10,376)	0
(115,044)	(125,303)	Other interest expenses		(319,426)	(317,055)
(10,603)	(31,569)	Other financial expenses	2	(92,160)	(75,257)
189,152	**303,129**	**Net financial income/(expenses)**		**(537,521)**	**(298,581)**
144,673	**239,226**	**Profit/(loss) before tax**		**(317,851)**	**(52,763)**
(9,057)	18,873	Taxes	7	(83,624)	(40,035)
135,617	**258,099**	**NET INCOME**		**(401,476)**	**(92,798)**
		Minority share of net income for the period		(146,968)	(121,678)
		Majority share of net income for the period		(254,508)	28,880

BALANCE SHEET

Per 31 December

PARENT COMPANY				GROUP	
2012	2013	(Amounts in NOK 1 000s)		2013	2012
		ASSETS			
		FIXED ASSETS			
0	0	Deferred tax assets	7	55,495	76,858
0	0	Goodwill (badwill)	4	(125,113)	(147,492)
0	0	Other intangible assets	4	440,165	638,091
0	**0**	**Total intangible assets**		**370,547**	**567,457**
0	0	Real estate		299,304	297,901
0	0	Ships, PSV and AHTS		3,353,760	3,436,414
0	0	Ships, Shipping		163,246	314,244
0	0	Ships, Bulk carriers		136,324	130,613
366	291	Operating equipment, FF&E, machines etc.		20,998	52,448
366	**291**	**Total tangible fixed assets**	**4**	**3,973,632**	**4,231, 620**
3,033,196	1,924,934	Investments in subsidiaries	5	0	0
678,916	597,764	Loans to group companies		0	0
0	0	Investments in associated companies	5	64,858	60,073
0	0	Restricted bank deposits	9	63,380	99,557
0	0	Subordinated loans		0	31,952
77,042	26,237	Other long-term receivables	3	231,555	289,525
3,789,153	**2,548,935**	**Total financial fixed assets**		**359,793**	**481,107**
3,789,520	**2,549,226**	**Total fixed assets**		**4,703,972**	**5,280,185**
		SHORT-TERM ASSETS			
0	0	Inventory		81,554	75,799
5,539	5,612	Accounts receivable		703,545	590,455
452,886	226,920	Receivables from group companies		13,003	77,789
13,606	17,357	Other receivables		573,541	562,062
472,031	**249,889**	**Total inventory and receivables**		**1,371,643**	**1,306,105**
490,124	784,015	Shares and other financial instruments	6	1,074,132	1,216,866
260,510	287,509	Bank deposits and cash	9	1,391,662	980,337
1,222,665	**1,321,414**	**Total short-term assets**		**3,837,436**	**3,503,308**
5,012,184	**3,870,640**	**TOTAL ASSETS**		**8,541,408**	**8,783,494**

BALANCE SHEET

Per 31 December

PARENT COMPANY				GROUP	
2012	2013	(Amounts in NOK 1 000s)		2013	2012
		EQUITY AND LIABILITIES			
		EQUITY			
		Restricted equity			
310,828	310,828	Share capital		310,828	310,828
77,508	77,508	Other paid in equity		77,508	77,508
		Retained earnings			
1,133,288	1,391,386	Other equity		1,133,879	933,880
		Minority interests		927,028	798,418
1,521,624	**1,779,722**	**Total equity**	8	**2,449,243**	**2,120,634**
		LONG -TERM LIABILITIES			
18,141	15,098	Deferred tax	7	208,053	212,817
2,983	2,898	Provisions for pension liabilities	3	25,777	79,058
1,342,531	497,679	Liabilities to financial institutions	9	2,865,104	3,954,560
1,354,190	577,861	Liabilities to group companies		0	0
454,500	941,500	Unsecured bond loan	9	1,697,483	735,032
61,855	0	Other long-term liabilities		71,770	191,479
3,234,200	**2,035,035**	**Total long-term liabilities**		**4,868,187**	**5,172,945**
		SHORT-TERM LIABILITIES			
0	0	Liabilities to financial institutions		0	26,069
2,423	1,273	Trade creditors		316,770	295,120
0	0	Tax payable	7	15,158	21,684
2,100	2,564	Government taxes, holiday pay, tax deductions		19,446	34,898
221,797	40,840	Liabilities to group companies		0	85,601
30,042	11,206	Other short-term liabilities		872,607	1,026,544
256,362	**55,883**	**Total short-term liabilities**		**1,223,981**	**1,489,917**
3,490,562	**2,090,919**	**Total liabilities**		**6,092,167**	**6,662,862**
5,012,184	**3,870,640**	**TOTAL EQUITY AND LIABILITIES**		**8,541,408**	**8,783,494**

