NOTE 1 GENERAL INFORMATION AND ACCOUNTING PRINCIPLES

General information

Ferd AS is a privately owned Norwegian investment company located in Strandveien 50, Lysaker. The Company is involved in long-term and active ownerships of strong companies with international potential, and financial activities through investments in a wide range of financial assets.

Ferd is owned by Johan H. Andresen and his family. Andresen is the Chair of the Board.

The Company's financial statements for 2014 were approved by the Board of Directors on 24 April 2015.

Basis for the preparation of the financial statements

Ferd AS' financial statements are prepared in accordance with the Norwegian Accounting Act section 3-9 and regulation on simplified application of international accounting standards.

Summary of the most significant accounting principles

The most significant accounting principles applied in the preparation of the financial statements are described below. The accounting principles are consistent for similar transactions in the reporting periods presented, if not otherwise stated.

Investments in subsidiaries

Subsidiaries are companies where the parent company Ferd AS has direct or indirect control. Ferd has "control" over an investment if Ferd has the decision power over the enterprise in which it has invested, is exposed to or entitled to a variable return from the enterprise, and at the same time has the opportunity to use this decision power over the enterprise to influence on the variable return.

Subsidiaries are classified as tangible assets in the balance sheet and measured at fair value. Value changes on subsidiaries, current returns like dividend and gain or loss on the realisation of subsidiaries are recognised as net operating income in the result.

Investments in associated companies and joint ventures

Associates are entities over which Ferd has significant influence, but not control. Significant influence implies that Ferd is involved in strategic decisions concerning the company's finances and operations without controlling these decisions. Significant influence normally exists for investments where Ferd holds between 20 % and 50 % of the voting capital.

A joint venture is a contractual arrangement requiring unanimous agreement between the owners about strategic, financial and operational decisions.

Investments in associates and joint ventures are classified as non-current assets in the balance sheet and recognised at fair value. Value changes on the investments, current returns like dividend and gain or loss on the realisation of investments are recognised as net operating income in the result.

Revenue recognition

The Company's revenue mainly includes rendering services to other group companies and other related parties. Income from the sale of services is recognised according to the service's level of completion, provided the progress of the service and its income and costs can be reliably measured.

Revenue is recognised at fair value of the compensation and is presented net after discounts, VAT and other types of public duties. Sales income is presented as Other income in the result.

Foreign currency translation

The financial statements are presented in Norwegian kroner (NOK), which is the functional currency of Ferd AS. Transactions in foreign currency are recognised and measured in NOK at the date of the transaction. Monetary items in foreign currency are translated to NOK on the basis of the exchange rate at the date of the balance sheet. Gain and loss due to currency changes is recognised in the result.

Classification of financial instruments

Financial instruments constitute a substantial part of Ferd's balance sheet and are of considerable significance for the Company's financial position and result. Financial assets and liabilities are recognised when the Company becomes a party to the contractual obligations and rights of the instrument. All financial instruments are classified in the following categories, pursuant to IAS 39, at their initial recognition:

1. Financial instruments at fair value and with changes in value recognised over profit and loss
2. Loans and receivables
3. Financial liabilities

Financial instruments are classified as held for trading and included in category 1 if acquired primarily for benefiting from short-term price fluctuations. Derivatives are classified as held for trading and as current assets. The carrying value of interest derivatives is recognised as interest investments in the balance sheet.

Financial instruments at fair value with value changes over profit and loss pursuant to IAS 39 can also be classified in accordance with the "fair value option" in IAS 28.18. The instrument must initially be recognised at fair value with value changes over profit and loss and also meet certain criteria. The key assumption for applying the “fair value option” is that a group of financial assets and liabilities are managed on a fair value basis, and that management evaluates the earnings following the same principle.

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They are classified as current assets, unless they are expected to be realised more than 12 months after the balance sheet date. Loans and receivables are presented as trade receivables, other receivables and bank deposits in the balance sheet.

Financial liabilities that are not included in the category held for trading and not measured at “fair value over profit and loss”, are classified as other liabilities. Trade payables and other liabilities are classified as current if the debt is due within one year or is part of the ordinary operating cycle. Debt arisen by utilising Ferd's loan facility is presented as long-term if Ferd both has the opportunity and the intention to revolve the debt more than 12 months.

Recognition, measurement and presentation of financial instruments in the income statement and balance sheet

Purchases and sales of financial instruments are recognised on the date of the agreement, which is when the Company has made a commitment to buy or dispose of the financial instrument. Financial instruments are derecognised when the contractual rights to the cash flows from the asset expire or are transferred to another party. Correspondingly, the financial instruments are derecognised when the Company on the whole has transferred the risks and rewards connected with the ownership.

Financial instruments at “fair value over profit and loss” are initially measured at quoted prices at the balance sheet date or estimated on the basis of measurable market information available at the balance sheet date. Transaction costs are recognised in profit or loss. In subsequent periods, the financial instruments are presented at fair value based on market values or generally accepted calculation methods. Value changes are recognised in the result.

Borrowings and receivables are initially measured at fair value with the addition of direct transaction costs. In subsequent periods, the assets and liabilities are measured at amortised cost by using the effective interest method less any decline in value. A provision for a decline in value is made for actual and possible losses on receivables. Ferd regularly reviews receivables and prepares estimates for losses, as the basis for the provisions in the financial statements. Losses on loans and receivables are recognised in the income statement.

Financial liabilities classified as other liabilities are measured at amortised cost by using the effective interest method.

Gain and loss from the realisation of financial instruments, changes in fair values and interest income are recognised in the income statement in the period they arise. Dividend received is recognised as income when the Company has a legal right to receive payment. Net income related to financial instruments is presented as operating income in the income statement.

Financial derivatives and hedge accounting

Ferd applies financial derivatives to reduce any potential loss from exposures to unfavourable changes in exchange rates or interest rates. The derivatives are recognised as financial instruments at fair value, and the the value changes are recognised in the income statement. Ferd AS does not apply hedge accounting in the parent company financial statements.

Income taxes

The income tax expense includes tax payable and changes in deferred tax. Income tax on other income and expenses items in other comprehensive income is also recognised in total comprehensive income, and tax on balances related to equity transactions are set off against equity.

The tax payable for the period is calculated according to the tax rates and regulations ruling at the end of the reporting period. Tax payable for the period is calculated on the tax basis, which deviates from the "Profit before tax" as a consequence of amounts that shall be recognised as income or expense in another period (temporary differences) or balances never to be subject to tax (permanent differences).

Deferred tax is calculated on temporary differences between book and tax values of assets and liabilities in the financial statements and any tax effects of losses carried forward at the reporting date.

