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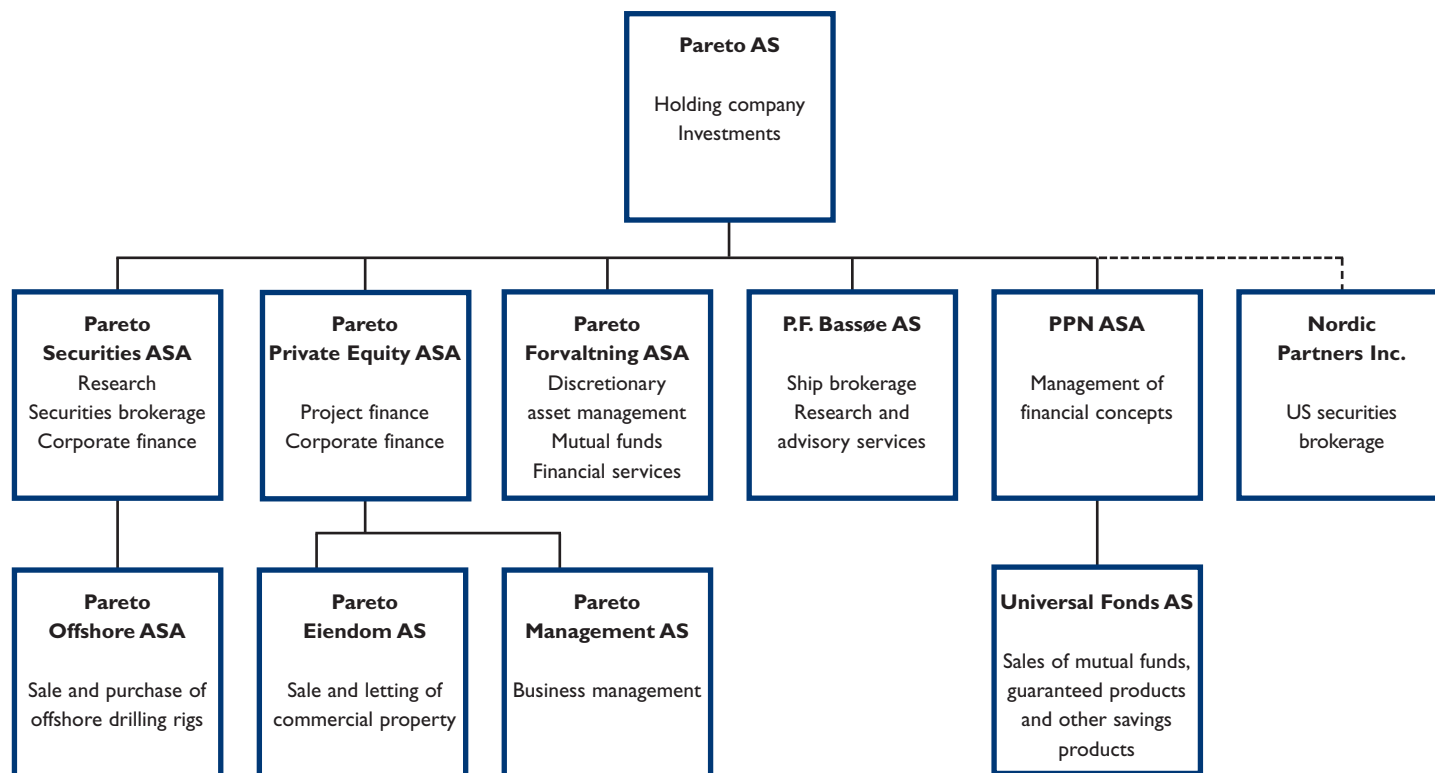
THIS IS THE PARETO GROUP

Pareto AS
Dronning Maudsgate 3
P.O.Box 1396 Vika
N 0114 Oslo Norway

Telephone +47 22 87 87 00
Revenue 2004: NOK 973,2 mill
Employees: 180

Managing director: Uno Grønlie
uno.gronlie@pareto.no
www.pareto.no

Pareto is a leading and independent player in the Norwegian financial services market. The Group maintains offices in Oslo, Stavanger, Bergen, Kristiansand and Haugesund, and cooperates with its partially owned brokerage house Nordic Partners Inc. in New York. Pareto was incorporated in 1986, and has evolved into a group offering a comprehensive range of products. The company has 180 employees. Operating revenue was NOK 973 million in 2004, and equity stands at NOK 725 million as per 31 December 2004. This vigorous expansion has been facilitated by dedicated and skilful personnel, a sharp focus on products, controlled growth and, not least, by our customers and business associates having confidence in us.



PARETO'S OBJECTIVE AND STRATEGY

The objective of Pareto is to be the preferred Norwegian supplier of financial services, based on sound and detailed knowledge of Norwegian society and industries wherein Norway enjoys special advantages. We shall create good financial solutions and contribute to high yields on the part of our customers. Pareto's strategy is based on focus, detailed knowledge, experience and long-term customer relations. We believe in continuous development and improvement. We have invested knowledge and financial resources with a view to the longer term. We require responsibility, integrity and a high ethical standard from our employees. We are independent, and wish to adopt a new, creative and different approach.

PARETO'S BUSINESS AREAS

Through its subsidiaries, Pareto offers a comprehensive range of services within stock brokerage, bond brokerage, partnership interest brokerage, the management of offerings of various equity and debt instruments, as well as direct investments.

The company is also engaged in business management relating to direct investments, valuations, refinancing, financial advisory services and commercial property brokerage, and offers asset management within the equity and debt markets. Pareto is also involved, through ship brokerage, in the chartering, as well as the sale and purchase, of tanker tonnage.

In June 2004, Pareto acquired a majority shareholding in PPN AS, which is an independent manager and distributor of financial products in Norway. The company has distribution agreements with a number of independent players.

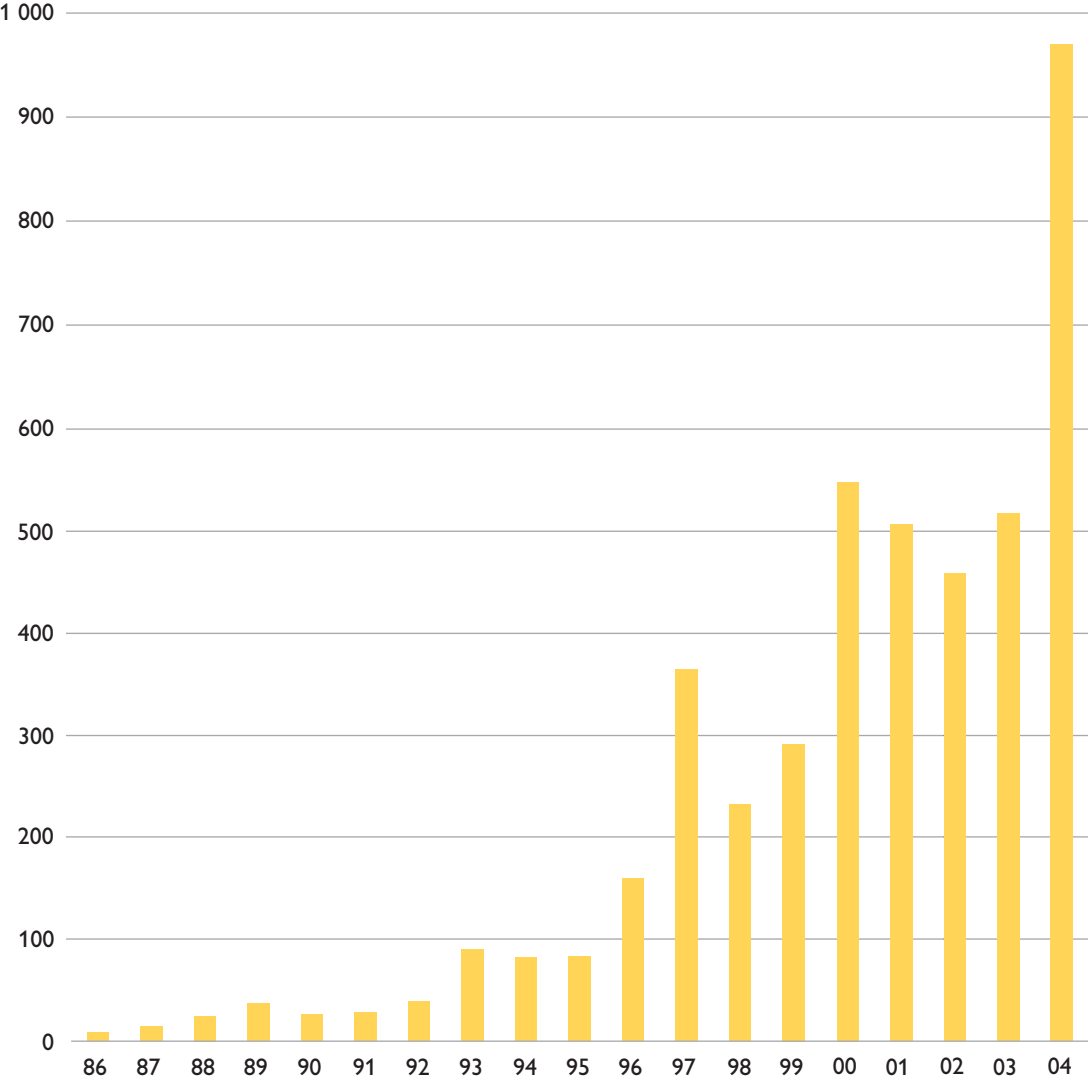
THE STRENGTHS OF PARETO ARE DIVERSITY AND A LOCAL PRESENCE

The breadth of the Pareto product range has given the company the strength to grow and prosper even in a challenging economic environment. Likewise, this has contributed to our customers achieving a balanced and diversified portfolio, generating attractive long-term yields.

Pareto's longstanding presence in local markets and companies has equipped us with the experience and qualifications enabling us to treat each customer individually, and to attend to his interests in the best possible manner.

Pareto prioritises organic growth and internal competency development. Mergers and acquisitions are considered on an ongoing basis with a view to complementing existing company resources and furthering the continued development of the company. We cooperate with other players when it is appropriate and will contribute to our customers getting the best product.

PARETO GROUP OPERATING REVENUE IN MNOK



PARETO SECURITIES ASA

Pareto Securities ASA
Dronning Maudsgate 3
P.O.Box 1411 Vika
N 0115 Oslo Norway

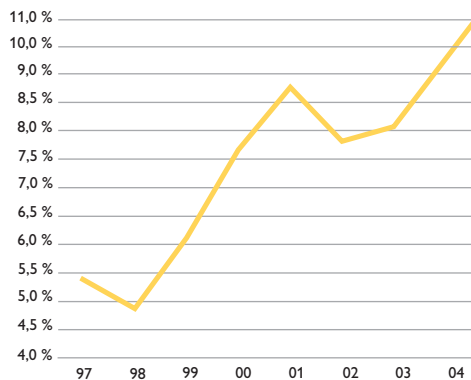
Telephone +47 22 87 87 00
Revenue 2004: NOK 529 mill
Employees: 88
Managing director: Kristen Jakobsen

kristen.jakobsen@pareto.no
www.pareto.no
Bloomberg: PASE (go)
Reuters: PARETO

Pareto Securities focuses on industries wherein Norway enjoys special advantages. Our research efforts are based on thorough and detailed knowledge. This ensures that our research and brokerage products are highly esteemed by a wide range of Norwegian and international investors. Our corporate customers benefit from our focus on their business, and from the trust we enjoy on the part of investors.

SECURITIES BROKERAGE AND CORPORATE FINANCE SERVICES

Pareto Securities' services mainly comprise stock and bond brokerage, as well as corporate finance services. Pareto has maintained a leading position within both of these areas since 1997.



Pareto Securities' share of brokerage in the secondary market for equity instruments registered by the Norwegian Banking, Insurance and Securities Commission.

Our focus on Norwegian securities and industries wherein Norway enjoys special advantages enables us to deliver research based on a detailed knowledge of the companies and industries we address. This is of particular importance to our international investors, who specifically demand focus and first-hand knowledge in relation to the companies in

which they are to invest. Pareto's local presence is in this context seen to be a significant competitive advantage, and contributes to inspiring confidence on the part of investors.

Our corporate customers use our advisory services in connection with stock exchange listings, offerings, sales/acquisitions and mergers/-demergers, etc. In this context, our access to, and knowledge of, investors are also of paramount importance. Our focus on Norwegian companies and industries contributes to ensuring our long-term involvement.

PROXIMITY TO THE COMPANIES. INTERNATIONAL PLACING POWER

In line with our business philosophy's emphasis on proximity to the companies and the industries with which we work, we have stock and credit analysts located in both Oslo and Stavanger. Moreover, these are close to our Norwegian brokerage resources in Oslo, Bergen, Haugesund, Kristiansand and Stavanger.

Our European investor contacts are serviced from our Oslo office, whilst US customers are serviced from New York. In the US, we cooperate with E. Öhman J:or Fondkommission AB of Sweden and Evli Bank Plc of Finland, under the joint name of Nordic Partners Inc.