Oslo, 25 March 2014
the Board of Kistefos AS

Christen Sveaas
Executive Chairman

Erik Wahlstrøm
Board Member

Christian H. Thommessen
Board Member

Martin Reimers
Board Member

Tom Ruud
Board Member
CEO

CASH FLOW STATEMENT

PARENT COMPANY			GROUP	
2012	2013	(Amounts in NOK 1 000s)	2013	2012
		CASH FLOW FROM OPERATING ACTIVITIES		
144,673	239,226	Profit before taxes	(317,851)	(52,763)
0	0	Tax paid during the year	0	(51,939)
110	75	Depreciations and amortisations	415,247	250,826
(6,304)	0	Gain on disposals of fixed assets	0	(77,066)
762	(331,141)	Net (gain)/loss on sale of shares and other financial instruments	(3,247)	9,136
(1,413)	(74)	Change in accounts receivable	(113,089)	48,098
827	(1,150)	Change in trade creditors	21,649	(112,988)
(210,494)	(354,507)	Income from investments in subsidiaries and associated companies	(1,001)	(7,249)
(44,000)	(11,458)	Dividend provisions recognised as income	0	0
6,497	280,780	Change in value of shares and other financial instruments	266,780	1,971
34,556	131,205	Change in other receivables and other liabilities	86,257	(191,661)
(74,785)	**(47,043)**	**A = Net cash flow from operating activities**	**354,743**	**(183,635)**
		CASH FLOW FROM INVESTMENT ACTIVITIES		
8,695	0	Reduction/increase operating equipment, FF&E, machinery etc	28,600	(15,966)
0	0	Reduction/(increase) ships	(61,805)	70,400
0	0	Reduction/(increase) intangible assets	265,699	30,367
0	0	Reduction/(increase) barges	(1,792)	121,570
0	0	Reduction/(increase) buildings, land, and other real estate	(1,876)	149,706
211,844	599,635	Reduction/(increase) investments in subsidiaries/associated companies	(4,785)	6,054
68,283	(315,727)	Reduction/(increase) shares and other financial instruments	(135,265)	85,853
0	0	Change in restricted bank deposits	36,177	(31,759)
(18,427)	0	Change in other long-term receivables	57,970	(168,621)
(82,168)	228,677	Change in receivables to group companies	0	0
188,227	**512,585**	**B = Net cash flow from investment activities**	**182,923**	**247,604**
		CASH FLOW FROM FINANCING ACTIVITIES		
(184,104)	(844,852)	Increase/(reduction) liabilities to financial institutions	(1,089,456)	(908,017)
454,500	487,000	Increase/(reduction) of unsecured bond loan	962,451	735,000
70,061	(80,691)	Increase/(reduction) other long-term liabilities	(289,098)	147,386
(337,314)	0	Reduction/(Increase) in loan to group companies	(66,423)	(78,435)
0	0	Issues	356,194	0
3,144	**(438,543)**	**C = Net cash flow from financing activities**	**(126,342)**	**(104,066)**
		OTHER CHANGES		
20,300	0	Other changes, accounting principles, and currency fluctuations	0	(143,334)
20,300	**0**	**D = Net other changes**	**0**	**(143,334)**
136,886	26,999	A + B + C + D = Net change in bank deposits and cash	411,325	(183,431)
123,624	260,510	Bank deposits and cash as per1 January	980,337	1 163,769
260,510	**287,509**	**Bank deposits and cash as per 31 December**	**1,391,662**	**980,337**

ACCOUNTING PRINCIPLES

These financial statements are presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway.

Consolidation principles
The consolidated financial statements include the parent company Kistefos AS and companies in which it holds a controlling interest, directly or indirectly, regardless of how they are incorporated. These consolidated financial statements have been prepared in accordance with uniform principles that apply to the entire Group. Intragroup transactions, profits, receivables and payables have been eliminated. The cost of shares and interests in subsidiaries has been eliminated in the consolidated financial statements against the shareholders' equity in the subsidiary companies at the time of establishment or purchase (the acquisition method). Excess values are distributed across the assets to which the excess values refer and are depreciated or amortised over the assumed life of the assets. Excess values that cannot be attributed to tangible or intangible assets are classified as goodwill and amortised.

Some companies in the Group report in accordance with IFRS. Where differences exist between IFRS and the Norwegian Accounting Act/generally accepted accounting practices in Norway, the subsidiaries' accounting figures are converted prior to consolidation such that they conform to the Group's accounting policies.

When foreign subsidiaries are consolidated, balance sheet items are translated at the exchange rate on the balance sheet date. Profit/loss items are translated at the average exchange rate for the year. Translation differences are entered directly against the Group's equity.

Amendments to accounting principles
In accordance with NRS 6.67A, the Group has applied IAS 19R Employee Benefits when recording of benefit-based pensions. The amendment means that all remeasurements must be recognised directly against other equity as they occur (i.e. no corridor principle), all expenses from previous periods' pensions accrual must be recognised immediately, and that interestexpenses and expected returns on pension funds must be replaced with a net interest amount calculated using the discount rate on the net pension liability or asset.

With the transition to IAS 19R, a difference has arisen between what was recognised when NRS 6 was applied and what must be recognised at the same time according to IAS 19R. The difference has been incorporated into other equity, ref. note 7. The comparable figures for 2012 were corrected in accordance with IAS 19R.