Deferred tax assets are only recognised in the balance sheet to the extent that it is probable that there will be sufficient taxable profits to utilise the benefits of the tax reducing temporary differences. Deferred tax liabilities and assets are calculated according to the tax rates and regulations ruling at the end of the reporting period and at nominal amounts. Deferred tax liabilities and assets are recognised net when the Company has a legal right to net assets and liabilities, and is able to and intend to settle the tax obligation net.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment. The cost includes expenses directly attributable to the acquisition of the asset. Expenses incurred after the acquisition are recognised as assets when future economic benefits are expected to arise from the asset and can be reliably measured, whereas current maintenance is expensed.

Tangible assets are depreciated over their expected useful lives, normally on a straight-line basis. If indications of impairment exist, the asset is tested for impairment.

Impairment

Tangible assets are considered for impairment when there are indications to the effect that future earnings cannot support the carrying amount.

In the assessment of a decline in value, the first step is to calculate or estimate the assets' recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Fair value less costs to less is the amount that can be recovered at a sale of an asset in a transaction performed at arm’s length between well informed and voluntary parties, less costs to sell. The value in use is the present value of future cash flows expected to be generated by an asset or a cash-generating unit.

In the event that the carrying amount exceeds the recoverable amount, the difference is recognised as a write-down. Impairment losses are subsequently reversed when the impairment indicator no longer exists.

Leasing

Leases are classified either as operating or finance leases based on the actual content of the agreements. Leases under which the lessee assumes a substantial part of risk and return are classified as finance leases. All of Ferd AS' present leases are classified as operating leases.

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

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other short-term and easily realisable investments that will fall due within 3 months, also including restricted funds. Bank overdraft is presented as short-term debt to finance institutions in the balance sheet. In the statement of cash flows, the overdraft facility is included in cash and cash equivalents.

Pension costs and pension funds/obligations

Defined benefit plans

A defined benefit plan is a pension scheme defining the pension payment an employee will receive at the time of retirement. The pension is normally determined as a part of the employee's salary. The Company's net obligation from defined benefit pension plans is calculated separately for each scheme. The obligation is calculated by an actuary and represents an estimate of future retirement benefits that the employees have earned at the balance sheet date as a consequence of their service in the present and former period. The benefits are discounted to present value reduced by the fair value of the pension funds.

The portion of the period's net cost that comprises the current year's pension earnings, curtailment and settlement of pension schemes, plan changes and accrued social security tax is included in payroll costs in the period during which the employees have worked and thereby earned the pension rights. The interest expense on the pension obligation less expected return on the pension funds is charged to the income statement as finance costs in the same period. Positive and negative estimate deviations are recognised as other income and costs in total comprehensive income in the period when they were identified.

Changes in defined benefit obligations due to changes in pension schemes are recognised over the estimated average remaining service period when the changes are not immediately recognised. Gain or loss on a curtailment or settlement of a plan is recognised in the result when the curtailment or settlement occurs. A curtailment occurs when the Company decides to reduce significantly the number of employees covered by a plan or amends the terms of a defined benefit plan to the effect that a significant part of the current employees’ future earnings no longer qualify for benefits or will qualify for reduced benefits only.

Defined contribution plans

Obligations to make contributions to contribution based pension plans are recognised as costs in the income statement when the employees have rendered services entitling them to the contribution.

Provisions

A provision is recognised when the Company has an obligation as a result of a previous event, it is probable that a financial settlement will take place and the amount can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, discounted at present value if the discount effect is significant.

Dividend

Dividend and group contribution proposed by the Board is recognised as current liabilities pursuant to the exemption in the regulation to the Norwegian Accounting Act section 3-9.

Business areas

Ferd reports business areas in line with IFRS 8. Ferd is an investment company, and management makes decisions, is following up and evaluates the decisions based on the development in value and fair value of the Company's investment. Ferd distinguishes between business areas abased on investment type/mandate, capital allocation, resource allocation and risk assessment.

Statements of cash flows

The cash flow statement has been prepared using the indirect method, implying that the basis used is the Company's profit before tax to present cash flows generated by operating activities, investing activities and financing activities respectively.

Related parties

Parties are considered to be related when one of the parties has the control, joint control or significant influence over another party. Parties are also related if they are subject to a third party's control, or one party can be subject to significant influence and the other joint control. A person or member of a person's family is related when he or she has control,joint control or significant influence over the business. Companies controlled by or being under joint control by key executives are also considered to be related parties. All related party transactions are completed in accordance with written agreements and established principles.

New accounting standards according to IFRS

The financial statements have been prepared in accordance with standards approved by the International Accounting Standards Board (IASB) and International Financial Reporting Standards - Interpretations Committee (IFRIC) effective for accounting years starting on 1 January 2014 or earlier.

New and amended standards applied by Ferd effective from the accounting year 2014:

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses consolidated financial statements and SIC-12 Consolidation — Special Purpose Entities.

The implementation of IFRS 10 has had no consequences for Ferd AS' parent company accounts.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 applies for enterprises with interests in companies that are consolidated, and companies not consolidated, but in which the enterprise nevertheless is engaged. IFRS 12 combines the disclosure requirements for subsidiaries, joint arrangements, associates and non-consolidated entities into one standard.

Ferd has implemented IFRS 12, but the implementation has not had any significant consequences for Ferd AS' parent company accounts.

New and amended standards not implemented by Ferd:

IFRS 9 Financial instruments

IFRS 9 will replace the current IAS 39. The project is divided in several phases. The first phase concerns classification and measurement. The classification and measurement requirements for financial liabilities in IAS 39 are on the whole continued. The use of amortised cost and fair value is continued as a basis for measurement. Concretely defined instruments must be measured at amortised cost or at fair value with value changes through the extended result. All other instrument shall be measured at fair value with value changes over profit and loss.

Phase 2 concerns impairment of financial instruments, and the changes include a twist from making provisions for incurred losses to expected losses. Consequently, the new standard does not require a concrete loss event for making a provision for a credit loss. Losses shall be made for estimated losses, and changes in these estimates shall also be recognised in the income statement on a current basis. The changes will have particular consequences for banks and lending businesses, but also for the Ferd, as the Group has significant receivables from the sale of goods and services that are partly expected to be affected.

Phase 3 concerns hedge accounting, and the rules in IFRS 9 are considerably more flexible than in IAS 39. Several types of instruments qualify as hedging instruments, more types of risk can be hedged, and even more importantly, the strong effectiveness requirements in IAS 39 have been modified. Instead of testing the effectiveness, IFRS 9 introduces a principle of at qualitative financial connection between a hedging instrument, the hedged object and risk. On the other hand, several new note requirements related to the enterprise's hedging strategy have been added.

The implementation date for IFRS 9 is determined to accounting years starting on 1 January 2018, but the EU has not yet approved the standard. Ferd will implement the standard when it becomes mandatory.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 is a joint standard for the recognition of income from customers and replaces IAS 18 Revenue, IAS 11 Construction Contracts, IFRS 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services. IFRS 15 only concerns income from contracts with customers. Revenue relating to liability and equity instruments previously regulated by IAS 18, is moved to IAS 39 (and IFRS 9 when implemented).