The combination of local presence and international investor contacts forms the basis for

Pareto Securities' placing power in the stock and bond market. International customers accounted for more than 50 percent of our revenue in 2004, which enabled us to complete a large number of large and complex projects.



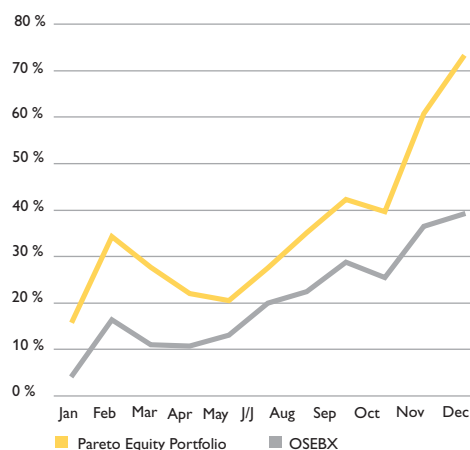
SKILFUL STOCK AND CREDIT ANALYSTS, HIGH-QUALITY RESEARCH PRODUCTS

Our research staff comprises 16 senior advisers boasting special knowledge within the industries on which they focus. The macro and interest rate outlook is assessed continuously by our chief economist, whilst our two credit analysts follow the Norwegian and international credit markets and undertake credit analysis of selected companies. The credit analysts cooperate with the equity analysts, who are responsible for covering the key sectors and most of the larger companies on the Oslo Stock Exchange. Our shipping and real estate competency is primarily attended to through integrated cooperation with the ship brokerage P.F. Bassøe and Pareto Eiendom.

An important aspect of research activities is to facilitate seminars and company visits for our investors. As an example, Pareto hosts an annual oil and offshore conference. This event has established itself as one of Europe's leading

investment fora for oil and oil-related companies. 600 private and institutional investors from Norway and abroad participated at the conference in 2004. Other annual conferences include, amongst other, a shipping seminar in London, an oil services conference in New York, as well as technology and corporate bonds seminars in Oslo

Development of the 2004 Pareto model portfolio



The analysts' model portfolio is a highly popular research product amongst Pareto's clients. It comprises 6-10 Norwegian shares, and is updated monthly with new recommendations. In 2004, the value of the shares in the portfolio increased by 72,3 %, a full 34 %-points better than the Oslo Stock Exchange!

PARETO ON TOP

Pareto Securities' research product is made available to the company's customers on an ongoing basis on the website www.pareto.no. The research team continuously prepares industry and company analyses, which are published regularly on a daily, weekly, and monthly basis. The research team issued about 700 reports during the course of 2004, in addition to daily morning comments.

Pareto's analysts have done very well in a number of rankings and surveys:

2005

No.1 in Kapital magazine ranking, best overall analyst Tormod Høyby
 No.1 on Oil & Gas in Prospera's analyst ranking Tormod Høyby
 No.1 on Offshore Oil services in Prospera's analyst ranking Tormod Høyby and Frank Harestad
 No.2 on Oil in Kapital magazine Tormod Høyby
 No.2 on Telecom in Kapital magazine Nils Kasper Lodden
 No.2 on IT in Kapital magazine Mikael Clement
 No.2 on Banks in Kapital magazine Carl Erik Sando
 No.2 on Banks & Insurance in Prospera's analyst ranking Carl Erik Sando
 No.2 on Shipping in Prospera's analyst ranking Bjørn Knutsen
 No.3 on IT in Prospera's analyst ranking Mikael Clement

2004

No.2 on Banks in Kapital magazine Carl Erik Sando
 No.3 on Oil in Kapital magazine Tormod Høyby
 No.3 on Telecom in Kapital magazine Nils Kasper Lodden

2003

No.1 on DnB in AQ Publications' survey of Nordic brokers Elin Bull Nordstrand and Carl Erik Sando
 No.1 on EDB Business Partner in AQ Publications' survey of Nordic brokers Nils Kasper Lodden
 No.1 on Nera in AQ Publications' survey of Nordic brokers Nils Kasper Lodden
 No.1 on Prosafe in AQ Publications' survey of Nordic brokers Frank Harestad
 No.1 on Statoil in AQ Publications' survey of Nordic brokers Tormod Høyby
 No.1 on Telenor in AQ Publications' survey of Nordic brokers Nils Kasper Lodden
 No.2 on Oil & Offshore in Prospera's analyst ranking Tormod Høyby and Frank Harestad
 No.2 on Technology in Kapital magazine Mikael Clement
 No.3 on Cruise and Shipping in Prospera's analyst ranking Per Didrik Leivdal

2002

No.1 on Oil in Kapital magazine Tormod Høyby
 No.1 on Oil & Offshore in Prospera's analyst ranking Tormod Høyby and Frank Harestad
 No.2 on Banks & Insurance in Kapital magazine Carl Erik Sando
 No.2 on Technology in Kapital magazine Mikael Clement
 No.3 on Cruise and Shipping in Prospera's analyst ranking Per Didrik Leivdal

2001

No.1 on Banks & Insurance in Kapital magazine Carl Erik Sando
 No.1 on Energy in Reuters' "European Smaller Company Survey" Tormod Høyby
 No.1 on Oil in Kapital magazine Tormod Høyby
 No.1 on Oil & Offshore in Prospera's analyst ranking Tormod Høyby and Frank Harestad
 No.2 on Technology in Kapital magazine Mikael Clement

2000

No.1 on Banks & Insurance in Kapital magazine Carl Erik Sando
 No.2 on Telecom in Prospera's analyst ranking Nils Kasper Lodden
 No.3 on Telecom in Kapital magazine Nils Kasper Lodden

CORPORATE FINANCE SERVICES ANCHORED IN INDUSTRIAL KNOWLEDGE AND PROXIMITY TO INVESTORS

Pareto Securities, as an independent financial adviser, can offer a complete range of financial services, from stock and bond offerings, stock exchange listings and placings, to mergers/-demergers and acquisitions/sales of businesses or companies.

As is the case with our research activities, our corporate finance activities are based on a long-term approach and in-depth knowledge of the industries on which we focus. Our offices in Oslo and Stavanger give us proximity to the most important industrial environments in Norway, and we have an adviser team comprising people with extensive management experience from industry, consultancy and the capital market.

Pareto Securities primarily focuses on listed businesses and businesses with the potential to achieve a listing within a reasonable time horizon. However, we also cooperate closely with Pareto Private Equity, Pareto Offshore, P.F.Bassøe and Pareto Eiendom in order to also service companies in an earlier phase of development, and to utilise the resources and network of the Group.

BOND ACTIVITIES - AN IMPORTANT ASPECT OF OUR PRODUCT RANGE

Pareto is a major and independent player in the Norwegian bond market. This involvement enables us to offer our corporate customers debt financing. We also offer Norwegian and international investors investment opportunities in fixed income securities.

Like our equity activities, our bond activities are based on thorough research. This ensures trust on the part of investors and issuers. Over the last three years, Pareto has managed about NOK 70 billion worth of debentures, which made us one of the main players in Norway during 2002, 2003 and 2004.

Within the secondary market, our market shares are largest within the areas on which we focus, i.e. within banking, financing and mortgage companies, manufacturing industry and trade, convertible bonds, indexed bonds, as well as selected foreign bonds.

Interest rate and credit research forms an integral part of our research product. Pareto believes that first-hand knowledge of the opportunities available to companies as far as loan capital is concerned, is a prerequisite for analysts to be able to fully appreciate companies' scope of action within the equity market. Moreover, we take the view that credit analysts benefit from cooperating with equity analysts, who possess a wealth of company-specific knowledge.

An important implication of this approach is a broad range of qualifications in terms of both advisory services and sales. Consequently, Pareto is well placed to carry out transactions involving not only equity and debt, but also structured products like convertible loans, stock or bond offerings with pre-emptive rights attached, and fully or partly guaranteed equity products.

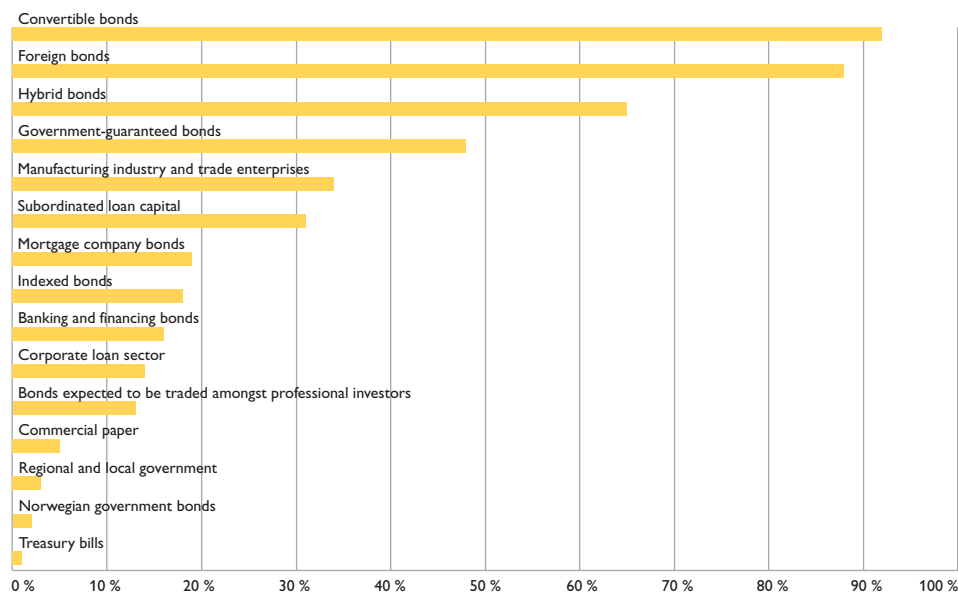
2004 - THE YEAR IN BRIEF

- 70 percent growth in brokerage fee revenue from stock brokerage
- One of the main players in the Norwegian stock market, with approximately 10 percent of overall brokerage fee revenue reported to the Norwegian Banking, Insurance and Securities Commission
- 40 percent growth in revenue from bond brokerage
- One of Norway's leading financial advisers, with 100 percent growth in revenue from corporate finance activities
- Completed 70 transactions

OUTLOOK FOR 2005

2004 was a good year for most Norwegian industries, and there was considerable international interest in investing in Norway. Pareto Securities managed to reinforce its leading position within both the secondary market for shares and bonds, as well as within the market for corporate finance services. We believe that we can further strengthen our position in 2005 by continuing to focus on industries wherein Norway enjoys inherent advantages, and by basing our activities on research founded on thorough and detailed knowledge.

PARETO'S MARKET SHARE IN THE SECONDARY MARKET



Selected offerings and listings, M&As, valuations and international transactions during 2004

Month	Customer	Sector	Transaction	NOKm
January	Municipality of Tønsberg	Utilities	Sale of the Vittingfoss power plant	280
January	Stolt Offshore	Offshore	Private placement and subsequent offering	1,360
January	Stolt Nielsen S.A.	Offshore	Private placement	713
February	Sinvest	Offshore	Private placement and subsequent share issue	505
March	Fred. Olsen Energy	Offshore	Convertible bond loans	1,195
March	Odfjell Partners Invest	Offshore	Private placement	270
March	Catch Communications	Telecom	Equity issue and listing on the Oslo Stock Exchange Main List	192
May	Aker Kværner	Industry	Equity issue and listing on the Oslo Stock Exchange Main List	2,100
June	Camillo Eitzen & Co	Shipping	Share issue and listing on the Oslo Stock Exchange SME List	301
June	TFDS	Cruise	Share issues, convertible and exchangeable bond issues	400
June	Sparebanken øst	Banking	Acquisition of BN Bank shares	245
June	Axxessit	Technology	Listing on the Oslo Stock Exchange SME List	n/a
July	REC	Utilities	Secondary sale of shares	344
July	D/S Torm	Shipping	Secondary sale of Teekay's shares	800
September	Frontline	Shipping	Block trade of 9 mill shares from Hemen holding	2,358
September	Ocean Rig	Offshore	Bond financing	700
October	Kredittbanken	Banking	Voluntary offer from Íslandsbanki	350
November	Íslandsbanki	Banking	Voluntary offer to acquire BN Bank	3,300
December	Siem Offshore Inc.	Offshore	Private placement	991
December	Camillo Eitzen & Co	Shipping	Private placement and secondary sale of shares	375
December	HitecVision	Oil & Gas	Merger with Grenland Offshore	270
December	Tandberg Television	Technology	Private placement	256

PARETO PRIVATE EQUITY ASA

Pareto Private Equity ASA
Dronning Maudsgate 3
P.O.Box 1396 Vika
N 0114 Oslo Norway

Telephone +47 22 87 87 00
Revenue 2004: NOK 136 mill
Employees: 22

Managing director: Anders Endreson
anders.endreson@pareto.no
www.pareto.no

Pareto Private Equity offers project finance services within shipping, offshore and real estate, as well as corporate finance services for non-listed companies and transactions. We have a highly qualified staff boasting extensive relevant experience. Pareto Private Equity is solution-oriented, and enjoys a comprehensive client and investor network domestically and abroad.