Subsidiaries, associated companies and joint ventures
Subsidiaries and associated companies are included in the parent company using the cost method. According to the cost method, the investment in a subsidiary is written down if the book value of the subsidiary is lower than the estimated fair value of the subsidiary and the impairment is not deemed to be temporary.

Investments in companies in which the participants exercise joint control pursuant to agreement are recognised using the proportionate consolidation method. In accordance with the proportionate consolidation method, a proportion of the assets, liabilities, income and expenses corresponding to the company's percentagewise ownership interest are recognised. Excess value/shortfalls in value at the time of acquisition and intragroup gains are also taken into account.

Minority interests are recognised as a separate item in the profit and loss statement and on the balance sheet. The minority's share of the profit is calculated on the basis of the subsidiary's profit after tax. On the balance sheet, minority interests are calculated as a share of the subsidiary's equity before intragroup eliminations.

Evaluation and classification of assets and liabilities
Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The same criteria have been used in the classification of short-term and long-term liabilities. Short-term assets are valued at the lower of estimated fair value and cost. The first annual instalment on long-term liabilities is included under long-term liabilities.

The parent company and the individual subsidiary own parts of their own bond issues. These are recognised against liabilities booked on the balance sheet. Gains and losses from trading these units are recognised through profit and loss as financial income or financial expenses.

Financial instruments
Financial instruments are recognised in the financial statements in accordance with the intention behind the conclusion of the agreements. Agreements are defined as either hedging transactions or trades upon conclusion.

Financial instruments in the Group are derivatives linked to cargo, bunkers and exchange and interest rates. The derivatives are intended to hedge cash flows and future results. Gains/losses on financial hedging instruments are recognised at the same time as the effect of the hedged objects on the profit and loss statement.

Assets and liabilities in foreign currency
Balance sheet items in foreign currency that are not hedged against exchange rate fluctuations are valued at the exchange rate on the balance sheet date. Balance sheet items in foreign currency hedged against exchange rate fluctuations using financial instruments are valued at the hedged exchange rate.

Transactions in foreign currency are converted at the exchange rate on the date of the transaction.

Intangible assets
Intangible assets are recognised on the balance sheet to the extent that the criteria for recognising them on the balance sheet are met. Goodwill (badwill) are not attributable excess value (lesser value) from purchase transactions and are amortised (recognised as income) on a straight line basis over five years.

Intangible assets include capitlized sales costs that are depreciated over the sales contract's economic life and administrative support systems that are depreciated over two to five years, as well as brand names and licences.

Internally developed operational systems
Costs from the maintenance of operating systems developed in-house are recognised as they are incurred. Development costs that are directly traceable to the design and testing of an identifiable and unique operating system that is controlled by the Group are recognised on the balance sheet as an intangible asset when certain criteria are met.

Other development costs that do not meet the given criteria are recognised as costs as they occur. Development costs that are recognised as costs cannot be recognised on the balance sheet as an asset in subsequent periods.

Self-development operating systems recognised on the balance sheet are depreciated on a straight line basis over their anticipated economic life (over a maximum of five years).

Fixed assets
Fixed assets are recognised on the balance sheet at their acquisition cost, less accumulated depreciations. The depreciations are allocated on a straight-line basis and established on the basis of an assessment of the individual equipment's assumed remaining economic life. Fittings in leased premises are depreciated over the term of the lease agreement.

Depreciation of fixed assets
In those cases in which the recoverable amount (higher of the utility value and sales value) of a fixed asset is lower than the recognised value, the asset is written down to the recoverable amount. The write-down is reversed if the basis for the write-down no longer exists.

Newbuilds
Shipyard instalments for newbuilds are recorded as tangible fixed assets as and when payment is made. New vessels are included on the balance sheet when the vessel is delivered from the yard. The recorded cost price is the sum of the paid yard instalments based on the exchange rate at the time of payment plus costs incurred during the construction period.

Lease commitments
The Group differentiates between financial leases and operation leases based on an assessment of the lease contract upon its signing.

A lease contract is classified as financial if the contract transfers the material risk and control associated with ownership to the lessee. All other lease contracts are classified as operational leases. When a lease contract in which the Group is the lessee is classified as a financial lease, the rights and obligations are recognised on the balance sheet and classified as assets and liabilities. The interest element of the lease payment is included in interest expenses and the capital element of the lease payment is treated as a repayment of debt. The leasing obligation is the remaining portion of the principal. Lease amounts for operational leases are treated as ordinary operating expenses.

Shares, stocks and other financial instruments
Financially motivated investments in shares and other financial instruments are classified as current assets and are valued according to the portfolio principle. The total portfolio is valued and the value adjusted if the total holding has a value lower than the acquisition cost. The acquisition cost is allocated based on average acquisition prices.

The market value principle is used for short-term investments in listed instruments. Realised and unrealised gains/losses are recognised as financial items.

Short-term investments in companies in which the Group holds more than a 50% ownership interest are not consolidated if the objective of the investments is to dispose of all or parts of the individual investment after re-structuring and development has been completed as planned. This complies with generally accepted accounting principles, which stipulate that such investments are by their nature temporary and therefore should be recognised under current assets.

