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For electronic version of the full report and additional information:
www.statnett.no/rapporter/annualreport01/

Senior Management Team: President and CEO Odd Håkon Hoelsæter; Senior Vice President Kåre Schjetne; Executive Vice President Audun Hustoft, Maintenance Division; Executive Vice President Øivind Rue, Grid Development Division; Executive Vice President Ivar Glende, Grid Operation Division; Executive Vice President Bente Hagem, Commercial Division; Executive Vice President Eva Granly Fredriksen, Finance.

07:00 | 08:00

DATE YEAR HOUR

FRIDAY /// 5 FEBRUARY /// 2001

PRODUCED 7-8 AM: 22,044 MWh
CONSUMPTION 7-8 AM: 22,827 MWh

MWh

PRODUCTION REPORT: 2001-02-05
LONDON: 14:00:00 - 15:00:00
PRODUCTION: 22,044 MWh
CONSUMPTION: 22,827 MWh
PRODUCTION REPORT: 2001-02-05



FRIDAY /// 5 FEBRUARY /// 2001

PRODUCED 9-10 AM: 21,675 MWh
CONSUMPTION 9-10 AM: 23,054 MWh

09:00 | 10:00

DATE YEAR HOUR



PRODUCTION PER HOUR
CONSUMPTION PER HOUR
DATE YEAR
HOUR

01:00

DATE YEAR

HOUR

000

MWh

01:00 | 02:00

FRIDAY /// 5 FEBRUARY /// 2001

PRODUCED 1-2 PM: 21,637 MWh
CONSUMPTION 1-2 PM: 22,205 MWh



08:00 | 09:00

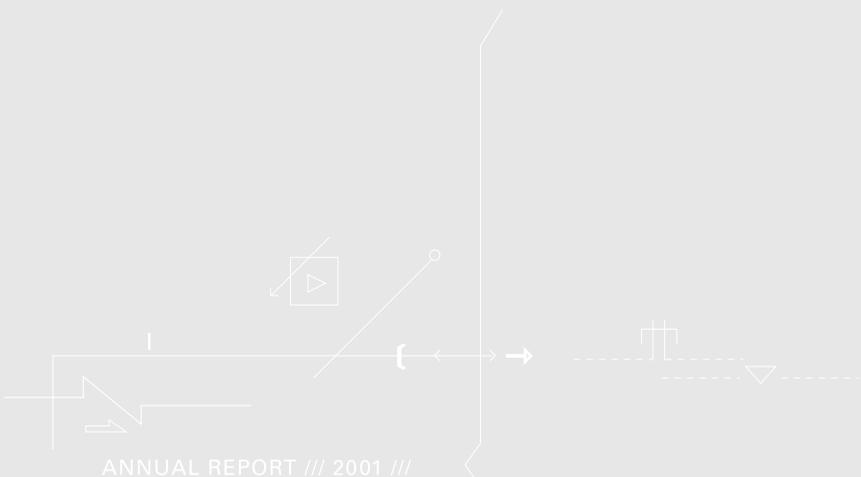
DATE YEAR HOUR

MWh

FRIDAY /// 5 FEBRUARY /// 2001

PRODUCED 6-7 PM: 22,000 MWh
CONSUMPTION 6-7 PM: 21,506 MWh

Electricity cannot be stored and must be used the moment it is generated. A transmission system operator must therefore ensure that supply and demand are in balance at all times. In Norway, Statnett is responsible for co-ordinating supply and demand in the power system. Being a transmission system operator, Statnett owns and operates large sections of the main Norwegian power grid and the Norwegian section of power lines and subsea cables to other countries. Its subsidiary, Statnett Entreprenør AS, carries out assignments in construction and maintenance of energy transmission facilities, telecom facilities and assignments in adjoining areas of construction in the Nordic countries and a selection of international markets. The newly established StatnettTransport AS is a wholly owned subsidiary with transport capacities both overland and by sea. Statnett owns 50 per cent of the Nordic power exchange, Nord Pool ASA. Statnett SF's operations cover large parts of Norway. Its head office is located in Oslo and its regional offices are in Alta, Sunndalsøra and Oslo. Employees' meeting points for sub-stations can also be found at various locations around the country.