Pareto Private Equity is the parent company of Pareto Eiendom, which is engaged in the sales and letting of commercial property, and of Pareto Management, which offers business management services to single-purpose companies. In addition, Pareto Management acts as business manager to several of the Pareto companies.

PROJECT FINANCING WITHIN REAL ESTATE

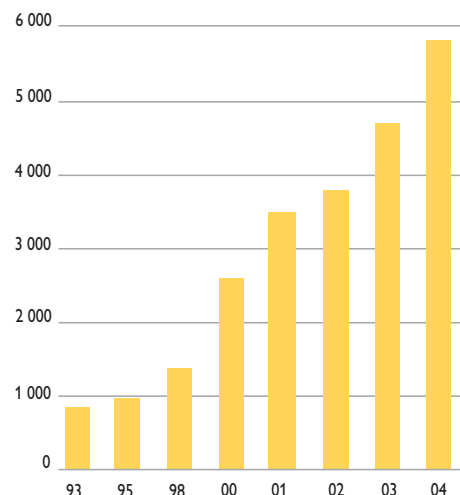
Pareto Private Equity ASA has been syndicating real estate projects since the late 1980s, targeted at strategic and financial investors, in an overall amount of about NOK 8 billion. As an alternative to investments in shares, bonds and the money market, direct investments in real estate have offered a highly attractive yield. Pareto Private Equity has been active in the Norwegian market for 15 years, and has accumulated qualifications and experience that benefit investors in the selection and implementation of new real estate projects.

Pareto Private Equity can offer direct investments in real estate that feature an expected annual return on equity in the 10 - 16 % range.

Pareto's real estate portfolio mainly comprises large office premises, dual-purpose buildings (warehouse/office), and retailing properties, but also features a more limited range of hotel premises. Our strategy is to focus on modern properties in a central location, with long leases

and solid tenants. During 2004, we have also purchased properties in Sweden, based on the same criteria. The real estate portfolio boasts a remaining fixed lease term in excess of 10 years, and we feature some of the longest leases of any real estate company in Norway.

Development in the value of the real estate portfolio



Pareto's real estate portfolio currently comprises 30 properties. The total value of the properties is approximately NOK 5,8 bill., which implies an average value per property of NOK 194 mill.

Our real estate projects will normally entail an equity payment of NOK 300 - 600,000, as a

minimum share. After the investment has been made, Pareto Private Equity will follow up on each individual project in order to offer an ongoing valuation and trade shares in the secondary market. Operation and management of the properties is undertaken by Pareto Management AS, or, alternatively by, or in cooperation with, other professional managers.

PROJECT FINANCING WITHIN SHIPPING

Syndication of shipping projects formed the actual basis for the establishment of Pareto, and today we command considerable experience and knowledge within this area. We act as advisers in connection with sales and acquisitions of companies, mergers/demergers and equity offerings. Moreover, we cooperate closely with Pareto Securities on assignments that involve flotation and major equity offerings.

Pareto has managed more than 200 shipping projects, and currently features a portfolio of 25 active companies with an overall vessel value of about NOK 4.8 billion. We can offer direct investments in shipping, with an expected annual yield on equity of between 17 and 20 percent (IRR).

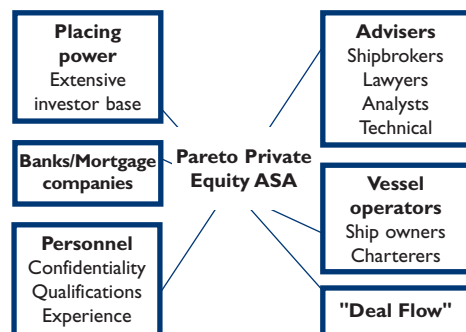
As an independent and long-term financial partner, Pareto Private Equity aims to offer shipping projects as an attractive financial investment. We are committed to offering projects with a high expected yield, combined with acceptable risk.

Return on selected shipping projects

Name	Category	Period	Estimated yearly return since establishment pr. 31.12.04
Cape Container KS	Container	6 months	72 % p.a.
Thelma Container KS	Container	8 months	27 % p.a.
Parmar KS	Aframax tank	6 months	74 % p.a.
Mosvold Chemical KS	Chemical	5 months	34 % p.a.
Parlines Ro-Ro KS	Ro-Ro	Newly established	20 % p.a.
Tønnevold Reefer 6 KS	Reefer	Newly established	18 % p.a.
Pareto Shipping Invest I KS		Newly established	17 % p.a.
TDS Containerships I KS	Container	Newly established	22 % p.a.
Tor Cimbria I KS	Ro-Ro	3 years	45 % p.a.
Tønnevold Tacoma KS	Container	4 years	25 % p.a.
Thor Dahl Tampa KS	Container	4 years	18 % p.a.

Project investment in shipping is a highly attractive alternative to other forms of investment. Shipping is international in nature, and is not much influenced by developments in the Norwegian economy. From a portfolio perspective, shipping interests may therefore be an appropriate means of spreading risk. We stick with the project from A to Z, by way of business management agreements with Pareto Management, and investors are kept informed of developments on an ongoing basis through regular reporting.

Pareto's shipping network



We primarily focus on projects involving long-term charter parties, and reliable and respected shipowners and charterers, which therefore

achieve attractive financial terms. To a large extent, we participate in projects in collaboration with experienced managers/shipowners who are themselves actively involved by assuming ownership interests in the project. This ensures optimal technical and commercial follow-up of the project.

CORPORATE FINANCE

Pareto Private Equity has a dedicated team offering corporate finance services, with a main emphasis on shipping, real estate and non-listed companies. Over the last four years, Pareto Private Equity has assisted clients in completing more than 60 private corporate finance transactions, and we have accumulated considerable experience within this area.

We aim to be the preferred partner of companies within our core areas. Our clients are offered access to a large national and international investor base, hereunder active venture and private equity investors, as well as strategic investors and financial investors.

Pareto Private Equity's investors have access to attractive projects from a broad network of leading industrial players, and we also contribute actively to the projects between the transaction phases.

Equity offerings

- Private placings, mezzanine loans, convertible loans
- Venture and growth financing
- Preparing for stock exchange listings and public offerings

Mergers and acquisitions

- Acquisitions and sales of businesses and shareholdings
- Mergers and demergers
- Buy-outs (LBO/ MBO)
- Privatisation

Advisory services

- Strategic advice
- Preparing for stock exchange listing
- Strategy for private and family-owned companies, generational change
- Valuations

Financial restructuring

- Restructuring and reorganisation of companies in financial difficulties, hereunder raising new equity, establishing sale-and-leaseback solutions, and negotiating with banks.

PARETO MANAGEMENT AS

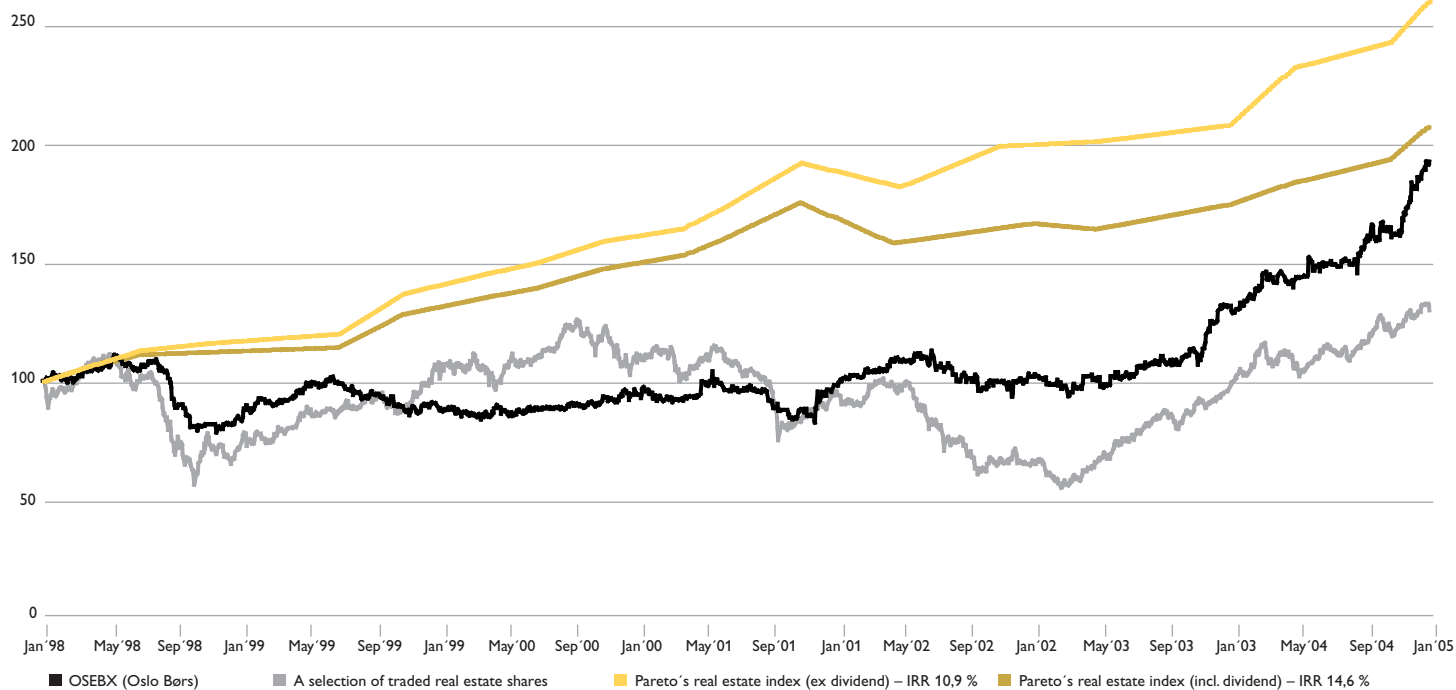
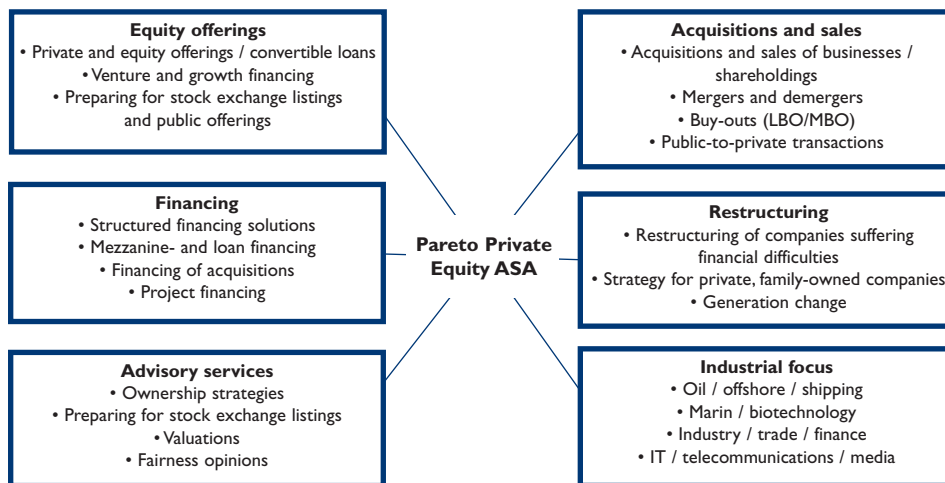
Pareto Management offers business management and accounting services, to both single-purpose investment companies and larger companies.

Pareto Management provides accounting services, tax advice, as well as guidance in connection with the annual accounts. Pareto Management has extensive experience of offering business management to many different types of company - hereunder both limited partnerships and limited companies - and is currently the business manager of 75 investment companies within shipping and real estate. In addition, Pareto Management is the business manager of several of the companies within the Pareto Group.

THE YEAR IN BRIEF

2004 has been a very good year for Pareto Private Equity, with considerable growth in both turnover and profits. We have also increased our payroll steadily through the year, and we have successfully focused on our three main areas of commitment: shipping/offshore, real estate and corporate finance. We have placed a large number of shipping and real estate projects during 2004, and have completed several large corporate finance assignments.

Corporate finance with Private Equity focus



Compared to the development of OSEBX and our selection of traded shares (Steen & Strøm ASA, Olav Thon Eiendom ASA, Industrifinans Næringseiendom ASA, Avantor ASA og Eiendomsspar AS) since 1. January 1998, Pareto's real estate index has had a very good development. The index is based on value-adjusted equity, not adjusted for dividends to partners/shareholders. Since January 1998, the index has gained 159 % (to 259). This corresponds to an annual yield of approximately 15 %.