Provisions are made for dividends on shares and these are recognised as income when it is deemed probable that the dividend will be approved by the general meeting. Dividends that exceed the share of the accrued profit during the period of ownership are recognised as a reduction in the share's cost price.

Parts of the Group have a hedging policy and utilises various freight derivatives, bunkers derivatives and currency derivatives to hedge future results. In line with Section 4-1 no. 5 of the Norwegian Accounting Act, gains and losses on securities instruments and hedging objects are recognised in the profit and loss account in the same period as the hedging was entered into in line with the adopted hedging policy.

Write-downs are made if the total market value of the Group's lease contracts, freight agreements and freight/bunkers derivatives is negative. If the negative value exceed the assets associated with the portfolio and recognised on the balance sheet, the excess value is allocated as a liability.

Receivables
Receivables are recognised at their nominal value, less provisions for expected losses.

Bunkers and other inventories
Bunkers and other holdings are recognised on the balance sheet under other current assets. The holdings are valued at whichever is the lower of their cost price and their fair value.

Principles for recognition of income and expenses
Income contingent upon travelling and expenses from offshore and shipping activities are accrued based on the number of days of the travel before and after year-end. Freight revenues on a bareboat basis are treated as freight revenues. Interest income is recognised as it is earned.

Sales are recognised in the profit and loss account when revenues can be reliably measured, it is probable that economic benefits will flow to the Group, and special criteria associated with the various forms of sale mentioned below are met. The Group bases the estimates for recognising revenues on historical figures, assessments of the type of customer and transaction, and any special circumstances associated with the individual transaction.

Manual number information (Voice products – Directory assisted enquiries)
In the case of manual number information, the service is deemed to have been delivered when the phone call is completed.

Customers are billed by the telecommunications operators (the operators) via their ordinary telephone bill. The Group bills the operators. Earned revenues that have not been billed are presented as accounts receivable. Revenues are measured at fair value from the fee received from operators, i.e. net after the operator's share and not at the fair value of the fee paid by the end customer.

SMS revenues accrue when customers send enquiries to the Group via SMS. Revenues from SMS services are recognised on the basis of the actual traffic during the period being reported.

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

Maintenance and classification expenses
Periodic maintenance and docking of vessels are recognised on the balance sheet over the period up to the next periodic maintenance. In the case of deliveries of new-builds, a share of the cost price is recognised as periodic maintenance on the balance sheet. Actual expenses from running maintenance are charged against operating income when maintenance takes place.

Pensions
Pension expenses and pension liabilities are calculated annually by an actuary using straight-line earnings based on assumptions about the discount rate, future adjustments of wages and salaries, pensions and benefits from the National Insurance Scheme, future returns on pension funds as well as actuarial assumptions about mortality, voluntary retirement, etc. Pension funds are valued at their fair value less net pension liabilities on the balance sheet. Changes in the pension plan's benefits are recognised against the result or as income on an ongoing basis in the profit and loss account, unless the rights according to the new pension plan are contingent on the employee staying in service for a specified period of time (qualifying period). In these circumstances, the cost linked to the changed benefit is amortised on a straight line basis over the qualifying period.

Estimate deviations that are due to new information or changes in the actuarial assumptions are recognised against other equity.

Options
The options are priced according to an option pricing model that estimates the fair value at the time of allocation. The fair value of the benefit is recognised as a cost through the profit and loss account on a straight line basis over the redemption period.

The employers' National Insurance contribution that is triggered by the exercising of options is allocated on a straight line basis as a current liability. The basis for the allocation is based on the fair value of the options calculated at the end of the accounting period and changes are recognised through the profit or loss account.

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

Going concern assumption
Financial statements are prepared on the assumption that the Group is a going concern.

Cash flow statement
The company uses the indirect method for its cash flow statement.

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

NOTES TO THE ACCOUNTS

Amounts in NOK

NOTE 1 – BUSINESS AREAS

	Kistefos shipping		Kistefos Offshore	
	Bulk	Industrial Shipping	AHTS/PSV	Barges
Operating revenues 2012	6,652,437	1,899,960	889,563	140,434
Operating revenues 2013	7,021,442	1,660,314	1,044,409	0

	Real estate	IT/Telecom	Other	Group
Operating revenues 2012	19,605	612,057	62,534	10,276,590
Operating revenues 2013	11,195	731,946	18,678	10,487,984

Operating revenues by geographical areas	2013	2012
Nordic region	2,758,126	2,479,266
Rest of Europe	2,476,860	3,461,626
North America	658,371	909,315
Rest of the world	4,594,627	3,426,383
Total	**10,487,984**	**10,276,590**

NOTE 2 – OTHER FINANCIAL INCOME AND EXPENSES

	PARENT COMPANY		GROUP	
	2013	2012	2013	2012
Share dividends	31,481	58,805	46,724	15,535
Gains on foreign exchange	2,390	28,384	76,710	62,995
Other financial income	143	120	3,381	201
Total other financial income	**34,014**	**87,309**	**126,815**	**78,731**
	2013	2012	2013	2012
Loss on foreign exchange	(31,567)	(550)	(66,513)	(19,183)
Other financial expenses	(2)	(10,053)	(25,646)	(56,073)
Total other financial expenses	**(31,569)**	**(10,603)**	**(92,160)**	**(75,257)**

NOTE 3 – WAGES AND SALARIES, REMUNERATION, PENSIONS, ETC.