WWW.STATNETT.NO

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STATNETT SF – MAIN FIGURES AND KEY RATIOS

MAIN FIGURES for Statnett SF

Amounts in NOK million	2001	2000	1999	1998	1997
Operating revenues	4,503	3,387	3,390	3,381	3,311
Operating profit	917	884	765	807	690
Profit before tax	481	666	551	569	450
Profit for the year	348	477	402	389	359
Total assets	10,995	10,980	11,361	11,344	10,543

KEY RATIOS for Statnett SF

	2001	2000	1999	1998	1997
Return on assets before tax	9.1%	9.0%	7.8%	8.1%	7.1%
Return on equity after tax	8.1%	11.4%	10.0%	10.1%	9.4%
Equity ratio	40.0%	38.4%	36.4%	34.4%	36.6%

DEFINITION OF KEY RATIOS

Return on total assets: $\frac{\text{Operating profit} + \text{financial income}}{\text{Average total assets}}$

Return on equity: $\frac{\text{Profit for the year}}{\text{Average equity}}$

Equity ratio: $\frac{\text{Equity at 31 December}}{\text{Total assets at 31 December}}$

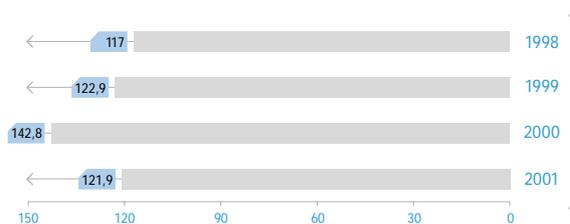
KEY INFORMATION

Statnett SF

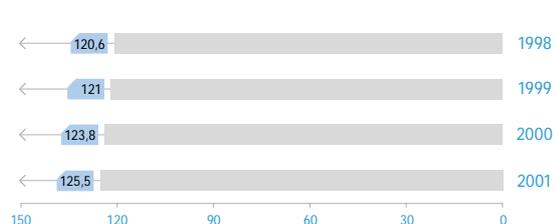
- Number of employees: 510
- Rating, short-term: A-1+ (Standard & Poor's).
- Rating, long-term: AAA (Standard & Poor's) and Aaa (Moody's).
- Guarantee from the state: NOK 10 billion if the value of the assets exceeds this amount.
- Insurance valuation of assets in the grid, at 31 December 2001: NOK 32,5 billion.
- Dividend policy 1999–2002: Proposition no. 1 to the Storting (1999–2000) proposes a dividend of approx. 50 per cent of group profits after tax. Dividends in real terms may vary depending on National Budget dispositions.

NORWAY'S PRODUCTION, CONSUMPTION AND IMPORTS/EXPORTS OF ELECTRICITY (figures in TWh)

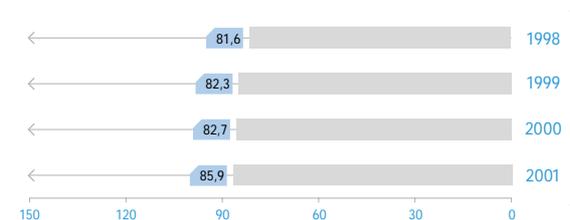
Total productions



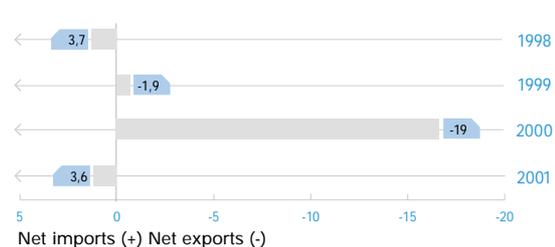
Total consumptions



General consumptions



Net power exports/imports



Net imports (+) Net exports (-)

THE PRESIDENT AND CEO'S COMMENTS

RENEWED TRUST AND NEW CHALLENGES FOR STATNETT

The Norwegian Parliament (Stortinget) has renewed its trust in Statnett.

As late as 19 February 2002, the Norwegian parliament defined in reality Statnett's responsibilities as transmission system operator. The Norwegian Storting was unanimous in its view of our dual responsibilities, which are:

- to be responsible for coordination and day-to-day management of the entire Norwegian electricity power system and
- to operate the Main Grid, including overseas connections, as efficiently as possible.

The Norwegian Storting has thus, clearly and plainly, established that Statnett's view of its role as transmission system operator is a good solution for society as a whole.

In the light of the Norwegian Energy Act and the Norwegian Storting's resolution of February 2002, we have been assigned a major social responsibility. It is precisely for this reason, however, that we at Statnett must consider it our most important task to pave the way for an efficient electricity market. It is first and foremost this market that will secure us socio-economic and rational access to electricity throughout the country.

