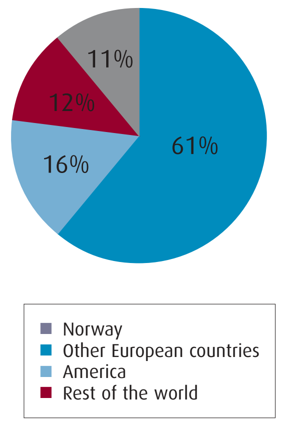
- Weak results for 2001, principally due to weak stock market conditions
- Elopak's core activities returned to profit
- Ferd Industry renamed Ferd Private Equity and given additional capital
- The German company Real Vision Systems was acquired, and Erling Sande AS was sold*
- Agronova opened the first full-scale factory for converting organic waste
- Ferd Real Estate made good progress with its planned developments at Ensjø in Oslo

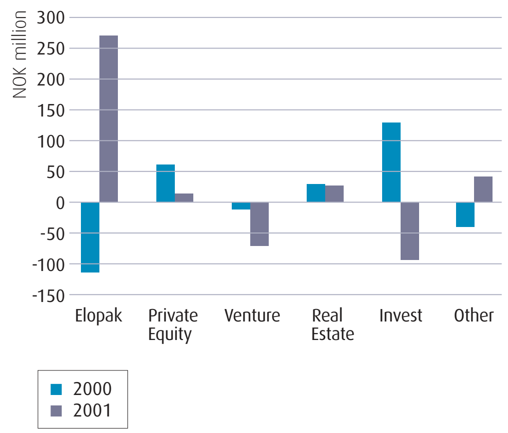
NOK million	Key figures	2001	2000	1999
	Operating revenue	4 951.6	4 930.5	5 191.4
	Operating profit	200.1	64.8	514.6
	Profit for the year	**160.6**	**115.5**	**529.5**
	Return on financial investments	- 87.0	145.2	303.6
	Equity	**3 997.4**	**3 906.6**	**3 894.9**
	Equity ratio	**51.7 %**	**46.6 %**	**51.2 %**

*Effective 1.1.2002. See note 19 - Consolidated accounts.

Geographic analysis of sales



Operating profit by business area



Letter from the Chief Executive Officer

Johan H. Andresen, Jr.

We implemented a major program of change in 2001. The group adopted Ferd as its new name and we moved our head office to the shores of the Oslo fjord at Lysaker. We put a lot of effort into creating a new business vision, with new corporate values and a new corporate mission statement. All these changes were needed to create a clear identity now that the group is no longer operationally involved in the tobacco industry.

In 2001 all the group's business areas worked on projects that demonstrate our business vision and echo the new corporate mission statement. One example of this is Ferd Real Estate, which aims to play an active role in urban regeneration by developing attractive residential and commercial properties in the Oslo area. Our initial emphasis is on the Ensjø district of Oslo, where we aim to create a new urban centre.

For the group as a whole 2001 was a year of weak earnings, but behind the overall figures we find both positive and negative factors. Elopak completed a successful turnaround operation, and its core activities returned to acceptable profitability. TiTech Visionsort continued the sound performance seen in previous years. Ferd Invest's share portfolio suffered significant losses due to the very weak conditions seen in capital markets, but our well-diversified portfolio avoided the full fall in value that might have been expected from the performance of the market as a whole. In addition Ferd Invest was denied a sizeable profit on its seven million Storebrand shares because Den norske Bank proved unwilling to accept Sampo's bid for the company. Ferd Venture also suffered losses as a result of weak market conditions.

An important feature of Fred's corporate mission is our commitment to pro-active and long-term ownership. We strengthened our resources in 2001 both by recruiting highly skilled people and through carefully planned training for our existing employees. As a 100 per cent family-owned company, Ferd is particularly well placed to realise its corporate mission by taking a long-term perspective in its role as an owner and manager. Family-owned investment companies play a particularly important role at a time such as this when competitive considerations force major institutional investors to take a more short-term view. Here at Ferd we are not over-concerned about next quarter's results, instead we place much greater emphasis on long-term value creation.

Family ownership is also a strength for industrial companies. The stock market forces listed companies to concentrate on their core activities, but family-owned companies have much greater freedom to diversify their businesses. This allows us to invest in projects which listed companies would find difficult to justify to the market. There are currently relatively few family-owned companies in Norway that are major investors. Economic policy ought to create an environment that encourages the growth of family-owned companies, and this is an area where the proposals for taxation reforms to be unveiled by the Skauge Commission are awaited with very great interest.

Ferd has strong finances and the resources for further growth. Private equity investment represents a natural area for the group's future focus.

Ferd's ownership interests include both fast-growing companies and companies in a more mature phase of development. The group has purchased the German waste sorting company RVS through TiTech Visionsort, and this will strengthen our position as a leading player for sorting waste plastic and packaging. The technology developed by TiTech Visionsort and RVS is suited to many attractive areas of use, which also extend beyond waste management.

Market demand for Elopak's main products is stagnating. In order to create better opportunities for future growth at Elopak, we are actively looking for partners to strengthen the company in terms of both product and market position. Ferd found that it was not well-placed to help Erling Sande AS to grow, and we therefore sold the company to a more suitable owner.

Ferd has strong finances and the resources for further growth. Private equity investment represents a natural area for the group's future focus. Ferd has in fact been a private equity investor for many years as an investor in un-quoted companies, and we have played an active role in developing the companies in which we invest. We intend to allocate significant resources and expertise to expand our activities in this area. Our position as a family-owned company represents a particular strength when investing in medium-size family companies which need to bring in an active external investor to cope with their own generation shift or other changes. Ferd has also played a central role in bringing the results of a number of Norwegian research projects to commercial fruition. We believe that we can continue to help realise the commercial potential of many attractive projects by maintaining our close contacts with the research world. Privatisations and sales of businesses by large corporate groups will also be an interesting source of projects. In all of these situations Ferd will play a pro-active role to ensure a professional approach at all stages of the value-creation process and to give the companies in which we invest access to our extensive Norwegian and international network.

Johan H. Andresen, Jr.
Owner and CEO

This is Ferd

FERD

Finance
- Accounting
- Finance
- Internal audit

Legal/human resources
- Information

Elopak
- Carton Division
- Plastics Division
- Market areas

Ferd Private Equity
- Swix Sport
- TiMar Group
- TiTech Visionsort
- Lerøy Seafood (23.6 %)

Ferd Invest
- Equity investments
- Interest bearing investments
- Skandinavisk Tobakskompagni (17.2 %)

Ferd Venture
- Agronova
- Other venture capital investments

Ferd Real Estate
- Real Estate management
- Real Estate development

Trond Nordahl's images symbolise the five business areas that make up Ferd.

Corporate mission statement, vision and value platform

VISION:

We will create enduring value and make a lasting impression

This describes the vision that we will strive to achieve. By value we mean more than just financial return - value is also created through personal development and growth. Enduring value signals that we intend to create something more than just short-term "bubbles" - we stand for sound and worthwhile projects of enduring value. By lasting impression we mean that we want our activities to leave lasting, significant and visible results in their wake. This also acknowledges that a trail is clearest if many follow it - our ambition is for all our companies, units and employees to be driven by the same overriding principles whilst retaining each company's particular identity and freedom of action.

OUR CORPORATE MISSION STATEMENT:

Ferd will focus on being a pro-active long-term owner of strong companies with international potential as well as operating as a financial investor, making use of its core expertise in finance, business development and networking

The mission statement confirms that Ferd will continue to be involved both as an active owner of companies and as a financial investor. This combination of roles has historically generated good results for the group, and over the years Ferd has built up its expertise in both areas.

VALUE PLATFORM

Ferd has defined two sets of values that will play an important role in realising the business vision for which we strive.

OPERATIONAL VALUES

EXPERTISE
If we are to be a pro-active owner and partner, the group needs to build up a store of knowledge and expertise in important common areas.We have defined finance, business development and networking as key areas of expertise for the group as a whole.

NETWORKING
We strive to develop and make good use of the group's internal network of contacts to create benefits such as synergies between our activities. We must also make full use of the group's network of international contacts in the best interests of every individual unit.

CAPITAL
We have the capacity to provide the financial resources needed to develop and grow both the industrial and financial investment activities of the group.

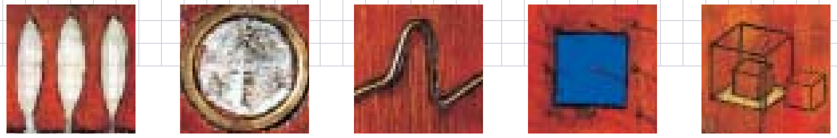
CORPORATE VALUES

CREDIBILITY
This means that everyone can be confident that we keep our promises - that we will implement our strategies and meet our goals. Even though Ferd is a privately owned company, credibility requires openness in our relationship with the media and the outside world as a whole.

SPIRIT OF ADVENTURE
This represents our willingness to take the initiative and see new opportunities beyond the distant horizon. It also means that all our people will have the opportunity for personal development and the satisfaction of creating new adventures for the group.

TEAMWORK
Ferd can only realise its goals if everyone works as a team with mutual respect for each other.

LONG-TERM VIEW
The continuity, reliability and integrity which characterise the group will continue to be central aspects of our personality.



Board of Directors´ Report 2001

From the left: John Harald Henriksen, Executive Vice President Ferd Invest, John Giverholt, Chief Financial Officer, John Skogen, Executive Vice President Real Estate, Johan H. Andresen Jr., President and CEO, Erik Fausa Olsen, Executive Vice President Ferd Venture, Bjørn Flatgård, CEO of Elopak, Leif O. Strand, Executive Vice President Ferd Private Equity, and Ola Petter Tandstad, Vice President.

The Ferd group reports weak results for 2001, principally due to difficult conditions in equity markets that led to significant losses for Ferd Invest and Ferd Venture. Elopak's core activities returned to profitability in 2001 following the weak results reported for 2000, but the company was adversely affected by the slowdown in the US economy. Ferd Industry, now known as Ferd Private Equity, reports satisfactory results from most of its companies. Work on the development of the Ensjø district of Oslo was the most important project for Ferd Real Estate in 2001.

FINANCIAL RESULTS AND CASH FLOW

The group's operating revenues amounted to NOK 4 952 million in 2001 as compared to NOK 4 931 million in 2000.

After adjusting for businesses purchased or sold, operating revenue on a like-for-like basis increased by 5.6 % between 2000 and 2001. Operating profit for 2001 totalled NOK 200 million as compared to NOK 65 million in 2000.

Net financial items totalled NOK - 12.5 million. A dividend of NOK 187 million was received from Skandinavisk Tobakskompagni A/S, which is in line with the previous year. Net profit for the year was NOK 161 million as compared to NOK 116 million for 2000. Net cash flow from operational activities amounted to NOK 516 million in 2001. A priority task for all the group's operative units is to reduce capital employed, especially working capital. Net cash flow from investment activities and financing activities amounted to NOK - 340 million and NOK - 465 million respectively. The group's book equity at the close of 2001 was NOK 3 977 million. The group's bank deposits amounted to NOK 292 million, and holdings of interest-bearing securities totalled NOK 688 million.

FINANCIAL STRATEGY

Ferd's financial condition is strong, with an equity ratio of 51.7% at the end of 2001. The group target is to maintain a minimum equity ratio of 40%. The group's strong balance sheet ensures that it is well placed to take advantage of market opportunities as they arise.

The group arranged new credit facilities with two banks in 2001 that give it access to committed lines of credit on competitive terms. These facilities, together with the group's other liquidity reserves, represent a very satisfactory liquidity position.

The Ferd group's normal business activities involve exposure to interest rate risk, foreign exchange risk and credit risk. Interest rate risk is only incurred to a limited extent, save for the interest rate positions that Ferd Invest actively manages as part of its investment activities. Foreign exchange risk arises in the group's industrial activities when costs and revenues denominated in currencies are not fully matched, and the activities of Ferd Invest incur foreign exchange risk when investing in securities denominated in foreign currency. The industrial activities seek to reduce foreign exchange risk to the greatest extent possible by using hedging instruments. Ferd Invest hedges all investment in foreign currency denominated interest-bearing securities, but does not hedge investments in equity instruments. The group's activities incur only a limited exposure to credit risk.

FINANCIAL TARGETS

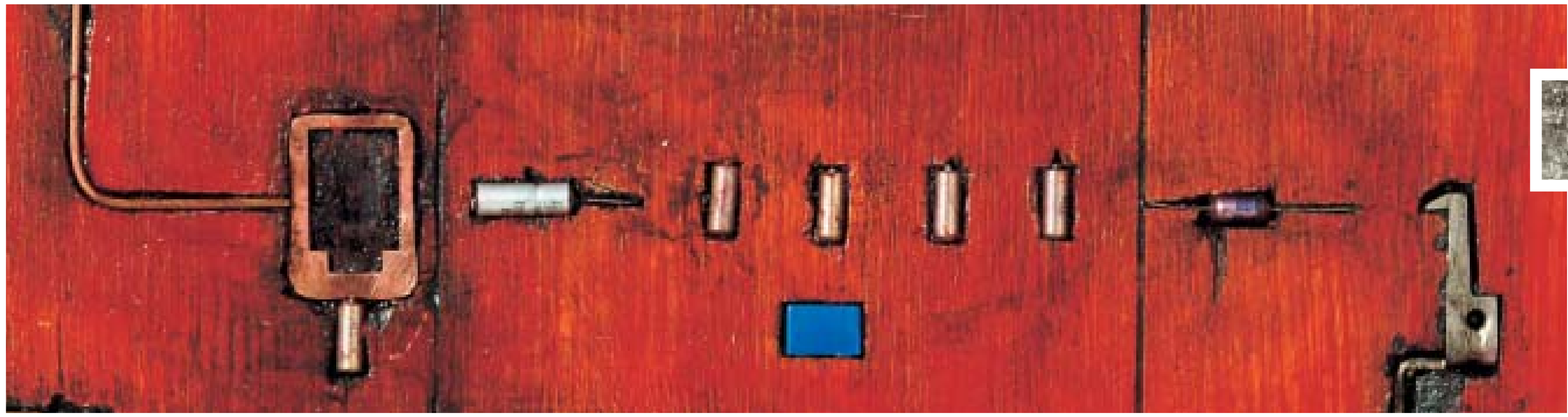
Separate targets for return on equity are set for each business area in the group that reflect the risks associated with each area. The task of determining these targets and allocating capital to each business area is one of group management's most important responsibilities. The target return on equity for 2002 is a minimum of 12% for the group. An important aspect of Ferd's strategy is to develop and make full use of the network of contacts between the group's companies and between its industrial and financial activities in order to realise the benefits and synergies the network offers. We strive to develop and use the group's international contacts in the best interests of each business area, and this includes building relationships with important partners that can contribute capital and expertise to our operational companies.

PERSONNEL MATTERS

The Ferd group had 2 531 employees at the close of 2001, of which 424 were based in Norway. The group put considerable effort into implementing its new corporate mission statement, business vision and corporate values for each business area in 2001. Ferd places great importance on developing the expertise of its employees to meet the challenges the group faces. The Ferd College was established in 2001, and arranges both internal and external training for younger members of staff to equip them for future management positions.

FUTURE PROSPECTS

One of the main challenges of 2002 is to establish the position of Ferd Private Equity as a significant market player. The process of building up resources in this area will continue throughout 2002. A further important challenge is to find a strategic partner capable of strengthening Elopak's potential and helping to improve the company's competitive position. Work on this task occupied much of 2001 and will be intensified this year. Ferd Venture has established a clear profile in the market for venture capital projects. It is hoped



that 2002 will be the year in which Ferd Venture generates an attractive "deal flow" in its defined areas of interest. The early part of 2002 has proved very encouraging in this respect.

Ferd operates as an investor with a long-term time horizon. This is reflected in the group's decision to allocate significant resources to areas such as Private Equity, Venture and Real Estate. However, the group's results for 2002 will largely be determined by conditions in the equity markets.

THE INDIVIDUAL BUSINESS AREAS

ELOPAK

Elopak opened 2001 with a recognised need to restructure its activities. It is very pleasing to report that the company achieved all its significant targets in 2001, and restored the profitability of its core activities. During the course of 2001 Elopak improved its operational efficiency, improved the quality of its products and working processes and reduced its working capital requirements. By the end of 2001 Elopak had established a strongly focused product strategy. Elopak reported an operating profit of NOK 272 million for 2001 as compared to an operating loss of NOK 113 million in 2000.

Elopak is organised as two product divisions, (Carton Division and Plastics Division), and three geographical market regions. 2001 was a successful year for the Carton Division, with important improvements to filling machines and printing that create significant benefits for customers. This new technology has improved efficiency and reduced costs. The Plastics Division develops, produces and sells a broad range of plastics-based packaging systems for dairy products and non-carbonated soft drinks. The market for plastic drinks packaging is growing strongly, and Elopak's plastic bottles business offers considerable growth potential. Elopak's involvement in the plastic bottle market is through joint ventures and technology co-operation with leading companies in this area. The Plastics Division expanded its co-operation with technology partners and successfully launched its Plastic Bottles System in 2001. However, the installation of the new systems has taken somewhat longer than expected, with higher costs.

The Ferd group's normal business activities involve exposure to interest rate risk, foreign exchange risk and credit risk.

For the first time in many years milk consumption increased in a number of important European markets, and Elopak strengthened its position as a leading producer of cartons for fresh milk and juice. The European dairy industry is consolidating through mergers and acquisitions, and in response to this trend in the Scandinavian market Elopak sold a 50 per cent interest in Elopak AB to its long-standing Danish partner Schouw Packing A/S. Elopak sees attractive potential for growth in Russia, the Ukraine and China, and the market regions CIS & APA (Commonwealth of Independent States and Asia, Pacific and Australia) reported a 23% increase in volume in 2001. The weaker US economy had an adverse effect on Region Americas in 2001, especially for sales of filling machines and the Scott subsidiary.

FERD PRIVATE EQUITY

Ferd has operated for many years as an active owner of a number of industrial and trading companies. With effect from 2002 this business area will change its name from Ferd Industry to Ferd Private Equity. The business area produced an operating profit of NOK 18 million in 2001 as compared to NOK 63 million in 2000.

The change of name to Ferd Private Equity does not represent a new area of activity for the group, but it does mean that a more structured investment process will now be applied, with clear strategies on value creation and the realisation of capital gains.

Swix Sport achieved volume growth in all its core areas in 2001. The strength of the Swix brand name, together with the company's high product quality and market-oriented approach, has strengthened its competitiveness. Swix made a strong start to 2002, and prospects for the year as a whole are encouraging.

TiTech Visionsort reported higher turnover in 2001, but operating profit was lower than in 2000 as a result of the costs incurred in business development and building up the company's organisation. TiTech expanded into a number of new markets in 2001, but Germany still accounts for over 50% of turnover. The company's performance in the USA was unsatisfactory since economic slowdown made potential customers for TiTech sorting equipment more reluctant to make these investments. In January 2002 TiTech acquired the German company Real Vision Systems, thereby gaining access to very attractive complementary technology.