	PARENT COMPANY		GROUP	
	2013	2012	2013	2012
Wages and salaries, holiday pay, fees, etc.	38,400	29,379	403,022	454,119
National insurance contribution	4,973	4,246	61,415	67,793
Pension expenses benefit-based pensions	2,466	2,647	28,190	30,441
Pension expenses, contribution-based pensions	0	0	10,245	0
Other staff expenses	914	1,213	19,454	26,670
Total wages and salaries	**46,753**	**37,484**	**522,327**	**579,023**
No. of full time equivalents	16	16	1,264	1,255

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

Remuneration of the company's officers and managing director
The Executive Chairman, NOK 0, other fees to the Board of Directors, NOK 1,000.

The departing Managing Director's salary, bonus and other remuneration amounted to a total of NOK 7,055 in 2013.

The Managing Director has a bonus agreement based on performance components, value creation, etc., as well as a 12-month salary guarantee in the event of termination of his employment contract. 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, severance packages, subscription rights or options.

Auditor's fee (excl. VAT)

	PARENT COMPANY	GROUP	
		Parent company's auditor	Other auditors
Statutory audit	459	2,828	5,803
Assistance with preparing annual financial statements, tax returns and other tax services	313	959	443
Services other than audit	102	1,962	556
TOTAL	**874**	**5,749**	**6,802**

Pensions
The parent company and some of the subsidiaries have a pension scheme that covers a total of 19 (19) employees in the parent company and 509 (796) employees in the Group at 31 December 2013, three of which are retired in the parent company and 354 (378) in the Group. The scheme entitles beneficiaries to certain defined future benefits. These benefits mainly depend on the number of earnings years, salary at the age of retirement and size of the benefits received from the National Insurance Scheme. The collective pension agreement is financed by generating reserves structured in a life insurance company. Net pension expenses are categorised in their entirety as wage and salary expenses in the financial statements. Under the Norwegian Mandatory Occupational Pension Act, Kistefos AS is obliged to have an occupational pension scheme. The scheme satisfies the relevant requirements.

	PARENT COMPANY		GROUP	
Pension expenses and liabilities in the financial statements:	**2013**	**2012**	**2013**	**2012**
Current value of this year's pension contributions	2,131	2,688	16,414	11,822
Interest cost of accrued pension liability	328	261	1,120	8,191
Expected return on pension assets	(298)	(297)	(844)	(11,480)
Amortisation	0	0	(124)	(4,693)
National insurance contribution and administration expenses	305	374	2,485	2,479
Net pension expenses, contribution plans	0	0	10,245	5,138
Year's pension expenses/(income)	**2,466**	**3,026**	**29,296**	**11,457**
Pension assets/(liabilities):				
Estimated pension liabilities	(12,130)	(8,097)	(204,225)	(214,067)
Pension assets (at market value)	9,231	6,447	195,297	225,777
Unrecognised actuarial differences	0	(446)	0	(73,537)
Changes to pension principles 2012	0	(887)	0	73,537
Estimated national insurance contribution	0	0	(2,497)	(664)
Adjustment IFRS to NGAAP	0	0	(30)	0
Book value, pension liabilities	**(2,898)**	**(2,983)**	**(25,777)**	**(79,058)**
Pension assets included in other receivables	**0**	**0**	**14,322**	**90,104**
Estimate assumptions:				
Discount rate	4.00%	4.00%	4.0–4.1%	3.0–4.4%
Expected returns	4.40%	4.20%	4.0–4.1%	3.0–4.2%
Wage and salary adjustment rate	3.75%	3.50%	3.0–3.75%	3–3.5%
National Insurance Scheme's basic pension adjusmtent rate	3.50%	3.25%	2.5–3.55%	3–3.25%
Pension adjustment rate	0.60%	0.20%	0.6%	0.2–2.0%