Norway needs increased capacity from abroad

The balance between the generation and consumption of power in Norway has developed negatively over the last decade, and even when precipitation levels are normal we still have a great need to import electricity. This is a clear sign that we need increased generation capacity in Norway – and a greater capacity to exchange power with other countries.

These two measures are not in conflict with one another.

Regardless of Norwegian levels of power generation, it is essential that we increase transmission capacity between Norway and other countries in order to achieve flexibility in our own power system. If we fail to do this, we will always be at the mercy of the weather given the Norwegian system's dependency on hydropower. One important advantage of our system is that Norway generates an environmentally "clean" form of electricity, with an internationally recognised symbolic value through the new "green certificates".

Statnett has repeatedly pointed to the ever-diminishing margins – both with regard to meeting Norway's increasing consumption of electricity and in respect of securing the output balance on a cold winter's day, when the heating is on full blast. Both of these aspects require more attention in Norway and in the Nordic region.

We note with regret that two of the three cable projects initiated at the beginning of the 1990s have now been cancelled. All three of these projects were based on the commercial exchange of power, and Statnett was responsible for supplying infrastructure.

Statnett is now working hard to develop other forms of financing for future cable connections. In the course of 2002 it should be possible to conclude which cable connections we will be able to implement using another form of financing.

Norway needs domestic investments in the grid

How should we develop the Main Grid in order to meet demands of the electricity market for transmission capacity in eight or ten years? Here at Statnett this is a basic technical and strategic question.

With renewed trust from the Storting (the Norwegian Parliament), Statnett has reason to be optimistic as it takes on new challenges. The tasks are considerable. Upgrading of existing power lines and even some new construction is needed to meet market demands.

Odd Håkon Hoelsæter, President and CEO



In its first ten years as transmission system operator Statnett has, by means of compensation and other, minor investments, increased grid capacity. During this period Statnett has hardly invested in new power lines.

New larger-scale upgrades will help to increase capacity further, but this will hardly be enough. We have now reached the stage where it is necessary to build new lines in order to meet market demand. At the same time a plan is being drawn up to upgrade the existing grid from 300 kV to 420 kV, a measure that will significantly increase transmission capacity. This initiative will help us to maximise use of existing routes and to keep environmental strain at an acceptable level.

Nordic cooperation

The Nordic electricity market functions well, not least as a result of the fact that Statnett established the world's first power exchange in 1993. However, there is a need for continued development. This will place greater demands on the transmission system operators. In particular, players in Norway have taken an active role in this process.

The challenges we face in the Nordic countries are harmonisation of legislation, regulations, tariffs and other aspects of relevance to the market players. As transmission system operators, we need to strive to achieve a homogenous platform for power trading in the Nordic countries.

Liberalisation of the European market – and Norwegian opportunities

The first stage in the deregulation of the European electricity market was implemented on 1 March 2002. In the next five years we will see completely new developments in European

energy markets, with an unprecedented opening of national borders. Through its significant involvement in the European Organisation of Transmission System Operators, Statnett has participated in these preparations.

So far, developments on the Continent have had little impact on the organisation of the Nordic market. Our system has been at the leading edge and has in many ways been a model for others.

The next stage in the development of crossborder trade is planned to come into force as of 1 January 2003. This stage will in all probability have a direct impact on the Nordic market, too. Statnett has been very interested in this matter, and we will endeavour to ensure that the solutions that are chosen are the best possible ones for Norwegian market players.

On market terms

If the Norwegian monopoly is to be able to follow future developments, it is essential that it meets the electricity market on the market's own terms. In other words: Statnett must meet challenges and take responsibility for its actions. We are in the driving seat in a number of important areas relating to power policies, and we need to make this felt in the outside world.

It is not the prospect of making a profit that governs our choice of direction, but Statnett assumes responsibility for the quality of power supplied and the level of costs of the services we perform for the market, based on socio-economic thinking. This means only one thing: We shall work efficiently and well so that we can defend a leading position in Europe.

REPORT OF THE BOARD

SOUND FINANCES AND GOOD PROSPECTS FOR THE FUTURE

Statnett is the transmission system operator in Norway, with its head office in Oslo. Through the rational development of infrastructure, the company will optimise conditions in the power market and ensure the reliable transmission of electric power. High consumer peaks, the need for new transmission capacity and Statnett's responsibilities and organisation are topics that have received particular attention in 2001.