2001 was a very difficult year for the TiMar Group, which is one of the world's leading producers of marine juveniles and market-size fish. Sales of sea bass and sea bream for consumption suffered from low prices and unsatisfactory profitability, although sales of marine juveniles continued to generate good margins. Ferd has a 23.6% shareholding in Lerøy Seafood Group, and this company reported sound growth in operating profit despite difficult market conditions for many of its products.

Erling Sande AS was sold in early 2002.

FERD INVEST

Equity markets around the world saw sharp falls in 2001, due both to economic slowdown in the global economy and the 11 September terrorist attacks in the USA. The Morgan Stanley World Index fell by 17.8% in 2001, whilst the Oslo market was somewhat more resilient with a fall of 13.1%. Interest rate markets around the world were affected by weaker economic conditions, and short-term interest rates fell sharply in most countries. Norway was an exception to this, and interest rates remained at a high level in response to the strength of the Norwegian economy.

Ferd Invest's overall portfolio produced a negative return of 6.2% as compared to a required return of 13.8%. Asset allocation to equities was 72% at the close of 2001 as compared to 76% at the start of the year. 2002 is expected to be another challenging year for investors, but there are some indications that conditions may improve in the second half of the year.

Ferd Invest has substantial liquid assets available for investment in the equity market when market conditions are considered to offer attractive opportunities.

FERD VENTURE

2001 was a generally weak year for venture capital investment. Many investors ran into problems as result of their high expo-

sure to companies in the "new economy". This was the first full operating year for Ferd Venture, and the business area made three new investments. The second half of the year saw an increase in the inflow of interesting projects for consideration.

Ferd Venture's business mission is to invest in companies with proprietary technology or with a business model that can be scaled up over time. Whilst 2001 was a difficult year for venture capital investments, Ferd intends to develop its activities in this business area.

Ferd Venture is responsible for the 100% owned subsidiary Agronova, which has developed a process for efficient recycling of organic waste to high-nutrient fertiliser. Agronova completed a full-scale processing facility at Moss in Norway in 2001, and the results of testing this technology will be available in spring 2002. However, there is still some uncertainty over the market potential of the fertiliser produced. Ferd has made a significant investment in Agronova and has high expectations for the company's future potential, but realising this potential will involve both considerable risk and further investment.

FERD REAL ESTATE

Ferd Real Estate is responsible for the group's real estate activities, and manages an 86,000m² commercial property portfolio. Work on the development of the Ensjø district of Oslo was the most important project for Ferd Real Estate in 2001. In common with the rest of the market, Ferd Real Estate experienced a slower commercial rental market in Oslo over the second half of 2001. The residential property market also showed some slow down in 2001, but the shortage of property in the Oslo area and prospects of lower interest rates indicate a continuing positive outlook for this market. Ferd Real Estate worked in 2001 on planning three major residential projects in Oslo.

Ferd intends to increase its exposure to the real estate market, and the Ensjø district in particular represents a natural area of focus for the group's real estate activities.

WORKING ENVIRONMENT

83% of the group's employees are employed outside Norway, principally by Elopak and the TiMar Group. Sick leave amounted to a little over 5% for the group as a whole, and was somewhat higher in production areas than in administrative functions. The group's production areas strive to minimise the incidence of accidents. Elopak, which accounts for 82.5% of the group's total employees, reported absence due to sickness of 5.4%. A total of 84 accidents were reported, none of which caused fatal injury. The group monitors the psychosocial working environment, and surveys of employee views on the working environment are undertaken as required. The physical working environment is routinely monitored to ensure that the appropriate standards are maintained and all legal requirements are fulfilled.

EXTERNAL ENVIRONMENT

None of the group's companies use products that are subject to licensing regulations by the relevant health or environmental authorities. The group's production activities are characterised by moderate energy use and limited pollution.

The group's ambition for environmental issues is to continue to develop its technological expertise in recycling into a sizeable and profitable international business.

ALLOCATION OF THE RESULT FOR THE YEAR

Ferd Holding AS (the parent company) reported a profit for the year of NOK 237 million, of which NOK 24 million is proposed as dividend and NOK 213 million is allocated to other equity.

The annual accounts have been prepared on the going concern assumption. ■

Bærum, 18 March 2002
The Board of Directors of Ferd Holding AS

Johan H. Andresen, Jr.
Chairman and CEO

John Giverholt

Leif O. Strand

Ola Petter Tandstad

FERD HOLDING

►I Consolidated Profit and Loss Account 1 Jan.- 31 Dec.

NOK 1 000	Notes	2001	2000	1999
OPERATING REVENUE AND OPERATING EXPENSES				
Operating revenue	2	**4 951 602**	**4 930 515**	**5 191 443**
Cost of goods sold		2 708 162	2 871 978	2 946 741
Salary and personnel costs	4	895 215	910 945	832 254
Depreciation and amortisation	5,6	342 372	339 238	278 286
Other operating expenses		805 760	743 528	619 597
Total operating expenses		**4 751 509**	**4 865 689**	**4 676 878**
Operating profit		**200 093**	**64 826**	**514 565**
FINANCIAL INCOME AND FINANCIAL EXPENSES				
Income from associated companies	8	- 642	- 1 552	1 964
Financial income	3	255 621	322 537	245 994
Financial expenses	3	- 267 456	- 232 940	- 143 750
Net financial items		**- 12 477**	**88 045**	**104 208**
Profit before tax		**187 616**	**152 871**	**618 773**
Tax	15	27 028	37 331	89 237
PROFIT FOR THE YEAR		**160 588**	**115 540**	**529 536**
Minority share of profit for the year		8 644	15 172	14 584
Majority share of profit for the year		151 944	100 368	514 952

Consolidated Balance Sheet at 31 Dec.

NOK 1 000	Notes	2001	2000
ASSETS			
FIXED ASSETS			
Intangible fixed assets			
Patents and development cost	5	17 173	23 344
Deferred tax assets	15	204 608	220 320
Goodwill	5	439 251	466 904
Total intangible assets		**661 032**	**710 568**
Tangible fixed assets			
Land, buildings and other real estate	6	637 076	617 045
Plant and machinery	6	1 000 090	955 925
Fixtures and fittings, vehicles, other equipment	6	118 749	144 036
Total tangible fixed assets		**1 755 915**	**1 717 006**
Financial fixed assets			
Interests in associated companies	8	141 062	74 794
Equity investments and limited partnerships	10	433 399	445 847
Prepaid pensions	14	23 586	27 481
Bonds and other receivables		62 291	85 821
Total financial fixed assets		**660 338**	**633 943**
Total fixed assets		**3 077 285**	**3 061 517**
CURRENT ASSETS			
Inventory	11	**1 077 230**	**1 323 090**
Receivables			
Accounts receivable		837 657	893 315
Other receivables		353 274	328 068
Total receivables		**1 190 931**	**1 221 383**
Investments			
Equities and equity funds	9	1 153 894	1 196 482
Bonds	9	627 498	561 658
Other financial current assets	9	268 145	439 239
Total investments		**2 049 537**	**2 197 379**
Bank deposits		**292 463**	**581 879**
Total current assets		**4 610 161**	**5 323 731**
TOTAL ASSETS		**7 687 446**	**8 385 248**

Consolidated Balance Sheet at 31 Dec.

NOK 1 000	Notes	2001	2000
EQUITY AND LIABILITIES			
EQUITY			
Paid-in equity			
Share capital	12,13	2 425	2 425
Share premium reserve	13	175	175
Other paid-in capital	13	727 776	727 776
Total paid-in equity		**730 376**	**730 376**
Other equity	13	3 200 514	3 121 911
Minority interests' share in capital	13	46 493	54 262
Total equity		**3 977 383**	**3 906 549**
LIABILITIES			
Provisions			
Pension liabilities	14	58 025	50 533
Deferred tax liabilities	15	201 960	267 108
Total provisions		**259 985**	**317 641**
Other long-term liabilities			
Liabilities to financial institutions	16	2 264 526	1 650 822
Other long-term liabilities		28 419	61 728
Total other long-term liabilities		**2 292 945**	**1 712 550**
Current liabilities			
Liabilities to financial institutions		120 657	1 198 975
Accounts payable		374 593	517 717
Taxes payable	15	50 437	64 103
Employer's contributions, duties etc. payable		65 453	81 184
Dividends		35 944	0
Other current liabilities		510 049	586 529
Total current liabilities		**1 157 133**	**2 448 508**
Total liabilities		**3 710 063**	**4 478 699**
TOTAL EQUITY AND LIABILITIES		**7 687 446**	**8 385 248**

Bærum, 18 March 2002
The Board of Directors of Ferd Holding AS

Johan H. Andresen, Jr.
Chairman and Chief Executive Officer

John Giverholt

Leif O. Strand

Ola Petter Tandstad

FERD HOLDING

►| Consolidated Cash Flow Analysis

NOK 1 000	2001	2000	1999
Cash flow from operational activities			
Profit before tax	187 615	152 871	618 773
Taxes paid	- 91 785	- 84 016	- 80 641
Depreciation and amortisation	342 372	339 238	278 286
Realised and unrealised gains on sales of equities and other investments, net	204 841	- 98 014	- 221 201
Gains on sales of tangible assets, net	- 143 443	- 16 257	- 10 700
Change in inventory	245 860	- 227 870	- 138 909
Change in accounts receivable	55 658	- 19 132	- 100 011
Change in accounts payable	- 143 123	77 460	95 390
Change in other current assets and current liabilities	- 132 706	146 584	188 520
Net cash from operational activities	**525 290**	**270 864**	**629 507**
Cash flow from investment activities			
Proceeds from sales of tangible assets	87 941	155 740	21 900
Investments in tangible assets	- 515 376	- 398 806	- 590 243
Net investment in equities and other investments	- 44 552	34 501	- 554 929
Net receipts from other investments	122 269	- 71 258	50 998
Net cash flow from investment activities	**- 349 718**	**- 279 823**	**- 1 072 274**
Cash flow from financing activities			
Change in liabilities to financial institutions	- 464 615	317 077	597 834
Extraordinary dividends paid	0	0	- 15 000
Payments to minority interests	- 374	- 50 728	- 17 128
Net cash flow from financing activities	**- 464 989**	**266 349**	**565 706**
Change in bank deposits	- 289 416	257 390	122 939
Bank deposits at January 1	581 879	324 489	201 550
Bank deposits at December 31	**292 463**	**581 879**	**324 489**

FERD HOLDING GROUP

►| Notes

NOTE 1 – ACCOUNTING PRINCIPLES

The accounts have been prepared in accordance with the Accounting Act of 1998 and generally accepted accounting principles in Norway.

Reclassification

Certain items in the 1999 accounts have been reclassified to be comparable with the figures presented for 2000 and 2001. The profit and loss account and balance sheet for 1999 have been restated in order to be comparable with the consolidated accounts for 2000 and 2001.

Consolidation

The consolidated accounts include Ferd Holding AS and subsidiaries. The group accounts show the financial condition of the companies as one unit, and include those companies where Ferd Holding AS directly or indirectly owns 50 % or more of the voting share capital and/or exercises controlling influence. All material transactions and accounts payable and receivable between companies in the group are netted off in the consolidated accounts.

The group's interest in jointly controlled companies is recognised on the proportional consolidation method and is included in the relevant items of the group's profit and loss account and balance sheet. Where the group's ownership interest in a company is between 20 % and 50 % of the voting capital and the group exercises significant influence (associated companies), the equity method of accounting is applied to the investment. The equity method implies that the group's share of the company's profit for the year is shown in the accounts as a separate line in the profit and loss account and the group's interest in the equity of associated companies, adjusted for any over-value, is shown as a fixed asset in the balance sheet.

In the parent company accounts, investments in subsidiaries, jointly controlled companies and associated companies are recognised in accordance with the cost method of accounting.

All acquisitions are recognised in accordance with the past equity method. When subsidiaries are acquired, the cost of the shares is netted against the subsidiary's equity at the date of acquisition. Any over-value in excess of the equity of the subsidiary is posted to identifiable assets and liabilities so that they are stated at their actual value at the date of acquisition. Any over-value that cannot be attributed to assets or liabilities is capitalised as goodwill.

Translation of accounts denominated in foreign currency

The profit and loss account of overseas subsidiaries is converted to Norwegian kroner at the average exchange rate for the year. Balance sheet items, including over-value and goodwill, are converted at the exchange rate on the date of the balance sheet. Foreign exchange gains or losses arising from the translation of foreign subsidiaries' accounts to Norwegian kroner are applied directly against the group's equity capital. This item also includes foreign exchange gains or losses that arise from transactions classified as currency hedging of the equity of foreign subsidiaries.

Foreign currencies

Monetary items denominated in foreign currency are converted to Norwegian kroner at the exchange rate on the balance sheet date.

Recognition of income

As a general rule income is recognised on the sale of goods or services at the date of delivery. Unrealised gains or losses in respect of listed securities which have a good spread of ownership and good liquidity and which are classified as current assets are recognised to profit and loss on the balance sheet date.

Foreign currency and interest rate risk

The Ferd Holding group makes use of various financial instruments to manage interest rate and foreign currency exposure. Income and expenses arising on contracts entered into that are defined as hedging transactions are amortised and classified in the same way as the underlying balance sheet item that is hedged. Hedging transactions carried out to hedge future cash flows are valued in connection with such cash flows.

Currency and interest rate hedging transactions which are not classified as hedging transactions for accounting purposes are valued at market value and recognised to profit and loss as financial income or expense.

Intangible assets

The costs of patents and brand names acquired, as well as the costs of research and development, are capitalised to the extent that the criteria for capitalisation are satisfied.

Fixed assets

Assets intended for permanent ownership or use are classified as fixed assets. All other assets are classified as current assets. Fixed assets are shown in the balance sheet at acquisition cost less accumulated deprecation. Fixed assets are depreciated on a linear basis over their expected economic life, and are in addition written-down to actual value if they are subject to a fall in value which is not expected to be of a temporary nature. Depreciation and write-downs of value are charged to operating profit as part of depreciation. Write-downs may be reversed to the extent that the reason for the write-down ceases to apply. Gains or losses on the sale of fixed assets are included as operating income or operating expense respectively in the profit and loss account.

Inventories

Inventories are valued at the lower of average cost applying the FIFO principle or net sales value. Goods manufactured in-house are valued at the full cost of manufacture and are written down to net sales value to the extent that net sales value is lower than capitalised cost of manufacture. The cost of manufacture includes the cost of raw materials, energy, direct salaries and a proportion of indirect costs including depreciation. The net sales value of raw materials and work in progress is calculated as the sales value of the equivalent finished goods reduced to take into account the remaining manufacturing costs and sales costs.

Receivables

Customer receivables and other accounts receivable are carried in the accounts at face value net of provisions for expected losses. Provisions for losses on customer receivables are recognised after a specific evaluation of individual receivables and of receivables as a whole.

Securities

Holdings of shares and other equity investments of a strategic or industrial character are classified as fixed assets. These investments are recognised in the balance sheet at the cost of acquisition, and are written-down to fair value if a fall in value is assumed not to be of a temporary nature. Dividends and other distributions of profit received are recognised to income as financial income.

Investments of a financial nature are classified as current assets. Listed securities with a good spread of ownership and good liquidity are included in the trading portfolio and are valued at market value at the date of the balance sheet. Other financial securities classified as current assets are managed as a unified portfolio for each business area and are adjusted for any fall in value if the total portfolio of such financial securities held by the business area has an estimated value lower than acquisition cost.

The net result of investment activities is included in operating revenue in the profit and loss account.

Liabilities

Liabilities that fall due for payment later than 12 months from the date of the balance sheet and the first year's instalment payment on such liabilities are classified as long-term liabilities. Other liabilities are classified as current liabilities. Liabilities are carried in the balance sheet at their nominal amount at the time they are incurred. Unrealised gains or losses resulting from changes in interest rates are not recognised to profit and loss.

NOTE 1 – ACCOUNTING PRINCIPLES continues

Tax

Tax expenses are matched with operating income before tax. The tax expense is made up of tax payable and change in deferred tax. Tax arising from equity transactions is applied directly to equity.

Deferred tax in the balance sheet is calculated on the basis of temporary differences between taxation and accounting values and tax losses carried forward at the close of the accounting year. Tax reducing temporary differences and tax losses carried forward are netted against tax increasing temporary differences that reverse in the same period. Full provision is made for deferred tax in accordance with the liability method without discounting to current value, and deferred tax and deferred tax assets are presented as a net figure in the balance sheet after offset. Deferred tax assets that cannot be offset are capitalised if it is likely that the benefit can be utilised in respect of future earnings.

No provision is normally made for deferred tax on retained surpluses in subsidiaries since it is assumed that such surpluses will remain invested in these companies.

Pension costs and pension assets/liabilities

Liability in respect of pension commitments is calculated as the discounted current value of the future pension benefits for which entitlement has been earned at the date of the balance sheet, based on a linear accrual of pension rights over the employee's period of service. Pension assets are valued at market value at the date of the balance sheet. Pension assets are valued at actual value and are recognised net of pension liabilities in respect of each pension scheme.

Net pension assets are shown as long-term receivables and net pension liabilities are shown as long-term liabilities. The calculation of pension assets and pension liabilities is based on economic and actuarial assumptions as set out in Note 14.

The net pension cost for the year forms part of salary and personnel costs, and is made up of the discounted current value of pension rights earned in the year, the interest accruing on pension liabilities, the expected return on pension assets, the recognised effect of changes in estimates and the terms of pension schemes and accrued employers' social security contributions. The effect of changes in estimates and deviations between estimated and actual return is recognised over the average remaining period of pension accrual once the difference exceeds 10 % of the larger of pension assets or pension liabilities.

NOTE 2 – ANALYSIS BY BUSINESS AREA

Business area

NOK 1 000	Elopak 2001	Elopak 2000	Elopak 1999	Private Equity 2001	Private Equity 2000	Private Equity 1999[1]
External operating revenue	4 227 750	4 043 559	3 997 093	731 249	692 068	865 261
Intra-group operating revenue	0	0	0	0	0	0
Depreciation and write-downs	316 404	315 738	258 405	14 621	12 048	9 842
Operating profit	271 690	- 112 540	197 232	18 333	62 547	64 339
Total assets	4 052 074	4 371 695	4 102 580	754 728	754 494	531 436

Business area

NOK 1 000	Invest 2001	Invest 2000	Invest 1999	Venture 2001	Venture 2000	Venture 1999[3]
External operating revenue	- 86 990	145 164	303 640	- 42 605	14 940	18 468
Intra-group operating revenue	0	0	0	0	0	0
Depreciation and write-downs	233	311	208	1 062	2 121	2 732
Operating profit	- 93 368	134 457	296 946	- 71 742	-12 433	-14 023
Total assets	1 690 144	1 783 511	2 254 719	163 120	155 599	32 449

Business area

NOK 1 000	Real Estate 2001	Real Estate 2000	Real Estate 1999	Group staff and netting 2001	Group staff and netting 2000[3]	Group staff and netting 1999[2]
External operating revenue	49 893	46 196	39 372	72 305	- 11 412	- 32 391
Intra-group operating revenue	7 349	8 255	7 058	- 7 349	- 8 255	- 7 058
Depreciation and write-downs	8 885	6 594	6 379	1 167	2 426	720
Operating profit	31 430	32 192	22 786	43 750	- 39 397	- 52 715
Total assets	407 278	364 642	258 641	620 102	938 347	422 985

Business area

NOK 1 000	Group 2001	Group 2000	Group 1999
External operating revenue	4 951 602	4 930 515	5 191 443
Intra-group operating revenue	0	0	0
Depreciation and write-downs	342 372	339 238	278 286
Operating profit	200 093	64 826	514 565
Total assets	7 687 446	8 385 248	7 602 810

FERD HOLDING

Notes

NOTE 2 – ANALYSIS BY BUSINESS AREA continues

1) 1999 includes operating revenue of NOK 272 million from Timar Seafood AS, since sold with accounting effect from 01.01.00
2) Andresen Holding holds the group's 17.2 % interest in Skandinavisk Tobakskompagni AS. Income from this holding is classified as financial income.
3) 2000 includes items in respect of the group's internal bank. The internal bank function was included in the Invest business area in 1999.