The main principle of IFRS 15 is that the recognition of income shall be made in such a manner that the recognition correctly demonstrates how the compensation for deliveries of goods and services is received by the enterprise. IFRS 15 introduces a 5 step model.

The standard is effective for accounting years starting on 1 January 2017, but it has still not been approved by the EU. As an investing enterprise, Ferd AS has very little income from customer contracts and will probably not be impacted by the standard.

Changes in IAS 16 and IAS 38,clarification of acceptable depreciation methods

There have been changes in IAS 16 and IAS 38 in order to prohibit the use of income-based depreciation methods. The depreciation of assets shall represent the use of the financial benefits associated with an asset, and is primarily independent of the income generated by the same assets. Accordingly, income-based depreciation methods are prohibited, with the exception of some intangible assets, where there is a very strong correlation between income and use. The change is effective from 1 January 2016, but is not considered to have any consequences for Ferd, as assets on the whole are depreciated by using the straight-line method.

NOTE 2 ACCOUNTING ESTIMATES AND JUDGEMENTAL CONSIDERATIONS

Management has used estimates and assumptions in the preparation of the financial statements. This applies for assets, liabilities, expenses and disclosures. The underlying estimates and assumptions for valuations are based on historical experience and other factors considered to be relevant for the estimate on the balance sheet date. Estimates can differ from actual results. Changes in accounting estimates are recognised in the period they arise. The main balances where estimates have a significant impact on disclosed values are mentioned below. The methods for estimating fair value on financial assets are also described below.

In Ferd's opinion, the estimates of fair value reflect reasonable estimates and assumptions for all significant factors expected to be emphasised by the parties in an independent transactions, including those factors that have an impact on the expected cash flows, and by the degree of risk associated with them.

Determination of the fair value of financial assets

A large part of Ferd's balance sheet comprises financial assets at fair value. The fair value assessment of financial assets will at varying degrees be influenced by estimates and assumptions related to factors like future cash flows, the required rate of return and interest rate level. The most significant uncertainty concerns the determination of fair value of the unlisted financial assets.

Listed shares and bonds

The fair value of financial assets traded in active and liquid markets is determined at noted market prices on the balance sheet date (the official closing price of the market). Accordingly, the determination of the value implies limited estimation uncertainty.

Unlisted shares and bonds

The class “Unlisted shares and bonds” comprises private shares and investments in private equity funds. The fair value is determined by applying well-known valuation models. The use of these models requires input of data that partly constitutes listed market prices (like interest) and partly estimates on the future development, as well as assessments of a number of factors existing on the balance sheet date.

Hedge funds

The hedge funds are managed by external parties providing Ferd with monthly, quarterly or half-yearly estimates of the fair value. The estimates are verified by independent administrators. In addition, the total return from the funds is assessed for reasonableness against benchmark indices. In addition, the reported value of the hedge funds managed in the SI (Special Investments) portfolio must normally be adjusted for an estimate on liquidity discount.

Interest investments

The fair value of interest investments is determined on the basis of quoted prices. If such prices are not available, the investment is valued in accordance with price models based on the current yield curve and external credit ratings.

Derivatives

The fair value of derivatives is based on quoted market prices. If such prices are not available, the investment is valued in accordance with price models based on the current yield curve and other relevant factors.

Determination of the fair value of subsidiaries with properties

Ferd has subsidiaries with properties recognised at fair value. The fair value is based on the discounted value of future cash flows, and the estimate will be impacted by estimated future cash flows and the required rate of return. The main principles for deciding the cash flows and required rates of return are described below.

Future cash flows are based on the following factors:

Existing contracts

Expected future rentals

Expected vacancies

The required rate of return is based on a risk-free interest with the addition of a risk premium for the property.

The risk premium is based on:

Location

Standard

Expected market development

Rent level compared to the rest of the market

The tenant’s financial strength

Property specific knowledge

In the event that transactions concerning comparable properties close to the balance sheet date have taken place, these values are applied as a cross-reference for the valuation.

Determination of the fair value of financial subsidiaries with financial and subsidiaries owned by the

business area Ferd Capital

Ferd AS owns financial and industrial investments indirectly through subsidiaries acting as holding companies and subsidiaries directly owned by the business area Ferd Capital. The fair value of these subsidiaries is set to the carrying value of equity, adjusted for non-recognised changes in value of the underlying investments. The underlying investments are valued according to the same principles and methods as Ferd AS' direct investments.

Pension funds and obligations

The calculation of pension obligations implies the use of judgements and estimates on a number of financial and demographical assumptions. Note 15 has details on the assumptions used. Changes in assumptions can result in significant changes in pension obligations and funds in the balance sheet.

NOTE 3 BUSINESS AREAS

Ferd's segment reporting complies with IFRS 8. Ferd is an investment company, and the Company's management makes decisions and monitors and evaluates these decisions based on the development in value and fair value of the Company's investments. The operating segments are identified on the basis of investment type/mandate, capital and resource allocation and risk assessment. Ferd is operating the following five business areas:

Ferd Capital is an active and long-term investor in privately owned and listed companies. This implies that Ferd Capital both consider when to invest or sell, and is working actively with the companies during the period of ownership to secure the development in value to be the best possible. Ferd Capital is exercising active leadership by cooperating with the companies' management and board. Ferd Capital manages the Grou's long-term active equity investments.

- Elopak (100 percent stake) is one of the world's leading manufacturers of packaging systems for fluid food articles. With an organisation and cooperating partners in more than 40 countries, the company's products are sold and marketed in more than 100 countries.

- Aibel (49 percent stake) is a leading supplier to the international upstream and gas industry concentrating on the Norwegian shelf. The company is engaged in operating, maintaining and modifying offshore and land based plants, and is also supplying complete production and processing installations.

- TeleComputing (96 percent stake) is a leading supplier of IT services to small and medium-sized enterprises in Norway and Sweden. The company supplies netbased applications and customised operating and outsourcing services.

- Interwell (58 percent stakel) is a preeminent Norwegian supplier of high-tech well tools to the international oil and gas industry. The company's most important market is the Norwegian shelf, but it has in recent years also gained access to several significant markets internationally.

- Swix Sport (100 percent stake) is developing, manufacturing and marketing ski wax, ski sticks, accessories and textiles for sporting and active leasure time use. The company has extensive operations in Norway and abroad.

- Mestergruppen (95 percent stake) is a prominent actor in the Norwegian building materials market concentrating on the professional part of the market. The company's operations include the sale of building materials and developing land and projects, housing and cottage chains.

- Servi (100 percent stake). Servi develops and manufactures customer specific hydraulics systems, cylinders and vents to the offshore, maritime and land based industries.