PARETO EIENDOM AS

Pareto Eiendom AS
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Employees: 6
Managing director: Hans Hilde
hans.hilde@pareto.no

www.pareto.no

Pareto Eiendom was established in 1995, and currently has 6 employees. The company is engaged in commercial property brokerage, and focuses on the sale of larger commercial properties, such as offices, warehouses, manufacturing premises, retailing properties/shopping centres and hotels. In addition, Pareto Eiendom is involved in letting activities within the segments offices and dual-purpose buildings featuring offices and warehouses. Pareto Eiendom effects sales throughout Norway, whilst the letting assignments are concentrated on the Oslo region.

The company adopts a long-term philosophy in its work, focusing on high quality in the implementation of its projects. The bulk of its business in recent years has been the brokerage of properties valued in the NOK 40 - 500 million range. Pareto Eiendom benefits from long and extensive experience from the Norwegian property market, has highly qualified personnel, and is much used as an adviser in connection with the assessment of projects and strategies.

Pareto Eiendom has been particularly active within financially tailored real estate projects featuring a transparent tenant mix and long leases. As a result of the low interest rate, this

market has been particularly active throughout 2004, and record prices have been registered within nearly all segments.

The lettings market is in the process of bottoming out, and we have seen the first indications of increasing rents within certain segments. As a result of this, Pareto Eiendom decided to focus more on lettings, and in 2004 effected the letting of an area of about 30,000 square metres.

The company has also, throughout 2004, committed considerable time to the market segment retailing properties/shopping centres, and has sold three shopping centres during the year.

The low interest rates mean that there is still a strong focus on real estate. Life insurers and pension funds need to increase their real estate holdings, in addition to which strong interest from project managers will contribute to keeping up a high volume in 2005 as well.

THE LETTINGS MARKET

After a long period very much characterised by mounting vacancies and falling rents, 2004 featured increased demand within certain segments of the commercial property market. In central parts of Oslo, rents for modern properties in attractive locations have levelled off and vacancies have been somewhat reduced. Moreover, there is a reduced prevalence of

Rents and yields in the Oslo market - spring 2005

Property description

Property description		Rent level	Net yield
Very reliable tenants	15 - 20 years	Market rent	5,40 - 6,00
Very reliable tenants	10 - 15 years	Market rent	5,90 - 6,5
Prestigious	Aker Brygge and Vika	1.850 - 2.100	
High standard	Central Oslo elsewhere	1.300 - 1.800	
Ordinary standard	Central Oslo	1.000 - 1.200	
High standard	Lysaker and Skøyen	1.300 - 1.700	
High standard	Nydalen	1.200 - 1.500	
High standard	Bryn, Økern and Helsfyr	1.000 - 1.200	
Oslo	Warehouse, 6 m headroom	600 - 750	

1) The table indicates the rent level for commercial properties. Individual differences in terms of location, standard and contractual arrangements may result in rents varying more than indicated by the stated intervals.

2) Net yield is defined as gross rental income less owner's costs, divided by property value.

discounting, in the form of rent-free periods, free parking spaces and similar special adaptations for which the tenant would normally be charged. In addition, one has registered a small increase in rents per square metre for certain types of properties. According to the Oslo Survey of early 2005, prepared by Eiendomsspar AS, it has been calculated that office premise vacancies in Asker, Bærum and Oslo have fallen from 10 to 9 percent over the last year.

The lettings market is characterised by significant differentiation between modern and unmodernised properties. Tenants seeking new premises require a higher general standard in terms of the property and its technical installations. However, rents are still deemed to be low, and tenants therefore take the opportunity to upgrade premises upon moving. Areas featuring a high proportion of unmodernised properties have not registered any notable positive developments during 2004. We are of the view that continued low levels of newbuilding activity, combined with higher area absorption, will contribute to increased rehabilitation of commercial property ahead, further reduction in vacancies and a modest increase in rents.

THE INVESTOR MARKET

As a result of the continued fall in interest rates during 2004, it is to be expected that many investors will seek alternative investment forms, such as real estate. This results in an increased focus on the "right kind of property", i.e. properties featuring reliable tenants and long leases. Such properties have seen a 100-percentage point fall in yields during 2004. Another tendency over the last year is that the yield on properties with short leases and less reliable tenants have also declined significantly. This indicates that investors in this type of properties are demonstrating an increased willingness to take risks, and believe that the lettings market will develop positively ahead.

The pricing of properties is closely associated with developments in long- and short-term interest rates. General expectations of somewhat increasing interest rates ahead may contribute to a new upturn in yields for all types of properties in 2005. The tax reform of December 2004, with tax-free gains on the sale of shares, has resulted in an increased focus on the sale of real estate shares. A number of real estate investors have opted to realise gains by selling their limited companies and reinvesting in new real estate projects.

Competition for the "right kind of property" remains vigorous, and the market is much influenced by professional managers, who tailor projects to investors wishing to invest in a share of different real estate projects. These players are likely to become increasingly professionalised ahead, developing new real estate projects intended for a broader group of investors.

PARETO FORVALTNING ASA

Pareto Forvaltning ASA
Dronning Maudsgate 3
P.O.Box 1810 Vika
N 0123 Oslo Norway

Telephone +47 22 87 87 00
Total assets under management: NOK 13,7 mrd
Norwegian equities: NOK 6,0 mrd
Norwegian interests: NOK 7,7 mrd

Employees: 14
Managing director: Petter W. Borg
petter.borg@pareto.no
www.pareto.no

A long-term perspective, fundamental analysis and consistency characterise our asset management philosophy, as confirmed by our success through ten years of operating in the securities market. Our investments are based on a careful and selective investment strategy, and have over time offered an attractive excess yield when compared to index and a risk-free interest rate.

LONG AND EXTENSIVE EXPERIENCE OF THE SECURITIES MARKET

In spring 1995, Pareto Fonds became involved in discretionary asset management. As a result of the strong growth of this business and a desire to focus on the asset management market, Pareto Forvaltning ASA was established in autumn 1998.

The company offers discretionary asset management and fund management, as well as financial services for investors in the securities market. The customers are large and medium-sized entities within the private and public sectors, pension funds, foundations and high net worth individuals. The company has 11 asset managers and advisers, with an average of 15 years' relevant experience. Three employees are involved with business management. Other services like analysis, settlement services, technology and accounting are outsourced to Pareto Securities and Pareto Management.

STRATEGIC ADVICE AND ASSET MANAGEMENT

Pareto Forvaltning offers its customers asset management in the market for listed securities, through the investment service Discretionary Asset Management or through the fixed income funds Pareto Likviditet, Pareto Obligasjon and Pareto Høyrente, as well as the equity funds Pareto Aksje Norge and Pareto Aktiv.

Many investors wish to handle all or part of their asset management by themselves. Limitations within their own organisation in terms of, for example, qualifications and systems, may complicate such an approach. In addition to traditional asset management, we therefore offer financial services, whereby Pareto Forvaltning becomes a strategic partner contributing to the investor's asset management resources. This is a flexible and attractive concept for larger investors, who see the value of outsourcing part of their activities, whilst at the same time maintaining a high degree of control of, and influence over, the various stages of the investment process.

We have also developed a management service for debt instruments, Liability Management, whereby we handle complex debt portfolios for larger customers in terms of tender processes with financial institutions, interest rate risk management, and reporting.

LIMITED NUMBER OF CUSTOMERS, FOCUS ON INDIVIDUAL SOLUTIONS

Every investor has a unique risk profile. Hence, effective and risk-calibrated asset management should be founded on individual asset management solutions. Our asset management concept is to provide a combination of modules, which enable us to tailor asset management services to the various needs and risk profiles of customers.

A service concept characterised by close and individual follow-up excludes Pareto Forvaltning from the mass market. Nevertheless, favourable asset management performance has generated considerable growth in recent years, despite a difficult securities market. We currently manage NOK 13.7 billion in the Norwegian securities market, of which NOK 6 billion in the equity market.

Our Internet reporting makes the required information available at any time - day and night - offering, amongst other things, a daily report based on the Oslo Stock Exchange closing prices as per the previous business day. Available reports will include detailed and updated portfolio reports, yield reports and consolidated contract notes.

CONSERVATIVE, CONSISTENT AND LONG-TERM STYLE OF ASSET MANAGEMENT

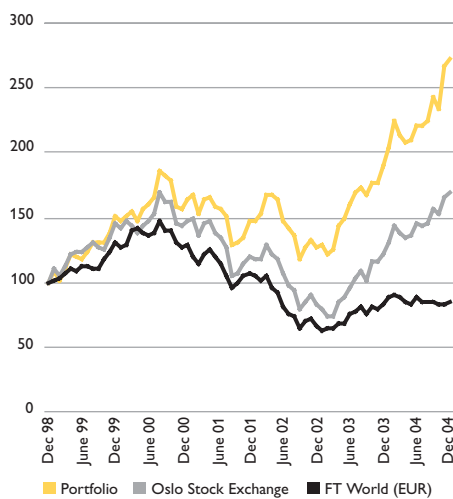
Proximity and a thorough understanding of investments are at the core of our asset management philosophy, and our operations are based on meticulous internal analyses. Our investments are concentrated on companies characterised by effective operations, sober pricing and a robust balance sheet. The number is kept low, with normally 15 - 20 different positions in the Norwegian stock market. It is our view that such a number achieves sufficient risk diversification, whilst at the same time permitting thorough and continuous follow-up

of each individual investment. At the core of our asset management philosophy are investments in companies demonstrating stable yields, profits and dividends over time.

ANNUAL AVERAGE YIELD OF 16 PERCENT

Acceptance and appreciation of a long-term approach and a value-oriented asset management philosophy has resulted in high performance. It is illustrative that our first customer, who joined us in August 1995, remains on the client list, satisfied with an annual average yield of 16.1 percent, net of costs, over the entire period. This represents a significant excess yield as compared to both the 5.2 percent which could have been earned on bank deposits and the 9.1 percent annual yield on the Oslo Stock Exchange.

Time-weighted return vs. indices. Main profile Norwegian equity.



It follows from the graph above that our portfolios, despite a very challenging stock market over the last six years, have generated an overall positive yield of 211 percent. This represents an excess yield of 126 percentage points when compared to the Oslo Stock Exchange, which during the same period generated a yield of 86 percent. The worldwide index FT World (ex. dividend) fell by as much as 12 percent

during the same period, as measured in Euro. Measured in Norwegian kroner the contraction was 15 percent over this period. Dividends received reduced the decline by approximately 1.5-2.0 percent yearly.

THE YEAR IN BRIEF

- Good inflow of new asset management assignments and a stable customer pool
- Successful effort within institutional asset management
- Solid growth in terms of assets under management, especially in terms of new stock mandates
- Favourable yield figures on our equity and fixed income portfolios
- Fruitful cooperation with DnB Privatbank on the management of equities
- Pareto Aksje Norge was the first Norwegian equity fund to be structured as an index linked bond

LOW INTEREST RATES, HIGH EQUITY MARKET YIELD

After yet another particularly good year in the Norwegian equity market, the Oslo Stock Exchange registered a 2004 yield of no less than 38.5 percent. Since bottoming out on 27 February 2003, the Norwegian equity market has offered an amazing 140 percent increase in value. However, it is more important to note that since the composite index was introduced in 1983, the Oslo Stock Exchange has rendered an annual yield of about 13.5 percent, which translates into an annual excess yield above bank interest rates of 6 percentage points.

Many investors who have entered the market after 1997 will have experienced a level trajectory. In the short term, the market has rebounded from very low levels. A number of well-run companies, with robust balance sheets and a high return on equity, remain moderately priced, and are consequently candidates for inclusion in a long-term equity portfolio.

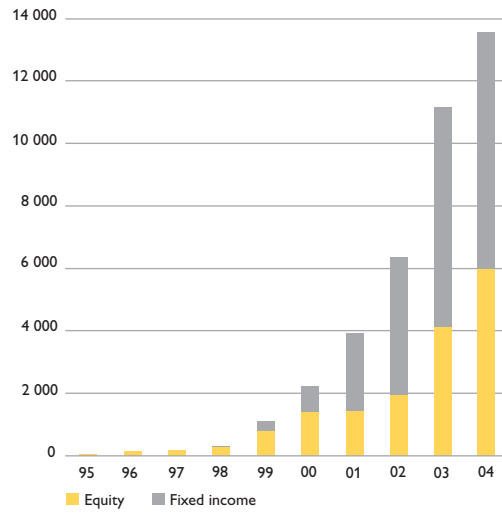
THE OUTLOOK FOR 2005

Growth in the Norwegian economy recovered during the course of last year, in line with the estimates of the Norges Bank. The private sector, in particular, is the growth engine, through both housing investments and household demand. However, trade and industry is joining in - especially in terms of real investments within service industries, but petroleum industry investments will also contribute to positive growth ahead.

Price growth is expected to increase over the year, but the Norges Bank only expects the 2.5 percent inflation target to be met over a three-year horizon. First and foremost, this view reflects the assumption that the danger of deflation would appear to have gone away.