Geographic analysis of sales

NOK 1 000	2001	2000	1999
Norway	545 625	796 433	1 229 921
Other European countries	3 015 107	3 125 264	3 031 499
America	771 446	667 957	673 605
Rest of world	619 424	340 861	256 418
Total	**4 951 602**	**4 930 515**	**5 191 443**

Geographic analysis of sales is based on the customer's geographic location.

NOTE 3 – FURTHER DETAIL ON AGGREGATE ITEMS

Profit and loss account

NOK 1 000	2001	2000	1999
Dividends received	186 620	184 808	178 267
Interest income	48 935	22 464	13 645
Other financial income	20 066	115 265	54 082
Total financial income	**255 621**	**322 537**	**245 994**
Interest expense	207 440	182 365	105 372
Other financial expenses	60 016	50 575	38 378
Total financial expenses	**267 456**	**232 940**	**143 750**

NOTE 4 – SALARY AND PERSONNEL COSTS, EMPLOYEE, NUMBERS AND OTHER REMUNERATION

Salary and personnel costs

NOK 1 000	2001	2000	1999
Salaries	705 787	712 414	650 800
Social security contributions	105 713	127 944	119 863
Pension costs (note 14)	26 007	14 308	9 659
Other benefits	57 708	56 279	51 932
Total salary and personnel costs	**895 215**	**910 945**	**832 254**
Average number of employees	**2 531**	**2 236**	**2 140**

Remuneration of senior employees

NOK 1 000	CEO
Salary	1 056
Pension costs	212
Total remuneration of senior employees	**1 268**

No fees were paid to members of the Board.

Fees paid to Deloitte & Touche as auditors to the group

NOK 1 000	Audit	Other services
Fees expensed by the parent company	137	524
Fees expensed by other companies in the group	7 675	8 188
Total fees paid to Deloitte & Touche	**7 812**	**8 712**

NOTE 5 – INTANGIBLE ASSETS

Intangible assets

NOK 1 000	Patents and development costs	Goodwill	Total
Acquisition cost at 01.01.2001	136 339	590 561	726 900
Additions/disposals	- 13 938	9 224	- 4 714
Translation differences	- 327	3 655	3 328
Acquisition cost at 31.12.2001	122 074	603 440	725 514
Accumulated depreciation at 31.12.2001	104 901	164 189	269 090
Book value at 31.12.2001	**17 173**	**439 251**	**456 424**
Depreciation for the year	9 580	40 023	49 603
Economic life	3–10 years	5–20 years	
Depreciation method	Linear	Linear	

Research & Development

The cost of research and development recognised to profit and loss in 2001 amounted to KNOK 98 697. The equivalent cost in 2000 was KNOK 146 490. The expected future earnings arising from current research and development projects are expected to be at least equivalent to the total costs involved.

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Notes

NOTE 5 – INTANGIBLE ASSETS continues

Goodwill arising from corporate acquisitions

NOK 1 000	Year of acquisition	Original goodwill	Book value at 31.12.01	Depreciation period
Schouw Packing AS	1988	35 810	5 363	20 years
Unifill SPA	1995	180 100	111 943	10 years
Scott group	1999	199 884	178 135	20 years
Envases	1997/1998	101 725	74 598	15 years
Elofin OY	1999	46 102	38 418	10 years
Gramamed SL	2000	16 348	14 669	10 years
Other		22 121	16 125	10-15 years
Total		**602 090**	**439 251**	

NOTE 6 – TANGIBLE FIXED ASSETS

Tangible fixed assets

NOK 1 000	Factories, buildings and other real estate	Plant and machinery	Fixtures and fittings, vehicles and other equipment	Total
Acquisition cost at 01.01.2001	1 020 849	2 341 974	296 093	3 658 916
Additions	178 015	307 867	29 494	515 376
Disposals	- 210 410	- 440 772	- 23 870	- 675 052
Translation differences	- 11 263	- 39 232	- 3 353	- 53 848
Acquisition cost at 31.12.2001	977 191	2 169 837	298 364	3 445 392
Accumulated depreciation at 31.12.2001	340 115	1 169 747	179 615	1 689 477
Book value at 31.12.2001	**637 076**	**1 000 090**	**118 749**	**1 755 915**
Depreciation for the year	29 546	217 022	46 201	292 769
Economic life	5–50 years	5–15 years	3–10 years	
Depreciation method	Linear	Linear	Linear	

Annual lease payments for operating assets not capitalised amount to KNOK 122 528.

NOTE 7 SUBSIDIARIES

Companies included in the consolidated financial statements

	Registered Office	Ownership and voting interest
Owned by the parent company		
Andresen Holding AS	Bærum	96.5 %
Ferd AS	Bærum	100.0 %
Tiedemanns Joh. H. Andresen DA	Bærum	100.0 %
Subsidiaries of Ferd AS		
Agronova AS	Bærum	100.0 %
Det Oversøiske Compagnie AS	Bærum	100.0 %
Elopak AS	Spikkestad	100.0 %
Enib AS	Oslo	100.0 %
Erling Sande AS	Oslo	100.0 %
Ferd Eiendom AS	Oslo	100.0 %
Grupo TiMar SGPS Lda.	Portugal, Fuseta	100.0 %
Norse Crown Company Ltd. AS	Bærum	100.0 %
Sanodor X-it AS	Bærum	100.0 %
Swix Sport AS	Lillehammer	100.0 %
Swix Sport Japan KK	Japan, Tokyo	70.0 %
TiTech Visionsort AS	Oslo	100.0 %

NOTE 8 ASSOCIATED COMPANIES

Associated companies

NOK 1 000	Elopak Obeikan Ltd.	Alfill Elopak GmbH	Elopak South Africa	Auspac Ltd.
Ownership and voting interest	49 %	50 %	45 %	49 %
Acquisition cost	54 136	7 162	7 076	0
Share of profit at 01.01.	8 175	- 134	461	0
Goodwill depreciation at 01.01.	- 6 277	0	- 86	0
Book value at 01.01.	56 034	7 028	7 451	0
Additions during the year	0	6 471	8 824	36 224
Share of net income for the year	7 201	- 706	-1 632	4 371
Goodwill depreciation	- 2 448	0	- 450	- 1 585
Translation differences/netting	- 39	11	468	18
Book value at 31.12.2001	**60 748**	**12 804**	**14 661**	**39 028**

NOK 1 000	Drayana Trading & Marketing SA	Other	Total
Ownership and voting interest	50 %		
Acquisition cost	5 242	38	73 654
Share of profit at 01.01.	- 1 000	0	7 502
Goodwill depreciation at 01.01.	0	0	- 6 363
Book value at 01.01.	4 242	38	74 793
Additions during the year	15 215	0	66 734
Share of net income for the year	- 5 390	- 3	3 841
Goodwill depreciation	0	0	- 4 483
Translation differences/netting	0	- 281	177
Book value at 31.12.2001	**14 067**	**- 246**	**141 062**

Shares in associated companies are recognised in the consolidated accounts in accordance with the equity method of accounting.

Jointly controlled activities recognised in accordance with the proportional consolidation method of accounting.

The following jointly controlled companies are recognised on the proportional consolidation method and are included line by line in the group's consolidated accounts. Key figures for the contribution of jointly controlled companies to the consolidated accounts are as follows:

NOK 1 000	Elopak Poland S.A.	Elopak JV AB	Envases Elopak S.A.de C.V	Schouw Packing AS	Total
Ownership and voting interest	33 %	50 %	49 %	50 %	
Operating revenue	30 108	110 313	297 620	267 825	705 866
Operating profit	887	- 6 216	40 069	32 870	67 610
Total assets	29 415	104 053	250 874	183 128	567 470
- Of which bank deposits	3 056	4 186	23 733	1 149	32 124

NOTE 9 – FINANCIAL CURRENT ASSETS

Listed equity investments

NOK 1 000	Acquisition cost	Market value	No. of shares	Ownership interest(%)
10 largest equity investments ranked by market value				
Storebrand	361 752	376 400	7 101 895	2.56 %
Orkla	135 115	138 600	900 000	0.41 %
Norman	47 965	50 400	960 000	9.07 %
Kongsberg Gruppen	47 950	49 750	500 000	1.66 %
Voice	55 225	37 531	4 691 321	28.31 %
PhotoCure	19 331	35 850	300 000	1.70 %
Infocus Corporation	15 567	30 525	150 000	0.39 %
VMetro	20 767	29 930	410 000	1.65 %
Telenor	23 594	27 021	700 000	0.04 %
Kverneland	30 241	23 650	220 000	2.20 %
Other Norwegian	190 114	101 608		
Total investment in listed Norwegian equities	**947 621**	**901 265**		
Foreign equities	3 061	559		
Foreign equity funds	134 965	252 070		
Total international equity investments	**138 026**	**252 629**		
Total investment in equities and equity funds	**1 085 647**	**1 153 894**		

Un-listed investments

NOK 1 000	Book value
Other Norwegian portfolio investments	
Equities	76 693
Interest-bearing securities	60 002
Other international portfolio investments	
Equities	131 450
Interest-bearing securities	0
Total un-listed investments	**268 145**

Bonds

NOK 1 000	Currency of denomination	Market value
Category of debtors		
Swedish financial institutions	SEK	26 024
British government bonds	GBP	39 719
US government bonds	USD	43 418
Norwegian government bonds	NOK	105 271
Norwegian local government bonds	NOK	20 390
Norwegian financial institutions	NOK	392 676
Bonds		**627 498**

NOTE 10 EQUITY INVESTMENTS AND LIMITED PARTNERSHIPS

Equity investments and limited partnerships

NOK 1 000	Book value	Ownership interest (%)
Skandinavisk Tobakskompagni A/S	293 215	17.2 %
Lerøy Seafood Group	124 386	23.6 %
K/S Havgas Partners	11 272	10.0 %
Other	4 526	
Total	**433 399**	

NOTE 11 INVENTORIES

Inventories

NOK 1 000	2001	2000
Raw materials	379 255	377 925
Work in progress	163 705	157 565
Finished goods	534 270	787 600
Total	**1 077 230**	**1 323 090**

NOTE 12 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital is made up of 2 425 shares each of nominal value NOK 1 000. All the shares are held by Johan H. Andresen jr.

NOTE 13 – EQUITY

Equity

NOK 1 000	Share capital	Other equity	Minority interests	Total equity
Equity at 01.01.2001	2 425	3 849 862	54 262	3 906 549
Purchase from minority interests			- 7 558	- 7 558
Payments to minority interests			- 9 657	- 9 657
Capital contribution from minorities			5 430	5 430
Profit for the year		151 944	8 644	160 588
Translation differences		- 18 729	- 390	- 19 119
Dividends paid to shareholders		- 24 250		- 24 250
Other changes		- 30 362	- 4 239	- 34 601
Equity at 31.12.2001	**2 425**	**3 928 465**	**46 493**	**3 977 383**

NOTE 14 PENSION COSTS AND LIABILITIES

Ferd and many of the subsidiaries operate pension schemes that provide the majority of employees with the right to defined future pension benefits. Future pension benefits are normally based on the number of years of service and salary at retirement age. Certain companies operate pension schemes whereby the employer only makes a defined contribution which is managed separately, or makes a defined contribution to a pension scheme which forms part of a joint arrangement together with other employers.

NOTE 14 PENSION COSTS AND LIABILITIES continues

In addition to pension liabilities catered for through pension insurance arrangements, the group also has uninsured pension liabilities. The uninsured pension liabilities include pensions payable on early retirement and pensions based on amounts that exceed the limit set by tax legislation, and relate to 293 individuals. The uninsured pension liabilities also include estimated future liabilities in respect of the Norwegian AFP contractual early retirement scheme and commitments to employees of foreign subsidiaries. The assumptions set out below are applied in calculating future pensions.

Economic assumptions

NOK 1 000	2001	2000	1999
Expected return on pension plan assets	5.5 - 8.0 %	5.5 - 8.0 %	5.5 - 8.0 %
Discount rate	6.0 - 7.0 %	6.0 - 7.0 %	5.5 - 7.0 %
Expected increase in salaries and pensions	3.3 - 5.0 %	3.3 - 5.5 %	1.5 - 5.5 %

Pension liabilities

NOK 1 000	Overfunded pension plans	Underfunded pension plans
Estimated pension liabilities	- 142 034	- 248 680
Pension assets at market value	148 949	188 698
Pension assets/-liabilities	6 915	- 59 982
Effect of actuarial and other changes not recognised to P&L	17 328	2 929
Accrued employer's social security contributions etc.	- 657	- 972
Book value of pension assets/-liabilities	**23 586**	**- 58 025**

Pension expense

NOK 1 000	2001	2000	1999
Discounted current value of pension rights accrued in the year	25 817	17 458	14 471
Interest on pension liability	23 663	21 196	18 359
Expected return on pension assets	- 24 784	- 25 712	- 19 614
Amortisation of actuarial and other changes	757	696	- 3 570
Accrued employer's social security contributions etc.	554	670	13
Net pension expense	**26 007**	**14 308**	**9 659**
Number of people covered by the pension plans	808	951	912

NOTE 15 TAXES

Tax charge for the year is made up of

NOK 1 000	2001	2000	1999
Tax payable			
Norway	30 293	54 626	33 625
Abroad	47 827	59 133	18 202
Tax payable	78 120	113 759	51 827
Deferred tax			
Norway	- 48 943	- 61 591	24 766
Abroad	- 2 149	- 14 837	12 644
Deferred tax	- 51 092	- 76 428	37 410
Tax charge for the year	**27 028**	**37 331**	**89 237**

Reconciliation of nominal tax rate to effective tax rate

NOK 1 000	2001	2000	1999
Pre-tax profit	187 615	152 871	618 773
Expected tax at the nominal rate (28%)	52 532	42 804	173 256
Losses and other deductions with no net effect on tax	11 622	33 040	- 33 932
Dividend from Skandinavisk Tobakskompagni	- 44 167	- 42 414	- 49 915
Goodwill amortisation	11 704	8 290	4 895
Income not subject to tax	- 16 614	- 11 558	- 6 880
Tax effect of other permanent differences	11 951	7 169	1 813
Tax charge	**27 028**	**37 331**	**89 237**
Effective tax rate	14.4 %	24.4 %	14.4 %

Tax losses carried forward

As at 31.12.2001, Ferd had tax losses carried forward of KNOK 601 717, principally in England, Switzerland, France, Austria and Norway. Tax losses carried forward expire in future years as follows:

NOK 1 000	2001	2000	1999
2002	20 283	20 821	20 510
2003	25 250	18 422	18 108
2004	29 462	22 310	20 633
2005	12 530	26 433	0
2006	31 318	23 412	20 138
After 2006	176 852	162 882	145 773
With no time limit	306 022	23 373	8 687
Total	**601 717**	**297 653**	**233 849**

Tax effect of temporary differences and losses carried forward

	2001		2000	
NOK 1 000	Benefit	Liability	Benefit	Liability
Fixed assets	2 708	110 736	5 518	74 288
Inventories	13 341	15 064	12 889	21 481
Receivables	1 451	0	13 041	85
Pensions	805	7 841	17 281	13 998
Equities and other securities	5 124	48 576	50 247	95 612
Other differences	44 558	9 001	21 885	14 740
Losses carried forward	240 713	0	137 337	0
Write-down of deferred tax assets	- 114 834	0	- 84 782	0
Total	193 866	191 218	173 416	220 204

NOTE 16 LONG-TERM LIABILITIES

Contractual instalment payments due on borrowings

NOK 1 000	Total liabilities to credit institutions
2002	1 196 322
2003	139 061
2004	132 538
2005	27 696
2006	715 248
2007	14 960
Thereafter	38 701
Total	**2 264 526**

NOTE 16 LONG-TERM LIABILITIES continues

Composition of borrowing by currency

NOK 1 000	Loan amount in currency	Loan amount in NOK
NOK	519 601	519 601
USD	91 370	823 393
EUR	100 917	804 663
DKK	37 555	40 278
SEK	75 000	64 118
Others	12 473	12 473
Total		**2 264 526**

NOTE 17 OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

Currency risk

The group operates on the general principle that all currency exposure related to balance sheet items should be hedged. In the case of international equity investments, this is achieved by arranging for the currency composition of the borrowing portfolio to match the currency composition of investments. In the case of investments in international interest-bearing securities, the principal amount is hedged through rolling currency exchange agreements. Financial investments in equities are not hedged.

Contractual currency receipts from operational activities are normally hedged in full, and other forecast currency receipts are hedged to a certain extent. Expected dividend receipts denominated in foreign currency are not hedged with the exception of dividends from Skandinavisk Tobakskompagni AS which are hedged on a case-by-case basis. Interest income from the group's portfolio of interest-bearing securities is not hedged. Interest payments in respect of the group's borrowings in foreign currency are to a large extent hedged by currency receipts from the group's activities.

Interest rate risk

The group's long-term borrowing is subject to short-term interest fixing. This applies to borrowing in both NOK and foreign currencies. The group's portfolio of interest-bearing securities had an average residual maturity of 1.5 years at 31 December 2001. The manager of this portfolio is authorised to vary the residual maturity between 0 and 6 years. The management of this portfolio is based solely on market values.