- Petroleum Geo-Services (10,1 percent stake). Petroleum Geo-Services (PGS) supplies seismology, electro-magnetic services and reservoir analyses to oil companies engaged in offshore operations all over the world.

Ferd Invest mainly invests in listed Nordic limited companies. The ambition is to beat a Nordic share index, but the investment team is not focusing on allocations between countries and sectors or the content of the reference index (MSCI Nordic Mid Cap Index). Ferd Invest is only concerned with the companies in which they invest and their development.

Ferd Special Investments (SI) has a wide mandate to make investments, but so far only hedge fund shares in the second-hand market have been purchased. SI makes investments where Ferd assumes there are opportunities within this niche.

Ferd Hedge Fund invests in various types of hedge funds managed by hedge fund environments abroad. The aim is to achieve an attractive risk-adjusted return, both in absolute terms and relatively to the hedge fund index (HFRI FoF: Conservative Index).

Ferd Real Estate is an active property investor responsible for the Group's efforts concerning property. Developments mainly take place within housing projects, new office buildings and warehouse/combined buildings. The projects are partly carried out in-house, partly together with selected external cooperating partners. Investments concerning financial property only are also made.

Other areas mainly comprises investments in externally managed private equity funds that do no require much daily follow-up and therefore are monitored by management. Other areas also comprise some financial instruments to be utilised by management to adjust the total risk exposure. Costs to the company's management, staff and in-house bank are also included .

Ferd Special Investments and Ferd Hedge Fund are invested in USD. Foreign currency effects on the investments are recognised in Other areas by using foreign currency derivatives.

NOK 1 000	Ferd AS	Ferd Capital	Ferd Invest	Ferd Special Investments	Ferd Hedge Fund	Ferd Real Estate	Other areas

NOK 1 000	Ferd AS	Ferd Capital	Ferd Invest	Ferd Special Investments	Ferd Hedge Fund	Ferd Real Estate	Other areas
Results 2014							
Sales income	**736 789**	-1 265 018	665 319	144 695	96 213	274 100	821 480
Operating expenses	**- 153 015**	- 49 929	- 8 734	- 6 553	- 8 293	- 20 323	- 59 183
Operating result	**583 775**	**-1 314 946**	**656 585**	**138 142**	**87 920**	**253 777**	**762 298**
Balance sheet 31 December 2014							
Investments in subsidiaries	**10 824 395**	8 614 104		37 582		2 130 528	42 181
Investmens classified as current assets	**13 466 817**	931 482	5 645 278	1 875 527	2 869 671	130	2 144 729
Bank deposits/drawings on group account	**371 542**	769 191	11 390	- 53 711	- 157 173	248 456	- 446 611
Other assets	**1 536 480**	2 334	3 903	383 210	146 557	138 795	861 681
Total assets	**26 199 234**	**10 317 111**	**5 660 572**	**2 242 608**	**2 859 054**	**2 517 909**	**2 601 980**
Result 2013							
Operating income	5 667 474	2 448 792	1 489 658	573 629	196 366	89 265	869 763
Operating expenses	- 177 658	- 62 682	- 18 455	- 21 153	- 4 894	- 9 278	- 61 196
Operating profit	**5 489 816**	**2 386 111**	**1 471 203**	**552 476**	**191 472**	**79 987**	**808 567**
Balance sheet at 31 December 2013							
Investments in subsidiaries	11 403 639	9 468 879		44 547		1 304 661	585 551
Investments classified as current assets	12 539 232	158 290	4 985 020	1 992 851	2 227 204	130	3 175 738
Bank deposits/drawings on group account	274 870	1 190 694	53 737	184 636	30 896	238 910	-1 424 003
Other assets	275 473	29 211	1 235	144 604	25 300	47 889	27 234
Total assets	**24 493 214**	**10 847 074**	**5 039 992**	**2 366 638**	**2 283 400**	**1 591 591**	**2 364 520**

NOTE 4 INCOME FROM FINANCIAL INVESTMENTS

NOK 1 000	Dividend and group contributions from financial investments *)	Unrealised value change on financial investments	Net gain on sales of financial investments	Total
Investments in subsidiaries	765 179	-1 904 662		**-1 139 483**
Listed shares and stakes	156 786	- 414 465	972 475	**714 795**
Unlisted shares and bonds		- 46 840	13 517	**- 33 322**
Hedge funds	28 869	749 608	389 638	**1 168 115**
Total 2014	**950 834**	**-1 616 359**	**1 375 630**	**710 105**

NOK 1 000	Dividend and group contributions from financial investments *)	Unrealised value change on financial investments	Net gain on sales of financial investments	Total
Investments in subsidiaries	152 627	2 473 235		2 625 863
Listed shares and stakes	110 698	1 091 666	352 266	1 554 631
Unlisted shares and bonds	1 491	408 887	42 158	452 536
Hedge funds	6 764	833 463	163 319	1 003 546
Interest investments	- 3 160	- 19 540	32 746	10 047
Total 2013	**268 421**	**4 787 712**	**590 490**	**5 646 622**

*) Distributions from funds investments are mainly recorded against cost on the investments and not recognised in the income statement.

NOTE 5 FINANCIAL INSTRUMENTS AND THE USE OF FAIR VALUE

Ferd's principles in the measurement of fair value, in general

Ferd applies the valuation method that is considered to be the most representative estimate of an assumed sales value. Such a sale shall be carried out in an orderly transaction at the balance sheet date. As a consequence, all assets for which there is observable market information, or where a transaction recently has been carried out, these prices are applied (the market method). When a price for an identical asset is not observable, the fair value is calculated by another valuation method. In the valuatons, Ferd applies relevant and observable data at the largest possible extent.

For all investments where the value is determined by another method than the market method, analyses of changes in value from period to period are carried out. Thorough analyses on several levels are made, both overall within the business area, by Ferd's group management and finally by Ferd's Board. Sensitivity analyses for the most central and critical input data in the valuation model are prepared, and in some instances recalculations of the valuation are made by using alternative valuation methods in order to confirm the calculated value.

Ferd is consistent in the application of valuation method and normally does not change the valuation principles. A change of principles will deteriorate the reliability of the reporting and weaken the comparability between periods. The principle for the valuation and use of method is determined for the investment before it is carried out, and is changed only exceptionally and if the change results in a measurement that under the circumstances is more representative for the fair value.

Valuation methods

The value of subsidiaries is deterined on the basis of the companies' recorded equity and adjust for changes in value not recognised. Underlying investments are valued according to the same principles as investments directly owned by Ferd AS, as described below.

Investments in listed shares are valued by applying the market method. The quoted price for the most recent carried-out transaction on the market place is the basis.