NOTE 4 – TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

	PARENT COMPANY	GROUP			
	FF&E, machinery, etc.	**FF&E, machinery, etc.**	**Buildings, etc.**	**Land**	**Ships, offshore and newbuilds**
Acquisition cost as per 1 January	17,716	189,150	2,316	296,083	3,758,956
Reclassification	0	(124)	(250)	0	(2,301)
Foreign currency translation differences	0	1,383	96	0	123,075
Additions during the year	0	3,049	0	1,876	58,407
Disposals during the year	0	(31,649)	0	0	(5, 310)
Acquisition cost as per 31 December	**17,716**	**161,809**	**2,162**	**297,959**	**3,932,827**
Depreciations and amortisations as per 1 January	17,349	136,756	753	0	322,543
Reclassification	0	2,295	0	0	1,063
Foreign currency translation	0	(327)	12	0	30,372
Year's depreciations	75	34,786	58	0	236,141
Disposals during the year	0	(32,700)	(5)	0	(11,008)
Accumulated depreciations and amortisations	**17,424**	**140,810**	**818**	**0**	**579,068**
Book value as per 31 December	**291**	**20,998**	**1,344**	**297,959**	**3,353,760**
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**	**Goodwill/ (Badwill)**	**Total Group**
Acquisition cost as per 1 January	860,839	749,960	155,670	(95,380)	5,917,594
Reclassification	3	(302,421)	0	0	(305,093)
Foreign currency translation differences	2,594	81,403	11,920	(16,539)	203,932
Additions during the year	2,279	8,708	1,792	0	76,111
Disposals during the year	(267,978)	0	0	0	(304,937)
Acquisition cost as per 31 December	**597,737**	**537,650**	**169,383**	**(111,919)**	**5,587,608**
Depreciations and amortisations as per 1 January	211,202	435,834	25,057	50,011	1,182,156
Reclassification	0	(72,345)	0	0	(68,987)
Foreign currency translation	1,109	53,165	0	0	84,331
Year's depreciations	47,445	127,960	8,002	(36,816)	415,247
Disposals during the year	(102,184)	(170,211)	0	2,328	(313,780)
Accumulated depreciations and amortisations	**157,572**	**374,403**	**33,059**	**13,194**	**1,298,925**
Book value as per 31 December	**440,165**	**163,246**	**136,324**	**(125,113)**	**4,288,685**
Economic life	2–99 years	25 years	25 years	5–10 years	
Depreciation plan	Straight line/ 3% balance	Straight line	Straight line	Straight line	

Following the purchase of further shares in Rederi AB TransAtlantic in 2011, negative goodwill of NOK 203 million accured. Residual amount as per 31 December 2013 amounts to NOK 131 million.

Intangible assets
Intangible assets derive from the acquisition of Opplysningen 1881 AS in 2011.

Lease agreements
Western Bulk has signed some long-term T/C agreements with a duration for longer than 12 months. These represent a lease liability of USD 1 113 million, excluding options.

Western Bulk has remaining capital commitments to Western Alterna Partnership and Western Alterna GP LLC totalling around USD 2.1 million. Viking Supply Ships's subsidiaries SBS and RABT have lease agreements for leased vessels with a future obligation of SEK 2,480 million.

Future time charter income amounts to a minimum of SEK 4,894 million.

In addition to the aforementioned lease obligations, the parent company and Group have ordinary, operational lease obligations linked to premises, fixed assets, etc.

NOTE 5 – INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

The parent company owns the following direct ownership interests in consolidated subsidiaries	Ownership share/ voting rights	Business office
Bagatelle AS	100.0%	Oslo
Aldebaran AS	100.0%	Oslo
Kistefos Eiendom AS	100.0%	Oslo
Kistefos Venture Capital AS	100.0%	Oslo
Kistefos International Equity AS	100.0%	Oslo
Viking Barge AS	100.0%	Oslo
Oktant Invest AS	100.0%	Oslo
Viking Invest AS	100.0%	Oslo
Western Bulk ASA	60.4%	Oslo
Kistefos Equity Holding AS	100.0%	Oslo

Total book value of the subsidiaries are 1,924,934

Material subsidiaries	Parent company	Ownership interest/voting rights	Business office
Rederi AB TransAtlantic	Viking Invest AS	62.9%/58.5%	Gothenburg, Sweden
Opplysningen 1881 AS	Telecom Holding AS	100.0%	Oslo
Bergmoen AS	Kistefos Eiendom AS	57.4%	Oslo

Associated companies – owned by Western Bulk ASA	Ownership interest/voting rights	Business office
Western Alterna Partnership	20.0%	Marshall Islands
Western Alterna GP LLC	20.0%	Marshall Islands

Total book value of the associated company is 64,858

NOTE 6 – SHARES AND OTHER FINANCIAL INSTRUMENTS

PARENT COMPANY

	Number of shares owned	Ownership interest (%)	Book value
Advanzia Bank SA *	125,020	59.5%	443,967
Kappa Bioscience AS	461	42.5%	24,365
OstomyCure AS*	2,815,984	57.7%	36,661
Ya Holding ASA	6,819,157	24.4%	76,597
China Investment AS*	1,393	73.3%	97,372
Springfondene			52,315
Alliance Venture Polaris			18,610
Other shares and financial instruments			34,132
Total shares and other financial instruments – parent company			**784,015**

OWNED BY SUBSIDIARIES	Number of shares owned	Ownership interest (%)	Book value
Atex Media Group Limited – ordinary shares *	4,765,322	85.3%	83,798
Atex Media Group Limited – preferred shares *	451,050,347	99.8%	164,645
Promon AS	99,175	20.3%	9,223
Infront AS	593,175	27.7%	22,095
Intellicom AS	939,770	35.7%	23,762
Toktumi Inc (including 3,243,260 subscription rights)	40,909,760	32.8%	16,770
Phonero AS	17,834	49.8%	26,927
Bambuser AB	4,782,382	7.0%	12,289
Other shares and financial instruments			10,974
Total shares and other financial instruments – Subsidiaries			**370,482**
Adjustment group assets			(80,366)
Total shares and other financial instruments – Group			**1,074,132**

* Not consolidated due to temporary ownership.

