ANNUAL REPORT 2014

KISTEFOS

Contents

THE ART ON THE COVER

PER INGE BJØRLO
'Slektstrea, Genbanken', 2013

The sculpture group *Slektstrea og Genbanken* ('the family trees and the gene bank') deals with social and genetic inheritance. *Genbanken* has a strictly geometric and closed style, alluding to innate qualities. *Slektstrea* can be seen as a symbol of the individual's potential, vitality and ability to grow rather than admitting defeat. The strong contrast between the cores of the two trees is perhaps an illustration of the ongoing struggle between expectations and selfconfidence. Bjørlo has chosen to address this theme using hard and lifeless steel, while superbly imbuing his sculptures with emotions and life. The parts have been welded together with care and love; bringing beauty to the surfaces, but also wounds and scars.

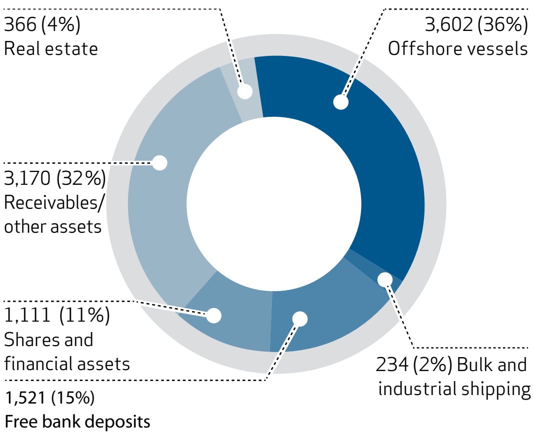
Key figures – Group

(NOK mill)

PROFIT AND LOSS STATEMENT	2014	2013	2012	2011	2010
Operating revenue	12,120	10,488	10,277	9,077	7,906
Net operating income	515	304	246	(56)	492
Net Profit	**253**	**(317)**	**(93)**	**(388)**	**234**
BALANCE SHEET					
Fixed assets	5,489	4,788	5,228	5,542	4,984
Bank deposits	1,521	1,392	980	1,164	884
Other current assets	2,995	2,446	2,522	2,568	2,248
Book equity	2,628	2,533	2,106	2,310	2,894
Long-term liabilities	5,391	4,868	5,173	5,118	4,023
Short-term liabilities	1,986	1,224	1,452	1,846	1,199
Total assets on balance sheet	**10,005**	**8 625**	**8,731**	**9,274**	**8,116**
SOLVENCY					
Book equity ratio	26.3%	29.4%	24.1%	24.9%	35.7%

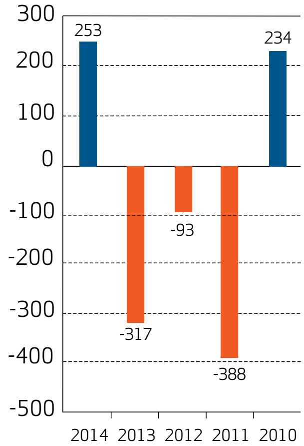
Book value of assets

(NOK million)



Net Profit

(NOK million)



Main events in 2014

- The bulk rates in 2014 were the lowest in 30 years, which led to poor results for Western Bulk.
- Kistefos increased its holding in yA Bank to 29.99% during the first quarter 2014.
- Kistefos increased its holding in Rederi AB Transatlantic to 70.4% through a mandatory bid for shares and by buying shares in a share issue. The shares were acquired in the second quarter 2014.
- Phonero bought Ventelo's mobile telephony business in summer 2014. The acquisition was financed by bank loan and an equity issue in which Kistefos increased its ownership interest to 56.6%.
- Viking Supply Ships exercised options for two PSVs, which were taken over during the third quarter.
- Viking Supply Ships had a contract with a big oil company for four AHTS vessels for the 2014 and 2015 drilling seasons in the Kara Sea. This contract was affected by sanctions caused by the political situation between Russia and Ukraine, and was cancelled during the fourth quarter.
- In the fourth quarter, Kistefos raised NOK 200 million by issuing a one-year, unsecured bond loan in the market.

This is Kistefos AS

Kistefos AS is a private investment company owned by Christen Sveaas. The company consists of wholly and partially owned industrial enterprises in the offshore, shipping and IT sectors, but also makes strategic investments in different listed and unlisted companies, primarily in the banking and financial sector and in telecommunications and real estate.

KISTEFOS AS

- Shipping
  - TransAtlantic (70.4%)
  - Western Bulk (60.4%)
- Offshore
  - Viking Supply Ships (70.4%)
- Other investments
  - Opplysningen 1881 (100%)
  - Advanzia Bank (60.4% pr. January 2015)
  - Phonero (56.6%)
  - Atex (85.3%)
  - Infront (27.7%)
  - yA Bank (29.9%)
  - Other investments and activities

AHTS ice-class 1A, "Brage Viking".

Annual Report

The consolidated result for 2014 shows a profit after tax of NOK 253 million, compared with a loss of NOK 317 million in 2013. The improvement is due to significant positive operating developments for most of the Group's companies. It is the shipping and offshore business in Rederi AB Transatlantic (RABT) that stands for the greatest improvement with a profit after tax of SEK 200 million compared with last year's deficit of SEK -359 million.

The underlying improvement in the results of the Group's companies have contributed to a positive development in the value of the companies, despite a decline of the share price of Western Bulk.

Viking Supply Ships A/S (a wholly owned subsidiary of RABT) has experienced a year with good rates and satisfactory utilization. The result in Viking Supply Ships in 2014 was NOK 292 million against a deficit of NOK -52 million the previous year. The company had four of the anchor handling tug supply ships in operations in the Kara Sea. This contract was cancelled in the fourth quarter, with effect for the 2015 season, because of the international sanctions related to the situation in Ukraine. Western Bulk has not delivered according to the expectations we have for the company. The reason is complex, but a main reason was the company throughout 2014 having a long position on tonnage in a weak market. The credit card bank Advanzia Bank S.A. and the telecom company Phonero AS continue to deliver growth and good results also in 2014.

The Group's operating profit was NOK 515 million in 2014. Compared to 2013, this is an improvement of NOK 211 million. Rederi AB Transatlantic delivers NOK 701 million better than the previous year. The consolidation of Phonero contributes positively with NOK 54 million. As a result of this year's amortization of intangible assets in Opplysningen 1881 and non-recurring items in 2013, the operating profit is NOK 79 million lower than last year. Western Bulk delivered NOK 142 million weaker operating profit in 2014 than in 2013. For the sake of comparison, the sale of Digitale Medier contributed with NOK 222 million to the operating profit in 2013.

The Group's net financial result improved from NOK -538 million in 2013 with NOK 279 million to NOK -259 million in 2014. Dividends received increased by NOK 143 million in 2014 compared to 2013, of which particularly Advanzia with NOK 180 million in dividends contributed positively to the figures. In 2013, the value of the shares in Atex Group Ltd. was written down with NOK 278 million. The Group's interest expense was NOK -307 million, in line with last year's figures of NOK -319 million. The item 'other financial costs' of NOK -216 million, includes an increase in unrealized exchange losses of NOK 104 million, which is the main reason for the change of NOK 124 million measured against the previous year.

There has not been expensed any research and development costs in 2014.

The Group's total assets increased from NOK 8,625 million in 2013 with NOK 1,380 million to NOK 10,005 million in 2014. Intangible assets, excluding deferred tax asset, have increased by NOK 349 million partly due to the acquisition of Ventelo and consolidation of Phonero. In addition, the carrying values of the fleet in the RABT increased as a result of currency conversion and following the purchase of two platform supply vessels in Viking Supply Ships. Other short term receivables have increased by NOK 512 million to NOK 1,884 million and reflect the increased activity which has increased the level of working capital. This increase is correlated to the increase in short term debt by NOK 637 million. The overall free liquidity for the group increased by NOK 130 million to NOK 1,521 million by the end of the year.

The Group has by the end of 2014 external long-term interest-bearing debt to credit institutions of NOK 3,268 million, an increase of NOK 403 million compared to 2013. New debt in relation to Phonero's acquisition of Ventelo explains the majority of the increase. The Group's total bond debt is on level with the previous year.

Following this year's results, including other changes and translation differences, the Group's book equity has increased from NOK 2,533 million in 2013 with NOK 220 million to NOK 2,753 million by the end of 2014. The Group is assumed to have considerable values in addition to the book values.

The parent company's liquidity situation at year end is good.

The liquidity situation in the other significant group companies is good.

By the end of 2014, the parent company book equity is NOK 1,874 million, corresponding to 47% of total assets.

The parent company's total assets increased from NOK 3,871 million in 2013 with NOK 140 million to NOK 4,011 million in 2014. The parent company's result after tax in 2014 was a profit of NOK 220 million. The profit is a result of a positive net finance where the realized net gains on stocks and other financial instruments is NOK 37 million, and other financial revenues consisting mainly of dividends and group contributions from subsidiaries amounting to NOK 359 million. The parent company's external interest expense increased from NOK 125 million with NOK 7 million to NOK 132 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 that the Group is in a position to act quickly on interesting opportunities when these materialize. 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 (70.4% OWNED)
Rederi AB Transatlantic is the parent company of a group of companies consisting of two business units; the offshore supply company Viking Supply Ships A/S, based in Copenhagen, Denmark and the shipping company TransAtlantic AB, based in Gothenburg.

In the first quarter of 2014, Kistefos announced that we had bought additional shares in the RABT, and thus published a mandatory bid on the remaining shares in the company. The formal offer was announced in March and completed in May 2014.

In total, Kistefos in 2014 increased its stake from 62.9% to 70.4%, out of which 7.0% were acquired through the mandatory offer and 0.6% through the equity issue.

VIKING SUPPLY SHIPS A/S, DENMARK (70.4% OWNED VIA RABT)
By the end of 2014 Viking Supply Ships A/S (VSS) owns three anchor handling vessels with icebreaker capacity, four ice class anchor handling vessels (AHTS), and five platform supply vessels (PSV). In addition, the company has one standard anchor handling vessel on bareboat charter with a purchase option.

Viking Supply Ships' experience and expertise from operations in areas with ice and extreme weather conditions were decisive for the strong results and the high level of activity in 2014. Throughout the year, six of the Group's AHTS vessels operated in such waters: one ice-class AHTS vessels as well as one icebreaker AHTS vessel have been on assignment at Sakhalin, which is located in the northern part of the Pacific Ocean. Furthermore, three ice-class AHTS vessels and one icebreaker AHTS vessel were on assignment in the Kara Sea, which is part of the Arctic Ocean to the East of the Barents Sea. The drilling season for 2015 in the Kara Sea has been cancelled and VSS thus have an increased number of vessels available for the 2015 season. Several opportunities for new contracts in areas with ice are being pursued.

Viking Supply Ships have delivered "Ice Management»-services and logistic support in the Arctic regions since 2000, and the activities have increased in scope in recent years. Viking Supply Ships has carried out operations in Eastern Canada, Alaska, the West and the North East Greenland, the Baltic Sea, as well as Russia and in the Arctic. In 2014, VSS have performed "Ice Management»-assignments for Exxon Neftegaz, Sakhalin, as well as consulting services for Exxon/Rosneft in areas with extreme weather conditions.

The year 2014 was also characterized by high investment and financing activity, including the refinancing of three out of four bank loan facilities, the repayment of a bond loan of NOK 100 million, as well as the purchase of two PSV-vessels through the exercise of call options and the sale of one older PSV-vessel. In addition, Viking Supply Ships have in 2014 redeemed a bond loan of NOK 100 million, as well as acquired own bonds with nominal value of NOK 174 million.

The turnover increased from NOK 1,007 million in 2013 to NOK 1,741 million in 2014. VSS' operating profit was NOK 524 million in 2014 against NOK 44 million in 2013. In 2014 the income before tax was NOK 307 million, a strong increase from the deficit of NOK 59 million in 2013.

TRANSATLANTIC AB, SWEDEN (70.4% OWNED VIA RABT)
Transatlantic has in 2014 taken further steps in the restructuring process in order to improve profitability: The container business related to TransPal-line, as well as associated offices and terminal operations, have been discontinued. In addition, a significant part of the RoRo-business was terminated. The organization is now better adapted to the reduced scale of operations and TransAtlantic is better positioned to face the challenging market climate.

In 2014 Transatlantic had a turnover of SEK 1,293 million, this is SEK 494 million lower than 2013 at SEK 1,787 million. The reduction is mainly due to the close-down of TransPal Line. Profit before taxes was SEK -128 million in 2014, of which restructuring costs amounted to SEK -79 million. This implies a significant improvement compared to the result before tax in 2013 of the SEK -283 million. In the second half of 2014, income before tax was SEK -24 million, compared to SEK -104 million in the first half of the year.

WESTERN BULK ASA, OSLO (60.4% OWNED)
The company is one of the world's leading operators of dry bulk ships with the main focus on the Supramax/Ultramax-segment (40,000-65,000 dwt), but the business also operates Handysize-and Panamax tonnage, which are respectively somewhat smaller and larger than the Supramax/Ultramax sizes. The company operated in 2014 on average 169 ships, which is 16 ships more than in 2013 (153 ships).