Statnett's core operations shall:

- ensure the quality of power supplies in the long-term through development of and investments in the Main Grid and by following developments in generation and consumption. Statnett assumes responsibility for the power balance in the short and long term
- ensure quality of the power supply in the short term by coordinating the generation and consumption of electricity
- offer access to the transmission grid to all parties on equal terms by managing the Main Grid Commercial Agreement
- ensure available transmission routes through good maintenance

Besides its core operations, Statnett also has the wholly-owned subsidiaries Statnett Entreprenør AS, Statnett Transport AS and Statnett Forsikring AS. In addition, Statnett owns 50 per cent of the Nordic Power Exchange Nord Pool ASA, while Svenska Kraftnät owns the other half.

Statnett has organised its business operations in three business areas: Grid Operations, Engineering and Construction and Power Exchange. In addition to its business operations,

Statnett carries out other tasks on behalf of users and the authorities: The Main Grid Commercial Agreement, common regional grids and the regulating power settlement system.

STATNETT'S FINANCIAL SITUATION

Consolidated profits

The Statnett Group recorded a profit after tax of NOK 341 million, against NOK 581 million in 2000. Costs relating to coordination of the power system have been considerably higher than anticipated, however, both as regards physical energy losses in the grid and system costs in regulating operations. Enitel ASA's compulsory liquidation gave an accounting loss of NOK 197 million.

Statnett has sound finances and good prospects. The accounts are therefore presented on the assumption of continued operation.

Grid Operations

Grid operations are the parent company's commercial operations, and include both system operations and operation of the electricity grid. This core operation recorded a turnover of NOK 2 734 million and achieved a profit before tax of NOK 481 mil-

Statnett SFs Board, clockwise from front: Grete Faremo (Chairman of the Board), Anne Kverneland Boggsnes, Rolf Magne Nyheim, Håkon Egeland (The User Council's representative), Sverre Aam, Ole Bjørn Kirstihagen, Jonfinn Fløtre, Odd Håkon Hoelsæter (President and CEO), Elisabeth Wille, Kjell Olav Kristiansen (Deputy Chairman), Jan Eskedal.



lion, NOK 185 lower than the year before. One of the main reasons for the reduction in profits is increased physical losses in the grid owing to, among other things, the cold winter months.

Grid operations' revenues come mainly from leasing transmission capacity to the main grid and regional transmission facilities, as well as revenues related to the task of coordinator for the Norwegian power system. All revenues are regulated by a revenue ceiling stipulated by the Norwegian Water Resources and Energy Directorate (NVE).

Engineering and Construction operations

Engineering and Construction is the responsibility of the wholly-owned subsidiaries Statnett Entreprenør AS and Statnett Rederi AS and the three jointly-controlled engineering and construction companies. Engineering and Construction achieved a turnover of NOK 329 million and recorded a loss of NOK -17 million. The Board does not regard the result as satisfactory and there will be taken initiatives for thorough examining of operations in this area in the first half of 2002.

The level of activity in Engineering and Construction has been

low, and this has resulted in low turnover for this part of the engineering and construction company. Another reason for the negative result posted is that some projects ran at a loss. During the first quarter of 2002, Statnett Entreprenør AS will be reorganised to give greater focus to more profitable operations.

Statnett Rederi AS and the heavy-transport vessel M/S Elektron recorded lower sales than expected. Owing to a lengthy period of repairs, M/S Elektron was only in operation for 145 days in 2001. This has also resulted in considerably higher repair and maintenance costs.

As of 2002, Statnett Rederi has changed its name to Statnett Transport and incorporated Statnett Entreprenør's transport operations into its own operations. This has been done to combine the Group's transport operations under one company, thereby increasing efficiency.

Power Exchange

Nord Pool ASA (in which Statnett has a 50 per cent stake) yielded a profit before tax of NOK 49 million, which is NOK 20 million better than in 2000.

Increased turnover in the financial markets and higher transaction revenues have contributed to the profit achieved by the power exchange.

On 2 January 2002, the company Nord Pool Spot AS was established and registered as a separate company. Nord Pool Spot subsequently has three owners, Nord Pool ASA, Svenska Kraftnät and Statnett, each with a one-third stake.

The intention is that transmission system operators in Finland and Denmark can obtain a stake in Nord Pool Spot by means of a share issue.

In February 2002, clearing operations were also hived off from Nord Pool ASA to form a separate company – Nordic Electricity Clearing House ASA.