NOTE 7 – TAXES

	PARENT COMPANY		GROUP	
Tax expenses for the year:	**2013**	**2012**	**2013**	**2012**
Change in deferred tax/deferred tax assets	(3,136)	(2,837)	5,050	(12,515)
Tax payable	(15,498)	11,894	15,158	21,684
Other changes	320	0	60,983	30,867
Changed tax rate, deferred tax	(559)	0	2,433	0
Year's tax expense/(income)	**(18,873)**	**9,057**	**83,624**	**40,035**

Tax payable in this year's tax expense:	**2013**	**2012**
Operating result before tax	239,226	144,673
Permanent differences	(299,004)	(62,328)
Change in temporary differences	10,015	10,133
Given/(received) group contribution without tax effect	(5,587)	(50,000)
Basis for tax payable	**(55,350)**	**42,479**
Tax (28%)	(15,498)	11,894

Specification of the basis for deferred tax:	PARENT COMPANY		GROUP	
Offsetting differences	**2013**	**2012**	**2013**	**2012**
Temporary differences, receivables	0	0	(93)	(1,780)
Temporary differences, fixed assets	(354)	(466)	(24,758)	(15,245)
Temporary differences, gains account	42,411	53,014	460,498	554,828
Temporary differences, others	13,861	13,386	289,800	537,218
Temporary differences, affiliated companies	0	0	(40,632)	(34,414)
Temporary differences, shares	0	0	12,517	5,984
Loss carry-forward for tax purposes	(55,350)	0	(240,930)	(633,213)
Loss carry-forward for tax purposes given as group contribution	55,350	0	0	0
Change in deferred tax/(deferred tax assets)	**55,918**	**65,789**	**456,402**	**413,378**
Estimated deferred tax/(deferred tax assets)	**15,098**	**18,141**	**123,229**	**115,746**
Deferred tax	**15,098**	**18,141**	**208,053**	**212,817**
Deferred tax assets	**0**	**0**	**(55,495)**	**(76,858)**

NOTE 8 – SHAREHOLDERS' EQUITY

PARENT COMPANY

	Share capital	Other paid equity	Other equity	Total equity
Equity as per 31 December 2012	310,828	77,508	1,134,153	1,522,489
Correction for change to pension accounting principles	0	0	(865)	(865)
Equity as per 1 January 2013	310,828	77,508	1,133,288	1,521,624
Profit/(loss) for the year	0	0	258,099	258,099
Other changes and conversion differences	0	0	0	0
Closing balance	**310,828**	**77,508**	**1,391,386**	**1,779,722**

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 (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 per 31 December 2012	310,828	77,508	905,502	811,819	2,105,657
Correction of previous years' errors and change to pension accounting principles			28,378	(13,401)	14,977
Equity as per 1 January 2013	310,828	77,508	933,880	798,418	2,120,634
Profit/(loss) for the year	0	0	(254,508)	(146,968)	(401,475)
Equity effect of sell down in subsidiaries	0	0	476,317	232,603	708,920
Other changes and conversion differences	0	0	(21,811)	42,975	21,164
Closing balance	**310,828**	**77,508**	**1,133,879**	**927,028**	**2,449,243**

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

The parent company has debt of NOK 497,679 (2012: NOK 1,342,531) that is pledged in assets with a book value of NOK 1,682,458 (2012: NOK 2,503,818).

The Group has debt of NOK 2,865,104 (2012: NOK 4,179,093) that is pledged in assets with a book value of NOK 6,785,903 (2012: NOK 7,636,850).

The Group has liabilities to financial institutions that matures later than five years totalling NOK 215,207 (2012: NOK 555,635). The parent company has no liabilities that matures later than five years.

Parts of the debt in Rederi AB TransAtlantic breaches the banks' covenant requirements where the group has not met its key figures. The group is taking steps to strengthen its profitability and liquidity. It is actively working with the banks to ensure stable short-term and long-term financing, including any waivers needed for 2014 and future years. Rederi AB TransAtlantic has received waivers from relevant banks for the fourth quarter of 2013 in connection with the Groups non-compliance relating to some financial key figures.

Bank deposits
NOK 39,203 (2012: NOK 90,502) of the parent company's and the Group's bank deposits are in deposit accounts as collateral for forward funded shares. This can be freed when the instalments are realised. In addition to this, NOK 1,458 (2012: NOK 1,323) is deposited in tax withholding accounts. The parent company and Group are subject to covenant requirements concerning a minimum level of available liquidity. These are not regarded as restricted funds since the liquidity can be used, however this would result in a breach of the loan covenant. The parent company and Group were in compliance with these requirements as per 31 December 2013.