Western Bulks operating revenues increased from USD 1,195 million in 2013 by USD 110 million to USD 1,305 million in 2014. The increased revenue was mainly due to the increase in the fleet, which to a certain extent was offset by lower rates in large periods of the year.

The year 2014 has been characterized by weak dry bulk market rates. The decline in market rates in 2014 is due to the fact that demand for dry bulk ships have not sufficiently compensated for the growth in the global fleet. Demand has been adversely affected by a reduction in shipping of coal as a result of low gas prices and mild winter/cool summer, as well as weaker volumes for smaller segments as grains and "minor bulk".

The average rates for Supramax were around USD 9,800 in 2014 against USD 10,300 in 2013.

The net TC result fell from 2013 to 2014 as a result of Western Bulk Chartering in 2014 had a long position on tonnage in a weak market. The net TC result was USD 32.8 million in 2014 against USD 54.7 million in 2013. The result was positively impacted by USD 12 million from the sale of a claim against Pan Ocean in June, as well as the reversal of a provision of USD 4.5 million, after Western Bulk in December got a favorable ruling order in the District Court regarding a ten-year-old legal dispute against Centauri Shipping. "Adjusted net result" for the year decreased from USD 11.2 million in 2013 with USD 23 million to USD -11.8 million in 2014.

Due to the weak market and weak financial results in 2014 the stock price has fallen from NOK 15.40/share at the beginning of 2014 to NOK 4.44/share at the end of the year, a reduction of 71%.

In the course of the year, Western Bulk's Shipholding division has taken delivery of six vessels on long-term time charter chartered with call options. At the end of the year, the Division's fleet consisted of one ship on bareboat, four partially-owned ships and 22 vessels on time-charter, of which 12 are newbuilds for delivery in 2015–2017.

KISTEFOS EIENDOM AS (100% OWNED)
Bergmoen (57.4% owned) is the largest participant in the Gardermoen Airport Business Park, a development area for commercial property located between E6 and Oslo Airport Gardermoen. Bergmoen, and the sister company Gardermoen Forum, controls 850 decares gross development area in Gardermoen Business Park.

In 2014 Bergmoen has developed from being a company with purchase options on significant land areas to be a land owning company with a sound funding base. In connection with the finalization of COOP's central warehouse, Bergmoen has facilitated preparation of the plot and infrastructure, which will also be of use in future projects. With the purpose of promoting further value development, Bergmoen has entered into a cooperation agreement with the international logistics service company Prologis Inc. to develop parts of the site for logistics purposes. Towards the end of 2014, COOP sold the central warehouse, with a yield of well below 6 %.

OPPLYSNINGEN 1881 AS, OSLO (100% OWNED)
Opplysningen 1881 is Norway's leading directory service with listings of individuals and businesses. As expected, the company experienced a further decline in volumes in 2014 for both "Voice" and "SMS", but has continued to increase the market share in both areas. Opplysningen has successfully increased the turnover for the new service areas, which outweighs some of the volume decline of the core services.

As a step in developing the future of directory services and counteract the mentioned decrease in volume from the core business, the company launched in 2014 the new service "Opplysningen Eksperthjelp", which offers advice from lawyers, doctors and veterinarians over the phone. This new area is a milestone for Opplysningen and shows that the company with its strong brand constitutes a good platform for providing new services.

Operating revenues in Opplysningen 1881 was NOK 343 million in 2014, a 13% decrease from the 2013 due to volume decline. EBITDA in 2014 was NOK 112 million, a reduction of NOK 24 million compared to 2013.

PHONERO AS, KRISTIANSAND (56.6% OWNED)
Phonero operates as a virtual operator in the Norwegian business market for mobile telephony and fixed telephony. The company has a broad product portfolio and provides solutions that range from Web-based switchboard solutions to IP telephony, but with the main focus on mobile telephony. Essential to the company's business philosophy and strategy is the high level of service, focus on customer satisfaction and efficient distribution.

In June 2014, it was announced that Phonero acquired its competitor Ventelo with effect from 31. August 2014 and with this became the largest external service provider in Telenor's network. The acquisition was financed through a private placement in Phonero and through bank financing. Ventelo had operating revenues of NOK 784 million in 2013 and Phonero will triple its turnover with the acquisition. The combined company is expected to have a turnover in excess of NOK 1 billion annually.

The merged company had approximately 250,000 subscribers by the end of 2014, an increase from approximately 50,000 subscribers in Phonero by the end of 2013.

The companies had a pro forma combined revenue of NOK 1,044 million in 2014. Pro forma EBITDA in 2014 was NOK 100 million. Phonero, by comparison, had an EBITDA of NOK 43 million in 2013.

Kistefos increased its stake from 49.8% to 56.6% in Phonero through a private placement that was carried out in connection with the acquisition of Ventelo, and has in 2014 consolidated the company into the Group accounts for the first time.

Other, non-consolidated companies

ADVANZIA BANK S.A., LUXEMBOURG (59.5% OWNED)
Advanzia Bank S.A. (Advanzia) is a virtual bank with no affiliates, where all communication with customers takes place via the Internet, phone or mail. Advanzia offers three main products, free of charge MasterCard credit cards, high interest deposits accounts in addition to providing servicing solutions for other banks credit card systems. Advanzia currently offers credit cards in three markets: Germany, France and Luxembourg, and the Bank is preparing for an expansion into the Austrian market in 2015.

Advanzia had by year-end 2014 440,000 credit-cards in active use, an increase of 17% from 2013. Net loan balance on the cards was EUR 605 million. The Bank finances its operations with equity and deposits from customers and had at the year-end a total deposit balance of EUR 652 million. Total net income was EUR 101.3 million in 2014, which is an increase of 23% from 2013. Profit after losses and income tax was EUR 27.7 million, which is an increase of 30% from 2013. Return on equity was 39.9% in 2014, up from 34.3% in 2013.

Advanzia had by the end of 2014 a capital adequacy ratio of 12.2%, down from 16.1% in 2013, the reduction is largely explained by the bank's distribution of EUR 35 million to its shareholders in 2014.

ATEX GROUP LTD., ENGLAND (85.3% OWNED)

ATEX Group Ltd. is a leading global provider of software solutions to the media industry. The company provides solutions in the range from advertising and content management to distribution systems.

During the course of 2014, the company has worked to reorganize the business as a consequence of the sale of the two product lines, AdBase and Audience at the end of 2013. This has meant that the company has streamlined its operations and organizational structure, as well as closed some local offices in order to optimize the business without these product lines that previously accounted for about half of the revenue. The company started the year with approximately 300 employees, and through the restructuring processes, this number has been reduced to approximately 150 employees.

ATEX in 2014 had operating revenues of USD 31.8 million. The focus for 2015 will be on further development of the products and growth on the digital media side, as well as further improving the efficiency of the organization.

YA HOLDING ASA, OSLO (29.99% OWNED)

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 2014, and total net revenue was NOK 242 million, an increase of NOK 46 million compared to 2013. The Group increased the profitability in 2014 and profit after losses and taxes ended in 2014 at NOK 73.3 million, compared with NOK 59.5 million in 2013. The result in 2014 is negatively affected with NOK 15 million in extra-ordinary write-downs of activated IT-costs and goodwill.

yA Bank had by the end of 2014 a strong capital adequacy ratio at 18.2 % when including the 2014 results, which is above the requirement from the Financial Supervisory Authority of Norway's of 12.5%. The Bank is thus well capitalized and positioned for further growth.

INFRONT AS, OSLO (27.7% OWNED)

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.

Operating revenues in 2014 increased from NOK 171 million in 2013 with NOK 10 million to NOK 181 million. Profit after tax increased from NOK 7.5 million in 2013 with NOK 1.1 million to NOK 8.6 million in 2014.

ALLIANCE VENTURE

Alliance Venture is headquartered in Oslo, Norway and is the Manager of the two funds Alliance Venture Polaris and Alliance Venture Spring, where Kistefos is the leading investor.

By the end of the second quarter Alliance Venture Spring was formally established as one of two government backed early-stage funds receiving NOK 250 million from Innovation Norway. As the largest private shareholder, Kistefos together with other private investors have signed up for additional NOK 260 million, bringing the total committed value up to NOK 510 million. Kistefos has committed NOK 25 million to the fund, and at year-end 2014, 5% of the committed amount was paid.

In addition to the commitment in the Alliance Venture Spring, Kistefos has invested directly in three companiesfrom the previous Spring Fund portfolio: Kappa Bioscience AS, Ostomycure AS and Promon AS.

Organization and the environment

The Kistefos Group, including the portfolio companies, employed a total of 1,589 full time equivalents at year-end 2014. 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 at the end of the year is 13, two of whom were women and 11 men. The working environment in Kistefos is good. Total sick leave in the parent company numbered 9 days (0.3%) in 2014. No serious accidents or injuries were reported in the Group or the parent company in 2014.

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 such an assumption exists.

Outlook

Viking Supply Ships A/S will experience a weaker result in 2015, mainly due to the cancellation of the contract of four ships working on operations in the Kara Sea. The contract was cancelled due to the political sanctions towards Russia, in connection with the situation in Ukraine. Nevertheless, we expect our specialized ice-class ships to be of demand, even if contracts may not materialize until 2016.

TransAtlantic AB will continue the development in a very tough market. The goal for 2015 is to have a positive operational cash flow for the first time in 5 years.

We expect Advanzia Bank S.A to continue its positive development with good growth in the number of active customers as well as the financial results. The initiative in France is tying up significant resources, and we do not expect a profitable operation in France in a few years' time. We do expect significantly improved results from yA Holding ASA, were we hold a 30 % ownership share.

Western Bulk ASA operates in a very weak dry bulk market, but we expect that the wrong positioning from 2014 will be rectified during first quarter of 2015. During the year, we expect to see gradually improved results from the Chartering-division, whereas the Shipholding-division will be dependent on improved market conditions to deliver better results.

Bergmoen AS, which owns significant land areas for business development in near proximity to Gardermoen airport, will hopefully realize one or more building projects during the coming year. The wild card in this question is to agree with the governmental instances related to local traffic-junctions and roads. It seems that there is a positive development towards acceptable solutions.

Phonero AS, which acquired Ventelo AS in 2014, is expected to increase both revenues and profit considerably in the coming year.

We are also working on selling some of our smaller engagements, which upon realization will generate good profits. This in turn will facilitate some down payments on the parent company's external interest-bearing debt in connection with maturity in 2015.

All in all, we expect to maintain this year's good results for the group in the year to come.

Allocation of the year's result

The Board of Directors proposes the following disposal of the year's result: (figures in NOK mill.):

Net Profit	220.303
Provision for dividend	(125.000)
To retained earnings	(95.303)
Total disposal of the this year's net result	**(220.303)**

The Board proposes NOK 46,970 million in group contributions to subsidiaries.

Oslo, 24 February 2015
On the Board of Kistefos AS

Christen Sveaas
Executive Chairman

Erik Wahlstrøm
Board Member

Ragnhild Wiborg
Board Member

Martin Reimers
Board Member

Tom Ruud
Board Member/ CEO

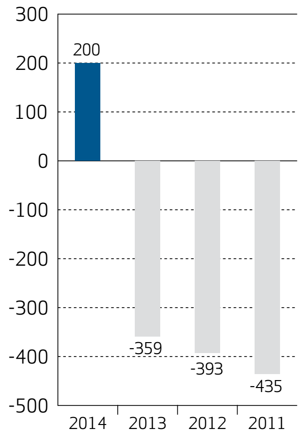
The Board of Kistefos AS
From the left: Tom Ruud (Board Member, CEO), Erik Wahlstrøm (Board Member), Christen Sveaas (Executive Chairman) with the elk hounds King (grand-child of Fant) and Troy (half-brother of Balto) Martin Reimers (Board Member) og Ragnhild Wiborg (Board Member) in front of «Galskapens tre», 2014, by Per Inge Bjørlo.

TransAtlantic
www.rabt.se

Rederi AB Transatlantic

Rederi AB Transatlantic increased its revenue from SEK 2,925 million in 2013 to SEK 3,188 million in 2014. The increase was due to strong results from Viking Supply Ships' AHTS activities and the company's service division, offset by reduced activity in TransAtlantic AB. Rederi AB Transatlantic made a pre-tax profit of SEK 217 million in 2014, a significant improvement from SEK -321 million in 2013. The improved performance was largely due to an increase in the profit generated by Viking Supply Ships, but also reduced losses in TransAtlantic AB.

RESULT AFTER TAX
SEK million



Rederi AB Transatlantic

Rederi AB Transatlantic

Viking Supply Ships A/S
100%

TransAtlantic AB
100%

Rederi AB Transatlantic is the parent company of a group consisting of two business units: the offshore shipping company Viking Supply Ships A/S, based in Copenhagen, and the shipping company TransAtlantic AB, based in Gothenburg.

In order to implement and finance further restructuring of TransAtlantic AB, the general meeting of Rederi AB Transatlantic authorised a share issue in the amount of SEK 148 million. The share issue was underwritten by Kistefos and carried out during the second quarter 2014.