How should one then adapt to a climate characterised by moderate growth, low inflation and interest rates at an all-time low? Pareto Forvaltning has chosen a solution comprising "building blocks". We have always recommended our customers to think high quality on the fixed income side and high quality on the equity side, and then to manage risk through the proportions allocated to the various classes. Our current "building blocks" may be envisaged as a simple three-pronged asset management structure. Short interest-bearing money (up to one year) are held in cash or in the money market, long interest-bearing money (one to three years) are invested in bonds, whilst "patient" money with a time horizon of more than three years are placed in the equity market. The size of each block depends on each investor's ability and willingness to assume risk.

Assets under management 1995-2004



P.F. BASSØE AS

P. F. Bassøe AS
Dronning Maudsgate 3
P.O.Box 1723 Vika
N 0121 Oslo Norway

Telephone +47 22 01 08 00
Revenue 2004: 128,3 mill
Employees: 29

Managing director: Einar Danbolt
einar.danbolt@pfbassoe.no
www.pfbassoe.no

The services provided by P.F. Bassøe are anchored in a thorough knowledge of the markets in which we operate. We strive to add value to our customers through creativity, a long-term perspective, implementation skills, quality assurance and availability. We seek to expand and develop our range of services within market segments where we enjoy comparative advantages. In a volatile market, we are of the view that it is important to combine intuition and decisiveness with an analytical approach.

P.F. Bassøe provides broking of vessels, oil cargoes and freight derivatives, within all tanker segments from VLCC to 20,000 tonne product tankers. Our customer base is international, with a main emphasis on clients in Korea, Hong Kong, Singapore and Greece, as well as in the Scandinavian countries.

CHARTERING

P.F. Bassøe is heavily involved in the transportation of both crude oil and refined products throughout the world. The customer base comprises international oil companies and shipowners. Crude oil is shipped from the large export regions in the Middle East Gulf, West Africa and the North Sea, for unloading in both the western and eastern hemispheres. Refined products are also transported throughout the world, with an emphasis on loading in Europe and the Middle East Gulf.

Our customers in all time zones are kept informed of market developments on an ongoing basis, and our staff of experienced brokers is always available to assist the customer when oil is to be transported. We also attach considerable weight to following up the transport assignments after the commercial terms have been agreed. Our operations department is made up of skilful personnel with experience from the sea and from shipowners' offices.

Our chartering department has chartered 117 VLCCs, 107 Suezmax and 150 Aframax tankers in the spot market during the course of the year, as well as 201 product tankers. The total amount of freight is approximately 65 million tonnes, corresponding to approximately 475 million barrels of oil/oil products.

SALE AND PURCHASE

Our business is international in character within this area as well. Our worldwide client base comprises both purchasers and sellers of tonnage, although with a main emphasis on customers in Greece, Hong Kong and Singapore, as well as in the Scandinavian countries. Our role is to keep the customer informed of potential purchases and sales, and to render visible the market value of the customer's existing fleet.

Work within the department also includes various advisory, corporate and consultancy assignments. Apart from listed shipowners, our clients include banks and various investor groups.

Amongst this year's transactions are the sale of three VLCCs and one Aframax tanker between international clients.

The purchase and sales department is also active within the long-term chartering of tanker tonnage. During the course of the year we have brokered several time charters for Suezmax, Aframax and product tankers.

FREIGHT DERIVATIVES

The derivatives market for tankers demonstrated strong growth and evolution during 2004, with steep growth in the number of transactions and in traded volumes. The market evolves more or less in step with the growth curve for oil, and is becoming ever more sophisticated in terms of new instruments and routes. Bassøe has established a position as one of the most active brokers within this market, with an ever-increasing customer base covering the US, Europe and Asia. Bassøe is one of the leading developers of new products and structures within freight derivatives, which in 2004 resulted in several large, innovative transactions.

The derivatives department works closely with the chartering and research departments, and its brokerage is in large part based on in-depth knowledge of the underlying market. In an immature market undergoing rapid development, this type of information is of critical importance in terms of making the correct decisions at the correct time.

Our role as brokers is to keep customers continuously updated on prices, trades and market driving information - in addition to advisory services relating to risk management through the use of derivatives in an increasingly volatile underlying market.

RESEARCH

Market research is an important support service to both customers and our own brokers. The research work entails ongoing market surveillance, forecasts and in-depth surveys of segments and trends within our markets. The objective is to help the customer by way of the best possible information as to developments affecting important aspects of the framework facing the tanker market. In addition, we aspire to be a competency centre and a discussion partner in order to thereby increase our customers' scope for making the best possible decisions, on the shipowning, the chartering, as well as the derivatives side. As part of this work, we prepare reports both on a regular basis and ad-hoc, and we also make presentations. In addition, we have been used as experts on the market side in connection with public prospectuses. We cooperate closely with Pareto Securities, and deliver services to the company and its customers.

THE TANKER MARKET IN 2004

2004 outperformed even the most optimistic market forecasts, and was a record year. Not only were the peaks the highest for 30 years; the absence of troughs was equally noteworthy. The main driver was yet again a large increase in oil consumption. Global oil consumption is estimated to have increased by 2.6 million barrels per day (mbd), the largest increase for almost thirty years. Due to low oil stocks and (excessively) high oil prices, oil production increased even more rapidly. Longer freight distances due to an expansion in exports from the Middle East have also contributed to increased demand for tonnage. We estimate demand, adjusted for longer distances, to have increased by approximately 10 percent on the previous year.

Of course, China has been the main driver in this process. Its economy grows rapidly, and has reached a volume that makes a difference at a global basis. Energy demand grows even more rapidly due to industrialisation, energy-intensive investments and a swiftly expanding middle class. Oil consumption is estimated to

have increased by close to 20 percent and imports by twice as much, since Chinese oil production has levelled off. However, there was also healthy growth in oil consumption in the rest of the world, in line with the business cycle, thus indicating that high oil prices have not had a large negative impact thus far.

This consumption growth implies an increased need for oil from the Middle East, and thereby longer freight distances and increased demand for tonnage. Such demand increase has been boosted by the failure of production in other areas to keep up with developments in terms of consumption growth. The vast majority of areas have shown disappointing developments, especially the North Sea, where production continues to decline despite high prices. Consequently, OPEC was forced to increase production steeply during the second half of the year in order to regain control of the oil price.

Demand side dynamics have in no way been matched in terms of the fleet. It is correct that capacity is on the increase, but this has been relatively slow thus far. The number of newbuilds delivered was relatively stable, and continued withdrawals in the form of a certain amount of age-based scrapping meant that the net increase in fleet size was just over four percent, in line with 2003. Overall, there is no doubt that fundamentals became considerably tighter; with, for example, average earnings for a VLCC ending up in the region of USD 100,000 per day, or about twice as much as the previous year.

Vessel values also underwent extraordinary developments. A three-year old vessel, estimated to have cost about USD 77 million as per yearend 2003, is now valued at USD 117 million; an increase of 50 percent. Smaller and older vessels have appreciated considerably more, relatively speaking.

The VLCC market contracted markedly towards the end of the year, and 2005 has started off much more moderately than 2004 ended, although absolute levels are still resulting in acceptable earnings on the part of shipowners.

Increasing fleet capacity is likely to pose a challenge later in the year. There is no longer a large number of old vessels left in the VLCC/-Suezmax segment, and more newbuilds therefore means a swifter capacity increase. However, this is to some extent counterbalanced by the fact that double-hull tonnage still "only" accounts for about 60 percent of the total, which implies a bifurcated market in which charterers remain faced with limited choice. The order book remains relatively robust (approximately 25 percent of the fleet), but this has been the case for several years. The new development is that delivery times have expanded significantly because shipyards are fully occupied with the construction of all types of vessels. For this reason, the annual delivery volume is not discouragingly high. It is also likely that the long delivery times (together with steep price increases) are amongst the reasons why ordering activity actually fell back during 2004. Fear of overordering is a persistent feature of the tanker market, and disciplined conduct in this regard is to be welcomed.

Developments in the world economy and the oil market will of course be important. As mentioned, last year was spectacular, and one must expect the market to slow down somewhat this year. However, thus far there has been no sign of this. The economy has strengthened in both China and the US during the autumn, and oil consumption forecasts are once more in the process of being adjusted upwards. If it turns out that oil consumption has been underestimated yet again, one may expect another good year for the tanker market, although it may be hard to match last year's peak prices.

THE YEAR IN BRIEF

- 75 percent increase in turnover (2004: 128.3 million, 2003: 73.4 million).
- Position as one of the world's leading players within chartering, as well as purchases and sales, of VLCC tonnage maintained.
- Strengthened position as derivatives broker. Amongst the top three internationally.
- Position as leading analyst of the tanker market reinforced.



NORDIC PARTNERS INC.

Nordic Partners Inc
Member of the NASD
488 Madison Avenue, 17th floor
New York, NY 10022, USA

Tel.: +1 (212) 829-4200
Employees: 13
Managing director: Anders Lindquist
anders.lindquist@nordic-partners.com

www.nordic-partners.com

Nordic Partners Inc. is a joint venture between three leading Nordic brokerages; E. Öhman J:or Fondkommission AB of Sweden, Evli Bank Plc of Finland, and Pareto AS. Together, the three companies offer access to all the Nordic markets under one joint name.

LEADING POSITION IN THE NORDIC SECURITIES MARKET

Nordic Partners was established in 1998 as a distributor of the products and services of its owners in the North American market. The joint venture partners had an overall turnover of approximately US\$ 300 million in 2004. The overall number of employees in the consortium as a whole is 612.

Nordic Partners is a very strong player in the Nordic securities market. In the Norwegian market, Pareto is ranked as the best brokerage house in surveys performed by Starmine and Prospera. In Sweden, Öhman is ranked number one by Starmine and AQ Publications, and Evli has been awarded a top ranking in Finland by AQ Publications.

EXPERIENCED TEAM BASED IN NEW YORK

The company is based in New York. It has achieved a strong position as a broker of Nordic shares amongst North American institutional investors. The team comprises Nordic specialists on shares and bonds, with wide-ranging experience from both local markets as well as US companies. Through the three Nordic brokerages, Nordic Partners has access to more than 50 analysts, many of whom are accredited with top rankings within their respective sectors. The three companies tie Nordic Partners into a trading network based on membership of the Oslo Stock Exchange, the Stockholm Stock Exchange, the

Helsinki Stock Exchange and the Copenhagen Stock Exchange. Its extensive local network of contacts enables the company to offer first-rate research from all the Nordic markets to a broad international customer base with a focus on the Nordic region.

Nordic Partners also offers its customers the opportunity to trade on the US stock exchanges, as well as an important flow of timely information to the local markets.

2004 – THE YEAR IN BRIEF

Nordic Partners has during the year achieved significant improvements in terms of earnings, development of the customer base and expansion of the product range. The plan adopted in 2002 was implemented, and we would like to point out the following highlights of the year:

- Two highly qualified employees have joined to handle the ever-expanding customer base and supplement the sales desk.
- The number of new customers increased by more than 30 percent in 2004, there is a good balance between the various types of investors.
- The expanded depth and breadth of our customer base has enabled us to participate in 25 major transactions during the year, with the highlight being the Frontline transaction in September.
- Turnover grew by more than 75 percent over the year, and we are now in an

excellent position to continue the expansion in the North American market with the support of our customers, owners and dedicated personnel.

OUTLOOK FOR 2005

Nordic Partners enters the new year with considerable drive and much optimism. The weak dollar last year, with international funds outperforming domestic funds, have further drawn investors' attention to assets outside the US. Customers are also indicating an increased flow in the direction of international capital markets.

We will further expand the team during the year, by supplementing the sales desk to meet the increasing demand. The market is expected to be aggressive as far as new transactions are concerned, and our partners will be active with regards to mergers and acquisitions, flotations and block trades.

Over the last three years, Nordic Partners has held road shows for about 45 companies, which have been introduced to both existing and prospective customers.

PARETO OFFSHORE ASA

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Telephone +47 22 55 44 55

Employees: 4
Managing director: Lars Buin
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www.pareto.no

Pareto Offshore focuses on the purchase and sale of drilling rigs. The company was established in October 2004 - although with three partners who have been involved in the majority of all rig transactions since 1990.

BROKING OF ALL TYPES OF DRILLING UNITS

Pareto Offshore offers broking of all types of drilling units - jack-ups, semi-submersibles, drilling ships and land rigs. We also offer assistance in connection with the chartering, newbuilding and financing of drilling units, and perform valuations, market updates, as well as strategic assessments in cooperation with our clients' senior management.

The main focus of Pareto Offshore has been on the purchase and sale of mobile drilling units, mostly on behalf of US rig owners, who own the majority of the world's drilling units and consequently are involved in the largest number of transactions.

We are rarely given purchase or sales assignments pure and simple, and must normally keep the customer informed of potential purchases and render visible the value of the customer's existing rigs. An important part of our work is also to keep customers informed of which rigs may be developed for sale, or be exchanged for other rigs in cases where such an exchange would be strategically correct for both parties.