Investments in unlisted shares managed in-house are normally valued on the basis of an earnings multiple. In calculating the value (Enterprise Value - EV), ratios like EV/EBITDA, EV/EBITA , EV/EBIT and EV / EBITDA-CAPEX) are applied. Ferd obtains relevant mutiples for comparable companies. The multiples for the portfolio companies are adjusted if the assumptions are not the same as the peer group. Such assumptions can include a control premium, a liquidity discount, growth assumptions, margins or similar. The company's result applied in the valuation is normalised for one-off effects. Finally, the equity value is calculated by deducting net interest-bearing debt. In the event that an independent transaction has taken place in the security, this is normally used as a basis for our valuation.

The valuation of investments in externally managed private equity and hedge funds is based on value reports received from the funds (NAV). Ferd makes a critical assessment of whether the reported NAV can be used as a basis.

Special Investments has acquired hedge funds in the second-hand market, often at a considerable discount compared to the reported value fraom the funds (NAV). In the measurement of these hedge funds, estimates from selveral external brokers are obtained to evaluate at which discount these hedge funds are traded, compared to the most recently reported NAV. Ferd makes an assessment of the broker estimates, makes a best estimate for discount and uses this estimate in the valuation of the hedge funds.

Rental properties are valued by discounting future expected cash flows. The value of properties being part of building projects is valued at an assumed sales value on a continuous basis. There is often a shift in value at achieved milestones. Our calculated values are regularly compared to independent valuations.

The table below is an overview of carrying and fair value of the Group's assets and liabilities and how they are valued in the financial statements. It is the starting point for additional information on the Company's financial risk and refers to notes to follow.

		Financial instruments measured at amortised cost			
NOK 1 000	Investments at fair value over profit and loss	Loans and receivables	Financial liability	TOTAL	Fair value
Non-current assets					
Investments in					

subsidiaries	10 824 395			10 824 395	10 824 395
Other non-current receivables		841		841	841
Total 2014	**10 824 395**	**841**		**10 825 236**	**10 825 236**
Total 2013	**11 403 639**	**42 663**		**11 446 302**	**11 446 302**
Current assets					
Short-term receivables on group companies		724 687		724 687	724 687
Other short-term receivables	34 964	765 884		800 849	800 849
Listed shares and bonds	6 622 552			6 622 552	6 622 552
Unlisted shares and bonds	2 215 184			2 215 184	2 215 184
Hedge funds	4 629 081			4 629 081	4 629 081
Bank deposits		371 542		371 542	371 542
Total 2014	**13 501 782**	**1 862 113**		**15 363 895**	**15 363 895**
Total 2013	**12 539 232**	**499 598**		**13 038 830**	**13 038 830**
Short-term debt					
Short-term interest-bearing debt			500 000	500 000	500 000
Trade accounts payable			1 611	1 611	1 611
Public duties etc.			6 926	6 926	6 926
Debt to group companies			909 732	909 732	909 732
Other short-term debt	3 079		20 782	23 862	23 862
Total 2014	**3 079**		**1 439 052**	**1 442 132**	**1 442 132**
Total 2013			**196 153**	**196 153**	**196 153**

Fair value herarchy - financial assets and liabilities

Ferd classifies assets and liabilities measured at fair value in the balance sheet by a hierarchy based on the underlying object for the valuation. The hierarchy has the following levels:

Level 1: Valuation based on quoted prices in active markets for identical assets without adjustments. An active market is characterised by the fact that the security is traded with adequate frequency and volume in the market. The price information shall be continuously updated and represent expected sales proceeds. Only listed shares are considered to be level 1 investments.

Level 2: Level 2 comprises investments where there are quoted prices , but the markets do not meet the requirements for being characterised as active. Also included are investments where the valuation can be fully derived from the value of other quoted prices, including the value of underlying securities, interest rate level, exchange rate etc. In addition, financial derivatives like interest rate swaps and currency futures are considered to be level 2 investments. Ferd's hedge fund portfolio is considered to meet the requirements of level 2. These funds comprise composite portfolios of shares, interest securities, raw materials and other negotiable derivatives. For such funds the value (NAV) is reported on a continuous basis, and the reported NAV is applied on transactions in the fund.

Level 3: All Ferd's other securities are valued on level 3. This concerns investments where all or parts of the information about value cannot be observed in the market. Ferd is also applying valuation models for investments where the share has little or no trading. Securities valued on the basis of quoted prices or reported value (NAV), but where significant adjustments are required, are assessed on level 3. For Ferd this concerns all private equity investments and funds investments made by Special Investments, where reported NAV has to be adjusted. A reconciliation of the movements of assets on level 3 is shown in a separate table.

Ferd allocates each investment to its respective level in the hiearchy at the acquisition. Transfers from one level to another are made only exceptionally and only if there have been changes of significance for the level classification concerning the financial asset. This can be the case when an unlisted share has been listed or correspondingly. A transfer between levels will then take place when Ferd has become aware of the change.

The table shows at what level in the valuation hierarchy the different measurement methods for the Group's financial instruments at fair value is considered to be:

NOK 1 000	Level 1	Level 2	Level 3	Total 2014
Investments in subsidiaries			10 824 395	10 824 395
Other short-term receivables		34 964		34 964
Listed shares and bonds	6 622 552			6 622 552
Unlisted shares and bonds			2 215 184	2 215 184
Hedge funds		2 869 671	1 759 410	4 629 081
Other short-term debt		- 3 079		- 3 079
Total 2014	**6 622 552**	**2 901 556**	**14 798 989**	**24 323 097**

NOK 1 000	Level 1	Level 2	Level 3	Total 2013
Investments in subsidiaries			11 403 639	11 403 639
Listed shares and bonds	5 241 213			5 241 213
Unlisted shares and bonds			2 922 904	2 922 904
Hedge funds		2 360 531	2 001 380	4 361 911
Interest-bearing investments		13 205		13 205
Total 2013	**5 241 213**	**2 373 736**	**16 327 923**	**23 942 871**

Reconciliation of movements in assets on level 3

NOK 1 000	Op.bal.1 Jan. 2014	Purchases/share issues	Sales and proceeds from investments	Transfers to and from level 3	Unrealised gain and loss, recognised in the result	Gain and loss recognised in the result	Closing bal. on 31 Dec. 2014
Investments in subsidiaries	11 403 639	1 325 568	- 150		-1 904 662		10 824 395
Unlisted shares and bonds	2 922 904	153 471	- 647 684		- 93 388	- 120 119	2 215 184
Hedge funds	2 001 380	91 680	- 901 293		567 643		1 759 410
Total	**16 327 923**	**1 570 719**	**-1 549 127**		**-1 430 407**	**- 120 119**	**14 798 989**

NOK 1 000	Op.bal.1 Jan. 2013	Purchases/share issues	Sales and proceeds from investments	Transfers to and from level 3	Unrealised gain and loss, recognised in the result	Gain and loss recognised in the result	Closing bal. on 31 Dec. 2013

Investments in subsidiaries	8 610 741	450 360	- 130 697		2 473 235		11 403 639
Unlisted shares and bonds	5 619 273	221 876	-3 364 254		409 528	36 481	2 922 904
Hedge funds	1 461 746	503 209	- 631 165		386 655	280 935	2 001 380
Total	**15 691 760**	**1 175 445**	**-4 126 116**		**3 269 418**	**317 416**	**16 327 923**

Specification of applied indata and sensitivity analysis

The table below gives an overview over the most central assumptions used when measuring the fair value of Ferd's investments, allocated to level 3 in the hierarchy. We also show how sensitive the value of the investments is for changes in the assumptions.