Other tasks

Statnett is responsible for the Main Grid Commercial Agreement, which gave higher revenues of NOK 56 million in 2001. The objective is that the Main Grid's accounts shall break even over time. Deviations from this balance are recorded as higher or lower revenues and are normally incorporated in the following year's tariffs in the form of higher or lower prices for energy transmission. At the beginning of the year, the agreement's accumulated lower revenues were NOK 60 million, while these were down to NOK 4 million at year-end.

Revenues were higher than expected since the variable element of the price is affected by energy prices, which have been higher than budgeted. Expenses were somewhat higher than expected, primarily due to the substantial cost of covering physical energy losses in the grid.

Statnett manages two common regional grids and one distribution grid. At year-end these had an accumulated higher revenue of NOK 4 million, compared with NOK 1 million at the beginning of the year. The distribution grid has been included in connection with acquisition of Main Grid facilities and is expected to be disposed of.

Through the regulating power settlement system, Statnett compares measured/estimated hourly values and agreed values in the power market, and calculates the difference. Balance accounting is financed through a system of fees which, over time, shall cover all administration costs. Any result beyond this gives higher or lower revenues which are recorded in the balance sheet of the parent company as a short-term debt/receivable. The year 2001 produced a lower revenue of NOK 3 million. At the beginning of the year, the regulating power settlement system had an accumulated higher revenue of NOK 21 million. After deduction of this year's lower revenue, this yields an accumulated higher revenue of NOK 18 million at year-end.

Balance sheet

Statnett SF has good capital strength. The company's equity

totalled NOK 4,396 million, giving an equity ratio of 40.0 per cent, compared with 38.4 per cent at year-end 2000. At the end of the year, Statnett SF's total assets amounted to NOK 10,995 million, compared with NOK 10,980 million the year before. At year-end the company's liquid reserves totalled NOK 956 million.

State guarantees

The Norwegian state guarantees as owner for the company's liabilities within set limits. The company's lending limit was NOK 10 billion at year-end. This, combined with solid finances, means that the company has a very good credit rating from international rating agencies. Standard & Poor's Rating Services and Moody's have maintained their AAA rating of Statnett, which is the highest possible rating a company can achieve. This rating gives the company good borrowing terms.

In March 2002, the Norwegian Government notified the EFTA Surveillance Authority (ESA) by letter that it proposed to remove the provision concerning state guarantees in the Act on State Enterprises. By letter to Statnett 3 March 2002, however, the Ministry of Petroleum and Energy underlined that *"The government assumes that the state will, after a possible amendment, honour its guarantee liabilities relating to loan agreements and derivative contracts entered into in the period before the amendment to the Act on State Enterprises enters into force"*. The guarantee liabilities are valid for the entire period of the loan agreement and derivative liabilities.

Low risk

Statnett's core operations are not exposed to competition. The company has been assigned a revenue ceiling by the regulator (NVE) and is required to adapt its activities and costs accordingly. NVE requires that the company be operated efficiently. To control the financial risk, fluctuations in interest rates and currencies on loans and investments are financially secured.

Socio-economic profitability

Statnett seeks socio-economically profitable solutions to its tasks, whilst at the same time conducting its operations according to commercial principles. Commercial profitability will also depend on the general framework conditions achieved by the company and the revenue system set up by the Norwegian Water Resources and Energy Directorate (NVE) for the power-grid companies. Statnett therefore aims to implement socio-economically profitable projects and at the same time be instrumental in ensuring that the framework terms and conditions are formulated with the greatest possible degree of harmony between socio-economic and business-economic profitability.

Rationalisation

Increasing efficiency has been a priority area for Statnett for several years. In its rationalisation programme "Statnett 2000", the company set itself the goal of reducing annual operating costs and investments. These costs shall be NOK 200 million

lower in 2002 than they were in 1997. The accounts for 2001 show that the programme is on target.

ENITEL

Enitel went into compulsory liquidation in August 2001, at which time Statnett held shares in the company with a book value of approx. NOK 163 million. Previously Statnett has realised gains of just over NOK 65 million through the sale of shares. The net loss was thus approx. NOK 98 million.

In the first quarter of 2001, it was resolved to reverse the previous year's write-up of just over NOK 33 million. Taking 2001 as a whole, Enitel's liquidation had a negative affect on Statnett's consolidated accounts totalling NOK -197 million.

All agreements between Statnett and Enitel concerning the leasing, use and development of the fibre-optic network were transferred to Bane Tele AS.