Forward foreign exchange contracts outstanding for hedging cash flow (10 major currency pairs)

		Currency			NOK	
NOK 1 000		Purchased	Sold		Purchased	Sold
	USD	24 315	28 396	EUR	219 117	226 416
	EUR	11 683	93 700	NOK	93 156	93 700
	USD	7 000	11 802	CHF	63 081	63 507
	EUR	4 500	2 786	GBP	35 881	36 755
	JPY	480 090	4 482	EUR	32 957	35 739
	EUR	4 117	5 800	CAD	32 829	32 864
	EUR	3 992	3 575	USD	31 829	32 216
	EUR	3 500	5 121	CHF	27 907	27 553
	USD	2 200	20 053	NOK	19 826	20 053
	SEK	17 700	1 850	EUR	15 132	14 751
	Others				42 626	44 087
Total					**614 341**	**627 641**

Forward foreign exchange contracts outstanding for hedging currency denominated interest-bearing securities

		Currency			NOK	
NOK 1 000		Purchased	Sold		Purchased	Sold
	NOK	40 228	3 100	GBP	40 228	40 898
	NOK	45 143	5 000	USD	45 143	45 058
	NOK	27 007	32 000	SEK	27 007	27 357
Total					**112 378**	**113 313**

NOTE 18 – ASSETS PLEDGED AND GUARANTEES

Borrowings secured by assets pledged

NOK 1 000	2001	2000
Liabilities to credit institutions	30 863	12 222
Current liabilities	0	193
Total	**30 863**	**12 415**

Book value of assets pledged as security

NOK 1 000	2001	2000
Buildings	64 476	39 329
Inventories	30 000	30 000
Receivables	100 944	50 000
Plant and machinery	23 042	15 973
Total	**218 462**	**135 302**

Guarantee liabilities

NOK 1 000	2001	2000
Uncalled partnership contributions	14 682	17 613
Guarantee liability in excess of committed partnership investmen	25 233	29 200
Unsecured guarantee liabilities	182 813	183 075
Total	**222 728**	**229 888**

NOTE 19 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Events subsequent to the balance sheet date

In January 2002 TiTech Autosort AS bought all shares in Real Vision Systems (RVS). The acquisition has made the company to the largest operator in the recycling marked. The acquisition is expected to create synergy effects, and to expand the area of recycling to other products currently not recycled today.

In January 2002 Ferd AS sold all shares in Erling Sande AS to Danvik Invest AS. Erling Sande AS was part of the business area Private Equity with KNOK 236 135 in operating revenue and KNOK 5 493 in operating profit.

FERD HOLDING AS

►I Profit and Loss Account and Balance Sheet

NOK 1 000	Notes	2001	2000	1999
Salary and personnel costs		1 268	0	0
Other operating expenses		1 738	7 408	5 042
Oprating expenses		**3 006**	**7 408**	**5 042**
Income from subsidiary companies		238 837	375	168 875
Financial income		8 494	4 717	0
Financial expenses		- 8 150	- 8 443	- 2 864
Other interest expense		- 132	0	0
Profit before tax		**236 043**	**- 10 759**	**160 969**
Tax	5	- 847	- 2 020	- 1 980
PROFIT FOR THE YEAR		**236 890**	**- 8 739**	**162 949**
Dividends		- 24 250	0	0
Appropriation to/from other equity		- 212 640	8 739	- 162 949

►I Balance Sheet at 31 Dec.

NOK 1 000	Notes	2001	2000
ASSETS			
Deferred tax assets	5	35 013	34 407
Interests in subsidiary companies	2	918 148	918 148
Intragroup receivables		238 837	0
Other receivables		11 315	1 158
Bank deposits		120 725	126 548
TOTAL ASSETS		**1 324 038**	**1 080 261**
EQUITY AND LIABILITIES			
Share capital	3,4	2 425	2 425
Share premium reserve	4	175	175
Other paid-in capital	4	727 776	727 776
Other equity	4	434 936	222 296
Total equity		**1 165 312**	**952 672**
Taxes payable	5	0	13 246
Employer's contributions, duties etc. payable		166	0
Dividends		24 250	0
Intragroup liabilities		134 197	113 835
Other current liabilities		113	508
Total current liabilities		**158 726**	**127 589**
TOTAL EQUITY AND LIABILITIES		**1 324 038**	**1 080 261**

FERD HOLDING AS

►I Cash Flow Analysis

NOK 1 000	2001	2000	1999
Profit before tax	236 043	- 10 760	160 969
Taxes paid	- 13 486	- 6 458	- 30 375
Income from subsidiary companies	- 238 838	- 375	- 168 875
Net change in other current assets and current liabilities	10 458	184 377	72 465
Net cash from operational activities	**- 5 823**	**166 784**	**34 184**
Net investment in equities and other investments	0	728	0
Net cash flow from investment activities	**0**	**728**	**0**
Extraordinary dividends paid	0	0	- 15 000
Group contributions paid	0	- 40 964	- 19 184
Net cash flow from financing activities	**0**	**- 40 964**	**- 34 184**
Change in bank deposits	- 5 823	126 548	0
Bank deposits at January 1	126 548	0	0
Bank deposits at December 31	**120 725**	**126 548**	**0**

FERD HOLDING AS

►I Notes

NOTE 1 ACCOUNTING PRINCIPLES

The accounting principles of Ferd Holding AS are identical to those of Ferd Holding as described in note 1. In cases where notes in parent company are materially different from group, this is shown separately.

NOTE 2 SUBSIDIARIES

Subsidiaries of Ferd Holding AS

	Registered Office	Ownership and voting interest
Andresen Holding AS	Bærum	96.5 %
Ferd AS	Bærum	100.0 %
Tiedemanns-Joh. H. Andresen DA	Bærum	100.0 %

NOTE 3 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital is made up of 2 425 shares each of nominal value NOK 1 000. All the shares are held by Johan H. Andresen, Jr.

NOTE 4 EQUITY

Equity

NOK 1 000	Share capital	Share premium reserve	Other equity	Total equity
Share capital	2 425			2 425
Share premium reserve		175		175
Other paid-in capital			727 776	727 776
Accrued equity			222 296	222 296
Equity at 01.01.2001	2 425	175	950 072	952 672
Profit for the year			236 890	236 890
Proposed dividends			- 24 250	- 24 250
Equity at 31.12.2001	**2 425**	**175**	**1 162 712**	**1 165 312**

NOTE 5 TAXES

Tax charge for the year is made up of

NOK 1 000	2001	2000	1999
Tax payable	- 241	13 267	17 928
Change in deferred tax	- 606	- 15 287	- 19 908
Tax charge for the year	**- 847**	**- 2 020**	**- 1 980**

Reconciliation of nominal tax rate to effective tax rate

NOK 1 000	2001	2000	1999
Pre-tax profit	236 043	- 10 760	160 969
Expected tax at the nominal rate (28%)	66 092	- 3 012	45 071
Dividend receipts from Norwegian companies	- 66 875	0	- 47 285
Tax effect of other permanent differences	- 64	992	234
Tax charge	**- 847**	**- 2 020**	**- 1 980**
Effective tax rate	- 0.4 %	18.8 %	-1.2 %

Tax effect of temporary differences and losses carried forward

	2001		2000	
NOK 1 000	Benefit	Liability	Benefit	Liability
Equities and other securities	34 401	0	0	0
Interest in partnerships	6	0	34 407	0
Losses carried forward	606	0	0	0
Total	**35 013**	**0**	**34 407**	**0**

To the Annual Shareholders' Meeting of Ferd Holding AS

AUDITOR'S REPORT FOR 2001

We have audited the annual financial statements of Ferd Holding AS as of 31 December 2001, showing a profit of NOK 236 890 000 for the parent company and a profit of NOK 160 588 000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the loss. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the Company's Board of Directors and Chief Executive Officer. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing standards in Norway. Generally accepted auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and generally accepted auditing standards, an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations and present the financial position of the Company and of the Group as of 31 December 2001, and the results of its operations and its cash flows for the year then ended, in accordance with generally accepted accounting principles in Norway
- the Company's management has fulfilled its duty to maintain the Company's accounting process in such a proper and well-arranged manner that the accounting process is in accordance with the law and generally accepted accounting practices
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the appropriation of the loss is consistent with the financial statements and complies with the law and regulations.

Oslo, 18 March 2002
DELOITTE & TOUCHE

Jan A. Hovdan

Jan A. Hovdan
State Authorised Public Accountant (Norway)

Elopak

Bjørn Flatgård

Elopak's mission is to satisfy market needs for attractive high-quality carton and plastic-based packaging systems for non-carbonated liquid fresh and long-life food products. This will be achieved by continuous focus on customer satisfaction, innovation, operational efficiency and human capital development.

Elopak largely achieved its targets in 2001, but the slowdown in the US economy had a negative effect. Operating revenue was NOK 4 227.8 million in 2001, excluding the joint venture companies Elopak Obeikan, Elopak South Africa and Elopak-alfill. Elopak implemented a comprehensive program of change in 2001 to increase operational efficiency and establish a more suitable business structure. The program had four main targets: Improve the quality of products and working processes whilst reducing the risk associated with current and new projects - Greater management focus - Release working capital - Reduce costs and increase operational efficiency.

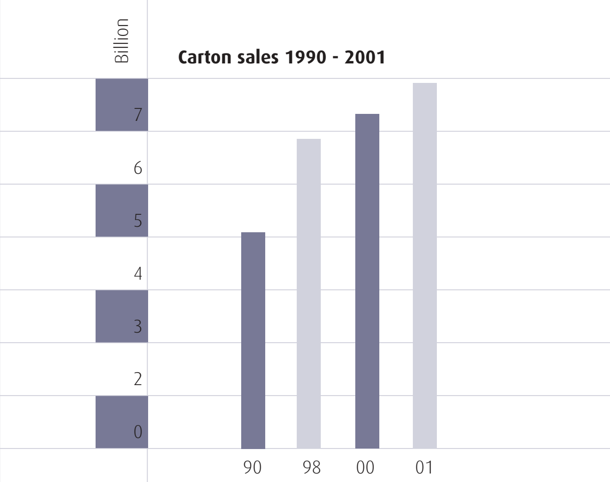
The results of the measures taken have been very positive, and the program will be expanded and further emphasised in 2002.

In parallel with this process Elopak implemented a new product strategy that has created greater focus. We have divided our markets into two areas: The fresh product market for milk and juice, and the long-life market. The new product strategy, combined with the program of change, will provide the basis for renewed growth. By the end of 2001 Elopak was a revitalised and refocused company. Business units which do not fall into the group's core areas of activity will either be sold or developed in co-operation with external partners.

- Significant improvement in production quality
- Turn-around from loss in 2000 to profit in 2001
- Successful market launch of Elopak's new plastic bottle system
- Best ultra-clean technology on the market
- Economic slowdown in the USA has weakened results

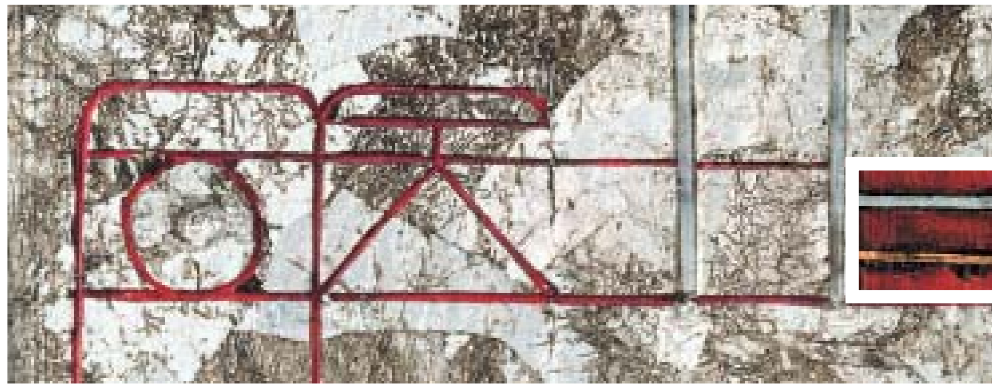
NOK million

Key figures	2001	2000	1999
Operating revenue	4 227.8	4 043.6	3 997.1
Operating profit	271.7	- 112.5	197.2
Fixed assets	2 118.1	2 234.6	2 201.3
Current assets	1 934.0	2 137.1	1 901.3
Total assets	**4 052.1**	**4 371.7**	**4 102.6**
Equity	930.9	901.5	958.4
Long-term liabilities	2 213.9	2 349.6	2 056.4
Current liabilities	907.3	1 120.6	1 087.8
Total equity and liabilities	**4 052.1**	**4 371.7**	**4 102.6**



■ DESSERT FAVOURITE: The traditional Dutch dessert product Vla has been a market leader for many years. The product has now been relaunched in a range of fruit favours with chocolate chunks - 'Spoil yourself with Vla'.

■ NEW PACKAGING: Unifill's plastic packaging system has won a foothold in the discerning Japanese market with the launch of portion packs of Camembert cheese.



PRODUCTS AND MARKETS

Elopak's main product is the Pure-Pak system, which as well as the carton itself comprises a variety of printing technologies, filling machines, logistics systems and opening/resealing systems. The group's other main product area is systems for filling PET and HDPE plastic bottles. In addition the Elopak product portfolio has two niche products: Elopouch, which is an aseptic plastic pouch system for long-life packaging of milk and juice, and the Unifill operation which develops and produces filling machinery for the production of portion packaging.

Elopak's operations are organised as two divisions. The Carton Division is responsible for the production, operation, marketing and development of the Pure-Pak system, and the Plastics Division has equivalent responsibilities for the company's plastics-based packaging systems. The two divisions in turn service the company's three geographic market regions. Region 1: Europe, Middle East and Africa. Region 2: The Americas. Region 3: CIS & APA (Commonwealth of Independent States & Asia, Pacific and Australia).

CARTON DIVISION

2001 was a successful year for Elopak's Carton activities. The division carried out additional investment in the company's filling machines, new printing technology and new opening and resealing systems for Pure-Pak cartons.

Further upgrading of the advanced and world-leading 90 series of filling machines means that Elopak can now offer the best ultra-clean technology in the market. This means for our dairy and juice packaging customers that even a breakdown in the cooling chain will not be a critical failure. Elopak won an important order for the supply of this type of machinery to the global juice producer Tropicana in 2001.

We have already reaped considerable benefits from the investment made in UV flexo printing presses. Flexo printing presses use inks which are set by ultraviolet light and dryers rather than solvent based colours and heat treatment, thereby avoiding the release of solvent fumes. The printing quality we have achieved with this new technology is now so good that we can start to phase out the more expensive offset printing machines. This represents a significant improvement in efficiency as well as cost savings.

The division made significant further steps in 2001 towards optimising all elements of the Pure-Pak system.

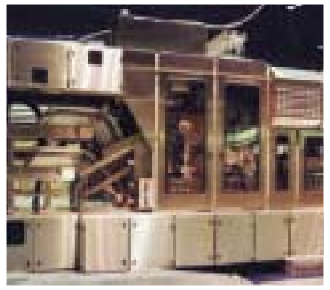
PLASTICS DIVISION

The Plastics Division develops, produces and sells a broad range of plastics-based packaging systems for dairy products and non-carbonated soft drinks. The Plastics Division comprises four business units: Plastic Bottle Systems, the niche producers Elopouch and Unifill and Feature Systems which develops and produces opening and resealing systems for Pure-Pak cartons. Plastic Bottle Systems offers considerable growth potential, and is the largest business area in this division. The Plastics Division achieved its targets for organisational and technological development in 2001. The division also successfully launched its plastic bottle system in 2001, and a number of leading European dairy producers have already purchased this new system. However the installation of these new systems has taken somewhat longer than expected, with higher costs.

The Plastics Division entered into several co-operation agreements in 2001. These included agreements with alfill Engineering for the production of advanced filling machines, with TECHNE for the production of machines for

NEW ORDERS: Elopak has won two major contracts for materials handling equipment for Dairy Crest in Great Britain. The orders are for equipment and cold storage to handle up to 500 million litres of milk at each installation.

EFFICIENT PRODUCTION: Elopak's new high-speed machines can fill 12 000 cartons per hour and are now in full production with a leading US dairy products company.



SIMPLER: A new colour system simplifies the printing process, and flexo printing presses offer greater efficiency and environmental benefits.

form blowing HDPE bottles and with Auspac Bracknell for the production of plastic bottles. The filling machines will be launched during the course of 2002. In order to further strengthen our competitive position we intend to enter into agreements in 2002 with a supplier of machinery for form-blowing PET bottles, an innovative developer and producer of opening and resealing systems and a producer of PET pre-forms.

Our joint venture partners, Schouw Packing in Denmark and Elopak Obeikan in Saudi-Arabia, have further expanded their production capacity for plastic bottles.

Customers for the Elopouch system in 2001 included Parmalat in South Africa. These products are well received by grocery chains and consumers, and further growth in new markets is expected in 2002.

Unifill enjoyed a good year. The successful restructuring of the company led to renewed interest from existing and potential customers. Unifill installed its first high-capacity machine in 2001, and is working on three new types of machines to be announced in 2002.

Opening and resealing systems for Pure-Pak cartons were improved in 2001, and a new range of screw cap closures will be launched in 2002.

EUROPE, MIDDLE EAST AND AFRICA

2001 was a good year for the Europe, Middle East and Africa region. Profitability was significantly better than budgeted, with strong cash flow and improved working capital. New contracts were signed with leading players, and for the first time in many years milk consumption increased in the five major European countries.

Elopak strengthened its position as the leading producer of fresh milk and juice cartons for this region. Competition remains strong, and the region will intensify its product development program in order to reach its ambitious targets.

The region implemented a new business strategy in 2001 with a slimmer organisation, lower costs and greater focus on product development. The new strategy has also increased focus on the major market segments of fresh milk and fresh juice, and on major customer relationships.

The region's sales of Pure-Pak cartons totalled 5.7 billion in 2001, up from 5.5 billion in 2000. Growth came principally from Germany, Finland, France, Yugoslavia and the Middle East.

The Scandinavian dairy industry is currently going through major structural changes. There are now fewer producers of fresh milk, and the trend for larger dairy operations opens new opportunities since Elopak can offer systems for efficient high-volume production.

Elopak strengthened its position in the Nordic fresh milk and juice market in 2001, and now has a 60% share of the fresh milk market and an even higher share of the juice market.

Elopak strengthened its co-operation in the Danish and Swedish markets with its Danish joint venture partner Schouw Packing A/S.

Sales of Pure-Pak cartons in Germany increased by 17% in 2001. Elopak extended its co-operation with the major dairy groups Campina and Friesland Coberco in Holland, and this will help to strengthen an already strong market position for fresh milk. The marketing unit in Great Britain was restructured. Sales were somewhat lower in 2001, but prospects for 2002 are encouraging.

Elopak has a strong position in the juice market in southern Europe. Two aseptic filling machines were delivered to France in early 2001. Tropicana, an important customer in the juice segment, increased its purchase of cartons by 23% and installed two new Elopak filling machines. Elopak signed an important contract with Danone in Spain, representing the start of a long-term co-operation with this global group.

2001 was another strong year for Elopak in the Serbian market, with growth of 22%.

Elopak won a contract with a major Swiss retail chain which will contribute to sales growth in 2002 and 2003. Sales in Austria fell by 5%, mainly due to a cautious start-up of two new aseptic filling lines for brand names such as Rauch, Pfanner, Tirol Milch, Pago and Salzburgland. Contracts were signed for sales of plastic bottle systems to important Pure-Pak customers in Hungary and the Czech Republic.

Sales to the Italian market increased by 4%, with a focus in 2001 on strengthening customer relationships. Elopak maintained its strong position in Greece, Cyprus and Malta through its relationship with the leading players Delta, Charalambides and Malta Dairy.

Elopak operates in Africa through a joint venture with Nampak, the continent's leading packaging group.