During the first quarter 2014, Kistefos announced that it had increased its shareholding in RABT, which triggered a mandatory bid for the remaining shares in that company. The mandatory bid was formally announced in March and completed in May 2014.

In total, Kistefos increased its holding from 62.9% to 70.4% in 2014, of which 7.0% was acquired through the mandatory bid and 0.6% through the share issue.

The efforts to create two independent and strong companies with the right pre-requisites to succeed in their respective markets continue.

At RABT's annual general meeting in April 2015, it was decided to change the name of the group to Viking Supply Ships AB.

SEK million	2014	2013	2012
EBITDA	3,190	2,925	3,274
Operating profit	695	270	120
Result before tax	484	(193)	(143)
Total assets	200	(359)	(393)
Book equity	5,260	4,884	5,745
No. of employees	2,042	1,749	2,103
Kistefos' ownership interests	764	866	787
CEO	70.4%	62.9%	62.,9%
Adm. dir.	Tom Ruud	Henning E. Jensen	Henning E. Jensen

Viking Supply Ships

Viking Supply Ships' substantial expertise in operations in areas of ice and harsh weather conditions was decisive for the good performance and high activity level in 2014. Over the course of the year, six of the company's AHTS vessels operated in such waters: two near Sakhalin and four in the Kara Sea. Viking Supply Ships has also provided ice management services in the Arctic regions to major oil companies such as Exxon Neftegaz and Exxon/Rosneft. Viking Supply Ships increased its revenue from NOK 1,007 in 2013 to NOK 1,741 million in 2014. The operating profit for 2014 was NOK 518 million, compared with NOK 44 million in 2013. The company's pre-tax profit of NOK 300 million in 2014 represented a strong improvement compared with the loss of NOK 59 million in 2013. The year 2014 was also characterised by high levels of investment and financing activity, including refinancing of three out of four bank loan facilities, repayment of a bond loan of NOK 100 million, the acquisition of two PSVs by exercising call options and selling one older PSV.

Extensive experience

Viking Supply Ships' core business is in the global offshore and offshore/icebreaking segment. The fleet consists of three AHTS/icebreakers, four ice-classed AHTS vessels and one conventional AHTS suitable for operations in the North Sea. In addition, Viking Supply Ships Ltd in Aberdeen operates a fleet of five modern PSVs. Viking Supply Ships has extensive offshore experience and celebrated its 40th anniversary in 2014. The company has its main office in Copenhagen and local offices in Kristiansand, Aberdeen, Stenungsund, Sakhalin, Moscow and St. John's (Canada).

Strong expertise in ice and extreme weather conditions

Not only does the company have a modern fleet adapted for operations in ice-covered waters, the officers on board the AHTS vessels have an average of more than ten years' experience of ice-breaking and offshore operations. Viking Supply Ships has conducted operations in Arctic waters for customers such as Shell, Exxon, Eni, Statoil and Cairn Energy.

Viking Supply Ships has provided ice management services and logistic support in the Arctic regions since 2000, but the scope of this activity has increased in recent years. Viking Supply Ships has carried out assignments in Eastern Canada, Alaska, West and North-East Greenland, the Baltic Sea, and in Russia and the Arctic. In 2014, the company has carried out ice management assignments for Exxon Neftegaz Offshore Sakhalin, and been Exxon/Rosneft's consultant in areas of extreme weather conditions.

Challenging market conditions

Viking Supply Ships' substantial expertise in operations in ice-covered waters and under extreme weather conditions has been decisive for the company's strong financial performance in 2014. Due to the recent drop in oil prices and the strong focus on costs among operators, the short-term prospects in Viking Supply Ship's market niche have become less promising. Among other things, Viking Supply Ships' contract with a big oil company for four AHTS vessels for the 2014 and 2015 drilling seasons in the Kara Sea (with options for 2016 and 2017) has been cancelled from and including the 2015 season as a result of the political situation between Russia and Ukraine. The company has received a considerable cancellation fee in that connection. Viking Supply Ships will nevertheless continue to develop its leading position in this segment and is continuously seeking to exploit opportunities in regions of ice and harsh weather in cooperation with the oil companies.

Changes to the fleet

In 2014, Viking Supply Ships exercised two call options for the two PSV vessels Sol Viking and Freyja Viking, previously hired under a long-term charter. The acquisitions were financed by equity and a refinancing of the whole PSV fleet. The option prices were below the vessels' market value. Viking Supply Ships has also sold the older PSV SBS Cirrus. The PSV fleet now consists of five conforming and wholly owned vessels.

Kistefos is represented on the board by Christen Sveaas (chairman) and Bengt A. Rem (board member).

VIKING SUPPLY SHIPS
SHIPOWNERS
www.vikingsupply.com

FACTS ABOUT THE BUSINESS AREA

- Main office in Copenhagen and local offices in Aberdeen, Stenungsund, Kristiansand, Moscow, Sakhalin and St. John's (Canada)
- 468 employees, of whom 412 work onboard the vessels
- One of the few operators with real experience from offshore Arctic operations

- A fleet of 13 vessels:
  - Three combined AHTS/icebreakers
  - Four Ice class 1 A AHTS vessels
  - One standard AHTS vessel (bareboat)
  - Five non-ice-classed PSVs

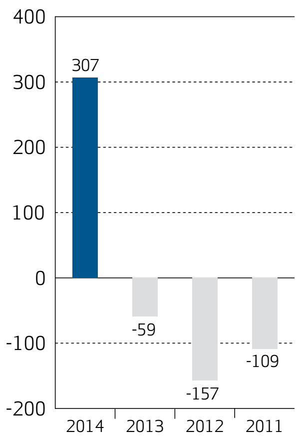
ACTIVITIES IN 2014

- Viking Supply Ships exercised its options to purchase the PSVs Sol Viking and Freyja Viking in May and October 2014, respectively, at prices below the vessels' market value.
- Viking Supply Ships refinanced a total of three loan facilities in 2014.
- Viking Supply Ships signed a contract with a large oil company for the AHTS/icebreaker Tor Viking. The fixed-term contract for a period of 11 months has a value of approximately USD 34.5 million.
- All four AHTS vessels were employed in the Kara Sea under contracts with a big oil company at the end of May.
- In the third quarter, Viking Supply Ships sold the PSV SBS Cirrus, with a positive profit and liquidity effect.
- Viking Supply Ships repaid an unsecured bond of NOK 100 million in the third quarter.
- The consultancy project in the Kara Sea was successful through 2014, but has been cancelled for the 2015 drilling season as an indirect consequence of the sanctions against Russia.

Odin Viking and Tor Viking running out two anchors for Stena Spey at Alma field in Central North Sea May 2014.

RESULT BEFORE TAX

NOK million



VIKING SUPPLY SHIPS

MNOK	2014	2013	2012
Revenues	1,741	1,007	898
EBITDA	718	299	183
Operating profit	524	44	6
Result before tax	307	(59)	(157)
Total assets	4,698	4,204	4,243
Book equity	2,025	1,719	1,723
No. of employees	468	457	406
Kistefos' ownership interests	70.4%	62.9%	62.9%
CEO	Christian Berg	Christian Berg	Christian Berg

AHTS

NOK	2014	2013	2012
Fixture rate per day	462,000	324,000	307,000
Utilisation rate (%)	77%	73%	65%
Average day rate	355,400	236,520	199,500

PSV

GBP	2014	2013	2012
Fixture rate per day	10,300	11,000	11,200
Utilisation rate (%)	71%	76%	75%
Average day rate	7,350	8,360	8,400

TransAtlantic

In 2014, TransAtlantic took further steps in the restructuring process with the goal of improving profitability. The container business in the TransPal line, together with the office and terminal operations, were closed down. Furthermore most of the RoRo business was also closed down. The organisation has been adapted to the downscaled activity level, so that TransAtlantic is now better equipped to deal with the challenging market climate.

Restructuring

In the course of 2014, TransAtlantic has considerably reduced its activities by closing down the container line TransPal Line and related terminal operations. The remaining container business has been centralised to Gothenburg. TransAtlantic has also closed down a significant part of its RoRo activities in 2014. These measures have resulted in a more streamlined business with fewer offices and a more efficient organisation.

Logistics solutions in the Baltic Sea

TransAtlantic AB's business concept is to deliver added value to European industrial customers by supplying environmentally efficient logistics solutions of the highest quality and reliability. TransAtlantic offers container-based liner traffic between the Benelux area, Germany, Sweden and Finland. The cargo routes are served by modern and flexible container vessels with the capacity to handle most types of cargo in addition to purely container-based cargo. With regular departures and a supplementary land logistics network, TransAtlantic is able to offer cost-efficient logistics solutions.

TransAtlantic also had a fleet of ten small bulk vessels at the end of 2014, these vessels were chartered out to its partner AtoB@C, which has taken over all commercial activity relating to TransAtlantic's former small bulk division.

Fleet strategy

In the course of the year, TransAtlantic's fleet has been further adapted to the market climate, and a large proportion of TransAtlantic's vessels are now chartered in on short-term contracts. This means that the fleet can be more rapidly adjusted to the changing needs of customers and renewed in step with technical developments and new environmental requirements.

TransAtlantic has retained its internal Ship Management, which has been organised as a separate subsidiary. It has thus retained a high level of expertise in technical and operational vessel management.

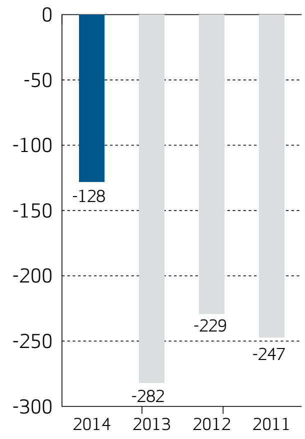
Financial performance

TransAtlantic's revenue in 2014 amounted to SEK 1,293 million, which was SEK 494 million down on the previous year's revenue of SEK 1,787 million, a reduction that was mainly due to the closing down of the TransPal Line. The company suffered a pre-tax loss of SEK 128 million, of which restructuring costs amounted to SEK 79 million. This represented a significant improvement compared with the pre-tax loss of SEK 282 million in 2013.

Kistefos is represented on the board by Tom Ruud (chairman).

RESULT BEFORE TAX

SEK million



FACTS ABOUT THE BUSINESS AREA

- TransAtlantic is a leading Swedish shipping company with a long track-record.
- Main office in Gothenburg.
- TransAtlantic offers logistics solutions including sea transport, and its primary markets are the Baltic Sea region and Northern Europe. The company's main business consists of liner traffic using RoRo and container feeder liners.
- 296 employees, of whom 249 work onboard the vessels.
- Big customers in primary-industries in the Nordic countries.

- A fleet of 21 vessels at year end 2014, of which 5 were owned by the company
  - 6 RoRo vessels
  - 5 container vessels
  - 10 bulk vessels

FOR THE WHOLE FLEET

TransAtlantic is certified to the ISO 9001 quality management system and the ISO 14001 environmental management system. The environmental certificate covers 54 environmental management aspects both offshore and onshore. TransAtlantic focuses strongly on the environment and the environmental impact is measured continuously during every sea voyage.

Containership on journey in the Baltic Sea.

SEK million	2014	2013	2012
Revenues	1,293	1,787	2,212
EBITDA	(88)	(83)	(127)
Operating profit	(98)	(270)	(199)
Result before tax	(128)	(282)	(229)
Total assets	510	558	967
Book equity	81	76	254
No. of employees	296	379	381
Kistefos' ownership interests	70.4%	62.9%	62.9%
CEO	Tom Ruud	Tom Ruud	Henning E. Jensen

Western Bulk

Western Bulk
www.westernbulk.com

Western Bulk is a world leader in the dry cargo market with operations in the Handysize, Supramax/Ultramax and Panamax segments. After a successful listing of the company at the end of 2013, 2014 proved disappointing for the shareholders in Western Bulk. The company is organised in two divisions – Chartering and Shipholding – and in 2014 both had long-positions in a market with falling rates. This has resulted in weak results and negative share price development.

Western Bulk – group

Western Bulk ASA
Parent company

Western Bulk Chartering AS
Chartering and trading operations

Western Bulk Shipholding AS
Vessel owning operations

Western Bulk Chartering

The Chartering division consists of eight business units located at the company's offices in Oslo, Singapore, Seattle, Santiago and Miami. In 2014, Western Bulk operated an average of 169 vessels, compared with 153 in 2013.

Western Bulk Shipholding
The Shipholding division was established in 2009 with the intention of investing in and controlling vessels with energy-efficient and environmentally friendly designs. The division took delivery of six newbuilds in 2014, and had a fleet of 27 vessels at year end: one on a bareboat charter, four partially owned vessels and 22 vessels on time charters, including 12 newbuilds for delivery in the period 2015–2017.

Market developments

The year 2014 has been characterised by weak market rates for dry bulk vessels, and the dry bulk index dipped to an all-time low. The falling rates in 2014 were due to the fact that the growth in demand for dry bulk vessels was not sufficient to compensate for the expansion of the fleet. Demand suffered under the impact of a decline in coal cargoes as a consequence of low gas prices combined with a mild winter/cool summer, and a decline in volumes in minor segments such as grain and minor bulk cargoes.