ENERGY AND OUTPUT BALANCE

Generation and consumption

The year 2001 began with cold weather and high levels of energy consumption. Peak consumption of 23,054 MW was reached between 9.00 a.m. and 10.00 a.m. on 5 February 2001. During the course of the year, however, power consumption stabilised, and total consumption for the year was 125.5 TWh, less than one per cent increase compared with the year 2000. While 2000 was a year characterised by high levels of precipitation, weather conditions in 2001 were considerably drier. Total power generation in 2001 was 121.9 TWh, 20.9 TWh lower than last year, but 4 TWh higher than the mean power generation calculated by NVE. Net import of power was 3.6 TWh.

Rising levels of energy consumption trigger a need for higher production levels, increased capacity to import power and more flexible consumption patterns.

Output reserves

As the transmission system operator in Norway, Statnett is responsible for ensuring a balance between generation and consumption in the Norwegian power system in the short term. To ensure sufficient capacity and to meet consumption peaks by employing market principles, Statnett established a separate market in the winter of 2000–2001 to purchase the right to utilise output reserves from major consumers and generators. This arrangement also provides for more flexible consumption.

In 2001, the output reserve scheme was extended to include agreements of one month's duration, in addition to three and twelve-month agreements.

Statnett participates in development projects with a view to increasing flexibility on the part of consumers.

TRANSMISSION FACILITIES

Acquisition of transmission facilities

Statnett has acquired Statkraft's Main Grid facilities, primarily transformer stations and connector facilities. This acquisition produces a more clearly-defined boundary between the generation and transmission of power, and a more logical division of responsibilities.

The Skagerrak Cables form part of the Main Grid

The subsea cables for transmission of electric power between Norway and Denmark (the Skagerrak cables) were made available for all market players from January 2001. This connection has a capacity of 1,050 MW.

New transmission facilities in central Norway

As a result of the general increase in consumption in the region and expansions in the industrial companies Hydro Aluminium at Sunndalsøra and Hustad Marmor at Fræna, Statnett plans to make substantial investments in central Norway. Statnett wishes to install a new transformer in its station at Fardal, and the company has been granted a licence to install a 40 km long 132 kV power line between Fardal and Mel. In addition, Statnett has been granted a licence to lay two lines, each with a length of approximately 2 km, to Hydro Aluminium at Sunndalsøra. An application for a licence to lay a 130 km long 300 kV cable between Klæbu and Sunndalsøra has been lodged, and notice has been given of the laying of a 50 km long 300 kV line between Sunndalsøra and Molde. In addition, plans are under way to build a new transformer station at Sunndalsøra.

Increased capacity elsewhere

A strengthening of the connection between Norway and Sweden has increased capacity for the import of power by a total of 350 MW.

Statnett will also install a new transformer in its station at Bardufoss in Troms County.

NorNed Kabel and North Sea Interconnector

Statnett is planning, together with Norwegian and foreign partners, to construct two subsea cables for the exchange of electricity, one to the Netherlands (NorNed) and one to England (North Sea Interconnector – NSI).

As regards the planned NorNed cable between Norway and the Netherlands, all construction licences have been received. Project progress has been slow, however, owing to the introduction of new energy legislation and a restructuring process in the Netherlands.

The competition authorities in the European Union have been notified of agreements concerning the exchange of power over the NorNed cable, since it is based on a long-term contract for the exclusive use of the cable.

In July 2001, Statnett was granted a licence by the Norwegian

Water Resources and Energy Directorate to build a DC interconnector from the base line via Hylen to Kvilldal in Suldal Municipality and a rectifier facility in Kvilldal. This is the Norwegian part of the licence for a subsea cable between Norway and England. The cable will be dimensioned for a capacity of approx. 1,200 MW and may be completed in 2006.

Viking Cable

The German company E.ON Energie AG and Statkraft SF have chosen to terminate their agreement on the exchange of power via the planned Viking Cable between Norway and Germany. As a consequence of this decision, E.ON. and Statnett have decided to wind up the Viking Cable project on terms that are satisfactory for both parties.

HEALTH, SAFETY AND THE ENVIRONMENT

The environment

In its environmental policy, Statnett attaches importance to the efficient and environmentally-friendly development and utilisation of the electric power system. Examples of this include various measures to increase utilisation of the grid, which has deferred and reduced the need for new lines and stations – and thus too the need for land. In total, Statnett's power lines lay claim to just over 360 million square metres. Around half of this land is forested areas. The company strives to take aesthetic considerations into account when choosing routes, towers and lines.