Elopak Obeikan Ltd, Elopak's joint venture company in Saudi Arabia, reported strong growth in 2001, with new contracts that reinforce the company's leading market position for cartons and plastic bottles. The company has an 85% share of the cartons market, and its increasing share of the plastic packaging market will give strong growth in 2002 and 2003.

Elopak is the largest producer of gable top cartons in Europe, the Middle East and Africa, and will strive to further strengthen this position in 2002. The group expects profitable growth in this region.

REGION CIS & APA (COMMONWEALTH OF INDEPENDENT STATES AND ASIA, PACIFIC AND AUSTRALIA)

2001 was a good year for this region with growth in sales volumes and earnings. Sales were up by 23% and profitability was much improved thanks mainly to strong results from the CIS market.

Continuing improvement in the Russian economy created increased demand for Elopak's products. Elopak's success in the CIS is due largely to supplying total systems of filling machines, cartons and service. Elopak modernised its conversion factory in the Ukraine to meet increased demand.

Elopak has a good market position in Russia and a dominant position in the Ukraine, and aims to increase its market share and profitability further.

The APA market area met its targets, thanks in part to strong cost control. Elopak increased sales to China, the largest single market, by 10% but still fell short of budget. Pure-Pak cartons for the Chinese market are imported from Europe and this makes Elopak less competitive. Elopak is considering establishing a stronger presence in the Chinese market to improve its position.

REGION AMERICAS

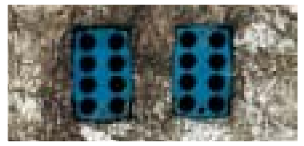
Economic slowdown in the USA had a very adverse effect on the region's results, which were significantly below expectations. This was mainly due to a sharp fall in sales of filling machines, particularly Scott machines.

However Pure-Pak carton sales were at record levels in 2001, up by 8% from 1.6 billion to 1.74 billion cartons. Elopak Canada was the main source of growth for the region with an increase of 30%, and also signed a major contract with Michael Foods for liquid egg packaging. Carton sales to Latin America were only 2% higher in 2001, well below budget. Difficult economic conditions in Mexico had an adverse effect on carton sales, and sales to the Caribbean also fell. However three contracts were signed with dairies in Jamaica that will boost volumes in 2002. The region implemented four projects in 2001 to improve operational profitability and growth prospects: Introduction of mini cartons in Mexico;

HIGH TECHNOLOGY: Elopak has established a strong position as a supplier of plastic bottle systems, and its international strategic alliances guarantee access to the latest technology and expertise.

POPULAR: The new Pure-Cap U screw cap proved a great success and has attracted strong demand. A number of customers plan to relaunch their products with the new screw cap.

REPEAT ORDER: Elopak's plastic bottle system is a great success in the Czech Republic. Just four months after taking delivery of the first complete line for producing, filling and packing plastic bottles, Olma ordered a second production line.



Launch of the 120UC high-speed filling machines; Launch of the first offset-cartons in America; and sale of four Unifill machines.

The region concentrated on improving its working capital position in 2001, and this will continue in 2002.

The American economy is expected to improve in 2002. We expect machinery sales to return to normal, with an increase in carton sales particularly to the Caribbean and Canada. The region will introduce the alfill plastic bottle filling machines and start sales of plastic bottle systems in 2002.

RESEARCH AND DEVELOPMENT

Elopak's research and development resources are mainly concentrated at the Elopak Technology Centre (ETC) in Norway, although work on filling machines is carried out in the USA. Elopak is a system supplier, and ETC's main task is to develop and test new systems and products in close co-operation with customers. Development of the new Finseal filling machines was completed in 2001, and the first of these machines will be used for milk cartons by a major European customer.

The ETC also carries out product testing for customers and runs training courses for employees and customers. Approximately 100 courses were held in 2001 for 450 participants.

A new filling machine for plastic bottles was launched at an international trade fair in Germany in autumn 2001. ETC's laboratory was upgraded in 2001 for research and testing of new barrier solutions for plastic bottles and cartons.

A team of specialists has developed new opening and resealing systems for both 1 litre and mini Pure-Pak cartons. An improved screw cap for mini cartons used by Tine has been a market success. Both the screw cap and applicator were developed and tested by ETC.

ENVIRONMENT

The company's stated objective is to operate in accordance with the highest possible environmental standards. Elopak's plants use environmental management systems certified to recognised standards such as ISO 14000 and EU EMAS (Economic Management and Auditing Scheme). Elopak's activities in 2001 did not incur any incidents that had any adverse effect on the external environment.

Elopak's overriding environmental objective is to make best use of the resources, i.e. paper and plastics, used in packaging systems and minimise waste. Unnecessary discharges and waste are reduced to a minimum or treated in-house. We also help our customers to organise efficient collection and processing of used packaging.

Our environmental policies are based on the Life Cycle Management approach, and we expect similar standards of our suppliers and customers.

All Elopak's production facilities in the EU, USA and Canada have ISO 9000 certification, and our major plants also use the EU EMAS system or similar. A number of plants are certified to ISO 14000 standards that cover all environmental issues. Outside the EU we seek to adapt local standards to one of these systems.

The EU published proposed changes to its 1994 Packaging Waste Directive in late 2001. Elopak's customers satisfy the requirements of the current directive for collection and recycling of drinking carton material.

Elopak works closely with customers, suppliers and the European packaging industry to influence the development of new environmental legislation.

ORGANISATIONAL STRUCTURE

The launch of the carton and plastic divisions proved successful, and we have focused on measures to improve efficiency throughout the value chain.

Elopak had 1 937 employees at year-end of which 237 were based in Norway. This is slightly down from 2000 principally due to the closure of the conversion plant in Sweden and staff reductions at our American companies.

HEALTH, SAFETY AND THE WORKING ENVIRONMENT (HSE)

Absence due to sickness in 2001 was 5.4%. There were no fatal accidents in 2001, and 84 other accidents were reported.

We consider it important that all employees are aware of health, safety and environment issues. We pay particular attention to ensuring that the group is up-to-date with changes and improvements in this area.

HSE monitoring is an important feature at our production facilities, and working environment issues form part of the management task. Regular working environment surveys are undertaken to ensure that requirements and standards are adhered to.

Psycho-social working environment conditions are monitored, and surveys are undertaken as required. Elopak's group management encourages team-oriented working practices, both multinationally and across different technical specialities.

Elopak is only the fourth Norwegian company to be certified to British Standard BS 7799 for information security at its Norwegian operations.

FUTURE PROSPECTS

Markets where Elopak currently has limited presence, such as South America and Asia, represent the greatest growth potential for the group. The company is planning expansion into China and parts of South America. Elopak has a strong position in Europe, and it is important that the company retains and grows with its major customers. Ongoing development of Elopak's human capital is a major challenge for 2002. There is room for improvement in co-operation across organisational and regional boundaries. Our programs for improvement and our new focused strategy will strengthen our position and create a sound base for profitable growth. ■

Ferd Private Equity


Leif O. Strand

Ferd Private Equity will concentrate on pro-active long-term ownership of strong companies with international potential.

Ferd Private Equity is responsible for managing and developing the group's investments in industrial and trading companies. The business area produced total operating revenue of NOK 731 million in 2001 as compared to NOK 692 million in 2000. Operating profit was NOK 18 million in 2001, as compared to NOK 63 million in 2000.

Ferd focused on refining the group's corporate mission, business vision and value platform in 2001. One result of this was a decision to change the name of Ferd Industry to Ferd Private Equity. This means that a more structured investment process will now be used for private equity investments, with clear strategies on value creation and the realisation of capital gains. Ferd Private Equity will invest in the equity or quasi-equity instruments of un-listed, mature companies where the group's expertise and network can make a worthwhile contribution to value creation. The scale of investment, whether by Ferd Private Equity alone or together with other partners, will be sufficient to ensure a significant influence on a company's development.

- Ferd´s industrial investment area refocused its activities to reflect the group´s new corporate mission, business vision and value platform in 2001
- Ferd Industry was renamed Ferd Private Equity in February 2002
- TiTech Autosort acquired its German competitor RVS and changed name to TiTech Visionsort
- Erling Sande AS was sold in February 2002

NOK million

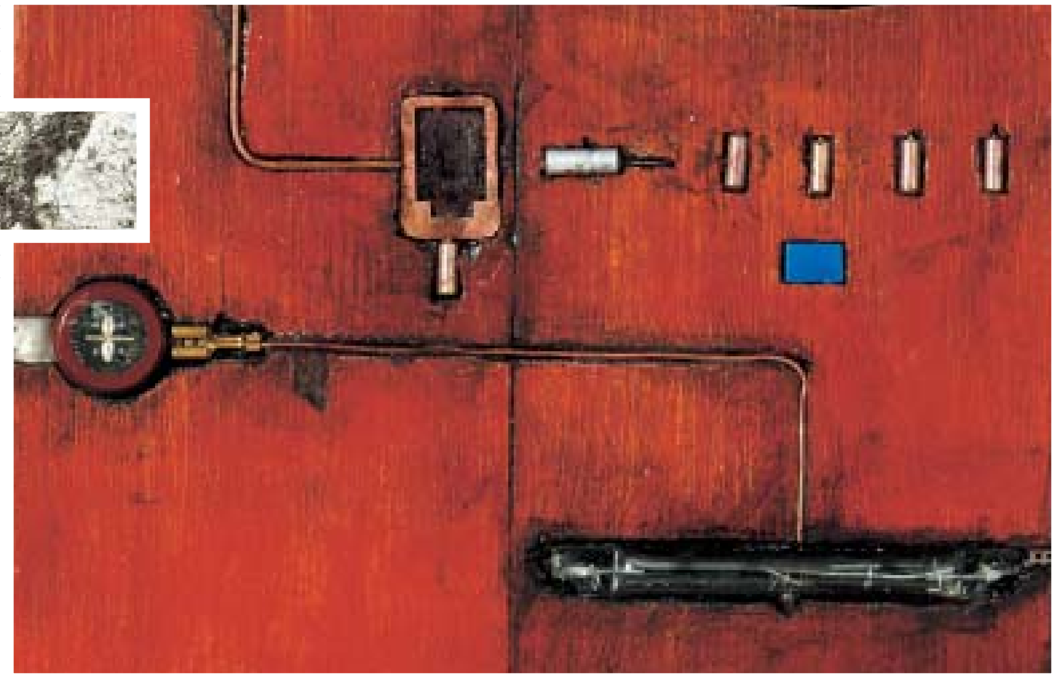
Key figures	2001	2000	1999
Operating revenue	731.2	692.1	865.3[1)]
Operating profit	18.3	62.5	64.3
Fixed assets	309.5	119.9	82.2
Current assets	445.2	634.6	449.2
Total assets	**754.7**	**754.5**	**531.4**
Equity	290.5	342.5	226.7
Long-term liabilities	271.4	119.7	109.8
Current liabilities	192.8	292.3	194.9
Total equity and liabilities	**754.7**	**754.5**	**531.4**

1) See note 2 – Consolidated accounts

Ferd Private Equity is made up of:

- Swix Sport AS
- TiTech Autosort AS
- TiMar Group Lda

- 23.6% of Lerøy Seafood Group ASA



Ferd has operated as a private equity investor in the Norwegian market for many years. The group has typically been the sole owner of industrial and trading companies, and has taken a proactive role in their strategic and operational development. This means that the change to Ferd Private Equity does not represent a new business area for the group. However it does mean that a more structured investment process will now be used for private equity investments, with clear strategies on value creation and the realisation of capital gains. Ferd Private Equity will invest in the equity or quasi-equity instruments of un-listed, mature companies where the group's expertise and network can make a worthwhile contribution to value creation. The scale of investment, whether by Ferd Private Equity alone or together with other partners, will be sufficient to ensure a significant influence on a company's development.

Access to attractive projects is a key requirement for success as a private equity investor. Ferd is well placed to establish contacts with other companies looking for a pro-active external investor, not least through its position as a family-owned group.

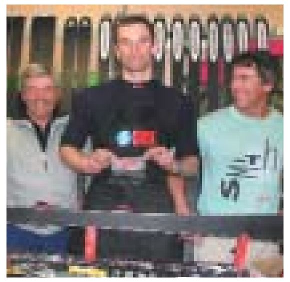
Moreover Ferd has already been involved in bringing the results of a number of Norwegian research projects to commercial fruition, and these contacts will also be an important source of new projects. Privatisations and sales of business by larger corporate groups will also be an interesting source of projects for Ferd Private Equity.

TiTech Visionsort acquired the German company RVS in January 2002 in order to strengthen its market position. RVS holds patents for complementary technology, and was a significant competitor in the important German market.

It did not prove possible to reach agreement with Lerøy Seafood Group ASA on the proposed merger with the seafood activities carried out in Portugal and Spain by the TiMar Group, and Ferd therefore intends to continue to develop TiMar in its own right. The current low level of fish prices represents a significant challenge for the TiMar Group in the short term, but the company offers attractive long-term potential.

Lerøy Seafood Group, in which Ferd has a 23.6% shareholding, further strengthened its position in the international seafood market through a number of substantial acquisitions in 2001.

Erling Sande AS and Norse Crown in Malaysia have both been sold since the start of 2002.



MARKET LEADER: The Swix Racing Service team works to ensure that Swix waxes are the most widely used product at World Cup competitions in alpine, biathlon and cross-country. The service team of Mitja Zupan, Hermann Fuchs and Pete Patterson is seen here in action at the alpine World Cup in St Anton.

NEW AWARD: Swix won a further Norwegian Design Council award in 2001, this time for the Swix Wishbone an alpine ski pole grip with no strap. The jury praised the innovative Swix Wishbone approach to the design of an alpine ski pole.

TECHNICAL WEAR: Sales of Swix Technical Wear, hats and gloves were again stronger in 2001. Swix has sponsored the Norwegian Ski Association since 1989 and has agreed to continue this arrangement for a further four years until after the Winter Olympics in Turin in 2006.

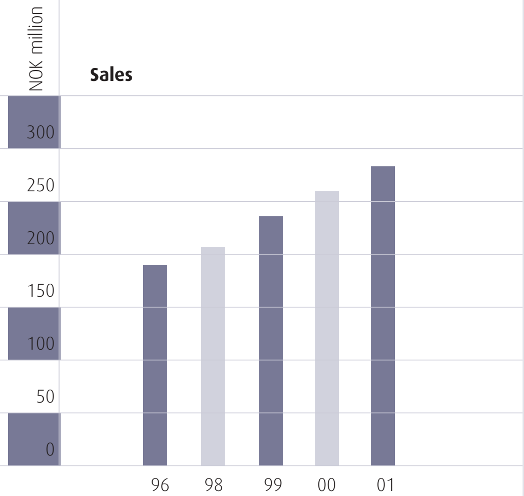
Mikkel Dobloug

SWIX SPORT

We aim to develop, produce and market innovative and high-quality accessories and textile goods for sporting and other active recreational pursuits. We shall do this by developing and managing our own market-leading brands through an enthusiastic and value-driven organisation so that we are recognised as a pioneering company in our chosen sectors.

NOK million

Key figures	2001	2000	1999
Operating revenue	272.5	266.6	231.1
Operating profit	13.5	23.5	14.0
Fixed assets	30.6	31.4	27.9
Current assets	173.1	166.2	153.3
Total assets	**203.7**	**197.6**	**181.2**
Equity	98.0	88.8	71.3
Long-term liabilities	20.5	26.9	18.8
Current liabilities	85.2	81.9	91.1
Total equity and liabilities	**203.7**	**197.6**	**181.2**



- Higher operating revenue, principally for Swix owned brands
- Successful market relaunch for improved Cera Nova glide waxes
- Swix ski poles dominated the cross-country World Cup, and strengthened their position for alpine skiing
- Focus on innovation, product development and design

MARKETS

Swix Sport reports increased operating revenue for 2001. Sales of waxes and accessories, ski poles and textile goods (Swix Technical Wear/soft goods) set new records, with fastest growth for waxes and accessories and textile goods.

Swix products were widely used in national and international competitions with extremely good results. We are the clear global market leader for ski waxes for all ski disciplines. The launch of our upgraded Cera Nova glide wax system, with new formulation and design, was well received in the market.

Swix ski poles dominated the cross-country market for the 2000/2001 season. Eight out of the top 10 World Cup racers used Swix composite poles, and we were also well represented in biathlon.

Our products are increasing their presence in alpine skiing with good results, especially with leading racers from France, the USA and Norway. Swix poles and waxes have never before enjoyed such high visibility and good results in alpine skiing.

Nordic Walking is a new fitness discipline and represents an attractive new area for Swix. We applied our ski pole technology and experience to launch our Nordic Walking product concept in 2001. This market offers a different seasonal pattern to that of our main products.

Swix Technical Wear is the market leader in Norway, and also sells well in a number of other markets. Technical Wear is central to our overall profile and brand name. Sales of sports underwear did not perform as well as hoped, and these products are now marketed as part of Swix Technical Wear.

RESULTS

Consolidated operating profit was weaker than in 2000, but cumulative profit excluding adjustments for changes in inventory at subsidiaries was in line with the previous year. Since the financial year-end falls in the middle of the winter season, these changes in inventory levels tend to exaggerate fluctuations in annual results. Pension liabilities of NOK 2.9 million for 2001 were NOK 2.7 million greater than in 2000. This was caused by changes in the assumptions used when calculating pension liability.

PRODUCT DEVELOPMENT

The company's new strategic plan prioritises product development, with greater focus on specific target groups. Our extensive in-house expertise and co-operation with the ski and snowboarding industries as well as with national teams and the professional competitors we sponsor, are important in developing and testing new products. The rapid pace of change in our industry and the need to combine a long-term view with short-term response to changes represents a major challenge.

Swix won another Norwegian Design Council award in 2001, this time for the Swix Wishbone -an alpine ski pole handle with no strap. Ski pole development continues to focus on improvements to tubing, grips, straps and baskets.

The F4 universal glide wax system for alpine, snowboard and cross-country disciplines was updated in 2001, and we also launched a simplified wax system for leisure skiers. Development of Swix Technical Wear now places greater emphasis on good design, international trends and functionality.

SWIX SPORT USA

Sales of Swix products in the USA were very satisfactory despite poor snow conditions for much of the market in December. A number of Swix branded product groups achieved sales records, with the best sales figures for Swix Technical Wear and soft goods.

Sales of bicycle accessories under the Pedro brand name did not grow as budgeted. Sales were strong in the USA, but export markets proved disappointing. Swix USA has distributed Montana ski preparation machines for many years, but after two years of deteriorating sales and profitability this activity was discontinued at the end of 2001. Significant costs were involved, and Swix Sport USA made a negative contribution to Swix Sport's results for 2001. Swix Sport USA is now strongly focused on profitable growth for its own brand names.

SWIX SPORT JAPAN

Swix Sport Japan again reported good results for 2001 although this was the first year for some time with no growth in sales. Weak prospects for the Japanese economy will cause this market to be weak in the short-term, and this limits the scope for growth. Future profitability will depend on our ability to offer the right products for the Japanese market and on local sales and marketing activities.