The average Supramax rate was approximately USD 9,800 in 2014, compared with USD 10,300 in 2013. The net margin decreased from 2013 to 2014 as a result of Western Bulk Chartering having a long-term position on tonnage in a weak market in 2014.

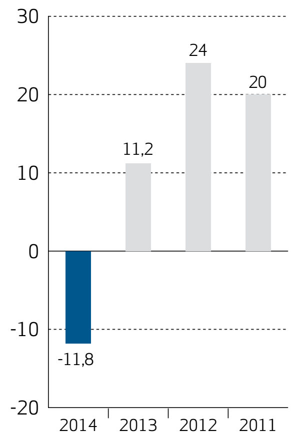
Financial performance

Western Bulk had operating revenues of USD 1 305 million in 2014, up 9% on 2013. The increase in gross revenue was due to the expansion of the fleet, and was partially counteracted by weaker rates during much of the year. The company achieved a net TC margin of USD 32.8 million in 2014, compared with USD 54.7 million in 2013. The result was positively affected in the amount of USD 12 million due to the sale of a claim against Pan Ocean in June, and the reversal of a provision of USD 4.5 million in December when the district court ruled in favour of Western Bulk in a ten-year-old legal dispute with Centauri Shipping. The adjusted profit amounted to negative USD 11.8 million in 2014 compared with a profit of USD 11.2 million the year before.

The net TC margin decreased from 2013 to 2014 as a result of Western Bulk Chartering having a long-position on tonnage in a weak market. In late 2014/early 2015 this long position has been neutralised.

The share price dropped by 71% in 2014, from NOK 15.40 at the beginning of the year to NOK 4.44 at year end.

ADJUSTED NET INCOME
USD million



MW Western Narvik – a vessel chartered in by WB Shipholding.

46,2
MILLION TONNES
In 2014 Western Bulk carried 46.2 million tonnes of cargo. This was an increase of about 20% from 2013.

610
PORTS
Western Bulk's vessels called at more than 610 ports in 108 different countries in 2014. This is equivalent to more than 70% of the world's countries with a coastline.

169
VESSELS
WB Chartering in 2014 operated on average 169 ships.

The environment

Western Bulk focuses on the use of environmentally friendly vessels with the lowest possible fuel consumption per tonne of transported raw materials and on ensuring that all owned and hired vessels comply with international standards and regulations relating to emissions and occupational health and environmental safety.

Kistefos is represented on the board by Christen Sveaas (chairman) and Bengt A. Rem (board member).

USD million	2014	2013	2012
Revenues	1,305.0	1,195.1	1,143.6
EBITDA	(5.4)	17.9	30.3
Operating profit	(7.0)	15.7	27.9
Adjusted net result	(11.8)	11.2	24.4
Total assets	272.1	292.6	249.7
Book equity	34.3	111.8	106.1
No. of employees	118	104	98
Kistefos' ownership interests	60.4%	60.4%	96.1%
CEO	Jens Ismar	Jens Ismar	Jens Ismar

IFRS

Opplysningen 1881

Opplysningen experienced a decline in the volume of both voice and SMS services in 2014. Opplysningen successfully increased its revenue in the new service areas, which to some extend compensated for the decline in the core services volume. In 2014, in response to the decline in the decline in the company's core business, the company launched the new service Opplysningen Eksperthjelp (expert services), which offers advice by telephone from lawyers, doctors and veterinarians. This was a milestone for Opplysningen and shows that the company, with its strong brand, constitutes a good platform for offering new services.

Opplysningen 1881 is the main sponsor of the Nordic Combined National Team. From the left: Jørgen Graabak, Håvard Klemetsen, Mikko Kokslien, Jan Schmid, Magnus Moan, Thomas Kjelbotn and Magnus Krog.

Business areas

The core services of Opplysningen 1881 are made up of directory services by voice and SMS. In addition, the company has established a 'New services' business area, consisting of Opplysningen Eksperthjelp, Mobilsøk and Ask Adam. Opplysningen Eksperthjelp offers expert services by telephone from lawyers, doctors and veterinarians, and is considered part of the directory services of the future. The 'Mobilsøk' caller ID app displays the name of the caller, regardless of whether the number is stored in the mobile phone's contact list. AskAdam is an extended manual directory service via SMS.

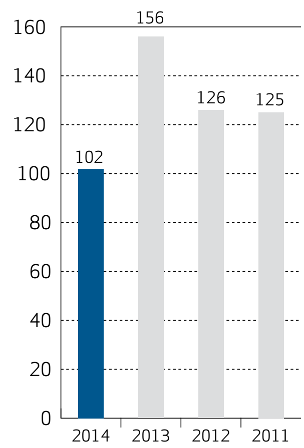
Developments in 2014

In 2014, Opplysningen 1881 achieved operating revenues of NOK 343 million, which was down 13% compared with 2013. The directory services experienced a further decline in both voice and SMS services in 2014. Longer calls as a consequence of more complex questions, or questions other than name, number and address, continue to partially compensate for the decline in volume. The growth in new services go some way towards compensating for the decline in the market for core services, and Opplysningen Eksperthjelp was well received by the market in 2014. In the years ahead, this service is expected to make an increasingly large contribution to the company's revenue and results. Eksperthjelp, together with the business areas Mobilsøk and AskAdam, was responsible for approximately one quarter of Opplysningen's revenue in 2014.

EBITDA was NOK 112 million in 2014, a reduction of NOK 24 million compared with 2013. In the last few years, Opplysningen 1881 has made some organisational changes and increased its focus on efficiency. The intention has been to uphold the profitability of the company by adjusting the cost base in advance of any drop in volume. The measures implemented have been successful, and the company's cost base has been significantly reduced, which has enabled the company to maintain its margins.

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

RESULT BEFORE TAX
NOK million



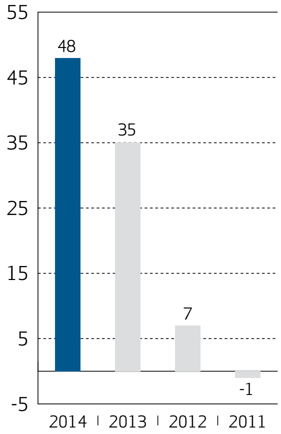
NOK million	2014	2013	2012
Revenues	343	421	444
EBITDA	112	164	143
Operating profit	101	151	123
Result before tax	102	156	126
Total assets	168	257	304
Book equity	96	165	164
No. of employees	148	164	168
Kistefos' ownership interests	100.0%	100.0%	100.0%
CEO	Jan Erik Sørgaard	Jan Erik Sørgaard	Jan Erik Sørgaard

phonero
www.phonero.no

Phonero

In 2014, Phonero acquired its competitor Ventelo and became Telenor's biggest challenger in the corporate market for mobile communication. The acquisition means that Phonero's revenue will exceed NOK 1 billion and will have more than 250,000 subscribers. The company as a whole achieved a pro forma revenue of NOK 1,044 million in 2014, and an EBITDA of NOK 100 million.

RESULT BEFORE TAX
NOK million



Phonero is a virtual operator in the Norwegian corporate market for mobile and fixed telephony. The company supplies basic products from Telenor's wholesale platform, but carries out key functions such as products, invoicing and customer support itself. The company has a broad product portfolio and supplies solutions ranging from web-based switchboard solutions to IP telephony. The main focus is on mobile telephony.

Service level, customer satisfaction and efficient distribution are at the core of the company's business concept.

Acquisition of Ventelo

At the end of June 2014, Phonero bought the competitor Ventelo from Broadnet Holding, owned by the private equity fund EQT. This acquisition will triple the company's total revenue. The takeover took effect on 31 August. The companies will be legally merged with effect from 1 January 2015. Ventelo was a leading provider of fixed and mobile telephony solutions to the corporate and public sector. Phonero and Ventelo are considered to complement each other very well: Ventelo has enjoyed great success in the public sector, while Phonero has been successful in the private sector. Ventelo's strong points are technology and the provision of own services, while Phonero is good at customer applications and telephony solutions.

Ventelo AS has its head office in Kristiansand and regional offices in Oslo, Trondheim and Bergen. The company's operating revenues amounted to NOK 784 million in 2013. The acquisition was financed by bank debt, and through an equity issue underwritten by Kistefos.

Increased ownership

In 2014, Kistefos increased its holding in Phonero from 49.8% to 56.6% through a share issue that was carried out in connection with the acquisition of Ventelo, in which Kistefos subscribed for more than its pro-rata share. The remaining shares in the company are owned by the founders, management and other employees of the company.

Developments in 2014

In total, the companies achieved a pro forma revenue of NOK 1,040 million. Phonero had a stand-alone revenue of NOK 318 million in 2013. The pro forma EBITDA in 2014 amounted to NOK 100 million. By comparison, Phonero's EBITDA was NOK 43 million in 2013. In addition to the acquisition of Ventelo, the strong increase can largely be ascribed to an increase in organic revenue, improved margins and the company's success with its own product platform for switchboards. Organic growth has been very high since the company's formation in autumn 2008. The company's growth and the acquisition of Ventelo enable the company to become more active in segments where corporate customers have more employees. Not only does this challenge the organisation at every level and have a particularly motivating effect on the sales organisation – it also creates opportunities for the company's continued development.

At year-end 2014, Phonero had 250,000 subscribers, which is five times as many as it had at the end of 2013. At year end, Phonero had 160 employees divided between its offices in Kristiansand, Trondheim, Oslo, Bergen and Stavanger. Kistefos is represented on the board of directors by Gunnar Jacobsen (chairman) and Tom Olav Holberg (board member).

Phonero now has a customer base of more than 30,000 companies, more than 250,000 subscribers and offices in the 5 largest cities in Norway.

NOK million	2014*	2013	2012
Revenues	596.1	318.1	268.6
EBITDA	90.4	42.6	13.6
Operating profit	53.5	36.0	8.3
Result before tax	47.5	35.3	6.8
Total assets	613.4	94.4	98.3
Book equity	86.8	8.2	19.1
No. of employees	160	200	200
Kistefos' ownership interests	56.5%	50.0%	50.5%
CEO	Thore Berthelsen	Thore Berthelsen	Thore Berthelsen

* Incl. Ventelo AS from 1.9.2014

Bergmoen

Bergmoen is the biggest member of Gardermoen Business Park, a development area for industrial properties located between the E6 and Oslo Airport Gardermoen. Proximity to Oslo Airport, the Norwegian capital and the national road network makes Gardermoen an exciting area for all types of business development.

Together, Bergmoen and its sister company Gardermoen Forum own a gross area of 85 hectares of land in Gardermoen Business Park. Under the current zoning plan, buildings totalling 650,000 m^2 may be built on this land, corresponding to a building density of 100%. Bergmoen will continuously work on increasing the building density on its land.

In 2014, Bergmoen has transitioned from a company with options on large land purchases to becoming a landowning company with strong financing. In connection with a major land sale to COOP, Bergmoen has prepared land and developed infrastructure that can also be used for new projects.

In order to promote further value creation, Bergmoen has signed a collaboration agreement with the international logistics services company Prologis to develop part of the land for logistics purposes. The market response has been favourable, and work is in progress on specific projects with potential exceeding the sale of undeveloped land.

COOP has now started to use its central warehouse in Gardermoen Business Park, and the two companies have entered into a long-term collaboration. The purpose of this collaboration is to establish a 'supplier cluster' around the central warehouse in order to stimulate further business development in the area. Major investments are expected to be carried out in Gardermoen Business Park in the coming years, and Bergmoen will actively seek to attract new projects.

The development of the area has been slow up till now on account of the road authorities. In the first quarter of 2015, the state has signalled that it will contribute NOK 40 million to fund a new exit from E6. This will probably speed up the development of the area considerably.

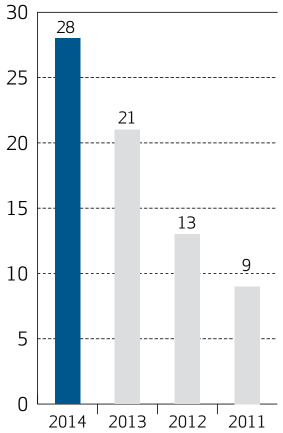
Bergmoen AS is headed by Managing Director Rolf Hansteen. Kistefos AS is represented on the board by Bengt A. Rem (chairman), Tone Bachke and Hege Galtung (board members).

Gardermoen Businesspark. The largest development area for industrial real estate in Norway.

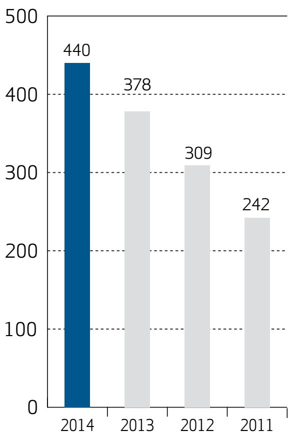
Concept drawing of the Bergmoen area.

www.advanzia.com

RESULT AFTER TAX
EUR million



ACTIVE CREDIT CARDS
Figures in 1 000s



Advanzia Bank

Advanzia Bank S.A. (Advanzia) is a Luxembourg-based online bank with no physical branches. In 2014, Advanzia launched a new product/service solution under which it offers to operate credit card programmes on behalf of other banks. This means that Advanzia now has three main product categories, the others being no-fee MasterCards and high-interest deposit accounts. Net income passed the EUR 100 million milestone in 2014, with a profit after tax of EUR 27.7 million, and the bank distributed EUR 35 million in dividends to shareholders.