Environmentally-harmful substances are disposed of in accordance with the authorities' requirements and guidelines.

Statnett takes very seriously the issue of the possible health hazards of electric and magnetic fields surrounding power lines. The company has adopted a "moderate policy of caution" when choosing routes for new power lines. At the same time Statnett keeps up-to-date with ongoing research and supports research in independent institutions.

Employees

At the turn of the year 2001–2002, there were 510 permanent employees in Statnett SF, compared with 520 employees the previous year. The Statnett Group had 770 permanent employees compared with 785 at the end of 2000.

Absence due to illness in Statnett SF was 3.1 per cent in 2001, down from 3.3 per cent in 2000. In Statnett Entreprenør AS, total absence due to illness was 7.9 per cent. The injury-absentee frequency (H value) was 3.6 for Statnett SF and 22.5 for Statnett Entreprenør. Whereas the H-value in the parent company has fallen compared with last year's figure of 6.7, the construction and engineering company's H-value has risen from 17.9. Statnett Entreprenør will analyse the causes of this high level of absence due to illness and implement measures to reduce it. In 2001, Engineering and Construction suffered one fatal injury.

For further information on the environment, see Statnett's website.

CHANGES IN LEGISLATION AND REGULATIONS

In 2001, there was a major revision of Acts and regulations relating to Statnett's operations, all of which come into force on 1 January 2002. Amendments have been made to the Energy Act and the Energy Regulations, and a number of changes have been made to the so-called Control Regulation regarding Tariffs and Revenue Ceilings, and to the Regulation regarding Measurement and Settlement. In addition, a Regulation regarding Rationing has been passed. The proposed Regulation regarding Systemwide Responsibility was distributed for written submissions in the autumn of 2001, and the original intention was that it would enter into force at the same time as the other amendments to the rules. It is to be distributed for new written submissions, however, and its expected date of entry into force is now in the middle of 2002.

PROSPECTS

Statnett's position strengthened

The Board is very pleased with the fact that Statnett's position as transmission system operator has been strengthened over the last year. This assessment is based on the precise definitions of systemwide responsibility given in the amendments to the Energy Act and the work currently under way to draw up Regulations regarding Systemwide Responsibility. In addition, the Storting has contributed to establishing Statnett's position through its debate on Recommendation no. 83 (2001–2002) to the Storting (the Norwegian Parliament): Recommendation from the Standing Committee on Energy and the Environment on the review of Statnett SF's organisation and responsibilities.

It has now been established that Statnett shall be organised as a transmission system operator, under state ownership. Furthermore, it has been stipulated that this role shall be carried out in a neutral manner in relation to market players. Statnett currently owns 86.5 per cent of the Main Grid and has received support for its objective of owning the entire Main Grid. Statnett also owns part of common regional grids.

The Board notes that the work of developing the Nordic power market has received widespread support.

Developing the power market

International comparisons show that Statnett is among the most efficient transmission system operators in Europe. At the same time Statnett plays an active part in drawing up solutions designed to develop the Nordic electricity market and to establish a liberalised power market on the Continent.

Grid development plan

Statnett has produced a grid development plan that describes relevant increases in capacity given various scenarios for pro-

duction and consumption over the next decade. The plan was first developed in 2001, and will be revised annually.

Considerable investments

In the coming years, Statnett faces considerable investments in the form of transmission capacity both in Norway and between Norway and other countries. Statnett's aim is that these investments will be implemented at the same time as the return on investments is maintained at the current level.

ALLOCATION OF PROFITS

In autumn 1999, the Norwegian Storting resolved that the

Norwegian state, as owner of Statnett, should require a dividend of 50 per cent of profits after tax for the years 1999–2002.