ORGANISATION

There was a high level of activity throughout the company in 2001, and our employees have shown great commitment. The company continues to focus on improving its internal processes in order to maintain its competitive edge. The working environment is good, as is co-operation with and between the group's employees. Swix Sport became a separate company on 1 January 2001.

Swix Sport had 139 employees at 31 December 2001 of which 34 are at Swix Sport USA and 11 at Swix Sport Japan.

FUTURE PROSPECTS

Swix developed a new corporate mission statement in 2001. The company now has a new strategy and action plan for its further growth and development. Swix will build strong and leading brand names through the efforts of its enthusiastic and value-driven organisation. As part of this process the company launched a new statement of its business vision and corporate values, and this will be implemented throughout the Swix group in 2002.

Swix Sport has made a good start to 2002 with encouraging growth in sales. Early indications for next season are positive and we are optimistic for the company's prospects in 2002.

THE WASTE SORTING ADVENTURE: The waste sorting market continues to grow, and we continue to find new areas of application. Our most important development project for 2001/2002 is to develop technology to sort waste paper for bleaching and recycling.

IMAGE ANALYSIS: REAL VISION SYSTEMS, Gesellschaft für industrielle Bildverarbeitung mbH, is a market leader for waste sorting systems using image analysis. The company's founders identified Ferd as the right international partner.

SORTING HOLIDAYMAKERS' WASTE: Popular Spanish holiday resorts use TiTech Visionsort equipment for waste sorting. TiTech Visionsort has sold 11 waste sorting systems to Alicante, Valencia, Grand Canaria and Palma de Mallorca.

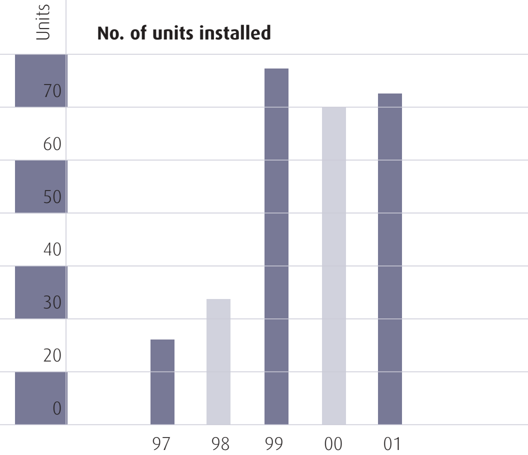

Erling Eriksen

TITECH VISIONSORT

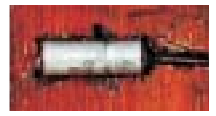
Through application and adaptation of electro-optical technology we will develop precise automatic sorting systems as replacements for manual and less reliable systems. We intend to be recognised as a leading and innovative partner in our industry, who teams up with customers and business partners.

NOK million

Key figures	2001	2000	1999
Operating revenue	54.9	51.1	56.3
Operating profit	14.4	22.3	33.8
Fixed assets	2.7	2.1	2.4
Current assets	52.0	78.7	66.2
Total assets	**54.7**	**80.8**	**68.6**
Equity	40.6	20.2	51.2
Long-term liabilities	0.8	0.0	0.0
Current liabilities	13.3	60.6	17.4
Total equity and liabilities	**54.7**	**80.8**	**68.6**



- TiTech Visionsort retained its position as market leader in 2001
- Operating profit weaker than in 2000
- Germany remains the most important market and the driving force for international development of recycling of packaging waste



MARKETS

TiTech Visionsort expanded into new products and geographic markets in 2001, with sales to Italy, Spain, England, the USA, Belgium, Japan, Germany and Canada. Whilst Germany still accounts for over 50% of turnover, we have achieved our target of a broader geographic distribution and we are now better placed to meet expected growth in demand in these countries.

Environmental policy decisions on recycling packaging waste and the regulations and economic incentives introduced to implement these policies are the main driving force for our European customers. Uncertainty in a number of European countries over future regulations on recycling has, therefore, caused delays and deferrals of projects planned for completion in 2001. In the USA the recycling market is principally based on commercial principles rather than environmental policy. The company's performance in the USA was not satisfactory in 2001, due in part to the weaker state of the US economy and the impact of the events of 11 September, and in part to the postponement of our first delivery to the USA which was to have been used as a reference site for marketing.

One of the company's most important contracts in 2001 was for a waste sorting plant in Montello in Italy. This is the largest facility of this type in Europe, and processes 8.5 tonnes of recycled bottles per hour sorted both by material (PRT, PE and others) and colour (clear, blue and mixed). A similar facility using a pre-sorted supply of raw material came into operation in the USA in November 2001. This type of facility is expected to represent an increasing share of total orders.

We tested several "new" types of waste for sorting in 2001:

- Waste from electrical and electronic appliances
- Sorting and removing PVC from waste to be burnt in thermal power stations
- Textiles

RESULTS

2001 was a good year for TiTech Visionsort, with 74 systems delivered and a number of sorters due for delivery to trial sites in the first quarter of 2002. Operating revenue amounted to NOK 54.9 million in 2001 as compared to NOK 51.1 million in 2000. Turnover fell short of budget, mainly due to the postponement of some sales to Germany and weaker market conditions in the USA. Sales to other markets were ahead of budget.

Operating profit was weaker than in 2000 due to planned increases in spending on business development and in fixed costs as the company expands.

PRODUCT DEVELOPMENT

The development of the XS sorting machine to offer 1 000 and 1 400mm conveyor widths absorbed more resources than planned. These machines have two sets of detector modules which each require very high data transmission speeds, and this created particular challenges for both software and hardware. These problems have been resolved, but the deliveries were delayed by three months. The new machines offer 70 times faster data transmission.

The company has identified paper sorting as a new area of focus, and considerable effort was devoted to this in 2001. The new machine will separate coloured paper and cardboard from waste paper, and we have applied to patent a new type of detector. Trials were carried out at a sorting plant in Germany in late January 2002.

Sorting machinery supplied by the company had accumulated 2 685 000 operating hours by 31 December 2001, up by 85% from the previous year. The mean time between service operations remained stable at around 7000 hours.

ORGANISATION

TiTech Visionsort's strategic plan envisages growth in both existing and new markets, and we therefore need to recruit additional staff to ensure sufficient expertise and capacity. The company's corporate values of bold, including, dependable and liberal provide clear guidelines for this process. A new organisational structure was introduced in 2001 and new staff were recruited for all departments except sales, where no suitable candidates were found. The company is still in the process of transition from a start-up to an industrial operation, and despite the necessary more formal structure we will retain an informal character and innovative spirit.

FUTURE PROSPECTS

Following negotiations in 2001 we acquired our main competitor, the German company Real Vision Systems Gesellschaft für industrielle Bildverarbeitung mbH (RVS), on 10 January 2002. This gives TiTech Autosort immediate access to complementary technology, patents, expertise in image analysis and software development capacity.

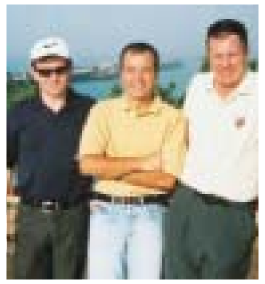
We intend to combine the two companies' technology for the development of new sorting systems for paper, 3-dimentional bodies and RDF within the 3rd quarter of 2002. In addition the acquisition gives us a very welcome strong presence in Germany, which will continue to be the main market for the waste recycling industry for the foreseeable future.

If the current uncertainty in Germany over returnable beverage containers deposits on packaging continues, this may lead to further postponement of projects we have budgeted for delivery in 2002. If returnable deposits are imposed on PET bottles that are currently disposed of with other waste for recycling, this may permanently reduce the size of our market.

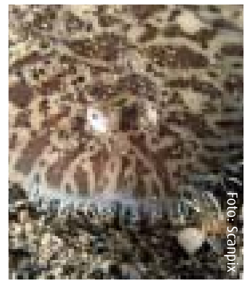
Integrating the companies and realising synergy benefits will be a major challenge throughout 2002. All activities in Germany will be run from Koblenz with a joint management group. We believe that the markets of Italy, Spain, the USA and France will show a rapid increase in demand for greater automation of plastic and paper recycling. We therefore plan to establish sales and service operations in Italy and Spain, and to expand our existing presence in the USA.

The company will continue the high level of investment in research and development.

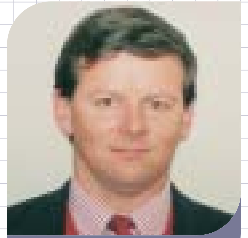
GRANMAR S.A.: TiMar owns 33% of the Cuban fish farming company GranMar S.A. Its partners are the Portuguese group Amorim and the Cuban government. GranMar was incorporated in 1999. TiMar is responsible for the company's operations. GranMar produces European and Caribbean fish species using its own hatcheries and cages.



BIG IN PORTUGAL: Portnor Lda. is one of the largest fresh fish wholesalers in Portugal. Its main business is direct distribution of seafood products to retail chains. Portnor supplies all the major chains in Portugal with a range of seafood through distribution centres or directly to industrial outlets. The TiMar Group owns 60% of Portnor.



TECHNOLOGY BREAKTHROUGH: Working closely with Algarve University, TiMar succeeded in producing several thousand juvenile sole in 2001. Sole is a popular fish and attracts good prices. This represents a breakthrough in the technology of marine juvenile production, and the project will be scaled up to commercial production in 2002.



Liam Heffernan

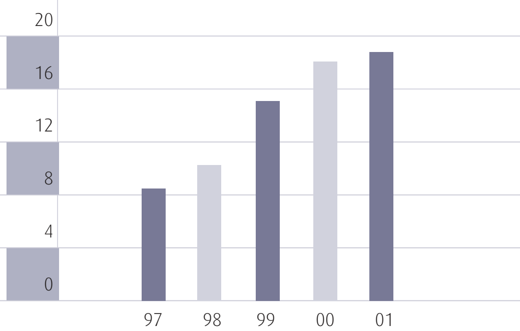
TIMAR GROUP

The TiMar Group is an international aquaculture and seafood group. The company is one of the world's leading producers of marine juveniles and market-sized fish. Its main products are sea bream and sea bass.

Key figures	2001	2000	1999
NOK million			
Operating revenue	153.6	138.7[1)]	300.2
Operating profit	-8.2	13.1	2.1
Fixed assets	115.0	75.8	41.4
Current assets	121.9	126.3	105.1
Total assets	**236.9**	**202.1**	**146.5**
Equity	12.0	51.7	49.9
Long-term liabilities	162.0	67.0	65.3
Current liabilities	62.9	83.4	31.3
Total equity and liabilities	**236.9**	**202.1**	**146.5**

1) See note 2 – Consolidated accounts

Annual production of juvenile fish



- 2001 was a difficult year for the aquaculture sector, with low prices for farmed fish
- Production and sale of marine juveniles continues to attract good margins
- Significant financial and human resources are required to implement the company's expansion strategy

MARKETS

Demand for marine juveniles was strong in 2001, especially from newly established fish farms in Spain. However many of these buyers are financially weak, and sales can only be achieved by offering extended credit. Lower prices for sales of market-size fish have led to an increase in working capital and greater risks for producers of marine juveniles.

Sales prices for sea bass and sea bream fell to historically low levels in 2001. TiMar Group's average sales price was down by 50% from the first half of 1999. This reflected a sharp increase in overall production, especially in Greece, combined with restrictions on sales by Greek producers to their main markets in Italy following a dispute over the use of fish feed containing animal ingredients.

The major retail chains are taking an increasing share of retail fish sales at the expense of traditional fish markets. TiMar Group's subsidiary Portnor now sells 80% of its turnover to retail chains. There is still some variation in retailers' awareness of product quality and liability, but the situation is improving. TiMar Group commits considerable resources to product documentation, quality and traceability, even though superior product quality has so far only attracted a small price differential.

The group's Gramamed subsidiary handles its own local market distribution, and achieves attractive prices. The TiMar Group intends to channel more of its production to regional markets through strategic alliances and part-ownership of fresh fish distributors. The group's overall objective is closer integration with the markets that it serves in order to secure stronger margins.

RESULTS

Weak market conditions for sales of market-size fish at a time when the company was increasing its production capacity led to an unsatisfactory operating result for 2001. A number of measures have been implemented to improve profitability, including investment in new technology and increased focus on sales and marketing activities. However we expect that 2002 will be another difficult year for the aquaculture industry.

PRODUCTION

TiMar Group's facilities in Portugal, Spain and Cuba produced 1 650 tonnes of market-size fish in 2001. External sales accounted for 1 000 tonnes of production, with the balance used to build up stocks at new locations. The group's expanded production capacity now represents annual sales of 5 000 tonnes.

The two hatcheries operated by TiMar Group produced 18.5 million marine juveniles in 2001, of which 10.5 million were sold outside the group. The TiMar Group intends to increase its juvenile production capacity significantly over the next few years to meet both its own needs and growth in demand from existing customers.

ORGANISATION

The group's expansion in 2001 created a need for additional skilled employees. A number of new middle managers were appointed for production, accounting and sales functions, especially in Spain and Cuba. The TiMar Group now has 117 employees in its wholly owned subsidiaries, and associated companies employ a further 50 staff.

FUTURE PROSPECTS

The major challenge facing the group is to reduce its fixed and variable production costs to permit satisfactory profitability even when fish prices are low. This will be achieved by implementing a modern PC-based management control package, labour saving measures such as the use of flotation based central feeding equipment and an increased scale of production at each unit.

TiMar Group is also developing new markets and products in order to reduce the impact of cyclical price movements for sea bream and sea bass. The GranMar operation in Cuba is now fully operational, and TiMar intends to use well-proven technology to produce a range of luxury European and Caribbean fish products for sale to the international markets.

The project to develop fish farming of sole is progressing satisfactorily. Once this project reaches a commercial phase it will add a highly sought-after fish to the group's product range.

LERØY SEAFOOD GROUP

The Lerøy Seafood Group runs a world-wide business from its head office in Bergen. The group has major investments in production businesses in Norway and Great Britain. Ferd Private Equity is the second largest shareholder in Lerøy Seafood Group, with a 23.6% interest.

FINANCIAL RESULTS

Operating revenue of NOK 2 530 million for 2001 was NOK 191 lower than in the previous year. This was caused by a sharp fall in salmon prices. Operating profit of NOK 64.6 million represents an improvement from the NOK 40.4 million reported for 2000. The group's operating margin for 2001 was 2.55%, an improvement from a margin of 1.5% in 2000. Pre-tax profit was NOK 56.2 million as compared to NOK 51.7 million in 2000.

FUTURE PROSPECTS

The Lerøy Seafood Group continues to expand its activities and anticipates good future prospects. The group exported a broad range of seafood products to 49 countries in 2001, with the largest export markets being Japan, France and Sweden. Demand for the company's products is strong, and whilst food products face strong international competition the seafood sector is performing well. The Lerøy Seafood Group is concentrating its efforts on developing the group's market position and adapting its business processes to the requirements of national and global operating conditions. The Lerøy Seafood Group operates in a sector which is subject to an ever increasing pace of structural change, and it is essential that the company reflects this in its own development in order to maintain its good performance.

Ferd Invest


John Harald Henriksen

Ferd Invest's objective is to operate as a long-term financial investor on the basis of its core expertise in the areas of finance, networking, investment analysis and portfolio management.

Ferd Invest aims to invest in companies that offer sound business ideas, good prospects for growth, management commitment to shareholder value and acceptable gearing. Our strategy is to play a leading role and make a positive contribution as a proactive and long-term investor in a relatively limited number of companies.

2001 was a very difficult year for investment companies around the world, and Ferd Invest's investment portfolio showed a negative return of 6.2% as compared to a required return of 13.8%. Ferd Invest does not consider this satisfactory. The equity portfolio produced a negative return of 11.1%, whilst the interest-bearing portfolio produced a positive return of 8.9%.

We expect improvement in equity markets over the second half of 2002. The last two months of 2001 saw a rally in share prices. Leading indicators are improving, and it seems that the American economy bottomed-out in September. Ferd Invest has liquid assets ready to invest in the equity market, and is well placed to take advantage of the upturn when it materialises.

- Weak stock market conditions had an adverse effect on overall investment return
- Interest-bearing portfolio produced a very good return
- Ferd Invest was a net buyer of shares in 2001
- Equity portfolio focused onto fewer but larger shareholdings

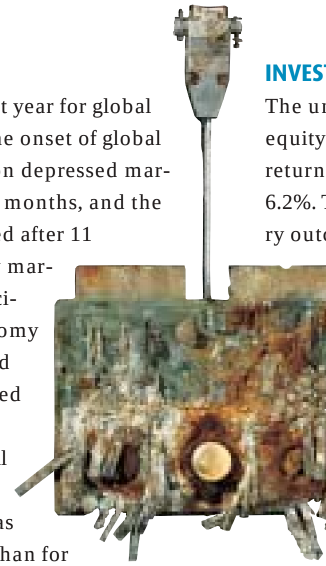
NOK million

Key figures	2001	2000	1999
Operating revenue	- 87.0	145.2	303.6
Operating profit	- 93.4	134.5	296.9
Fixed assets	1.2	0.4	0.5
Current assets	1 688.9	1 783.1	2 254.3
Total assets	**1 690.1**	**1 783.5**	**2 254.7**
Equity	1 673.3	1 730.1	2 204.1
Long-term liabilities	11.7	53.4	50.6
Current liabilities	5.1	0.0	0.0
Total equity and liabilities	**1 690.1**	**1 783.5**	**2 254.7**

5 largest shareholdings in Norwegian companies ranked by value

Company	No. of shares	Market value	share of portfolio
Storebrand ASA	7 101 895	376 400 435	22.33 %
Orkla ASA	900 000	138 600 000	8.22 %
Norman ASA	960 000	50 400 000	2.99 %
Kongsberg Gruppen ASA	500 000	49 750 000	2.95 %
Voice AS	4 691 321	37 530 568	2.23 %
Total		**652 681 003**	**38.72 %**

Ferd *invest*



MARKETS

2001 was a difficult year for global equity markets. The onset of global economic recession depressed markets in the first six months, and the recession deepened after 11 September. Equity markets typically anticipate the real economy by 6-9 months, and share prices reached their lows in September. Overall market performance for 2001 was somewhat better than for the first nine months. All the major market indices fell in 2001, with a fall of 17.8% for the Morgan Stanley World Index while for the US market the S&P index fell by 13%. The Oslo market showed a somewhat better performance than many international markets with a fall of 13.1%. Interest rate markets around the world responded to weaker economic conditions, and short-term interest rates fell over the course of the year. Our comparable international reference index generated a return of 5.4%. The strength of the Norwegian economy helped to keep Norwegian interest rates at a relatively high level, and the Norwegian BRIX index closed the year with a return of 7.6%.

INVESTMENT RETURN

The unusually difficult conditions in equity markets in 2001 caused a negative return on the company's portfolio of 6.2%. This is clearly a far from satisfactory outcome, particularly by comparison with the required return for the year of 13.8%.