The bank issued 130,000 new credit cards in 2014. At year-end 2014, Advanzia had 440,000 credit cards in active use, an increase of 17% compared with 2013. Net loans to customers after provisions for bad debts was EUR 605 million at year end 2014, an increase of 21%. Advanzia also offers high-interest deposit accounts, and the bank's deposits at year end 2014 totalled EUR 652 million, which is about the same as in 2013.

New initiatives

In 2014, Advanzia continued its efforts to develop its business in France. The development in France in 2014 was somewhat weaker than expected, and activities continue at a moderate level until the bank's processes and systems have been adapted to this new market.

In 2014, Advanzia also expanded its product range to include operating other banks' credit card programmes. The first five agreements have been signed, but this has not had any impact on the profit for 2014.

Through the year, Advanzia has made preparations to launch credit cards in Austria. The product is now in a test phase, and the official launch is scheduled to take place in 2015.

Financial development in 2014

Total net income for 2014 amounted to EUR 101.3 million, an increase of 23% compared with 2013. The profit after losses and tax was EUR 27.7 million, which represents an increase of 30% compared with 2013. Advanzia's return on equity was 39.5% in 2014, up from 34.3% in 2013. The capital adequacy ratio was 12.2% at year-end 2014, down from 16.1% in 2013. The reduction is largely due to dividends being distributed in the amount of EUR 35 million and growth in the bank's lending.

Outlook for 2015

The bank expects continued growth in both revenues and profit in 2015, but with a lower profit growth than in the preceding years due to the new initiatives.

Kistefos is represented on the board of directors by Tom Ruud (chairman), Christian Holme and Bengt A. Rem (board members).

Key figures	2014	2013	2012
Active credit cards	440,000	378,000	309,000
Net lending to customers	EUR 605 mill.	EUR 499 mill.	EUR 405 mill.
Deposits from customers	EUR 652 mill.	EUR 653 mill.	EUR 571 mill.

EUR million	2014	2013	2012
Net income	101.3	82.7	58.8
Result before losses and tax	68.8	54.4	37.1
Losses on lending, loans and guarantees	(29.7)	(24.3)	(18.8)
Result after losses, before tax	27.7	21.3	13.1
Total assets	728.9	732.9	635.5
Book equity	66.3	71.0	57.2
No. of employees	82	77	69
Kistefos' ownership interests	59.5%	59.7%	59.7%
CEO	Marc E. Hentgen	Marc E. Hentgen	Marc E. Hentgen

Infront

www.infront.no

In 2014, the company launched a new and upgraded version of its core product, “The Infront Terminal”, and major structural changes were made to the organisation to promote growth and further value creation. This contributed to a steady growth in revenue, and the company has further solidified its leading position in the Nordic countries.

Kistefos AS made its first investment in Infront in 2000 and increased its holding in 2007. Currently, Kistefos owns 27.7% of the shares in Infront. Most of the other main shareholders are the company’s founders and executive personnel.

Infront is the Nordic countries’ leading company in the development and sale of real-time solutions for information and trading in shares and other financial instruments. Its core product, the Infront Terminal, is the market leader in the Nordic countries.

The Infront Terminal can be delivered as an information terminal or as an integrated information and trading solution. Leading banks and financial services providers use Infront’s solutions both internally and as an advanced web-based information and trading system for their customers.

Developments in 2014

In 2014, as in previous years, Infront continued to strengthen its position in the Nordics while also developing its international ambitions. Infront achieved steady growth in revenue in 2014, in a challenging market characterised by weak growth and squeezed profit margins. Infront’s growth in 2014 was the result of a successful restructuring of the organisation and increased focus on product development. The company has decided to continue its current growth strategy in 2015, this will continue to impact the margin situation in the short and medium term. In 2014 Infront experienced growing demand for the product platform and that the platform is assessed in a much wider range of contexts than previously, the company will continue its innovative focus in 2015.

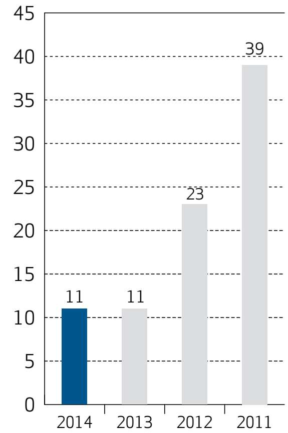
Infront’s news agency Nyhetsbyrån Direkt AB was named Sweden’s best financial news agency for the eighteenth year running in 2014, with Bloomberg and Reuters close behind.

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

NOK million	2014	2013	2012
Revenues	181.6	170.8	169.3
EBITDA	27.6	26.8	29.9
Operating profit	12.7	12.1	25.2
Result before tax	10.6	11.0	22.7
Total assets	85.3	90.1	95.2
Book equity	16.4	27.3	29.0
No. of employees	90	93	92
Kistefos’ ownership interests	27.7%	27.7%	27.7%
CEO	Kristian Nesbak	Kristian Nesbak	Kristian Nesbak

RESULT BEFORE TAX

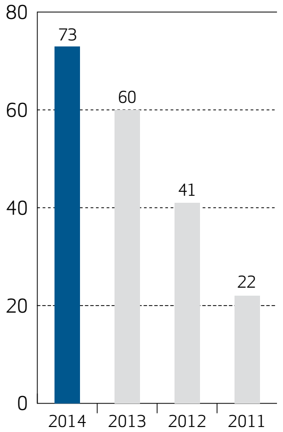
NOK million



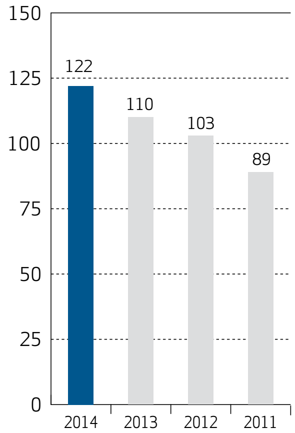
Infront AS is the Nordic countries’ leading company in information and trading solutions for shares and other financial instruments. The company’s core product, “The Infront Terminal”, is a market leader in the Nordic countries, and is in the process of gaining a strong foothold in other selected markets.

www.ya.no

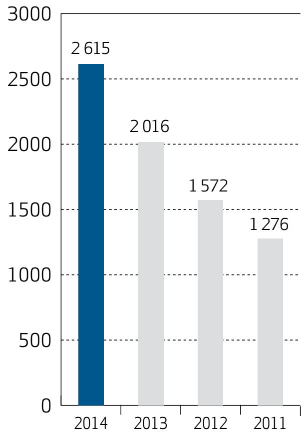
RESULT AFTER TAX
NOK million



ACTIVE CUSTOMERS
Figures in 1 000s



NET LENDING BALANCE
NOK million



yA Holding ASA

yA Holding ASA is the parent company in a group with two subsidiaries: yA Bank AS and MetaTech AS. The object of the group is to provide financial services to private individuals in Norway. The bank appointed new management at the beginning of the year, and Kistefos has increased its ownership to 29.99%.

yA Holding – the group

yA Holding ASA

yA Bank AS
100%

MetaTech AS
100%

yA Bank is a Norwegian consumer financing bank. The bank has no physical branches, but communicates with its customers through agents, customer service centres and partners. yA Bank offers services such as consumer loans, credit cards, debit cards, deposit accounts, payment services and payment protection insurance. MetaTech is a Norwegian technology company based in Trondheim that provides system services to the financial sector, including many parts of yA Bank's own IT systems.

Developments in 2014

A new management was appointed for yA Holding at the beginning of 2014. The company reported strong development in 2014, with particularly improved lending growth. At year end 2014 net lending to customers totalled NOK 2,615 million, which is up NOK 599 million from 2013. Total net revenues for 2014 amounted to NOK 242 million, an increase of 23.2% compared with 2013. Profit after tax was NOK 73.3 million for 2014, an increase of 23.2% compared with 2013. Extraordinary write-downs in the amount of NOK 15 million on previously capitalised IT costs and goodwill in connection with investments in MetaTech AS had a negative effect on profit growth in 2014.

At year end, the yA Holding group's capital/core capital adequacy ratios were 16.7% and 15.1%, respectively, and the book equity was NOK 375.8 million. yA Holding paid dividends of NOK 27.9 million in 2014, corresponding to NOK 1.00 per share.

New IT strategy

The extraordinary write-downs relating to MetaTech AS signal that the bank is implementing a new IT strategy. The bank has stated that it is expecting the business effect of this to be a strengthening of service capabilities, including new products and sales channels. It is also expected to strengthen the bank's capacity for restructuring and reduce operating expenses.

Key figures, NOK million	2014	2013	2012
Net lending to customers	2,615	2,016	1,572
Deposits from customers	2,669	2,260	1,906

NOK million	2014	2013	2012
Net income	242.3	196.7	168.8
Result before losses and tax	122.0	99.8	83.6
Losses on lending, loans	(21.0)	(17.0)	(25.2)
Result after losses and tax	73.3	59.5	41.4
Total assets	3,193.4	2,718.8	2,241.8
Book equity	375.8	336.6	304.9
No. of employees	45.5	40.7	45.3
Kistefos' ownership interests	29.9%	29.9%	24.4%
CEO	Robert Berg	Robert Berg	Svein Lindbak

Atex Group

Atex is a global software supplier to the media industry. Its product portfolio consists of solutions for managing advertising, publication, editorial workflows and distribution. This helps customers to streamline their operations and optimise their digital and print strategy. The company's head quarter is in Reading in the UK, and the group has offices in Australia, Singapore, Sweden, Finland and Italy.

Atex' story goes back to 1973, when the company was formed to develop computerised publishing systems intended to make the publishing of daily newspapers more efficient. Kistefos took control of the company in 2005. The company has made several acquisitions, and two product lines were sold in 2013; AdBase and Audience. As a result of the sale of these two product lines, revenue was more than cut in half in 2013 and further reduced in 2014.

Atex has a long history in print media, but the market has changed significantly in recent years. Even though the paperbased media still exist, distribution now primarily takes place through digital distribution channels such as computers, mobile phones and tablets. Atex' solutions target both digital and paper-based distribution channels, and the company's products have been installed as businesscritical systems by several of the world's leading media corporations.

As a consequence of the sale of the above-mentioned product lines and the extensive market changes, Atex underwent a restructuring process in 2014 during which the staff was reduced from 296 to 150 employees. The new organisation is better suited to optimize the remaining activities and product portfolio and generate growth in the digital area.

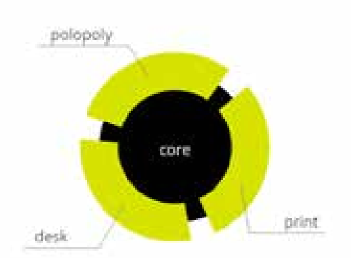
Atex had operating revenues of USD 31.8 million in 2014. Its focus in 2015 will be on further development of products and growth in digital media (Polopoly and the digital asset management system). In 2014, Henning E Jensen stepped down as CEO of Atex and was replaced by industry veteran Anders Christiansen. Nishant Fafalia, investment manager of Kistefos, continues as acting CFO of Atex.

Kistefos is represented on the board of Atex by Gunnar Jakobsen (chairman) and Henning E. Jensen (board member).

USD million	2014	2013	2012
Operating revenue	31.8	63.5	83,9
EBITDA	0.3	19.3	(1.3)
Total assets	36.9	58.1	148.8
Book equity	10.8	13.8	2.8
No. of employees	150	296	505
Kistefos' ownership interests	85.3%	85.3%	85.3%
CEO	Anders Christiansen	Henning E. Jensen	Gary Stokes

www.atex.com

WAN IFRA Trade-show 2014.



Atex Digital Media is a modular and scalable content management platform that cover all the needs of a digital focused media company, from content gathering and asset management to multi channel publishing.

Alliance Venture

The funds Alliance Venture Polaris and Alliance Venture Spring are investment funds that focus on early-phase growth companies in the Norwegian ICT industry.

The management of Alliance Venture Polaris. From the left: Bjørn Christensen, Johan Gjesdahl, Jan-Erik Hareid, Erling Maarmann-Moe, Bente Loe and Arne Tonning.

Alliance Venture's main office in Oslo manages the two funds Alliance Venture Polaris and Alliance Venture Spring. Kistefos is a leading investor in both funds.

Alliance Venture Polaris was established in late 2006 as one of four seed capital funds in Norway. As the largest shareholder, Kistefos has committed NOK 30 million of a total of NOK 172 million in private capital, of which around 95% had been paid up at the end of 2014. In addition, Innovation Norway has contributed a subordinated loan with a limit of NOK 167 million, bringing the fund's total capital under management to NOK 339 million.