NOK 1 000	Balance sheet value at 31 Dec. 2014	Applied and implicit EBITDA multiples	Value, if the multiple is reduced by 10 %	Valjue, if the multiple is increased by 10%	Applied discount rate	Value, if the interest is increased by 1 percentage point	Value, if the interest is reduced by 1 percentage point
Investment in Ferd Eiendom AS 1)	2 130 528				7,5% - 9,0%	1 797 528	2 574 428
Other investments in subsidiaries	8 693 867	7,4 - 10,7	7 387 867	9 999 867			
Unlisted private equity funds 2)	969 759	7,2 - 13,0	822 402	1 117 116			
Other unlisted shares and bonds 2)	1 245 425						

NOK 1 000	Balance sheet value at 31 Dec 2014				Estimated discounts acc. to broker (interval)	Value if discount increased by 10 %	Value if discount reduced by 10 %
Hedge funds 3)	1 759 410				11 % - 80 %	1 597 900	1 898 598

1) Appr. 52% of Ferd Eiendom AS' portfolio constitutes rental property and sensitive for changes in the discount interest rate.

2) Appr. 44 % of the value of unlisted shares and bonds are sensitive for a change in multiple. The other investments are valued on the basis på reported NAV whereby Ferd cannot calculate the sensitivity, even though multiples probably have been applied in determining NAV.

3) Appr. 72 % of the investments are sensitive for a change in discount. These investments were made only by the business area Special Investments.

NOTE 6 **RISK MANAGEMENT - INVESTING ACTIVITIES**

There have been no signifcant changes related to the Company's risk management in the period.

IMPAIRMENT RISK AND CAPITAL ALLOCATION

Ferd's allocation of capital shall be in line with the owner's risk tolerance. One measure of this risk tolerance is the size of the decline in value in kroner or percent that the owner accepts if any of the markets Ferd is exposed to should experience very heavy and quick downfalls. Ferd's total portfolio shall normally have maximum 35 per cent impairment risk. The impairment risk regulates how large part of equity that can be invested in assets with high risk for impairment. This is measured and followed up by stress tests. The loss risk is assessed as a possible total impairment expressed in kroner og as a percentage of equity. Due to Ferd's long-term approach, the owner can accept significant fluctuations in value-adjusted equity.

CATEGORIES OF FINANCIAL RISK

Liquidity risk

Ferd strongly emphasises liquidity and assumes that the return from financial investments shall contribute to cover current interest costs. Hence, it is important that Ferd's balance sheet is liquid, and that the possibility to realise assets corresponds well with the term of the debt. Ferd has determined that under normal market conditions, at least 4 billion kroner of the financial investments shall comprise assets that can be realised within a quarter of a year. This is primarily managed by investments in listed shares and hedge funds. Note 16 has more information about Ferd's loan facilities, including an overview of due dates of the debt.

Foreign currency risk

Ferd is well aware of foreign currency risks. We assume that Ferd always will have a certain part of equity invested in euro, USD and Swedish kroner, and is therefore normally not hedging the currency exposure to Norwegian kroner. If the exposure in a currency is considered to be too high or low, the currency exposure is regulated by loans on the parent company level in the currency in question, or by using derivatives.

Ferd has the following outstanding currency derivatives on the parent company level as at 31 December 2014:

	Purchases of currency		**Disposals of currency**	
NOK 1 000	**Currency**	**Amount**	**Currency**	**Amount**
	NOK	2 992 335	USD	- 400 000
	NOK	1 831 789	EUR	- 200 000

SENSITIVITY ANALYSIS, IMPAIRMENT RISK IN INVESTMENT ACTIVITIES

The stress test is based on a classification of Ferd's equity in different asset classes, exposed for impairment as follows:

- The Norwegian stock market declines by 30 percent
- International stock markets decline by 20 percent
- Property declines by 10 percent
- The Norwegian krone appreciates by 10 percent

In order to refine the calculations, it is considered whether Ferd's investments will decline more or less than the market. As an example, it is assumed that the unlisted investments in a stress test scenario have an impairment loss of 1.0-1.3 times the Norwegian market.

NOK 1 000	**2014**	**2013**
Price risk: Norwegian shares decline by 30 percent	-4 200 000	-4 500 000
Price risk: International shares decline by 20 percent	-1 700 000	-1 600 000
Price risk: Property declines by 10 percent	- 300 000	- 200 000
Currency risk: The Norwegian krone appreciates 10 percent	-1 100 000	-1 100 000
Total impairment in value-adjusted equity	**-7 300 000**	**-7 400 000**
Impairment as a percentage of value-adjusted equity	30%	31%

NOTE 7 **SHARES AND STAKES IN OTHER COMPANIES WITH OWNERSHIPS IN EXCESS OF 10 %**

	Business office	Stake
Subsidiary		
Elopak AS	Røyken	100,0 %
FC Well Invest AS	Bærum	100,0 %
FC-Invest AS	Bærum	100,0 %
Ferd Aibel Holding AS	Bærum	100,0 %
1912 Top Holding AS	Bærum	100,0 %
Ferd Eiendom AS	Bærum	100,0 %
Ferd Malta Holdings Ltd	Malta	100,0 %
Ferd MG Holding AS	Bærum	100,0 %
Ferd Sosiale Entreprenører AS	Bærum	100,0 %
Norse Crown Company Ltd. AS	Bærum	100,0 %
Swix Sport AS	Oslo	100,0 %
Non-current shares with ownership > 10 %		
Herkules Capital I AS		40,0 %
Current shares with ownership > 10 %		
Energy Ventures AS		31,8 %
Energy Ventures IS		19,1 %
Energy Ventures II AS		26,0 %
Energy Ventures II KS		22,1 %
Energy Ventures III AS		25,0 %
Energy Ventures III GP LP		25,0 %
Energy Ventures III LP		18,7 %
Herkules Private Equity Fund I (LP-I) Limited		76,1 %
Herkules Private Equity Fund II (LP-I) Limited		74,5 %
Herkules Private Equity Fund III (LP-I) Limited		25,1 %
Intera Fund I		12,0 %
Marical Inc		22,4 %
NMI AS		12,5 %
NMI Fund III		31,3 %
NMI Global		12,5 %
NMI Frontier		12,5 %
NRP Fleetfinance IV D.I.S		20,0 %
Petroleum Geo-Services ASA		10,1 %
SPV Herkules II LP		81,5 %