Equity portfolio

The international equity portfolio showed a negative return of 7.9% whilst the Norwegian equity portfolio fell by 12.4%. The stronger relative performance of the international portfolio reflected the positive performance of investments in a hedge fund and an American IT company. However foreign equity funds made a negative contribution. Storebrand, where Ferd owns 7.1 million shares, was the main reason for the domestic equity portfolio's weak performance, together with realised losses on sales of shares in SE-Labels, Kværner and Merkantildata. Ferd Invest realised losses of NOK 38 million on sales of shares in 2001.

Interest-bearing portfolio

The global economic slowdown created favourable conditions for the interest-bearing portfolio. Slower economic growth and lower inflation expectations paved the way for lower interest rates. Our position in interest-bearing instruments with two-three year fixed interest proved a sound decision, and we are pleased with the interest-bearing portfolio's total return of 8.9% as compared to a return requirement of 7%. The international element of the interest-bearing portfolio again produced the best return at 9.5%, and the US market provided the strongest contribution with a return of 11.1%. By way of comparison the Norwegian portfolio generated a total return of 8.5% with an average duration of around two years.

PORTFOLIO ALLOCATION

The portfolio allocation at the end of the year was 72% in equities and 28% in interest-bearing instruments. The equity allocation fell marginally over the course of the year from 76% at the start of the year. In geographic terms the interest-bearing portfolio increased its exposure to the Norwegian market, whilst the equity portfolio maintained a stable international element. We believe that the overall portfolio is well diversified.

Equities

The equity portfolio is a diversified portfolio principally invested in listed stocks and equity funds. The equity portfolio invests directly in individual stocks in

FERD INVEST: John Harald Henriksen, Executive Vice President, Ferd Invest, and Trine Sellæg Aulie, Financial Analyst, both work with equities and equity funds. Tom Erik Myrland, Head of Finance, is responsible for managing the interest-bearing portfolio.

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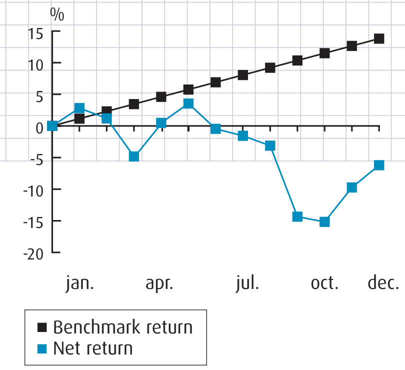
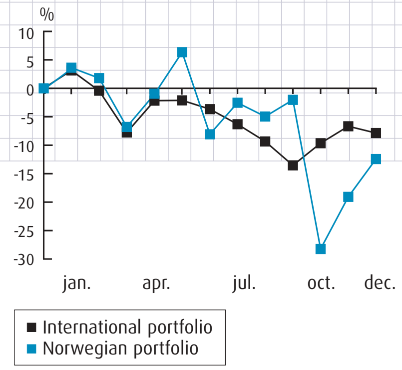
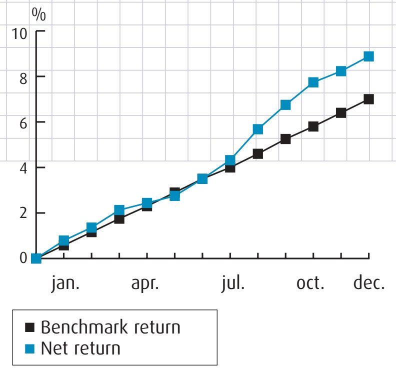
Total return on financial assets



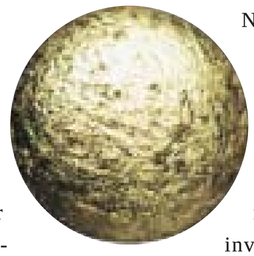
Accumulated return on equities



Accumulated return on interest-bearing securities



the Norwegian market, but international investments are mostly in equity funds. Our focus areas are finance, technology, consumer-related and healthcare. Of these areas the healthcare sector provided the strongest performance in 2001, whilst finance showed the greatest fall in share prices. Ferd Invest subscribed NOK 16 million of new capital to Norwegian listed companies in 2001. Portfolio turnover is relatively low, and net purchases of shares in 2001 amounted to NOK 80 million. In accordance with our strategy, the Norwegian portfolio is relatively heavily exposed to a limited number of companies. At the end of the year the Norwegian equity portfolio was made up of 19 listed companies, representing a reduction of 7 companies from the start of the year. Our two largest investments are in Storebrand, with a market value of NOK 376 million, and in Orkla with a market value of NOK 139 million.



Interest-bearing securities

We gradually increased our exposure to Norwegian interest-bearing securities over the course of 2001 to hold 76% in Norwegian securities and 24% in foreign securities at the end of the year. Securities issued by banks and credit institutions make up 78% of the Norwegian portfolio. The international portfolio is principally invested in government bonds, but with some smaller investments in securities rated AA or better. The international portfolio held US, Swedish and UK securities at year-end, with foreign exchange exposure fully hedged. We believe that investment in international interest-bearing securities has a significant and positive diversification effect on the overall portfolio.

ORGANISATION

Ferd Invest has three full-time members of staff responsible for managing the company's investment portfolio and evaluating potential new investments.

FUTURE PROSPECTS

We expected 2001 to be a challenging year for investors, and this proved to be the case. The American economy moved into a recession that deepened following the tragic events of 11 September. In view of the uncertain outlook at the start of the year, we maintained an overweight position in interest-bearing securities in 2001. We believe that 2002 will also be a challenging year, but we expect to see some improvement in equity markets in the second half-year. Ferd Invest has liquid assets available to allocate to equities, and we expect to increase the equity allocation as the investment climate improves.

Ferd Invest's strategy is to play a leading role and make a positive contribution as a proactive and long-term investor in a relatively limited number of companies. This gives us greater influence over the prospects for portfolio companies. We make active use of our network in managing the portfolio in order to promote the development of our investments. In view of this strategy we intend to further focus the portfolio to fewer but larger investments. This will increase the overall level of risk to some extent, but we believe that the improvement in potential return will more than offset the increased risk. ■

Ferd Venture

Erik Fausa Olsen

- First full-year of operations for Ferd Venture
- The subsidiary Agronova completed the first factory for converting organic waste to fertiliser
- Invested in three new companies

Ferd Venture intends to invest in companies with proprietary technology or with a business model that can be scaled up over time and that is capable of creating lasting competitive advantage. The products or services offered by such a company must represent clear value-added for the customer relative to alternatives. In addition Ferd Venture will look for companies that are in growing industries and offer international potential.

Ferd Venture intends to concentrate its investment portfolio to relatively few companies, and will play an active ownership role in the companies in which it invests. As a matter of principle we will accordingly expect to be represented on the Board of Directors of companies in the portfolio. Ferd Venture will focus its investment activities on technology companies. The current portfolio largely comprises companies in the fields of environmental technology and aquaculture.

We anticipate increasing our exposure to aquaculture, and we are considering investing in the oil/offshore sector. Ferd Venture has exposure to the ICT and biotechnology sectors through investment funds, and does not envisage direct investments in companies in these sectors. However we may consider companies in these areas where they offer technology relevant to other areas of interest for Ferd Venture such as aquaculture.

NOK million

Key figures	2001	2000
Operating revenue	- 42.6	14.9
Operating profit	- 71.7	- 12.4
Fixed assets	73.4	21.2
Current assets	89.7	134.4
Total assets	**163.1**	**155.6**
Equity	148.0	142.4
Long-term liabilities	0.7	5.1
Current liabilities	14.4	8.1
Total equity and liabilities	**163.1**	**155.6**

Portfolio

- Ferd Venture manages investments worth ca. NOK 200 million.
- Subsidiaries: Ferd Venture owns Agronova AS. A more detailed description of Agronova can be found on page 48.
- Venture capital funds: Ferd Venture's investments include holdings in the venture capital funds Energy Ventures, Four Seasons Venture II & III, Teknoinvest VII and Start-Fondet.
- Shareholdings: Companies in which Ferd Venture holds shares include Affitech AS, Ansura AS, Applied Plasma Physics AS, AxxessIt ASA, Benefit Network ASA, Dorsal Networks Inc., Energos ASA and Maripro AS.

THE FERD VENTURE TEAM: Ferd Venture is run by EVP Erik Fausa Olsen (MBA, AFA financial analyst) and Investment Manager Helge Hellebust (Chartered Engineer with further qualifications in business and finance).

MARIPRO: In 2001 Ferd Venture invested in Maripro AS, a company with a new aquaculture feeding concept for the production of marine juveniles.

NORWEGIAN VENTURE CAPITAL ASSOCIATION: Ferd Venture is a founder member of the recently established Norwegian Venture Capital Association. The association aims to improve understanding of the role of venture capital in the Norwegian economy.

2001 was the first full year of operations for Ferd Venture, and was dominated by work on establishing an investment strategy, streamlining the investment process and work to profile Ferd Venture as an attractive investor.

Ferd Venture made new investments in three companies in 2001, and also made follow-up investments in two existing portfolio companies. The second half of the year saw a marked increase in the number of attractive investment opportunities available for consideration, and by the close of 2001 Ferd Venture had a number of interesting companies under consideration.

ORGANISATION

Ferd Venture currently comprises Erik Fausa Olsen, Executive Vice President, who has worked at Ferd for five years and Helge Hellebust, Investment Manager, who joined the company in April 2001. Ferd Venture intends to recruit an additional Investment Manager during the first quarter of 2002, and will consider further additions during the course of 2002.

INVESTMENTS

Ferd Venture invested in the following companies:

Benefit Network ASA: Benefit Network's business concept is to assist major companies with advice on systems for employee benefits, and to design, negotiate and manage these arrangements for them. The company intends to develop an internet portal that offers systems for the effective communication of information on a company's benefits package to its employees. This is intended to ensure that the client company creates increased awareness and appreciation of the value of the benefits it provides for its employees.

Dorsal Networks Inc: An agreement was signed on 29 January 2002 with Corvis Corporation, a leading supplier of intelligent optical network systems, for the purchase of the entire share capital of Dorsal Networks. Dorsal Networks supplies next-generation optical network solutions for the sub-sea cable market. Major international companies involved in building or upgrading large sub-sea communication systems represent the company´s target market. Dorsal´s technology offers a highly cost-effective way of increasing the reach, capacity and reliability of such systems at a lower cost than is currently possible. Ferd Venture´s investment takes the form of a co-investment with Teknoinvest VII.

Maripro AS: Maripro has developed a new aquaculture feeding concept for the production of marine juveniles, and has applied for a patent. The new product will wholly or partly replace the use of live feed for farming marine species such as cod, halibut, sea bass and sea bream. The current market for starter feed is already very sizeable, and is growing quickly.

In addition Ferd Venture increased its investments in Applied Plasma Physics and Affitech in 2001, and also invested additional capital in the venture capital funds Four Seasons Venture III, Teknoinvest VII and Startfondet.

THE NORWEGIAN VENTURE CAPITAL ASSOCIATION

The Association was established in March 2001 by the leading venture capital firms in Norway. Ferd Venture and 17 other companies make up the association's primary members, and there are also several associated members. The purpose of the association is to improve the position of Norwegian venture capital, to create a powerful organisation and to build a strong network to promote Norwegian entrepreneurship.

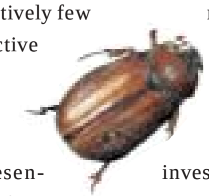
SANODOR X-IT AS

The activities of Sanodor X-it were discontinued in 2001. Ferd Venture still owns the patent and brand-name rights to the X-it product, and has licensed these rights to Herman Lepsøe AS. Production and sale of X-it products will continue under the licence arrangement.

INVESTMENT STRATEGY

Ferd Venture intends to invest in companies with proprietary technology or with a business model that can be scaled up over time and that is capable of creating lasting competitive advantage. The products or services offered by such a company must represent clear value-added for the customer relative to alternatives. In addition Ferd Venture will look for companies that are in growing industries and offer international potential. Ferd Venture will invest in companies that have passed the seed capital investment phase and are now looking for capital to commercialise their technology or business model. We will expect companies to demonstrate that they have a robust and competent operational structure.

Ferd Venture intends to concentrate its investment portfolio to relatively few companies, and will play an active ownership role in the companies in which it invests. As a matter of principle we will accordingly expect to be represented on the Board of Directors of companies in the portfolio.



Ferd Venture will focus its investment activities on technology companies. The current portfolio largely comprises companies in the fields of environmental technology and aquaculture. We anticipate increasing our exposure to aquaculture, and we are considering investing in the oil/offshore sector. Ferd Venture has exposure to the ICT and biotechnology sectors through investment funds, and does not envisage direct investments in companies in these sectors. However we may consider companies in these areas where they offer technology relevant to other areas of interest for Ferd Venture such as aquaculture.

We have also seen a significant inflow of attractive investment opportunities that do not lie within the areas identified above. We do intend to respond to the opportunities such companies offer, subject to them satisfying our other investment criteria. We will however restrict ourselves to companies were we feel we have the necessary expertise to evaluate and monitor their business.

Ferd Venture normally looks to invest between NOK 5 and NOK 20 million in a company, with an ownership interest of between 10% and 50%. Our investment perspective is 3-5 years, and we look for clear exit routes, either through a stock exchange listing or an industrial sale.

FUTURE PROSPECTS

2001 was a generally weak year for venture capital investment. Many venture capital investors were heavily exposed to companies in the "new economy" and therefore suffered from the repricing of this segment. However we still have considerable confidence in the long-term outlook for venture capital as an attractive form of investment, and we will focus in 2002 on further developing our investments and identifying attractive new investment opportunities.

PILOT PLANT: The staff at Agronova's processing plant have the expertise to handle a wide range of testing and modification tasks for what is in effect a pilot plant at this start-up stage.

THE PRIME MINISTER OPENS THE NEW PLANT: Agronova's first production plant for processing organic waste was opened in August 2001 by Jens Stoltenberg, Prime Minister at the time, together with Johan H. Andresen, Jr., Chief Executive Officer of Ferd.

Einar Kindem

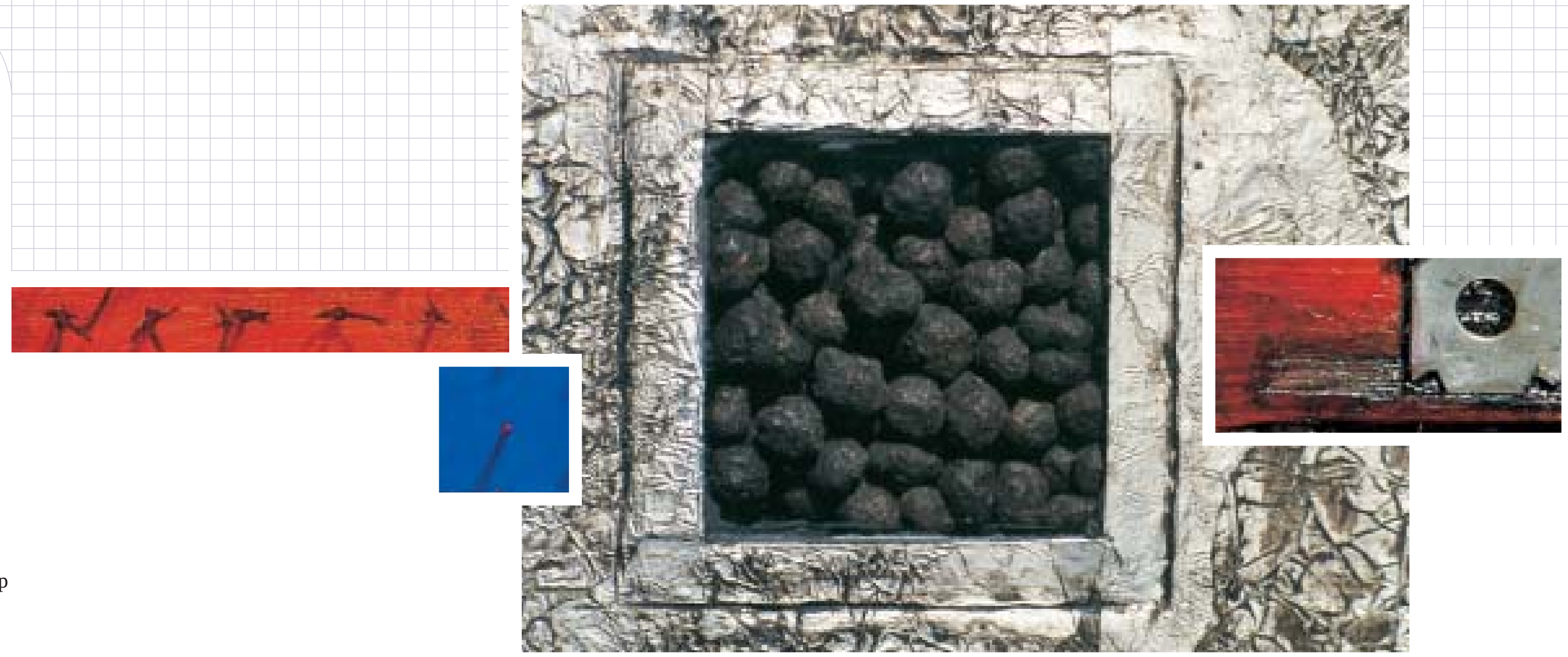
AGRONOVA

Agronova's objective is to develop, market and sell environmental technology for the effective conversion of organic waste into high-nutrient fertiliser.

NOK million

Key figures	2001	2000	1999
Operating revenue	0.0	0.6	0.7
Operating profit	- 7.4	- 3.3	- 4.9
Fixed assets	58.3	15.1	1.7
Current assets	12.7	24.4	8.2
Total assets	**71.0**	**39.5**	**9.9**
Equity	48.3	31.1	3.2
Long-term liabilities	19.7	5.1	5.1
Current liabilities	3.0	3.3	1.6
Total equity and liabilities	**71.0**	**39.5**	**9.9**

- Agronova has developed and patented a process for converting organic waste into high-nutrient fertiliser
- The subsidiary company AgroSol AS opened a full-scale processing plant at Moss in Norway in 2001
- The new plant will test the Agronova technology and start commercial processing of waste in 2002



BACKGROUND

The wet organic waste and sludge generated by the production, processing and consumption of food represents a major environmental challenge. The only entirely safe method of processing currently available is incineration. However this offers little or no recycling benefit, and there is great demand for alternative treatment technologies. Converting organic waste into compost is the most common method currently used, but composting technology is expensive and not particularly safe. Compost has little or no commercial value and is often simply dumped. This has led to pressure within the EU to ban the use of wet organic waste for compost, principally because of the risk of infection. In addition the environmental authorities would like to see as much of this waste as possible recycled for use in agricultural production.

PROCESS AND PRODUCT

The Agronova process converts organic waste to high-nutrient granulated fertiliser. The Agronova process is fast and efficient, whereas methods such as composting take between six to eight weeks. The Agronova process not only kills all micro-organisms but also breaks up much of the "heavy" organic structure, making the nutrients more accessible for plant life.

Trials carried out by the Agricultural University of Norway have demonstrated that Agronova fertiliser has better growth-promoting properties than artificial fertilisers. The organic material it contains improves soil structure and helps to prevent soil erosion and drought damage. In addition Agronova fertiliser has neutral acidity and, unlike artificial fertilisers, does not acidify the soil. Agronova fertiliser represents an environmentally-friendly and complete alternative to traditional artificial fertilisers.