In 2014 Springfondene merged with Alliance Venture with the aim of further developing Norway's leading environment for early-phase ICT investments. As a result, Alliance Venture Spring was formally established in the second quarter of 2014. The fund, which is one of two national seed capital funds selected by Innovation Norway, will receive a total of NOK 250 million in state funding. As the largest private shareholder, Kistefos has committed NOK 25 million of a total of NOK 260 million in private capital, of which around 5% had been called at the turn of the year. The fund's capital under management now totals NOK 510 million.

Alliance Venture's managers are an experienced team with extensive experience of the industry and knowledge of development, sale and management of Norwegian and international technology enterprises. They focus on investing in enterprises with unique technology and a potential for global growth, where their expertise, network and experience puts them in a position to contribute to the companies' development.

Kistefos has been an active venture capital investor since 1983, and has achieved good results in the development of earlyphase enterprises that have later found both financial and industrial buyers (including Yahoo and Google).

Kistefos owns 17.4% in Alliance Venture Polaris and 5.6% in Alliance Venture Spring, which makes Kistefos the largest private shareholder in both funds.

Kistefos is represented on the board of both funds by Gunnar Jacobsen (board member).

Alliance Venture Springs' portfolio consisted of the following at year-end:

Company	Market	Stake
Fusetools (former Outracks)	Programming tool for app development	19.1%
Swarm64	Unit for acceleration of databases	10.0%

Alliance Venture Polaris' portfolio consisted of the following at year-end:

Company	Market	Stake
3D Perception	Perception-advanced projection systems for aircraft simulators and control rooms	35.9%
bMobilized	Software for automatically generating websites for mobile phones	38.7%
Encap	Software for authentication and security solutions for mobile phones	61.8%
MemfoACT	Carbon membrane for separating biogases	12.9%
Never.no	Software for product monitoring and social media analysis	33.9%
Novelda	High-precision, short-range radar integrated on a microchip	26.8%
Optosense	Sensor for detecting gases in ventilation systems, etc.	28.0%
Pan Media Group	Integrated digitale media-services	5.7%
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 scholarships through the Kistefos Public Service Fellowship Fund since 2007. The fund was established to provide financial assistance to Norwegian students taking master's degrees in public administration at Harvard Kennedy School in the USA.

Scholarships are awarded annually, historically to between one and three candidates each year. The scholarships is funded by sponsorship funds from Kistefos AS, and recipients must sign a binding contract to work in the public sector for at least three years after completing their degree.

The decision to establish the fund was made because Christen Sveaas serves on the Dean's Council at the Harvard Kennedy School. The fund's objective is to educate professional managers who will contribute to the public sector being better run and more efficient.

Norwegian candidates who are admitted to the Harvard Kennedy School (HKS) are also eligible for the Kistefos fellowship. Graduates of Oslo Handelsgymnasium are particularly encouraged to apply and will be preferred if candidates are otherwise equally qualified.

Scholarships were awarded for the eight time in spring 2014, and the new Kistefos scholars are Hanne Brynildsen and Eigil Gulliksen.

Recipients of Kistefos Public Service Fellowship Fund:

Name	Award year	Employer as of April 2015
Mr. Bjorn Klouman Bekken	2007–2008	Diplomat, The Royal Norwegian Ministry of Foreign Affairs
Mr. Ole Wetlesen Borge	2007–2008	Head of Legal and Compliance, Pareto Securities AS
Mr. Dag Hovdhaugen	2008–2009	no information available
Mr. Bjorn Olav Megard	2008–2009	Director General, Ministry of Local Government and Modernisation
Mr. Trygve Bendiksby	2009–2010	Counselor, Inter-American Development Bank
Mr. Andreas Sundby Hall	2009–2010 and 2010–2011	Associate, Altor Equity Partners
Mr. Espen Beer Prydz	2009–2010 and 2010–2011	Economist, World Bank
Mr. Rasmus Myklebust	2010–2011 and 2011–2012	Management Consultant, McKinsey & Company
Mr. Paul Klouman Bekken	2011–2012	Counsellor for Political Affairs, Royal Norwegian Embassy in Moscow
Mr. John-Arne Rottingen	2011–2012	Visiting Professor, Harvard School of Public Health
Mr. Erlend Arneson Haugen	2012–2013	Communications Officer, OECD
Mr. Alfredo Zamudio	2012–2013	Director, Internal Displacement Monitoring Centre
Ms. Laila Matar	2012–2013 and 2013–2014	Global Campaigner, Avaaz
Ms. Hanne Brynildsen	2014–2015	current HKS student
Mr. Eigil Gulliksen	2014-2015	current HKS student

THIS YEAR'S FELLOWS

Hanne Brynildsen is completing both a Master of Public Policy at HKS, as well as completing her MBA at Tuch School of Business, Dartmouth. She has been to Alger to teach refugees English through the Norwegian Peace Corps, and been working with UN and Partnership for Change for various humanitarian projects.
Photo: Runo Isaksen

Eigil Gulliksen as completing a Mid-Career/ Master of Public Administration at the HKS. He is a Doctor of Medicine, and works as a Director of health, environment and safety in the Norwegian military. He is on leave from this position and will return to the military upon completion of the studies at HKS.

Harvard Kennedy School (HKS) .

www.kistefos.museum.no

The Kistefos Museum

The Kistefos Museum Foundation is located an hour's drive northwest of Oslo, in an idyllic location by the Randselva river. The object of the museum is to run the industry museum and engage in research relating to the industrial activities of A/S Kistefos Træsliberi. The museum has also developed one of the biggest contemporary sculpture parks in Europe, and has a modern exhibition space in the Nybruket building from 1896, where art exhibitions are held every year.

The artist Marina Abramovic (at the left), Minister of culture Thorhild Widvey and Christen Sveaas at the opening of this years' season of the Kistefos Museum.

Artist Marina Abramoic.

Prime Minister Erna Solberg presses the start button for the old grinding machines at Kistefos Træsliberi's 125th anniversary. Christen Sveaas is watching. Photo: Jørn Haakenstad, avisen Hadeland

Kistefos AS is the main sponsor of the Kistefos Museum and Sculpture Park, and contributed NOK 5 million in 2014. All sponsors are crucial to enabling the museum to develop and attract new visitors. Funds were also contributed by the municipality of Jevnaker, where the museum is located, and Sparebank 1 Ringerike Hadeland. In 2014, the Directorate for Cultural Heritage granted NOK 1.4 million for the management, running and maintenance of the old wood pulp mill. The savings bank foundation Sparebank-stiftelsene Ringerike og Jevnaker, Lunner og Nittedal, the Sat Sapienti foundation, the Anders Sveaas' charitable foundation, the UNI foundation, the Directorate for Cultural Heritage and AS Kistefos Træsliberi have contributed to the realisation of the 'Levende Fabrikk' (Living factory) project in the old wood pulp mill. The Kistefos Museum is included in the national budget for the first time, with a grant of NOK 500,000 for 2014.

We are very satisfied with this year's season. It was our second best year ever, second only to the 2012 season, when the museum had 37,000 visitors. In 2014 the museum registered a total of 24,002 (20,360) visitors, of which 5,201 (5,375) were paying guests.

The year's exhibition was by the worldfamous artist Marina Abramovic (67). The Art Hall hosted an exhibition of works by art icon Marina Abramovic, who has been named the second most influential international artist by the American lifestyle website Complex, second only to Ai Weiwei, who was the artist behind the previous year's main exhibition at the Kistefos Museum.

Art icon Marina Abramovic chose the Kistefos Museum as the venue for her first museum exhibition in Scandinavia, which bore the name Marina Abramovic – Entering the Other Side.

The exhibition presented important video, photo and installation works from the past forty years of her renowned artistic production. The themes of the exhibition included her focus on life, death and her use of her own body in art. Her most recent video installation The Scream was shown for the first time at the Kistefos Museum. The work, which shows 270 people from Oslo recreating Edvard Munch's scream at Ekebergåsen hill, was made in Oslo in 2013 in connection with the Munch anniversary and the opening of Ekebergparken sculpture and national heritage park.

The sculpture of the year was by Per Inge Bjørlo, one of Norway's most important contemporary artists, who has made his mark both in Norway and abroad with his profound and sensitive art. Already at the age of 16, Bjørlo left his family in Spjelkavik outside Ålesund to go to America. He took control of his own life, and art became his way out and his salvation.

The wood pulp mill has now reached a milestone in its development of communication methods and visitor experiences by introducing the Levende fabrikk ('Living factory') concept. The concept has brought new life to the factory by starting up one of the four horizontal grinders, the short log feeder from Kapphuset (cutting house) to Sliperisalen (grinding hall), and some of the drive systems running through the factory.

On 27 June 2014 we celebrated AS Kistefos Træsliberi's 125th anniversary. More than 300 guests attended the celebration, including Prime Minister Erna Solberg. Minister of Culture Thorild Widvey, Minister of Trade and Industry Monica Mæland, chair of Oppland County Council Gro Lundby, Mayor Terje Odden of Søndre Land and Mayor Hilde B. Fivelsdal of Jevnaker also attended.

The day started with the unveiling of the sculpture of the year, Slektstrea og Genbanken by Per Inge Bjørlo, before the old pulpstone in the factory was started up. Erna Solberg had the honour of pressing the start button. Later young musicians from ASAF gave a concert, before the celebrations concluded with an anniversary dinner and party. In connection with the 125th anniversary, AS Kistefos Træsliberi published the book *Viljen.*

PROFIT AND LOSS STATEMENT

For the period 1 January – 31 December

PARENT COMPANY				GROUP	
2013	2014	(Amounts in NOK 000s)	Note	2014	2013
		OPERATING REVENUE			
0	0	Freight revenues ships and barges		10,745,342	9,603,798
0	0	Sales revenue other		947,755	499,369
0	0	Gain on disposal of fixed assets		10,321	0
7,598	8,423	Other operating income		416,508	384,818
7,598	**8,423**	**Total operating income**	1	**12,119,926**	**10,487,984**
		OPERATING EXPENSES			
0	0	Cost of goods sold		429,655	115,253
46,753	47,444	Wages and salaries	3	533,716	522,327
0	0	Operating expenses ships and barges		10,037,605	8,833,648
75	72	Depreciation and write-downs of fixed and intangible assets	4	198,965	331,167
24,673	28,837	Other operating expenses	3	405,312	381,841
71,501	**76,354**	**Total operating expenses**		**11,605,253**	**10,184,235**
(63,903)	**(67,931)**	**Net operating income**		**514,673**	**303,749**
		FINANCIAL INCOME AND EXPENSES			
354,507	160,733	Income from investments in subs and associated companies		(4,943)	1,001
66,896	20,211	Interest received from group companies		0	0
6,271	3,472	Other interest received		17,575	20,158
331,141	36,616	Gain on shares and other financial instruments		(37,326)	3,247
34,014	198,199	Other financial income	2	285,863	126,815
(280,780)	(660)	Change in value of shares and other financial instruments		2,801	(266,780)
(52,047)	(12,734)	Interest paid to group companies		0	(10,376)
(125,303)	(131,885)	Other interest expenses		(307,360)	(319,426)
(31,569)	(7,854)	Other financial expenses	2	(215,621)	(92,160)
303,129	**266,098**	**Net financial items**		**(259,010)**	**(537,521)**
239,226	**198,167**	**Net Profit before tax before taxes**		**255,662**	**(233,772)**
18,873	22,136	Taxes	7	(2,787)	(83,624)
258,099	**220,303**	**NET PROFIT**		**252,875**	**(317,396)**
		Minority's share of net profit		24,612	(115,791)
		Majority's share of net profit		228,263	(201, 605)

BALANCE SHEET

Per 31 December

PARENT COMPANY				GROUP	
2013	2014	(Amounts in NOK 000s)	Note	2014	2013
		ASSETS			
		FIXED ASSETS			
0	2,421	Deferred tax assets	7	68,225	55,495
0	0	Goodwill	4	69,132	(125,113)
0	0	Other intangible assets	4	595,279	440,165
0	**2,421**	**Total intangible assets**		**732,636**	**370,547**
0	0	Property and land		366,219	299,304
0	0	Ships, PSV and AHTS		3,602,062	3,437,840
0	0	Ship, Shipping		76,888	163,246
0	0	Ships, Bulk carriers		157,405	136,324
291	219	Operating equipment, FF&E, machines etc.		28,864	20,998
291	**219**	**Total tangible fixed assets**	4	**4,231,438**	**4,057,712**
1,924,934	2,585,603	Investments in subsidiaries	5	0	0
597,764	167,517	Loans to group companies		14,494	0
0	0	Investments in associated companies	5	95,470	64,858
0	0	Restricted bank deposits	9	134,037	63,380
26,237	26,770	Other long-term receivables		280,429	231,555
2,548,935	**2,779,890**	**Total financial fixed assets**		**524,430**	**359,793**
2,549,226	**2,782,529**	**Total fixed assets**		**5,488,504**	**4,788,052**
		CURRENT ASSETS			
0	0	Goods for sale		65,160	81,554
5,612	6,649	Accounts receivable		840,343	703,545
226,920	114,309	Loans to group companies		19,633	13,003
17,357	13,166	Other receivables		959,280	573,541
249,889	**134,124**	**Total receivables**		**1,884,416**	**1,371,643**
784,015	827,364	Shares and other financial instruments	6	1,110,837	1,074,132
287,509	266,641	Cash and cash equivalents	9	1,521,345	1,391,662
1,321,414	**1,228,129**	**Total current assets**		**4,516,598**	**3,837,436**
3,870,640	**4,010,658**	**TOTAL ASSETS**		**10,005,102**	**8,625,490**