THE RIG MARKET

Rates for drilling services increased steadily throughout 2004 - as the result of a high and robust oil price, overestimates of reserves and the unwillingness of oil companies to invest in new exploration activities for reasons of cost

focusing and consolidation. This development looks set to continue. All segments have firmed considerably, thus resulting in increasing drilling rig values. Margins are robust and new players are entering the market, financed by optimistic investors. Typical rig owners, on the other hand, are more reticent and conservative.

NEWBUILDING ACTIVITY

US rigowners remain very cautious about bringing new capacity onto the market, and this results in Norwegian companies being amongst the most active players as far as new jack-up units are concerned. At the moment of writing, 18 jack-up units are under construction in Singapore, the US and China, whereof as much as 14 in Singapore. Yards have here stimulated newbuilding by offering attractive financing packages to the "new" rigowners, and we have seen Norwegian companies like Sinvest, Odfjell, Awilco and Petrojack seizing the opportunity.

As far as semi-submersible units are concerned, we have thus far only seen one project involving the construction of a hull at Vyborg, financed by Norwegian investors. However, a number of shipowners and speculators are getting ready to launch new projects. Daily rates for new semi-submersible ultra-deepwater units are approaching USD 300,000, and with a utilisation rate of close to 100 percent we will see more projects materialising during 2005.

PPN ASA

PPN ASA
Storgaten 14
N 4349 Bryne Norway
Telephone +47 51 77 97 00

Revenue 2004: NOK 137 mill
Employees: 13
Managing director: Bo Nilsson
bo.nilsson@ppn.no

www.ppn.no

PPN is a manager of financial concepts for independent financial advisors (IFA) in Norway. Our Plug and Play Concept offers customers access to strong brand names, functional technical solutions and a unique service level. PPN represents eleven national and international suppliers and more than 400 active financial advisors. This means that the concept is Norway's main distribution force outside the banking system.

PPN IS ALONE IN OFFERING ITS CONCEPT IN NORWAY

As from 1 July 2004, Pareto AS became the principal owner of PPN ASA. PPN is a securities firm, and was established in 1998. This was the foundation of what is now Norway's leading manager of financial concepts for independent financial advisors. Our services are unique in this country, inasmuch as we have a service organisation created for financial advisors, with products tailor-made to this customer group, whilst we are also amongst the leaders in the market and one step ahead when it comes to technological development.

PPN's business idea is to develop proprietary product concepts on a freestanding basis, whilst at the same time sourcing products from all over the world which contribute to making financial advisors competitive in their local markets.

The concept reduces the need for administration, and frees up time for recruiting customers, rendering advice and following up on existing customers. Likewise, our suppliers make considerable savings by concentrating their efforts on product development and the actual investment product or service.

PPN currently represents suppliers such as Aviva, Credit Suisse, Commercial Union Life, Holberg, Pareto, Skagen Fondene, Sydbank, Sydinvest, Skandia, Jyske Bank and Vertikal.

A STRONG YEAR FOR FINANCIAL ADVISORS

During the course of 2004, PPN delivered financial products valued at NOK 2.2 billion to advisers associated with the company. Half of this was represented by guaranteed products, and the other half was made up of fund-related products.

There was a good increase in terms of new advisers employed by the various firms. 2004 saw continued development of PPN's product range for IFAs, through cooperation with Sydbank, and Jyske Bank very successfully launched brand new products in Norway. PPN gained three new suppliers during the course of the year; Skandia Life Norge, Skandia Ireland and Sydinvest, the latter of which is a Danish manager noted for its good performance. We have also developed a new proprietary product in cooperation with Skandia Ireland and Jyske Bank.

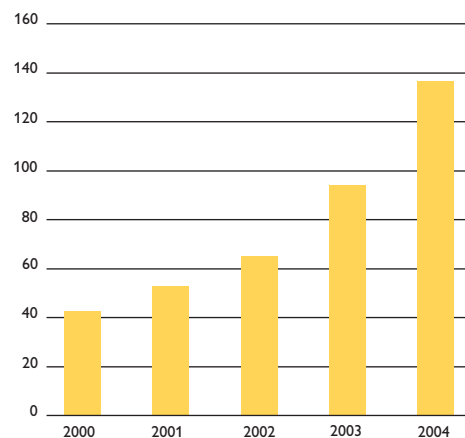
OUTLOOK FOR 2005

The future for financial advisory services looks exciting and interesting from a number of perspectives. A forthcoming form of regulation looks set to clarify rules and quality requirements, which is welcomed by PPN.

We develop our future organisation in order to support the growth of our customers.

In 2005, PPN expects growth of approximately 30 percent by way of new customers joining our concept. This will entail further expansion of the organisation and the staff. Moreover, we plan to integrate the technology with information and customer programmes; the ambition is to evolve our concept into an all-inclusive concept. This will lead to both existing and new customers being able to focus on expanding in an interesting market where important positions are to be established in coming years. Our successful product ranges for IFAs will be developed further.

PPN operating revenue



PARETO.NO: BETTER INVESTMENTS IN A SIMPLER WAY

Pareto's customers have access to a number of financial services via our website Pareto.no (www.pareto.no). It is our ambition to convey information, advice and services of a high quality, whilst at the same time offering improved service and availability.

Ever more customers use the Internet as an important channel for securities trading, and for keeping themselves informed about the market. Pareto.no offers access to Pareto's research and a large number of other services outlined in more detail below, and we believe that we are here offering a product, which represents the most attractive cost-benefit ratio in the Norwegian market at present.

IMPROVED BASIS FOR MAKING DECISIONS THROUGH PARETO'S RESEARCH

Pareto Securities is a research-driven investment firm. We attach great importance to our extensive research service, to which all our active customers can get access. The objective of the service is to provide our customers with the best possible basis for making their investment decisions, and at Pareto.no we offer, amongst other things:

- Pareto's research analyses, comments, reports and presentations
- Updated recommendations, key ratios, estimates and fundamental data for all the companies tracked by Pareto
- Current list of recommendations
- 'Pareto Rating Module' - our tool for rating companies through key ratios
- Notification service for new research
- Today's technical recommendations, as well as an interactive module for own research

SWIFT, SIMPLE AND INEXPENSIVE STOCK TRADING

Via Pareto.no, you can place your own orders directly on the stock exchange - swiftly, simply and inexpensively. Electronic trading may be freely combined with traditional trading via Pareto's brokers, but our Internet service also works splendidly as a freestanding product.

We have attached considerable weight to user-friendliness in the adopted solutions, and it is our experience that even customers with limited knowledge of PC-use rapidly become comfortable with trading on their own and appreciate the many benefits:

- Orders are sent directly to the stock exchange
- Price and market information may be accessed in real time
- Immediate confirmation of fulfilled orders
- Good and readily understandable overview of portfolio, yield, orders, contract notes, etc.
- Sophisticated order categories such as hidden volume and stop-loss
- Attractive terms
- Tax reporting
- Internet trading solution for US stock exchanges

PARETO REVOLUTIONISES THE BOND MARKET

Pareto is alone in offering electronic trading in government bonds and commercial paper in the Norwegian market. This solution entails orders being routed directly to the stock exchange in a simple and efficient way and at very low cost.

A positive side-effect is that a larger proportion of trading being effected directly on the stock exchange, gives one a more realistic impression of the market. Accordingly, we are noting an ever-reducing spread in these securities through the use of our solution. Government bonds also have sufficient liquidity to be traded on the stock exchange.

The main players in Norway are already satisfied users, and it has been gratifying to note the first foreign investment banks also having become active customers over the course of the year.

SPECIAL SOLUTIONS FOR TRADERS AND INSTITUTIONAL INVESTORS

Major investors and active traders tend to have different needs from private investors. Since Pareto's trading solution is integrated with our core systems, we can offer electronic trading that features all the options in terms of settlement, reporting, etc., that one is used to from before. Major investors and active traders can also contact us for an offer based on special terms and solutions.

PARETO STREAMER: THE MARKET IN REAL TIME

To investors and traders who wish to follow the market continuously we offer the Pareto Streamer solution, which is a professional work tool where market information is automatically updated in real time ("streaming data"). In addition to price information from the Oslo Stock Exchange, one may obtain news, futures, foreign indices, etc., all in real time, whilst the solution also offers users a direct overview of their orders and portfolio.

Shares are traded directly from the screen - in addition to which we also offer a "super trader functionality", featuring one-click trading for users who require especially fast execution.

For more information, log onto www.pareto.no or send an e-mail to info@pareto.no

DIRECTORS' REPORT

BUSINESS OBJECTIVE

Pareto is to continue its development as a focused and profitable company. The directors and management of the company wish to found its business on respect and trust on the part of the company's customers, its competitors and the authorities.

EARNINGS

The revenues and earnings of the company improved significantly as compared to the previous year. The company reinforced its position within several focal areas.

Pareto's 2004 operating revenue amounted to NOK 973.2 million, as compared to NOK 516.9 million in 2003. Operating profits were NOK 599.9, as against NOK 264.6 million in 2003. Post-tax profits were NOK 238.8 million, as against NOK 139.1 million in 2003.

The Board considers the earnings achieved in 2004 to be most satisfactory.

ACTIVITIES

The companies are involved in financial advisory services, securities broking, real estate and shipping, project development and asset management.

Pareto's main office is in Oslo. The activities of the Group are primarily carried out through its subsidiaries Pareto Securities ASA, Pareto Private Equity ASA, Pareto Forvaltning ASA, P.F. Bassøe AS and PPN ASA. Pareto AS is the parent company of the Group.

GENERAL MARKET CONDITIONS

Following a sea change in 2003, economic growth continued to be relatively high also in 2004. A year and a half of economic recovery has brought a new boom in the Norwegian economy, which is expected to reduce unemployment during this and the next year. Internationally, however, the economic growth pattern is somewhat mixed. The Euro-zone

and Japan have seen weak growth, whilst China and the US in particular have experienced high growth. The improvement in company earnings has continued, and financial markets have benefited from both low interest rates and a reduced aversion to risk. Share prices have continued to climb, and credit spreads have narrowed further.

The economic recovery has resulted in growth approaching maximum capacity in a number of countries, resulting in signs of mounting inflation. High commodity prices, and the high oil price in particular, have put further pressure on inflation. This has resulted in central banks around the world now gradually having started to increase interest rates from historically low levels. However, inflation remains low in most countries, kept down by, amongst other things, cheap goods from China, and the interest rate hike is therefore expected to be modest and to pose only a limited threat to economic growth.

A high oil price (and high commodity prices in general), low interest rates and a Norwegian krone exchange rate that is no longer felt to be particularly problematic on the part of trade and industry, have resulted in continued favourable developments for Norwegian businesses. Earnings growth for the companies listed on the Oslo Stock Exchange was good, with a return on equity of about 17 percent. The Norwegian stock market thereby continued its positive development in 2004. The Oslo Stock Exchange registered an appreciation of almost 40 percent for the year as a whole.

PARETO SECURITIES ASA

Pareto Securities ASA improved its earnings considerably during 2004.

We are of the view that Pareto Securities ASA has continued to reinforce its position as against its competitors during 2004. Our brokerage revenue increased by 72 percent, whilst the overall market registered an increase of 26

percent from 2003 according to figures from the Norwegian Banking, Insurance and Securities Commission.

In 2004, Pareto Securities ASA completed 47 major projects, spread across a broad range of industries, businesses and project types. The company acted as manager of a number of the main transactions in the Norwegian market during 2004. All in all, Pareto Securities ASA took part in about 60 percent of all offerings and flotations that were registered on the Oslo Stock Exchange (measured in NOK), and the company earned 12 percent of the corporate finance revenue reported by the securities industry to the Norwegian Banking, Insurance and Securities Commission.

Pareto's bond department enjoyed a good 2004, and the company's position in the bond market was maintained at a very high level. Pareto Securities ASA managed bond issues to the tune of NOK 25 billion during 2004.

PARETO PRIVATE EQUITY ASA

Pareto Private Equity ASA was active in 2004. Positive developments took place within all focal areas. Its position as lead project financing player was consolidated, both within real estate and within shipping. In addition, the corporate finance effort developed favourably.

Pareto Eiendom AS had a good year, and consolidated its position as an important player within the broking of large commercial properties.

Pareto Management AS, which is the business manager of companies and projects managed and syndicated by Pareto Private Equity ASA, is undergoing steady and positive development.

PARETO FORVALTNING ASA

In 2004, Pareto Forvaltning ASA achieved favourable yield figures on its portfolios as compared to the reference indices, and a 30 percent growth in assets under management.

The company has been awarded a number of new mandates in the Norwegian fixed income and stock market.

In total, as per yearend, the company managed approximately NOK 6 billion in the form of equities and NOK 7.5 billion in the form of fixed income securities. In addition, the company acts as business manager for, and a strategic partner of, clients controlling a portfolio valued at an additional NOK 1.8 billion or so.

P.F. BASSØE AS

P.F. Bassøe AS has maintained its overall number of closings as far as the chartering of large tankers is concerned, and the product department has met expectations in its first full year of operation.

The purchases and sales department has during the year effected the sale of three VLCCs and one Aframax tanker between international clients. The department is also active within the time charter market. During the course of the year, we have brokered several large charter parties for Suezmax, Aframax and product tanker tonnage.