RESULTS

AgroSol AS was incorporated as a subsidiary of Agronova Norge AS in 2000. AgroSol owns and operates the plant for fertiliser production at Moss. The new plant was completed in Summer 2001 and was opened by the Prime Minister of Norway, Jens Stoltenberg, on 21 August. Testing of the processes involved has continued since the opening, and the results so far are promising. Sorted food waste and sewage waste from the surrounding region will be used as raw material, and AgroSol aims to start normal production in the second quarter of 2002. At full capacity the plant will process ca. 10 000 tonnes of sewage waste and 8 000 tonnes of food waste annually.

The new facility's technology will also be tested on waste provided by potential purchasers of the Agronova process. We believe that it is important to demonstrate that Agronova technology works on a potential purchaser's 'local' waste in order to win orders for new Agronova plants in Norway and abroad.

Agronova completed its patent applications for the waste conversion process and product in 2001. The process is patented in a number of countries, including the USA and the EU, and the level of patent protection is considered satisfactory.

Energros AS holds 25% of the share capital of Agronova Norge AS. Energros develops and produces environmentally friendly waste incineration plants, and there are clear similarities between the two companies' activities. Energros and Agronova can jointly offer a complete waste processing solution, generating energy from waste incineration and producing environmentally-friendly fertiliser from food and sewage waste. Agronova has high expectations of the synergy benefits to be gained from co-operation with Energros.

ORGANISATION

Agronova and its subsidiaries have nine employees. The production plant at Moss employs an operations manager and five technicians with extensive engineering and process technology expertise. The Moss facility is a pilot plant, and since the testing phase requires continuous modifications it is very advantageous that the staff can carry out this work in-house.

FUTURE PROSPECTS

2001 was the year in which Agronova moved from being a project to become an operating company. There are high expectations for the AgroSol facility in Moss, and this plant will provide the basis for future growth and development of the Agronova concept. The company's long-term objective is to apply its technology for waste processing at other locations in Norway and abroad, and this will involve developing close co-operation with other players in the fields of environmental technology, waste processing and recycling. During 2002 steps will be taken to find suitable partners to support the company's long-term growth. The company's Board and management will also focus on building up the company and its organisational structure to meet the challenges it faces.

Ferd Real Estate


John Skogen

Ferd Real Estate will develop attractive residential and commercial properties in the Oslo area. We will own, develop, acquire and sell properties that are characterised by long-term value creation, either alone or in co-operation with selected partners.

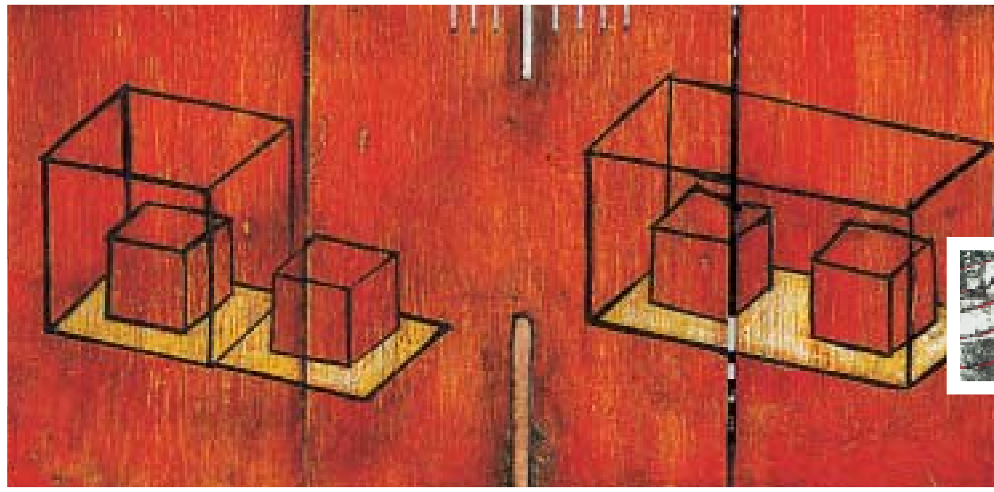
Ferd Real Estate is responsible for the group's real estate activities, and manages an 86 000m² commercial property portfolio, principally located in the Oslo area. In common with the rest of the market Ferd Real Estate experienced a slower commercial rental market in 2001, and 3% of the portfolio was vacant at year end. Residential property development was a major area of focus for Ferd Real Estate in 2001, with three major projects planned at Ensjø and Bjølsen in the Oslo area.

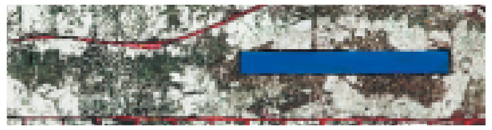
A depressed commercial property market with persistently high vacancy rates should provide a good starting point for attractive investments in this segment. In the residential market, forecasters seem to agree that demand in the Oslo area will continue to outstrip supply. We believe that this will be the case in the Ensjø district despite the significant number of new residential units currently planned. Ferd Real Estate is well placed for further growth thanks to its strong balance sheet.

- Total real estate portfolio of 86 000m² under management
- Three residential projects currently under development for a total of 370 apartments
- Joint owner of the Swedish property company Graflunds Invest AB together with other Norwegian investors

NOK million

Key figures	2001	2000	1999
Operating revenue	57.2	54.5	46.4
Operating profit	31.4	32.2	22.8
Fixed assets	260.1	201.1	188.7
Current assets	147.2	163.5	69.9
Total assets	**407.3**	**364.6**	**258.6**
Equity	179.3	193.8	181.0
Long-term liabilities	206.8	77.0	12.0
Current liabilities	21.2	93.8	65.6
Total equity and liabilities	**407.3**	**364.6**	**258.6**





MARKET

The second half of 2001 saw stagnation for commercial rentals in Oslo, both for Ferd Real Estate and the market as a whole. This trend is expected to continue in 2002, but some improvement is expected towards the end of the year or early in 2003 depending on the overall state of the Norwegian economy.

The market for new residential property showed signs of slowdown in autumn 2001, but the Oslo market is expected to continue to see good demand given the underlying shortage of residential accommodation.

RESULTS

Ferd Real Estate generated operating revenue of NOK 57.2 million in 2001 as compared to NOK 54.5 million in 2000. Operating profit for 2001 was NOK 31.4 million as compared to NOK 32.2 million in 2000. Operating profit for the year was ahead of budget despite more difficult conditions in the rental market and increasing vacancy levels in the second half of the year.

REAL ESTATE MANAGEMENT, OPERATION AND MAINTENANCE

Ferd Real Estate owns and manages properties let to 39 tenants. New lease contracts were signed in 2001 with seven tenants for total space of 4 200 m² Despite weaker market conditions we achieved good rental levels and attractive terms. The largest lease renewal was for a property at Mailundveien 23.

Vacant space totalled 2 800 m² at 31 December 2001, equivalent to 3% of the total portfolio under management. The operation and maintenance of the portfolio in 2001 proceeded in accordance with the planned program, and no major problems were experienced.

THE REAL ESTATE PORTFOLIO

The group owned seven properties at 31 December 2001 through Ferd Eiendom AS and ENIB AS, representing total space of ca. 67 000 m² In addition Ferd Real Estate manages properties for Ferd Eiendomsinvest AS amounting to ca. 19 000 m². Ferd's real estate holdings have a market value of NOK 525 million. The group's largest property is a 45 000 m² complex at Ensjø leased to J. L. Tiedemanns Tobaksfabrik AS.

Ferd acquired the property company ENIB AS with effect from 1 January 2001, and this company will be merged into Ferd Real Estate in 2002. Ferd Real Estate also acquired Ensjøveien 23 B in January 2001.

Ferd Real Estate is a joint owner of the Swedish property company Graflunds Invest AB together with other Norwegian investors. The company operates from headquarters in Eskilstuna and owns 3 600 rental apartments and 140 000 m² of commercial space. Ferd Real Estate has a 16.8% interest.

PROPERTY DEVELOPMENT

Ferd Real Estate's main activity in 2001 was the development of three major residential projects for a total of 370 residential units.

Ferd Real Estate intends to develop Hovinveien 29-35 and Bergensgt. 26 in its own right, and will develop Malerhaugveien 24-26 jointly with Backe Prosjekt AS and Mallin Eiendom AS.

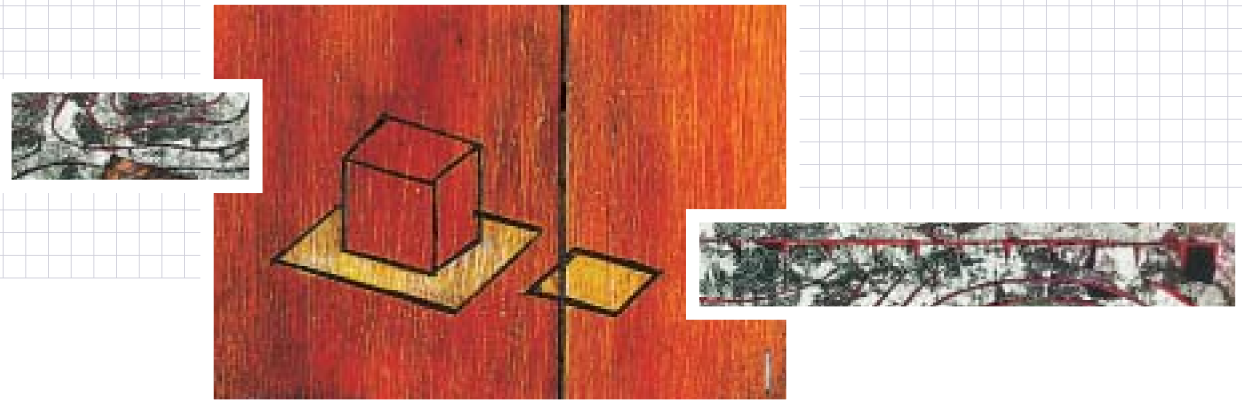
THE ENSJØ DISTRICT

The Planning Department of the City of

THE ENSJØ PROJECT: As the largest freeholder in the Ensjø area, Ferd Real Estate is heavily involved in the Ensjø Group which works to improve co-operation among the freeholders involved and ensure an attractive framework for the development of the Ensjø district as a new residential and business centre.

IDYLLIC: The residential development at Hovinveien 29-35 enjoys a fine setting near Lille Tøyen Haveby with views over Oslo and the Oslo Fjord.

FERD REAL ESTATE: Kristin Opperud (Project/Technical Manager), Trond Ottervig (Property Operations), Anders Kristian Dahl (Head of Project Management), Jan Grønhaug (Property Management), Jorid Ottervig (Janitor), Geir Oseth (Janitor) and John Skogen.



Oslo produced an outline plan in July 2001 for the regeneration of the Ensjø district as a new urban centre with a strong residential element. Residential development will take place in several steps, with up to 7 000 residential units in total. Ferd Real Estate is actively involved in promoting the interests of freeholders in this area through its participation in the Ensjø Group. The Ensjø development will extend over a considerable period, possibly 15-20 years.

ORGANISATION

During 2001 Ferd Real Estate further developed and refined its corporate mission statement, and established a new business vision and value platform.

Ferd Real Estate strengthened its resources in 2001 by recruiting a new project manager to work on the planning and development of residential and commercial projects.

Considerable importance is attached to operating with a small but effective team that can make good use of a well-developed network of professional expertise.

Accounting and finance functions for Ferd Real Estate are carried out by the group's accounting department.

Ferd Real Estate had 7 full-time employees at the end of 2001.

FUTURE PROSPECTS

Ferd Real Estate's objective is to increase the group's involvement in the real estate market when market opportunities are considered favourable. We carried out a risk and market investigation of the Oslo real estate market in 2001, with particular focus on the Ensjø district which accounts for a significant proportion of the Ferd Real Estate portfolio and is an area we know well. This investigation strengthened our confidence in Ensjø as an attractive area for future development.

A depressed commercial property market with persistently high vacancy rates should provide a good starting point for attractive investments in this segment. In the residential market, forecasters seem to agree that demand in the Oslo area will continue to outstrip supply. We believe that this will be the case in the Ensjø district despite the significant number of new residential units currently planned.

Evaluation of new development projects and potential property purchases will continue to be a priority area in 2002. The business area now has the staffing and expertise needed to carry out this important work.

Ferd Real Estate is well placed for further growth thanks to its strong balance sheet.

DEVELOPMENT PROJECTS HOVINVEIEN 29-35, ENSJØ

Ferd Eiendom started work in 2000 on the development of this site at Hovinveien 29-35, situated between Lille Tøyen Haveby and the route from Tøyen to Valle Hovin. The plan envisages 170 apartments built around a spacious 3-sided courtyard open to the south-west. The residential blocks will vary in height between three and six stories, and offer a variety of apartment sizes.

The project is now at the stage of a well-developed outline plan, and a planning application has been submitted. We expect, subject to the progress of the outline plan for the Ensjø district, to make a start on this project in 2003.

BERGENSGT. 26, BJØLSEN

This property, which is currently used for office and commercial purposes, is in an idyllic location near Voldsløkka in the Bjølsen district, which is one of Oslo's major open spaces. Ferd Real Estate has owned this property since it was constructed in the 1950s, and it has been leased to Norsk Musikk AS for the last 20 years.

Ferd Real Estate plans to build almost 100 apartments in a modern urban development up to six stories high. The first stage of construction involving a number of smaller apartments and some commercial space on the ground floor will start in 2002 for completion in 2003. The second stage, comprising the larger family apartments, will start in 2003.

MALERHAUGVEIEN 24-26, ENSJØ

Ferd Eiendom AS has purchased this 6 500 m² site together with Backe Prosjekt AS and Mallin Eiendom AS, for residential development of 2, 3 and 4 room apartments. The site occupies a central position in the Ensjø district and is close to the underground station and Fyrstikktorget. The development will comprise 100 units in three separate six storey buildings with underground parking.

Planning permission for this development was approved by the City of Oslo in November 2001, and construction is expected to start in Summer/Autumn 2002. Marketing of the apartments will

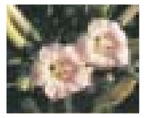
REAL ESTATE PORTFOLIO – FERD EIENDOM AS

Property	Area m²	Type of property	Lease period (yrs)
Hovinanlegget	44 952	office/production/warehouse	6.4
Ensjøveien 23b	2 880	office/production/warehouse	4.0
SWIX Lillehammer	6 200	office/production/warehouse	5.9
Grevegården	1 332	office	7.2
Bergensgate 26	2 857	office/shops/warehouse	1.0
Gladengveien 14	5 021	office/warehouse	3.5
Munkedamsveien 53b	3 605	office	2.6
Total Ferd Real Estate AS	**66 847**		**5.6**

UNDER MANAGEMENT – FERD EIENDOMSINVEST AS

Property	Area m²	Type of property	Lease period (yrs)
Ensjøveien 12b	3 800	office/production/warehouse	1.9
Gladengveien 12	3 591	commercal/office	8.5
Joh. H. Andresens vei 1	7 670	office/warehouse	5.6
Mailundveien 23	3 109	office	5.0
Rental properties	675		
Total for Ferd Eiendomsinvest AS	**18 170**		**5.3**
Total space exc. residential	**85 017**		**5.6**
No. of tenants at 31.12.2001	**31.12.2001**		**39**

Skandinavisk Tobakskompagni A/S



Following the merger of J. L. Tiedemanns Tobaksfabrik AS with Skandinavisk Tobakskompagni A/S (ST) in 1998, Ferd holds 17.2 % of the share capital of ST. Ferd's investment in ST is classified in the consolidated accounts as a fixed asset, and is recognised by the cost accounting method.

Ferd's accounts for 2001 include dividend received from ST of NOK 187 million, which is in line with 2000. The investment in ST is valued at NOK 293 million in Ferd's consolidated balance sheet.

The company mainly operates through the subsidiary House of Prince, which produces and sells the cigarette brands Prince, Look, Cecil and Kings, as well as a number of Polish brands. Sales are principally to the markets of Scandinavia, Central and Eastern Europe. Prince is the largest cigarette brand in Scandinavia, with a market share of 44.2 %. ST has extensive cigar and roll-your-own tobacco activities as well as holding a 55 % shareholding in Dagrofa, the largest grocery wholesaler in Denmark, and 32 % interest in Tivoli in Copenhagen. ST's accounting year runs from 1 July to 30 June.

The 2000/2001 accounting year was a satisfactory period for ST. The company reported an increase in consolidated pre-tax profit of DKK 2 011.4 million before minority interests, as compared to DKK 1 940.7 million in the previous year. Profit after tax and minority interests was DKK 1 400.2 million as compared to DKK 1 283.9 million for 1999/2000. All of ST's subsidiaries reported satisfactory results, but the improvement in earnings came principally from House of Prince, ST Cigar Group and Dagrofa as well as a gain realised by the parent company on its sale of shares in Det Berlingske Officin A/S.

Earnings in 2001/2002 are expected to be somewhat lower than in 2000/2001.

NORWAY

ST carries out its activities in Norway through the subsidiary J. L. Tiedemanns Tobaksfabrik AS (JLT). JLT's net operating revenue amounted to NOK 1 174.7 million as compared to NOK 1 178.4 million in the previous year. Pre-tax profit was NOK 382.2 million as compared to NOK 394.8 million in 1999/2000, and is considered satisfactory. The Norwegian market for tobacco products fell by 4.3 % from the previous year, but this reduction was largely offset by an increase in cross-border purchases. Prince is the largest cigarette brand in Norway, with a market share of 52.8% as compared to 53.9% in the previous year. JLT sold 1 760 tonnes of roll-your-own tobacco in the Norwegian market, down by 8.6% from the previous year. The company's market share fell from 86.3% to 85.4%.

CHILD LABOUR

The issue of child labour being employed in the cultivation of tobacco has attracted particular attention over the last year. Neither the ST group nor any of its suppliers employ child labour, but child labour is used on tobacco farms and on the small family farms that grow tobacco. Child labour is recognised as a problem by all businesses that use raw materials produced by the agricultural sector of developing countries. ST bases its policy on child labour on the conventions on children's rights established by the United Nations and the International Labour Organisation.

LEGAL PROCEEDINGS IN RESPECT OF PRODUCT LIABILITY

Three cases seeking compensation for ill health allegedly caused by smoking are currently pending in the Norwegian courts. In addition one smoker in Denmark has applied for free legal aid to bring a case against ST. This application has been refused, but the applicant has appealed to the Ministry of Justice. The first case on tobacco smoking to reach a Supreme Court in the Nordic countries was recently decided in Finland. The judgement handed down by Finnish Supreme Court on 7 June 2001 acquitted the tobacco companies. Since there are close similarities between legislation of the Nordic countries, it may be assumed that the Finnish judgement will have an effect on the cases pending elsewhere in the Nordic countries. If the cases currently pending and notified were to lead to judgements against the ST group's activities, they would have a material impact on ST's financial standing. However ST is of the opinion that the plaintiffs in the pending and notified cases will not be successful in their claims against the company.