BALANCE SHEET

Per 31 December

PARENT COMPANY				GROUP	
2013	**2014**	(Amounts in NOK 000s)	**Note**	**2014**	**2013**
		EQUITY AND LIABILITIES			
		EQUITY			
		Restricted Equity			
310,828	310,828	Share capital		310,828	310,828
77,508	77,508	Other Restricted Equity		77,508	77,508
		Retained earnings			
1,391,386	1,485,726	Other Equity		1,227,164	1,186,782
		Minority interests		1,012,546	958,205
1,779,722	**1,874,062**	**Total Equity**	8	**2,628,046**	**2,533,323**
		LONG TERM LIABILITIES			
15,098	0	Deferred taxes	7	174,343	208,053
2,898	4,952	Pension liabilities	3	51,744	25,777
497,679	292,204	Liabilities to financial institutions	9	3,268,087	2,865,104
577,861	306,523	Liabilities to group companies		0	0
941,500	1,259,500	Unsecured bond-loans	9	1,756,077	1,697,483
0	0	Other long-term liabilities		140,806	71,770
2,035,035	**1,863,179**	**Total other long-term liabilities**		**5,391,057**	**4,868,187**
		SHORT TERM LIABILITIES			
0	0	Liabilities to financial institutions		148,883	0
1,273	1,747	Trade creditors		535,433	316,770
0	0	Taxes payable	7	15,155	15,158
2,564	2,493	Government taxes, holiday pay, tax deductions		48,146	19,446
40,840	46,970	Liabilities to group companies		7,942	0
0	125,000	Dividend		125,000	0
11,206	97,207	Other short-term liabilities		1,105,441	872,607
55,883	**273,417**	**Total short-term liabilities**		**1,986,000**	**1,223,981**
2,090,919	**2,136,596**	**Total liabilities**		**7,377,056**	**6,092,167**
3,870,640	**4,010,658**	**TOTAL EQUITY AND LIABILITIES**		**10,005,102**	**8,625,490**

Oslo, 24 February 2015
The Board of Directors of Kistefos

Christen Sveaas
Executive Chairman

Erik Wahlstrøm
Board Member

Ragnhild Wiborg
Board Member

Martin Reimers
Board Member

Tom Ruud
Board Member/ CEO

CASHFLOW STATEMENT

PARENT COMPANY			GROUP	
2013	**2014**	(Amounts in NOK 000s)	**2014**	**2013**
		CASH FLOW FROM OPERATING ACTIVITIES		
239,226	198,167	Pre-tax profit	255,662	(233,772)
75	72	Depreciations	198,965	331,167
0	0	Gain from sale of fixed assets	(10,321)	0
(331,141)	(36,616)	Net gain on sale of shares and other financial instruments	37,326	(3,247)
(74)	(1,037)	Change in accounts receivables	(136,798)	(113,089)
(1,150)	474	Change in accounts payables	218,663	21,649
(354,507)	(99,627)	Income from subsidiaries and associated companies	4,943	(1,001)
(11,458)	11,458	Accrued dividend received	0	0
280,780	660	Change in value of shares and other financial instruments	(2,801)	266,780
131,205	(3,923)	Change in other receivables and other liabilities	2,269	86,257
(47,043)	**69,628**	**A = Net cash flow from operating activities**	**567,908**	**354,743**
		CASH FLOW FROM INVESTMENT ACTIVITIES		
0	0	Reduction/increase operating equipment, FF&E, machinery etc	26,175	28,600
0	0	Reduction/(increase) ships	(423,965)	(61,805)
0	0	Reduction/(increase) other immaterial assets	(400,462)	265,699
0	0	Reduction/(increase) barges	(1,204)	(1,792)
0	0	Reduction/(increase) buildings, land, and other real estate	(67,627)	(1,876)
599,635	(50)	Reduction/(increase) investments in subsidiaries/associated companies	(90,612)	(4,785)
(315,727)	(37,184)	Reduction/(increase) shares and other financial instruments	(53,190)	(135,265)
0	0	Change in restricted bank deposits	(70,657)	36,177
0	0	Change in other long-term receivables	(48,874)	57,970
228,677	(220,848)	Change in receivables to group companies	(21,124)	0
512,585	**(258,082)**	**B = Net cash flow from investment activities**	**(1,151,540)**	**182,923**
		CASH FLOW FROM FINANCING ACTIVITIES		
(844,852)	(205,475)	Increase/(reduction) liabilities to financial institutions	402,984	(1,089,456)
487,000	318,000	Increase/(reduction) unsecured bond loan	58,594	962,451
(80,691)	86,001	Increase/(reduction) other long-term liabilities	330,569	(289,107)
0	0	Capital increase/(dividend)	11,308	356,194
0	(30,940)	Reduction/(Increase) in loan to group companies	7,942	(66,423)
(438,543)	**167,586**	**C = Net cash flow from financing activities**	**811,396**	**(126,342)**
		Other Changes		
0	0	Other changes, accounting principles, and currency fluctuations	(98,081)	0
0	**0**	**D = Net other changes**	**(98,081)**	**0**
26,999	(20,868)	A+B+C+D = Net change in bank deposits and cash	129,683	411,325
260,510	287,509	Bank deposits and cash as per 1 January	1,391,663	980,338
287,509	**266,641**	**Bank deposits and cash as per 31 December**	**1,521,344**	**1,391,663**

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.

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.

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.

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 some group companies 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 (negative goodwill) are not attributable excess value (lesser value) from purchase transactions and are amortised (recognised as income) on a straight line basis over five years/ 20 years (in line with expenses).

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-developed 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.

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 restructuring 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.

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.

Revenues from telephony consists mainly of traffic-revenues from the fixed and mobile net, as well as subscription and sign-up revenues. Traffic-revenues are recognized in accordance with actual traffic in the period. Subscription-fees are recognized over the subscription period. Sign-on fees are recognized on time of sign-on.

Cost of telephony-services sold, including release of binding-period, marketing support etc are recognized in the period it occurs. Commissions for new sales, win back are recognized over the 24 months binding-period.

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.

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 000s

NOTE 1 – BUSINESS AREAS

	Kistefos shipping		Kistefos Offshore
	Bulk	Industriell shipping	AHTS/PSV
Operating revenues 2013	7,021,442	1,660,314	1,044,409
Operating revenues 2014	8,222,662	1,185,932	1,742,785

	Real Estate	IT/Telecom	Other	Group
Operating revenues 2013	11,195	731,946	18,678	10,487,984
Operating revenues 2014	11,454	940,084	17,009	12,119,926

Operating revenues by geographical areas	**2014**	**2013**
Nordic region	3,028,248	2,758,126
Rest of Europe	3,031,931	2,476,860
North America	1,064,966	658,371
Rest of the world	4,994,781	4,594,627
Total	**12,119,926**	**10,487,984**

NOTE 2 – OTHER FINANCIAL INCOME AND EXPENSES

	PARENT COMPANY		GROUP	
	2014	**2013**	**2014**	**2013**
Share dividends	190,060	31,481	192,837	46,724
Gains of foreign exchange	8,140	2,390	92,687	76,710
Other financial income	0	143	340	3,381
Total other finacial income	**198,199**	**34,014**	**285,863**	**126,815**
	2014	**2013**	**2014**	**2013**
Loss on foreign exchange	(2,096)	(31,567)	(170,748)	(66,513)
Other financial expense	(5,757)	(2)	(44,872)	(25,646)
Total other financial expenses	**(7,854)**	**(31,569)**	**(215,621)**	**(92,160)**

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

	PARENT COMPANY		GROUP	
	2014	**2013**	**2014**	**2013**
Wages and salaries, holiday pay, fees etc	37,876	38,400	409,348	403,022
National insurance contribution	5,443	4,973	58,469	61,415
Pension expenses benefit-based pensions	3,315	2,466	12,188	28,190
Pension expenses contribution-based pensions	0	0	21,031	10,245
Other personnell expenses	810	914	32,680	19,454
Total wages and salaries	**47,444**	**46,753**	**533,716**	**522,327**
Full time equivalents	13	16	1,169	1,264

Wages and salaries for ship-based crews are recognised under operating expenses, ships.

Renumeration of the company's officers and managing director
The Executive Chairman NOK 0, other fees to the Board of Directors NOK 937.5.

The Managing Director's salary, bonus and other remuneration amounted to NOK 5,686 in 2014.

The Managing Director has a bonus agreement based on performance components and value creation. 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 (ex. VAT)

	PARENT COMPANY	GROUP	
		Parent company's auditor	Other auditors
Statutory audit	412	3,083	2,526
Assistance with preparing annual financial statements, tax returns and other tax services	218	901	362
Services other than audit	220	554	1,647
TOTAL	**850**	**4,538**	**4,535**

The parent company and some of the subsidiaries have a pension scheme that covers a total of 14 (19) employees in the parent company and 470 (509) employees in the Group at 31 December 2014, 3 of which are retired in the parent company and 351 (354) 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:	**2014**	**2013**	**2014**	**2013**
Current value of this year's pension contributions	2,898	2,131	9,845	16,414
Interest cost of accrued pension liability	468	328	7,427	1,120
Expected return on pension assets	(461)	(298)	(7,700)	(844)
Amortisation	0	0	696	(124)
National insurance contribution and administration expenses	410	305	1,921	2,485
Net pension expenses, contribution plans	0	0	21,031	10,245
Year's pension expenses/(income)	**3,315**	**2,466**	**33,219**	**29,296**
Pension assets/(liabilities):	**2014**	**2013**	**2014**	**2013**
Estimated pension liabilities	(12,379)	(12,130)	(237,226)	(204,225)
Pension assets (at market value)	7,426	9,231	190,838	195,297
Unrecognised actuarial differences	0	0	0	0
Estimated national insurance contribution	0	0	(5,334)	(2,497)
Adjustment IFRS to NGAAP	0	0	(22)	(30)
Book value, pension liabilities	**(4,952)**	**(2,898)**	**(51,744)**	**(25,777)**
Pension assets included in other receivables	**0**	**0**	**1,291**	**14,322**
Estimate assumptions:				
Discount rate	2.30%	4.00%	2.3–2.5%	4.0–4.1%
Expected returns	3.20%	4.40%	2.3–3.2%	4.0–4.4%
Wage and salary adjustment rate	2.75%	3.75%	2.75–3.0%	3.0–3.75%
National Insurance Scheme's basic pension adjusmtent rate	2.50%	3.50%	2.50%	2.5–3.55%
Pension adjustment rate	0.00%	0.60%	0.00%	0.60%

NOTE 4 – TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

	PARENT COMPANY	GROUP			
	FF&E machinery, etc.	FF&E machinery, etc.	Buildings etc.	Land	Ships, Offshore
Acquisition cost as per 1 January	17,716	161,809	2,162	297,959	3,932,827
Reclassification	0	0	0	0	0
Foreign currency translation differences	0	(2,055)	0	0	59,937
Additions during the year	0	31,229	0	67,627	300,686
Disposals during the year	0	(57,404)	(1,110)	0	41,335
Acquisition cost as per 31 December	**17,716**	**133,579**	**1,052**	**365,586**	**4,334,785**
Depreciations and amortisations as per 1 January	17,424	140,810	818	0	494,988
Reclassification	0	0	0	0	(6,833)
Foreign currency translation	0	448	0	0	16,304
This year's depreciations	72	12,924	20	0	166,580
Additions during the year	0	5,388	0	0	0
Disposals during the year	0	(54,857)	(419)	0	(22,395)
Accumulated depreciations and amortisations	**17,496**	**104,713**	**419**	**0**	**732,724**
Book value as per 31 December	**219**	**28,864**	**633**	**365,586**	**3,602,062**
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 / (Negative Goodwill)	Total Group
Acquisition cost as per 1 January	597,737	537,650	169,383	(111,919)	5,587,608
Reclassification	0	(335,704)	0	0	(335,704)
Foreign currency translation differences	0	59,585	28,654	0	146,121
Additions during the year	245,008	7,628	1,204	119,999	773,381
Disposals during the year	(5,947)	(8,059)	0	0	(31,185)
Acquisition cost as per 31 December	**836,798**	**261,100**	**199,242**	**8,080**	**6,140,222**
Depreciations and amortisations as per 1 January	157,572	373,403	33,059	13,194	1,213,844
Reclassification	0	(234,999)	0	0	(241,832)
Foreign currency translation	(91)	42,948	0	0	59,609
This year's depreciations	78,984	9,287	8,777	(77,607)	198,965
Additions during the year	11,340	0	0	3,362	20,090
Disposals during the year	(6,287)	(6,427)	0	0	(90,385)
Accumulated depreciations and amortisations	**241,518**	**184,212**	**41,836**	**(61,051)**	**1,244,371**
Book value as per 31 December	**595,279**	**76,888**	**157,405**	**69,132**	**4,895,849**
Economic life	2 –99 years	25 years	25 years	5–20 years	
Depreciation plan	Straight line/ 10 % balance	Straight line	Straight line	Straight line	

Following the purchase of further shares in Rederi AB TransAtlantic in 2011 and 2014, negative goodwill of NOK 271 million accured. Residual amount as per 31 December 2014 amounts to NOK 117 million.