The derivatives department experienced its definite breakthrough during 2004, and is now one of three dominant departments worldwide in its market.

PPN ASA

Through its distribution network, PPN ASA saw a financial products turnover valued at NOK 2.2 billion during the course of 2004. Half of this was represented by guaranteed products, and the other half was made up of fund-related products. The overall portfolio as per yearend was NOK 4.6 billion.

At present, the company represents 11 national and international suppliers through Aviva, Credit Suisse, Commercial Union Life, Holberg, Skagen Fondene, Sydbank, Sydinvest, Skandia, Jyske Bank, Vertikal and Pareto. PPN has distribution agreements with about 50 partners, and works with more than 400 active financial advisors.

PARETO'S STRATEGY

The company's strategy remains the same. Pareto is to be a leading, independent and focused Norwegian investment bank. The company prioritises organic growth and internal competency development, but will also undertake acquisitions and mergers if these may complement and add to the company's development. Pareto will cooperate with other players when appropriate, and when it provides our customers with the best product. An example may be transactions that require more international competency and distribution than Pareto itself is able to offer. Pareto aims to be the preferred Norwegian supplier of financial services, based on a thorough and detailed knowledge of Norwegian society and of industries within which Norway enjoys special advantages. Energy and maritime industries may serve as examples.

The Board is of the view that Pareto still has considerable scope for improvement and growth. Pareto is experiencing an increasing degree of acceptance of its research- and advice-based activities within brokerage, syndication and asset management.

The company has over the last few years invested a considerable amount in the upgrading and development of IT systems and Internet solutions. One has chosen to develop Internet services as an integrated aspect of the regular business. Communication, reporting and trading over the Internet offer great opportunities for Pareto in combination with the company's traditional and personal brokerage and advisory services.

OUTLOOK

In addition to the company's own efforts and development, Pareto's earnings are affected by the general level of activity in the financial markets. Activity within securities markets is relatively high, and the Board is therefore optimistic as far as concerns the company's development and earnings.

ALLOCATION OF PROFITS AND OTHER MATTERS

Apart from being the parent company of the

Group, Pareto AS is involved in investing in different securities.

The company is exposed to market risk in relation to its own portfolio of financial instruments. In addition, its subsidiaries face risks relating to own-account trading, market making and settlement from customers.

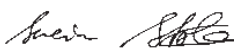
The internal workplace environment of the Group companies is good, and it has not been necessary to implement any special measures. There is little sickness absence within the group, and no injuries or accidents have been reported during the year. The company does not practise differential treatment of women and men.

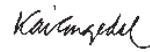
The company's activities are not of such a nature as to pollute the external environment.

The Group's profits, net of tax, are NOK 238.8 million. The post-tax profits of the parent company are NOK 90.5 million, which the Board proposes be allocated to other equity.

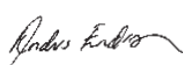
The annual accounts have been prepared under the assumption of continued operation. The status of the Pareto Group, and the earnings from its activities during 2004, are set out in the profit and loss statement and the balance sheet. The Board would like to thank the company's customers for the trust they have placed in Pareto, and its employees for their efforts, over the last year.

Oslo, 17. March 2005


Svein Støle (chairman)


Kai Engedal


Erik Bartnes


Anders Endreson


Uno Grønlie (managing director)

PROFIT AND LOSS STATEMENT

Parent company (1 000 NOK)			Group (1 000 NOK)		
2003	2004		2004	2003	
		OPERATING REVENUE			
0	0	Fee income	Note 2	973 172	516 943
0	0	TOTAL OPERATING REVENUE		973 172	516 943
		OPERATING EXPENSES			
-456	-385	Personnel costs	Note 3	-225 730	-145 998
-1 516	-4 036	Other operating expenses		-136 926	-79 696
-40	-40	Ordinary depreciation	Note 4	-10 619	-26 628
-2 012	-4 461	TOTAL OPERATING EXPENSES		-373 275	-252 322
-2 012	-4 461	OPERATING PROFIT		599 897	264 621
		FINANCIAL REVENUE / EXPENSES			
5 362	14 947	Financial revenue		15 168	22 341
76 235	95 117	Share dividends		3 792	6 137
9 860	601	Adjustment securities	Note 10	601	21 077
-2 922	2 713	Profit share associated company	Note 5	2 713	-2 922
0	0	Interest expenses		0	-2 705
-460	-1 254	Other financial expenses		-266 952	-127 380
88 075	112 124	TOTAL FINANCIAL REVENUE / EXPENSES		-244 678	-83 452
86 063	107 663	PROFITS BEFORE TAX		355 219	181 169
-786	-17 168	Tax	Note 13	-116 432	-42 042
85 277	90 495	ANNUAL PROFIT		238 787	139 127
		Allocation of annual profit:			
0	0	• Profit attributable to minority interests		-1 563	60
0	0	• Dividends allocated to minority		-53 326	-24 591
-85 277	-90 495	• Allocated to other equity		-183 898	-114 596
-85 277	-90 495	Net		-238 787	-139 127

BALANCE SHEET ASSETS

Parent company (1 000 NOK)
31. 12. 2003 31. 12. 2004

Group (1 000 NOK)
31. 12. 2004 31. 12. 2003

FIXED ASSETS

Intangible fixed assets

0
18 399
18 399

Acquired goodwill
Deferred tax assets
Total intangible fixed assets

Note 4 40 525 1 942
Note 13 7 030 25 640
47 555 27 582

Tangible fixed assets

427 388

Furnishings, machinery, etc.

Note 4 8 115 5 442

Fixed asset investments

83 789 105 011
10 039 10 136
1 718 34 443
3 243 17 701
0 0
98 789 167 291
117 615 169 440

Shares in subsidiaries
Shares in associated company
Other securities
Other long-term receivables
Pension assets
Total fixed asset investments
Total fixed assets

Note 5 0 0
Note 5 10 136 10 039
Note 6 35 896 6 838
Note 7 18 269 3 993
Note 8 15 430 11 932
79 731 32 802
135 401 65 826

CURRENT ASSETS

Receivables

0
407 27 188
407 27 188

Accounts receivable
Other receivables
Total receivables

Note 9 474 901 1 940 225
0 0
474 901 1 940 225

Investments

258 224 294 563
258 224 294 563

Securities
Total investments

Note 10 495 661 369 495
495 661 369 495

Bank deposits

35 905 5 824
294 536 327 575

Total current assets

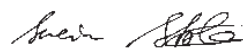
Note 11 457 458 290 324
1 428 020 2 600 044

412 151 497 015

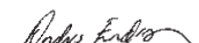
TOTAL ASSETS

1 563 421 2 665 870

Oslo 31. 12. 2004 / 17. 03 2005



Svein Støle (chairman)



Anders Endreson

BALANCE SHEET EQUITY AND LIABILITIES

Parent company (1 000 NOK)			Group (1 000 NOK)	
31. 12. 2003	31. 12. 2004		31. 12. 2004	31. 12. 2003
EQUITY				
Called up and fully paid share capital				
14 100	14 100	Nominal share capital	14 100	14 100
14 100	14 100	Total called up and fully paid share capital	14 100	14 100
Retained earnings				
389 244	479 739	Other reserves	681 794	497 896
389 244	479 739	Total retained earnings	681 794	497 896
		Minority interests	29 471	28 535
403 344	493 839	Total equity	Note 12 725 365	540 531
LIABILITIES				
Provisions for liabilities and charges				
0	0	Pension liabilities	Note 8 1 687	1 710
0	0	Deferred tax	Note 13 64	343
0	0	Total provisions for liabilities and charges	1 751	2 053
Long-term liabilities				
0	0	Funds furnished by silent partners	27 396	24 764
0	0	Total long-term liabilities	27 396	24 764
Current liabilities				
7 182	3 123	Other current liabilities	Note 9 629 069	2 016 747
1 052	0	Tax payable	Note 13 100 797	39 372
0	0	Dividends	53 326	24 591
573	53	Outstanding government charges	25 717	17 812
8 807	3 176	Total current liabilities	808 909	2 098 522
8 807	3 176	Total liabilities	838 056	2 125 339
412 151	497 015	TOTAL EQUITY AND LIABILITIES	1 563 421	2 665 870


Erik Bartnes


Kai Engedal


Uno Grønlie (managing director)

CASH FLOW STATEMENT

Parent company (1 000 NOK)			Group (1 000 NOK)	
2003	2004		2004	2003
		Cash flow from operating activities		
86 063	107 663	Ordinary profit before tax	355 219	181 169
-68	-1 583	Tax paid during the period	-36 676	-36 175
40	40	Ordinary depreciation	10 619	26 628
-14 654	-601	Securities adjustment	-601	-25 871
0	0	Net change in pensions without cash effect	-3 521	-107
2 922	-2 713	Profit share associated company	-2 713	2 922
2 362	-41 239	Change in receivables	1 451 048	-559 565
1 202	-4 579	Change in other liabilities	-1 379 773	499 039
77 867	56 988	<i>Net cash flow from operating activities</i>	393 602	88 040
		Cash flow from investment activities		
0	0	Payments for tangible fixed assets	-51 875	-284
-14 054	-35 738	Net cash flow short-term investments	-125 565	-47 302
-8 641	-55 012	Payment for fixed assets investments	-30 123	-12 521
14 960	3 681	Proceeds from fixed assets investments	3 681	12 889
-7 735	-87 069	<i>Net cash flow from investment activities</i>	-203 882	-47 218
		Cash flow from financing activities		
-33 600	0	Payments made to shareholders upon capital reduction	0	-933
0	0	Dividends paid	-24 591	-19 879
-8 686	0	Payments made upon the purchase of own shares	0	-8 686
0	0	Change in long-term liabilities	2 632	-2 833
0	0	Payments made/received in respect of minority equity	-627	342
-42 286	0	<i>Net cash flow from financing activities</i>	-22 586	-31 989
27 846	-30 081	Net change in bank deposits	167 134	8 833
8 059	35 905	Bank deposit balance as per 01.01	290 324	281 491
35 905	5 824	<i>Bank deposit balance as per 31.12</i>	457 458	290 324

NOTES TO THE ACCOUNTS

NOTE 1

Group structure

Pareto AS holds 75.0 % of Pareto Securities ASA, 80.0 % of Pareto Private Equity ASA, 75.9 % of Pareto Forvaltning ASA, 100.0 % of Pareto Fondsforsvaltning AS, 100.0 % of P.F. Bassøe AS and 80.0 % of PPN ASA.

Pareto Securities ASA holds 100.0 % of the shares of Pareto Offshore ASA.

Pareto Private Equity ASA holds 100.0 % of the shares of Pareto Eiendom AS, Pareto Management AS and Pareto Consulting AS.

PPN ASA holds 87.0 % of the shares of Universal Fonds Oslo ASA.

Consolidation principles

Investments in subsidiaries are valued at acquisition cost. In the consolidated accounts, the cost price of the shares of the subsidiaries is eliminated against the equity of the subsidiaries as per the acquisition date. Internal transactions between the companies, as well as receivables and debts as per 31 December, have been eliminated in the consolidated accounts.

Accounting principles

The annual accounts have been prepared in accordance with those provisions of the Accounting Act that apply to larger enterprises.

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables to be repaid within one year are classified as current assets. Corresponding criteria have been applied to the classification of current and long-term liabilities.

Fixed assets are valued at acquisition cost, but are written down to real value when the loss of value is expected not to be temporary. Fixed assets with a limited economic life are depreciated systematically. Long-term loans are entered in the balance sheet at the nominal amount received as per the start date.

Investments in companies of which the company owns between 20 and 50 percent, and exercises material influence, are treated pursuant to the equity method.

Current assets are valued at the lower of their acquisition cost and real value. Current liabilities are entered in the balance sheet at the nominal amount received as per the start date. Current liabilities are not revalued at real value as a result of changes in interest rates.

Certain items are valued according to different principles, and are explained below.

The operative subsidiaries are the principals of the respective internal partnerships. The accounts of the internal partnerships are included in the accounts of the principals on a gross basis. Silent partners' shares of the profits of the internal partnerships are charged as expenses in the form of personnel costs and other financial expenses, respectively. Debts owed to silent partners are included in other current liabilities.

Loan loss provisions are made on the basis of an individual assessment of each receivable. In addition, a non-specified provision is made in respect of other accounts receivables to cater for estimated loss.

Financial instruments that are included in the trading portfolio and traded in an efficient market are valued at real value as per the date of the balance sheet. Other financial instruments are valued at the lower of average acquisition cost and real value as per the date of the balance sheet.

Pensions are entered in the accounts according to a linear contribution profile, and with the expected final salary as the contribution basis. Deviations from estimates are amortised over the expected remaining contribution period to the extent that these exceed 10 % of the higher of the pension obligations and the pension assets.

Tax is applied to pre-tax accounting profits. Taxes relating to equity transactions are set off against equity. Tax comprises payable tax, changes to deferred tax, and reimbursement claims pursuant to the Taxation Act.