NOTE 8 **INCOME TAXES**

NOK 1 000	2014	2013
The tax expense comprises:		
Income tax payable	43 884	
Change in deferred tax	95 395	146 737
Tax concerning prior periods	765	31 736
Tax effect of net rendered group contribution	112 683	
Tax expense	**252 727**	**178 473**

Tax payable in balance sheet

NOK 1 000	2014	2013
Tax payable of the year	43 884	
Tax payable from prior years	2 457	32 228
Tax payable in balance sheet	**46 341**	**32 228**

Reconciliation of nominal to effective tax rate

NOK 1 000	2014	2013
Profit before tax	787 492	5 164 811
Expected tax expense according to nominal tax rate (27%)	212 623	1 446 147
Non-taxable gain/loss and return on securities	- 438 059	- 187 854
Unrealised changes in value of securities	580 273	-1 112 420
Adjustment of tax from prior periods	765	31 736
Efffect of change in tax rate		- 4 743
Adjustment of deferred tax from previous periods *)	- 106 804	
Tax effect of other permanent differences	3 929	5 607
Tax expense	**252 727**	**178 473**
Effective tax rate	32,1 %	3,5 %

Deferred tax

NOK 1 000	2014	2013
Receivables	- 9 213	- 6 791
Shares and bonds	384 636	200 624
Tangible assets	4 343	5 197
Provisions	4 583	
Net pensions	- 6 658	- 5 556
Tax loss to carry forward*	- 154 563	- 65 420
Balance sheet value at 31 Dec., deferred tax liability	**223 128**	**128 054**

Change in net deferred tax recognised in balance sheet

NOK 1 000	2014	2013
Balance sheet value at 1 January	128 054	- 20 320
Charged in period	95 395	146 737
Merged (cf. note 19)		- 1 048
Tax set-off against total comprehensive income (estimate deviation, pensions)	- 321	2 685
Balance sheet value at 31 December	**223 128**	**128 054**

*As a consequence of changed legislation for carried interest in PE funds, Ferd's tax basis from such investments is changed. The taxation for the period back to 2007 will be changed with increased deduction as a result. This increased deduction will not be considered in the tax basis until Ferd has received a final decision from the tax authorities.

NOTE 9 **SALARIES AND REMUNERATIONS**

NOK 1 000	**2014**	**2013**
Salaries	46 508	107 099
Social security tax	17 717	17 464
Pension costs (note 15)	6 733	- 25 478
Other benefits	3 457	2 227
Total	**74 415**	**101 312**
Average number of man-labour years	38	39

Salary and remuneration to Group CEO

NOK 1 000	Salary	Bonus	Benefits in kind	Pension
John Giverholt	3 300	3 276	186	1 062

The Group CEO's bonus scheme is limited to MNOK 6,0. Bonus is based on the results achieved in the Group.

The Group CEO participates in Ferd's collective pension schemes for salaries below 12 G. This is a contribution scheme (cf. also note 19). The Group CEO also has a benefit scheme for a pension basis higher than 12 G, but with an upper limit of appr. MNOK 2,2, together with an early retirement pension scheme giving him the opportunity to retire at 65 years.

The Group CEO is entitled to 9 months severance pay if he has to resign from his position.

Fees to the Board

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

NOTE 10 OTHER OPERATING EXPENSES

NOK 1 000	**2014**	**2013**
Lease of buildings etc.	6 159	5 850
Fees to lawyers, consultants and auditors	25 045	29 374
Travel expenses	1 876	1 635
Loss and change in write-downs of receivables	26 035	13 444
Other expenses	17 932	24 151
Total	**77 046**	**74 455**

NOTE 11 AUDIT FEES CHARGED TO THE INCOME STATEMENT

Specification of fees to the Company's auditors, Ernst & Young AS:

NOK 1 000	**2014**	**2013**
Audit fees	1 140	1 111
Other attestation services		18
Other non-audit services	64	1 520
Total	**1 204**	**2 649**

Other non-audit services mainly comprise due diligence servicies and assistance in translating the financial statements. All amounts are exclusive of VAT.

NOTE 12 **TANGIBLE ASSETS**

2014

NOK 1 000	**Buildings and land**	**Fixtures and equipment**	**Total**
Cost at 1 January	3 118	19 902	**23 020**
Additions	802	3 903	**4 705**
Disposals		- 3 058	**- 3 058**
Cost at 31 December	**3 920**	**20 747**	**24 667**
Accumulated depreciation and impairment at 1 January		14 938	**14 938**
Depreciation of the year		1 554	**1 554**
Disposal of depreciation		- 1 928	**- 1 928**
Accumulated depreciation and impairment at 31 December		**14 564**	**14 564**
Carrying amount at 31 December	**3 920**	**6 183**	**10 103**
Estimated economic life of depreciable assets	-	4-10 years	
Depreciation method		Straight-line	
Annual lease of tangible assets not carried in the balance sheet	6 159		

2013

NOK 1 000	**Buildings and land**	**Fixtures and equipment**	**Total**
Cost at 1 January	3 080	22 066	**25 146**
Additions	38	1 646	**1 684**
Disposals		- 3 810	**- 3 810**
Cost at 31 December	**3 118**	**19 902**	**23 020**
Accumulated depreciation and impairment at 1 January		15 198	**15 198**
Depreciation of the year		1 891	**1 891**
Disposal of depreciation		- 2 151	**- 2 151**
Accumulated depreciation and impairment at 31 December		**14 938**	**14 938**
Carrying amount at 31 December	**3 118**	**4 964**	**8 082**
Estimated economic life of depreciable assets	-	4-10 years	
Depreciation method		Straight-line	

NOTE 13 BANK DEPOSITS

The following restricted funds are included in the bank deposits in the balance sheet:

NOK 1 000	**2014**	**2013**
Employees' withheld tax	4 558	5 669

NOTE 14 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital of the Company consists of 183.267.630 shares at a nominal value of NOK 1.-.

Owner structure

The shareholder as at 31 December 2014 was:

	Number of shares	Stake
Ferd Holding AS	183 267 630	100,00%

Ferd AS is a subsidiary of Ferd Holding AS, being a subsidiary of Ferd JHA AS. Ferd shares offices with its parent companies in Lysaker, Bærum. Please contact Ferd for the consolidated financial statements of Ferd JHA AS.

Shares owned indirectly by the CEO and board members of Ferd AS:	Position	Voting share	Stake
Johan H. Andresen	Chair of the Board	69,94%	15,20%

Johan H. Andresen's children own 84,8 % of Ferd AS indirectly through the ownership of shares in Ferd Holding AS.