Goodwill accured following the purchase of Ventelo AS. Goodwill is calculated with basis of expexted synergies to sustain for 20 years or longer.

Intangible assets
Intangible assets derive from the acquisition of Opplysningen 1881 AS in 2011 and acquisition of Ventelo AS in 2014.

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 1,002 million, excluding options. In addition, Western Bulk has entered into some long-term T/C agreements as charterer. These represent a lease asset of USD 100 mill.

Western Bulk has remaining capital commitments to Western Alterna Partnership and Western Alterna GP LLC totalling around USD 2.0 million.

RABT have lease agreements for leased vessels with a future obligation of SEK 1,411 million.
Future time charter income amounts to a minimum of SEK 1,457 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 companies	Ownership share/ voting rights	Business office
AS Bagatelle	100.0%	Oslo
Kistefos Eiendom AS	100.0%	Oslo
Kistefos Venture Capital AS	100.0%	Oslo
Kistefos International Equity AS	100.0%	Oslo
Oktant Invest AS	100.0%	Oslo
Viking Invest AS	100.0%	Oslo
Western Bulk ASA	60.4%	Oslo
Advanzia Holding AS	100.0%	Oslo

Total book value of the subsidiaries is 2,585,603

Material subsidiaries	Parent company	Ownership share/voting rights	Business office
Rederi AB TransAtlantic	Viking Invest AS	70.4%/63.3%	Gothenburg, Sweden
Opplysningen 1881 AS	Telecom Holding AS	100.0%	Oslo
Phonero AS	Kistefos Venture Capital II DA	56.6%	Kristiansand
Bergmoen AS	Kistefos Eiendom AS	57.4%	Oslo

Associated companies	Ownership share/voting rights	Business office
Western Alterna Partnership – owned by Western Bulk ASA	20.0%	Marshall Islands
Western Alterna GP LLC – owned by Western Bulk ASA	20.0%	Marshall Islands
Industrial Shipping DIS – owned by Rederi AB Transatlantic	38.2%	Oslo

Total book value of the associated company is 95,470

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 *	597	55.0%	29,805
OstomyCure AS*	6,564,387	66.6%	43,943
yA Holding ASA *	8,381,999	29.9%	100,416
China Investment AS*	1,900	100.0%	138,412
Springfondene – to be discontinued			10,815
Alliance Venture			27,925
Other shares and financial instruments			32,079
Total shares and other financial instruments – parent company			**827,364**

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 – preference shares*	451,050,347	99.8%	164,645
Promon AS	183,102	36.0%	18,455
Infront AS	593,175	27.7%	22,095
Intellicom AS	939,770	35.7%	23,762
Line 2 Inc (number of shares include 3,243,260 subscription rights)	84,918,196	47.3%	29,916
Other shares and financial instruments			21,169
Total shares and other financial instruments – Subsidiaries			**363,839**
Adjustment group assets			(80,366)
Total shares and other financial instruments – Group			**1,110,837**

* Not consolidated due to temporary ownership.

NOTE 7 – TAXES

	PARENT COMPANY		GROUP	
Tax expenses for the year:	**2014**	**2013**	**2014**	**2013**
Change in deferred tax/deferred tax assets	(49,035)	(55,980)	(47,467)	5,050
Tax payable	0	0	29,762	15,158
Tax on group contribution in P&L	26,900	37,660	0	0
Other changes	0	6	20,492	60,983
Changed tax rate, deferred tax	0	(559)	0	2,433
Year's tax expense/(income)	**(22,136)**	**(18,873)**	**2,787**	**83,624**

Tax payable in this year's tax expense:	**2014**	**2013**
Operating result before tax	198,167	239,226
Permanent differences	(277,731)	(299,004)
Change in temporary differences	24,859	10,015
Given/(received) group contribution without tax effect	0	(5,587)
Basis for tax payable	**(54,705)**	**(55,350)**
Tax (27% in 2014, 28% in 2013)	0	0

Tax payable in the balance sheet	**2014**	**2013**
Basis tax payable on this year's result	(54,705)	(55,350)
Group contribution received	14,681	75,982
Group contribution given with tax effect	0	(20,632)
Basis for tax payable / (tax loss carried forward)	**(40,025)**	**0**
Tax (27% in 2014, 28% in 2013)	0	0
Tax payable in the balance sheet	**0**	**0**

Specification of the basis for deferred tax:	PARENT COMPANY		GROUP	
Offsetting differences	**2014**	**2013**	**2014**	**2013**
Temporary differences, receivables	(2,140)	0	(3,228)	(93)
Temporary differences, fixed assets	(283)	(354)	58,687	(24,758)
Temporary differences, gains account	33,929	42,411	364,052	460,498
Temporary differences, others	(446)	13,861	164,277	289,800
Temporary differences, affiliated companies	0	0	9,429	(40,632)
Temporary differences, shares	0	0	5,984	12,517
Loss carry-forward for tax purposes	(40,025)	(55,350)	(291,962)	(240,930)
Loss carry-forward for tax purposes given as group contribution	0	55,350	0	0
Change in deferred tax/(deferred tax assets)	**(8,965)**	**55,918**	**307,239**	**456,402**
Estimated deferred tax/(deferred tax assets)	**(2,421)**	**15,098**	**82,955**	**123,229**
Deferred tax	**0**	**15,098**	**174,343**	**208,053**
Deferred tax assets	**(2,421)**	**0**	**(68,225)**	**(55,495)**

NOTE 8 – SHAREHOLDERS' EQUITY

PARENT COMPANY

	Share capital	Other paid equity	Other equity	Total equity
Equity as per 1 January 2014	310,828	77,508	1,391,386	1,779,722
Profit/(loss) for the year	0	0	220,303	220,303
Provision for dividend	0	0	(125,000)	(125,000)
Other changes and conversion differences	0	0	(963)	(963)
Closing balance	**310,828**	**77,508**	**1,485,726**	**1,874,062**

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 2013	310,828	77,508	1,133,879	927,028	2,449,243
Correction of error in previous year *	0	0	52,903	31,177	84,080
Equity as per 1 January 2014	310,828	77,508	1,186,782	958,205	2,533,323
Profit/(loss) for the year	0	0	228,263	24,612	252,875
Provision for dividend	0	0	(125,000)	0	(125,000)
Other changes and conversion differences	0	0	(62,881)	29,729	(33,152)
Closing balance	**310,828**	**77,508**	**1,227,164**	**1,012,546**	**2,628,046**

* The loss in RABT in 2013 included a write down of ship values. This write down should have been reversed the same year againts Group lesser values on the ships. The numbers for 2013 have been restated.

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

The parent company has debt of NOK 361,931 (2013: NOK 479, 679) that is pledged in assets with a book value of NOK 1,810,172 (2013: NOK 1, 682,458). The Group has debt of NOK 3,337,814 (2013: NOK 2,865,104) that is pledged in assets with a book value of NOK 6,485,553 (2013: NOK 6,785,903).

The Group has liabilities that matures later than five years totalling NOK 129,602 (2013: NOK 215,207).
The parent company has no liabilities that matures later than five years.

Bank deposits
NOK 57 052 (2013: NOK 39,203) 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 1,440 (2013: NOK 1,458) is deposited in tax withholding accounts.
The parent company and Group are subject to covenant requirements concerning a minimum level of available liquidity.
The parent company and Group were in compliance with these requirements as per 31 December 2014.

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.

Rederi AB TransAtlantic has pledged a guarantee totalling SEK 228,000 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 ,600 in value have been pledged as security for the liabilities.

NOTE 10 – DISPUTES

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.

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 2014 (all transaction were made at arm's length based on estimated market values):

Transaction type	Related party	Amount
Share sale	Viking Invest AS (subsidiary)	NOK 75,000
Share purchase	Kistefos Skog AS (affiliated)	NOK 41,040

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 2014, Phonero AS was consolidated in the Group statement for the first time. In the same period, Phonero aquired Ventelo AS with effect as of September 1,2014. If these companies had been included in the Group statement for the whole of 2014, the Group revenue would be NOK 12,608 million in 2014 and NOK 11,588 million in 2013.

In December 2014, Kistefos AS carried out an unsecured, NOK 200 million bond issue. The bond issue matures in one year.

In the first quarter of 2014, Kistefos carried through a purchase of shares in RABT, increasing the ownership share to 70,4%.
In the first quarter of 2014, RABT carried through a rights issue of SEK 148 million. The rights issue was guaranteed by Kistefos.

RSM
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To the shareholders' meeting of
Kistefos AS

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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 220,303,000, and the financial statements for the group, showing a profit of NOK 252,875,000. The financial statements of the parent company and of the group comprise the balance sheet as at December 31, 2014, 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, 2014, 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.

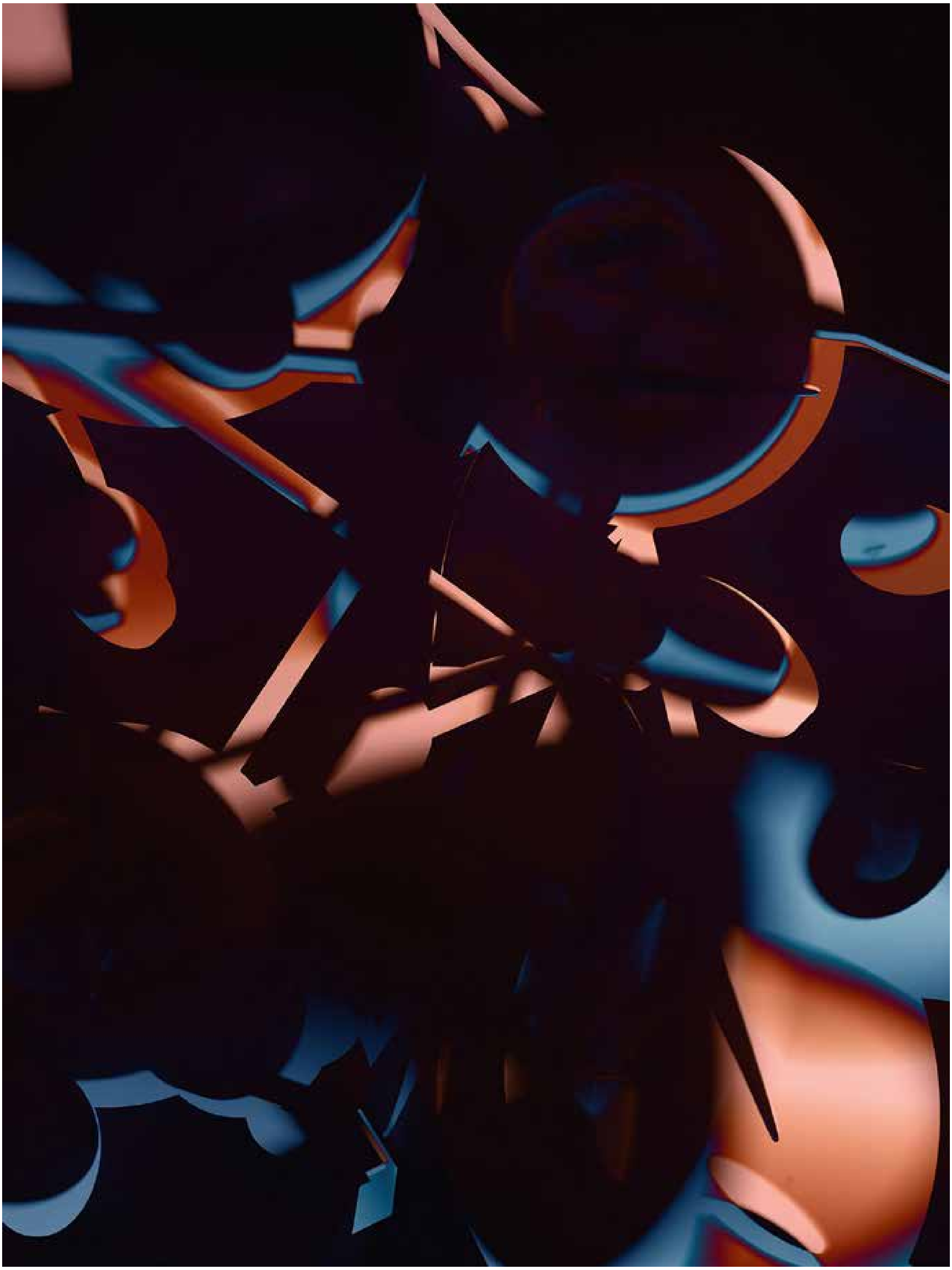
Oslo, 24th of February 2015
RSM Hasner Kjelstrup & Wiggen AS

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.


Thomas Ruff – «phg.s.02, 2012» – Christen Sveaas Art Collection.

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