Monetary items in foreign currency are converted at the exchange rate prevailing as per the date of the balance sheet.

NOTE 2

GROUP OPERATING REVENUE	2004	2003
Brokerage	488 897	299 723
Corporate Finance	347 496	144 216
Asset/business management	116 137	61 768
Other project revenue	20 642	11 236
Total operating revenue	973 172	516 943

NOTE 3

SALARY COSTS, NUMBER OF EMPLOYEES, REMUNERATION, ETC.

	PARENT COMPANY		GROUP	
	2004	2003	2004	2003
Salaries, holiday allowance, social security contributions	348	426	90 947	76 191
Profit-related remuneration	0	0	127 581	59 869
Pensions and other personnel costs	37	30	7 202	9 938
Total	385	456	225 730	145 998
Average number of employees	1	1	180	141

The General Manager has received a remuneration of NOK 304,302. NOK 450,000 has been allocated to parent company directors' emoluments. Fees to Deloitte Statsautoriserete Revisorer AS and associated companies in respect of auditing and auditing-related services amount to NOK 96,000 for the parent company and NOK 1,171,000 for the group. Fees in respect of other services amount to NOK 929,000 for the parent company and NOK 1,150,000 for the group. Fees to other auditors of the group amount to NOK 485,000.

NOTE 4

TANGIBLE FIXED ASSETS	PARENT COMPANY		GROUP	
	FURNISHING, IT		FURNISHING, IT	GOODWILL
Acquisition cost 01.01	553		72 162	17 908
Subsequent acquisitions	0		4 283	45 955
Subsequent disposals	0		8 021	0
Acquisition cost 31.12	553		68 424	63 863
Acc. depreciation 01.01	126		64 467	15 966
Subsequent depreciation	39		3 247	7 372
Subsequent disposals	0		7 405	0
Acc. depreciation 31.12	165		60 309	23 338
Book value	388		8 115	40 525
Economic life	3-10 year		3-10 year	3-5 year
Depreciation plan	Linear		Linear	Linear

NOTE 5

SHARES OF SUBSIDIARIES

COMPANY	OWNERSHIP AND		BOOK VALUE
	OFFICE	VOTING SHARE	AS PER 31.12.
Pareto Securities ASA	Oslo	75,00 %	50 728
Pareto Private Equity ASA	Oslo	80,00 %	480
Pareto Forvaltning ASA	Oslo	75,94 %	6 297
Pareto Fondsforsvaltning ASA	Oslo	100,00 %	3 675
P.F. Bassøe AS	Oslo	100,00 %	4 445
PPN ASA	Oslo	80,00 %	39 386
			105 011

The shares of PPN ASA were acquired as per 30.06.2004. The transaction gave raise to goodwill in the amount of NOK 26,337,097.

SHARES OF ASSOCIATED COMPANIES

COMPANY:	FONDSFORVALTNING	PLUSS AKTIV	CONSILIO NORDIC PARTNERS		OVERALL
OFFICE LOCATION:	OSLO	OSLO	KRISTIANSAND	NEW YORK	ASSOCIATED
PARETO 'S HOLDING:	35,0 %	0 %	0 %	25,0 %	COMPANY
Acquisition cost	40 001	646	789	1 065	42 501
Equity as per acquisition date	23 939	708	1 125	-519	25 253
Goodwill as per acquisition	16 062	-62	-336	1 584	17 248
Balance as per 01.01	8 589	703	747	715	10 754
Subsequent acquisitions	0	0	0	350	350
Share of annual profit	2 283	0	0	562	2 845
Depreciation of goodwill	0	0	0	-132	-132
Subsequent sales	0	-639	-747	0	-1 386
Dividends received	-2 231	-64	0	0	-2 295
Balance as per 31.12	8 641	0	0	1 495	10 136

NOTE 6

OTHER SHARES/BONDS	NUMBER	COST PRICE	BOOK VALUE
Other securities held by parent company:			
Natsource Inc.	105 376	5 091	124
Oslo Børs Holding	100 000	17 535	17 535
VPS Holding	174 600	12 222	12 222
Norsk Tillitsmann	5 925	4 562	4 562
Total other securities held by parent company		39 410	34 443
Other securities held by subsidiaries		1 453	1 453
Total other securities held by the group		40 863	35 896

The value of the shares is estimated at no less than book value.

NOTE 7

The parent company's contribution to the Pareto Group Pension Fund amounts to NOK 2,490,000. The parent company has made an interest-bearing loan to Nordic Partners Inc. in the nominal amount of USD 868,000, which has been converted as NOK 5,241,505 as per 31.12.2004. The parent company has made an interest-bearing loan with a balance due of NOK 9,969,682 to employees of its subsidiary PPN ASA.

NOTE 8

PENSIONS

The Group maintains a pension scheme applicable to 67 people. The actuarial assumptions respecting demographic factors and retirement are based on the assumptions normally made within the insurance industry.

	2004	2003
Net present value of pension contributions during the year	2 727	4 627
Interest cost on pension obligations	1 941	2 362
Estimate adjustments entered in the profit and loss account	-71	64
Return on pension assets	-3 376	-3 406
Net pension cost before employer's social security contribution	1 221	3 647
Accrued employer's social security contribution	1 318	599
Net pension cost after employer's social security contribution	2 539	4 246
Calculated pension obligations	-36 428	-45 766
Pension assets (at market value)	53 654	53 312
Estimate adjustments not entered in the profit and loss account	-1 791	3 816
Accrued employer's social security contribution	-5	570
Pension assets entered on the balance sheet (incl. employer's social security contribution)	15 430	11 932
Unsecured pension obligations (incl. employer's social security contribution)	-1 687	-1 710

FINANCIAL ASSUMPTIONS

Expected return on fund assets	7,0 %	7,0 %
Discount rate	6,0 %	6,0 %
Expected salary growth	3,0 %	3,0 %
Expected adjustment of the base amount of the social security system	3,0 %	3,0 %

NOTE 9

ACCOUNTS RECEIVABLE IN SUBSIDIARIES

	2004	2003
Specified loss provisions as per 01.01	1 513	3 081
Materialised loss in respect of which loss provisions have previously been made	-1 309	-1 266
Adjustment to specified loss provisions	121	-302
Specified loss provisions as per 31.12.	325	1 513

NOTE 10**SECURITIES**

	NUMBER	COST PRICE	BOOK VALUE
MUTUAL FUND UNITS HELD BY THE PARENT COMPANY			
Pareto Likviditet	69 101	69 334	69 306
Pareto Høyrente	41 282	41 835	42 249
Kommunalbank AIO	10 000	10 000	10 000
Pareto Aksje Norge	71 242	84 248	84 248
Pluss Pengemarked	1 736	1 735	1 760
		207 152	207 563
SHARES HELD BY THE PARENT COMPANY			
Bankia Bank	125 000	2 500	2 500
Sparebanken Pluss	10 150	1 746	1 746
Bergens Tidende	3 189	1 116	1 116
Adresseavisen	13 290	3 944	3 944
Norges Handels- & Sjøfartstid.	12 464	9 598	8 102
Stavanger Aftenblad	161 421	9 951	9 951
Bolig- og Næringsbanken	28 350	5 103	5 103
Solstad Offshore	109 000	2 998	2 998
Komplett	78 000	3 529	3 529
Wilh. Wilhelmsen	74 000	3 626	3 626
Banknorth Group	10 000	2 197	2 197
Bear Stearns Cos Inc.	10 004	6 045	6 045
Eaton Vance Corp.	20 000	5 186	5 186
Johnson & Johnson Inc.	10 000	3 721	3 721
MBNA Corp.	10 000	1 855	1 704
Legg Mason Inc.	15 000	5 696	5 696
McGraw-Hill Inc.	20 000	11 041	11 041
North Fork Bancorp	15 000	2 913	2 616
Raymond James Financials	20 000	3 616	3 616
Wells Fargo & Co	5 000	1 942	1 879
Other shares		704	684
		89 027	87 000
Total securities held by the parent company			294 563
SECURITIES HELD BY SUBSIDIARIES			
Shares		18 050	18 050
Bonds and commercial paper		102 284	102 284
Mutual fund units		80 764	80 764
Total securities held by subsidiaries			201 098
Total securities held by group			495 661

NOTE 11

BANK DEPOSITS

The parent company holds NOK 13,618 as restricted funds in the withholding tax account. Restricted funds represent NOK 49,237,000 of the Group's bank deposits, of which NOK 5,832,000 are held as restricted funds in the withholding tax account.

NOTE 12

EQUITY

PARENT COMPANY	SHARE CAPITAL	OTHER EQUITY	SUM
Equity as per 01.01	14 100	389 244	403 344
Annual profits		90 495	90 495
Total equity	14 100	479 739	493 839

GROUP	SHARE CAPITAL	OTHER EQUITY	SUM
Equity pr. 01.01	14 100	526 431	540 531
Net change in minority interests		-627	-627
Annual post-tax profits		238 787	238 787
Dividends allocated to minorities		-53 326	-53 326
Total equity as per 31.12	14 100	711 265	725 365

As per 31.12, the share capital is NOK 14,100,000, divided into 47,000 shares of NOK 300 each.

	NUMBER OF SHARES	OWNERSHIP VOTING SHARE
Svein Støle	35 000	74,5 %
Castel AS / Erik Bartnes	3 000	6,4 %
Artship AS / Anders Endreson	6 000	12,8 %
Svele AS / Svein Støle	3 000	6,4 %
	47 000	100,0 %

NOTE 13

TAXES

PARENT COMPANY			GROUP	
2003	2004		2004	2003
86 063	107 663	Profits before tax	355 219	181 169
-11 286	-4 233	Permanent differentials	5 030	-9 364
1 193	-8 794	Change in temporary differentials	-6 405	-22 634
0	0	Losses brought forward from previous years	-121	-189
75 970	94 636	Annual tax base	353 723	148 982
21 272	26 498	28 % payable tax	99 042	41 716
-20 220	-26 508	Compensation for dividends received	-1 356	-2 344
1 052	0	Payable tax before reimbursement claims	97 686	39 372
0	0	Payable tax supplement	3 111	0
1 052	0	Payable tax	100 797	39 372
		Specification of temporary differentials		
-56 115	-5 481	Current assets	-4 319	-56 249
-8 673	-36	Fixed assets	-1 524	-15 551
-921	-737	Intellectual property	-15 881	-18 411
0	-35	Residual loss to be brought forward	-3 159	-132
-65 709	-6 289	Basis for computation of deferred tax benefit/tax	-24 883	-90 343
-18 399	-1 761	28 % deferred tax benefit/tax	-6 967	-25 296
		Annual tax cost		
1 052	0	Payable tax	100 797	39 372
0	0	Reimbursement claims pursuant to Section 31, Sub-section 5, of the Tax Payment Act	0	0
68	530	Tax corrections pertaining to previous years	-2 696	12
-334	16 638	Change in deferred tax benefit/tax	18 331	2 659
786	17 168	Tax cost	116 432	42 043
0,9 %	15,9 %	Effective rate of taxation	32,8 %	23,2 %
		Adjustment from nominal to actual tax cost		
24 098	30 146	Expected tax cost based on nominal rate	103 029	43 601
-3 160	-760	Permanent differentials	-658	-2 622
-20 220	-26 508	Compensation for dividends received	-1 356	-2 344
0	0	Reimbursement claims pursuant to Section 31, Sub-section 5, of the Tax Payment Act	0	-65
68	14 290	Other items	15 417	3 473
786	17 168	Tax	116 432	42 043

NOTE 14

Pareto Securities ASA is under a statutory obligation to furnish guarantees with the Norwegian Banking, Insurance and Securities Commission and with the Norges Bank. Brokerage guarantees have been furnished in the amounts of NOK 25 million with the Norwegian Banking, Insurance and Securities Commission and NOK 153 million with the Norges Bank. The guarantees have been secured by way of a first preferred security interest in accounts receivable, as well as a security interest in the company's short-term securities.

NOTE 15

The parent company is exposed to the risk of price fluctuations on its own securities portfolio. In addition, its subsidiaries face risks relating to own-account trading, market making and settlement from customers.

The financial market risks to which the subsidiaries' activities expose them, are managed pursuant to the provisions of the Public Limited Companies Act and the Internal Control Regulations laid down by the Norwegian Banking, Insurance and Securities Commission.

Deloitte.

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Pareto AS

AUDITOR'S REPORT FOR 2004

We have audited the annual financial statements of Pareto AS as of 31 December 2004, showing a profit of NOK 90.495.000 for the parent company and a profit of NOK 238.787.000 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 allocation of the profit. 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 Managing Director. 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 2004, 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 and the documentation is in accordance with the law and generally accepted accounting practices in Norway
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Oslo, 17 March 2005
Deloitte

Jøen Borchgrevink (signed)
State Authorised Public Accountant (Norway)
Audit, Tax & Legal, Consulting, Financial Advisory.

Member of
Deloitte Touche Tohmatsu

Medlemmer av Den norske Revisorforening
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Pareto

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