Guarantees, etc.
Kistefos AS has, for the benefit of the lender, guaranteed a loan taken out by the wholly-owned subsidiary Telecom Holding AS. The outstanding loan, for which shares in Opplysningen 1881 AS have been pledged as collateral, was NOK 210 million at the end of the year. Kistefos's guarantee was not exposed to losses at the time the financial statements were presented.

Western Bulk AS has pledged guarantees for loans and liabilities in subsidiaries totalling USD 1.5 million.

Rederi AB TransAtlantic has pledged a guarantee totalling SEK 1,945 million for its subsidiaries' completion of charter contracts.

Opplysningen 1881 AS (subsidiary of Telecom Holding AS) has pledged guarantees as collateral for various operations-related liabilities. Bank guarantees and collateral totalling NOK 6.6 million in value have been pledged as security for the liabilities.

NOTE 10 – DISPUTES

In November 2009, the subsidiary Kistefos Venture Capital AS received the Tax Assessment Office's decision that it disagreed with how the company had treated gains in connection with the realisation of shares in 2004. The gain amounted to approximately NOK 209 million, which corresponds to NOK 59 million in tax, for Kistefos Venture Capital AS. The final appeal court ruled in favour of the government and the claim has thus been recognised in 2013. This will otherwise not entail substantial payable taxes but will reduce tax losses carried forward by a corresponding amount.

The subsidiary Western Bulk AS is involved in 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 considered sufficient. The Group does not wish to describe the provisions in detail due to ongoing cases. At 31 December 2013, the total provisions amounted to USD 5.3 million.

Kistefos and one of the subsidiaries are involved in a dispute with a former employee of a portfolio company. No provisions have been made in the financial statements for any amounts relating to this dispute.

NOTE 11 – FINANCIAL RISK FACTORS

Operational exposure
The Group has significant operational activities abroad and needs ongoing exposure in foreign currencies in order to maintain its daily operations. The majority of the companies' income and expenses are in the same currency. Therefore, the overall currency risk in relation to cash items is relatively modest. Some small items in subsidiaries are hedged using forward exchange contracts.

The Group's activities within shipping and offshore are exposed to the global cargo market and results will vary with rates and utilisation rates. Where appropriate, cargo derivatives are used to hedge or adjust the risk exposure in the market. The Group is also heavily exposed to changes in the price of oil, which can cause major fluctuations in the cost of bunkers. Swap or forward contracts for fuel are used to reduce the bunkers risk.

Currency risk related to the balance sheet
The Group's financial statements are prepared in Norwegian kroner (NOK). Balance sheet risk arises when the subsidiaries' balance sheets are translated from their respective local currencies into NOK. The Group's liabilities are calculated on the basis of the currency composition of assets on the balance sheet.

Interest rate risk
The Group's interest rate risk primarily derives from long-term loans. Variable rate loans involve an interest rate risk to the Group's cash flow. Some items in subsidiaries are hedged using interest-rate futures.

Liquidity risk
The Group focuses on the liquidity reserves and liquidity necessary to cover ongoing operating liabilities. The liquidity requirements associated with loan covenants are monitored on an ongoing basis. It also focuses on the liquidity necessary to use derivatives for hedging purposes.

NOTE 12 – TRANSACTIONS WITH RELATED PARTIES, MATERIAL TRANSACTIONS AND EVENTS AFTER THE BALANCE SHEET DATE

Kistefos AS completed the following significant transactions with related parties in 2013 (all transaction were made at arm's length based on estimated market values):

Transaction type	Related party	Amount
Share purchase	Western Bulk ASA (subsidiary)	NOK 160.3 million.
Share purchase	AS Holding (parent company)	NOK 45 million.

The parent company had liabilities to, and receivables from, other group companies. These are subject to interest of NIBOR + a 1.5% margin. Kistefos also performs some administrative tasks for other group companies. These are invoiced based on an arm's length basis.

In April 2013, the subsidiary Western Bulk carried out an unsecured, NOK 300 million bond issue. The bond issue matures in four years.

In December 2013, Kistefos AS carried out an unsecured bond issue of up to NOK 750 million. The bond issue matures in three years. In October, Kistefos sold down its ownership interest in Western Bulk to just over 60% in connection with the company's listing on the Oslo Stock Exchange.

In the first quarter of 2014, Kistefos bought further shares in RABT, which means an obligation to offer to buy the remaining shares in the company.

In the first quarter of 2014, RABT announced a planned rights issue worth around SEK 150 million. The rights issue is guaranteed by Kistefos.

Digitale Medier, which was originally demerged off from the Opplysningen 1881 Group, was sold in the second quarter of 2013. The sale resulted in an accounting profit of NOK 222 million for the Group. The operating income from the sold company amounted to NOK 98.5 million in 2013 and NOK 189.6 million in 2012.

RSM
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To the shareholders' meeting of
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 258,099,000, and the financial statements for the group, showing a loss of NOK 401,476,000. The financial statements of the parent company and of the group comprise the balance sheet as at December 31, 2013, 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 the 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, 2013, 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, 25th of March 2014
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 6–9 and the annual financial statements and notes on pages 29–41.

Balder Viking during the operation to move the "Safe Scandinavia" rig in the Aramada field in the North Sea.

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