NOTE 15 **PENSION COSTS AND LIABILITIES**

FERD'S PENSION PLANS

Ferd has established pension schemes in accordance with Norwegian legislation. The employees participate in a defined contriution plan for salaries below 12G.

For salaries exceeding 12 G, Ferd has established a pension scheme implying that the employees earn a pension right each year. The scheme was closed for new hires when established. The right comprises a share of the salary in excess of 12 G together with a return component depending on the employee's chosen risk profile. The pension plan has many similarities with a contribution scheme, but as Ferd is not making current payments to a fund, but has elected to take the risk of return itself, the scheme shall be classified as a benefit scheme for accounting purposes. Ferd has recognised the obligation as a pension liabiity and is expensing the current deposits and the current return as incurred. The liability has not been discounted.

In addition, Group management has an early retirement pension scheme giving them the opportunity to retire at 65 years. This is also a benefit scheme.

Until 2013, all employees wee members of a defined benefit scheme for salaries up until 12 times the base amount of the national insurance (G). Defined benefit pension schemes give the employees a right to speific pension payments. The obligation is an estimate of future benefits earned by the employees on the basis of the number of years of service and the salary level at the retirement. The benefits are discounted to present value, and the recognised obligation is reduced by the fair value of plan assets for funded pension schemes. Changes in assumptions, staff numbers and variations between estimated an actual salary increases and return on assets result in actuarial gain and loss. Actuarial gains and losses are recognised in total comprehensive income. The defined benefit scheme was terminated on 31 December 2013. Paid-up policies were issued in 2014. The effect of the plan change is recognised in the income statement in 2013.

Financial assumptions at 31 December

	2014	**2013**
Discount interest rate	2,70%	3,30%
Expected wage growth	3,25%	3,75%
Future expected pension regulation	1,75%	1,75%
Expected regulation of base amount (G)	3,00%	3,50%

DEFINED BENEFIT PLANS

Specification of the recognised liability

NOK 1 000	**2014**	**2013**
Present value of unfunded pension liabilities	24 659	20 579
Present value of wholly or partly funded pension obligations		62 716
Total present value of defined benefit obligations	24 659	83 295
Fair value of pension assets		62 716
Total defined benefit obligation recognised in the balance sheet	**24 659**	**20 579**

Movement in the liability for defined benefit pension plans

NOK 1 000		
Liability for defined benefit pension plans at 1 January	83 295	130 590
Present value of the pension earnings of the year	2 004	10 326
Interest expense on the pension liability	1 257	4 361
Estimate deviation on the pension liability	1 190	- 13 054
Plan changes		- 35 855
Benefits paid	- 63 087	- 13 073
Liability for defined benefit pension plans at 31 December	**24 659**	**83 295**

Movement in fair value of the pension assets for defined benefit pension plans

NOK 1 000	**2014**	**2013**
Fair value of pension assets at 1 January	62 716	60 920
Expected return from pension assets		1 303
Estimate deviations on pension funds		- 3 464
Contribution from employer		7 433
Administration expenses		- 51

Benefits paid	- 62 716	- 3 425
Fair value of pension assets at 31 December		**62 716**

Pension assets include the following:

NOK 1 000	**2014**	**2013**
Equity instruments		9 059
Government stock		7 058
Corporate stock		12 687
Other debt instruments, including structured debt		25 340
Porperty investments		7 191
Bank deposits		1 381
Total pension assets		**62 716**

Estimate deviation recognised in total comprehensive income

NOK 1 000	**2014**	**2013**
Estimate deviation on the pension obligation (benefit schemes) of the year	- 1 190	13 054
Estimate deviation of the pension funds (benefit schemes) of the year		- 3 464
Net estimate deviation for benefit schemes recognised in income statement	**- 1 190**	**9 590**

Pension costs recognised in the income statement

NOK 1 000	**2014**	**2013**
Present value of this year's pension earnings	2 004	10 326
Plan changes		- 35 855
Administration expenses		51
Pension costs on contribution schemes	4 729	
Total pension costs recognised in the income statement as salary expenses	**6 733**	**- 25 478**

Interest expense on the pension liability	1 257	4 361
Expected return on pension assets		- 1 303
Total pension costs recognised in the income statement as interest expenses	**1 257**	**3 058**

NOTE 16 **SHORT-TERM INTEREST-BEARING DEBT**

Short-term interest-bearing debt by currency

NOK 1 000	**Loan amount in NOK 2014**	**Loan amount in NOK 2013**
NOK	500 000	-
USD	-	-
EUR	-	-
Short-term interest-bearing debt at 31 Dec. at nominal value	**500 000**	**-**
Capitalised drawing costs	-16 975	
Carrying amount at 31 December	**483 025**	**-**

Ferd has a total loan facility of 6 billion NOK. The drawing costs related to the facility are accrued over the term.

NOTE 17 TRANSACTIONS AND BALANCES WITH GROUP COMPANIES

Ferd AS has the following loans and balances with group companies:

NOK 1 000	**2014**	**2013**
Receivables		
Short-term receivables on group companies	724 687	66 907
Total receivables	724 687	66 907
Debt		
Short-term debt to group companies	909 732	83 064
Total debt	909 732	83 064

All group balances bear an interest of 6 months NIBOR + 1,5 percentage points.

Long-term loans have interest rates on assumed market terms.

NOK 1 000	**2014**	**2013**
Services billed to group companeis		
Staff services	8 847	8 169
Property management	16 174	10 628
Total income	25 022	18 798
Interest income on intercompany loans and balances		
Interest income	6 582	47 576
Interest expense	- 1 269	
Net interest income	5 313	47 576

NOTE 18 CONTINGENT LIABILITIES AND OBLIGATIONS NOT RECOGNISED IN BALANCE SHEET

Guarantees and obligations not recognised in the balance sheet

NOK 1 000	**2014**	**2013**
Commitments to supply subsidiaries and other enterprises with equity	343 500	
Not paid, but committed capital to funds investments	620 401	748 054
Total	**963 901**	**748 054**

Contingent obligations and litigation

Ferd AS is presently not involved in any litigation.

Events subsequent to the balance sheet date

Subsequent to the balance sheet date, Ferd AS has given an additional guarantee to third-parties up to MNOK 350. The guarantes can be asserted if the party for which Ferd has guaranteed, does not fulfill their delivery obligations. The guarantee has a duration of until four years.

NOTE 19 MERGER

Effective from 29 August 2013, Ferd AS merged the wholly-owned subsidiaries Ferd Capital Partners AS, Det Oversøiske Compagnie and Kople II AS. The merger was carried out pursuant to the rules on simplified merger of group companies in the Companies Act, and no compensation was paid. As the company taken over was fully owned by the acquiring party, the merger has been accounted for by the continuity method.