For the accounting year 2001, the Storting has stipulated a dividend of NOK 170 million. The Board proposes that the profit in Statnett SF be allocated as follows:

(Amounts in NOK million)

Dividend	170
Retained profits	178
Total	348

Oslo, 21 March 2002



Grete Faremo
Chairman of the Board



Anne Kverneland Bogsnes



Kjell Olav Kristiansen
Deputy Chairman



Elisabeth Wille



Sverre Aam



Jonfinn Fløtre



Ole Bjørn Kirstihagen



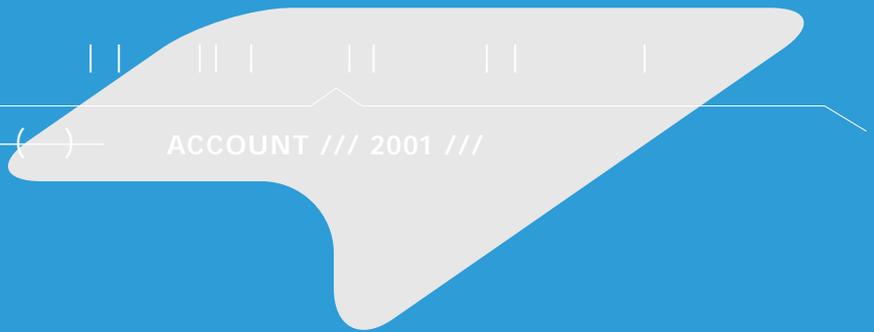
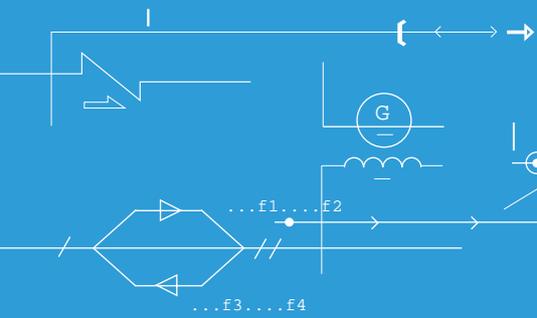
Jan Eskedal



Rolf Magne Nyheim



Odd Håkon Hoelsæter
President & CEO



PROFIT AND LOSS ACCOUNT

INCLUDING THE MAIN GRID COMMERCIAL AGREEMENT

PARENT COMPANY			Amounts in NOK million	Notes	GROUP		
31.12.01	31.12.00	31.12.99			31.12.01	31.12.00	31.12.99
OPERATING INCOME							
2,943	2,565	2,467	Power transport	4, 22, 23	2,921	2,565	2,467
1,475	735	831	Power sales	4	11,941	6,177	5,199
85	87	92	Other operating income	4	412	537	308
4,503	3,387	3,390	Total operating income		15,274	9,279	7,974
OPERATING COSTS							
1,661	823	880	Power purchases and system-wide services	5	12,291	6,358	5,337
391	236	170	Transmission losses		205	143	81
351	357	352	Leasing of transmission facilities		351	357	352
99	99	134	Materials and subcontractors	6	129	138	112
194	201	197	Wages and social security costs	6, 7, 8	317	314	304
558	522	484	Depreciation	9	571	532	494
43	20	107	Write-downs	6	43	21	107
289	245	301	Other operating costs	6	430	386	387
3,586	2,503	2,625	Total operating costs		14,337	8,249	7,174
917	884	765	Operating profit		937	1,030	800
- 163	35	30	Gains/losses on former associated companies	11	- 197	33	24
754	919	795	Profit before financial items and tax expenses		740	1,063	824
82	88	97	Financial income	10	101	95	93
355	341	341	Financial costs	10	356	343	342
273	253	244	Net financial items		255	248	249
481	666	551	Profit before tax		485	815	575
133	189	149	Tax	17	144	234	160
348	477	402	Profit		341	581	415
INFORMATION ON ALLOCATIONS:							
170	390	208	Dividend		170	390	208
7	6	23	Group contributions made after tax		-	-	-
-	10	-	Group contributions received after tax		-	-	-

BALANCE SHEET

INCLUDING THE MAIN GRID COMMERCIAL AGREEMENT

PARENT COMPANY			Amounts in NOK million	Notes			GROUP
31.12.01	31.12.00	31.12.99			31.12.01	31.12.00	31.12.99
ASSETS							
INTANGIBLE ASSETS							
214	141	54	Deferred tax benefit	17	214	136	84
-	-	-	Goodwill		2	-	-
214	141	54	Total intangible assets		216	136	84
FIXED ASSETS							
8,875	8,785	8,926	Tangible fixed assets	9	8,934	8,829	8,965
360	295	313	Plant under construction	6	467	379	362
137	130	126	Investment in Group companies	11	30	30	30
18	163	142	Investment in other shares and holdings	11	67	208	178
114	90	191	Loans to companies in the same Group	16	-	-	-
3	4	49	Other long-term receivables	12	3	5	60
33	25	5	Pension funds	8	33	25	5
9,540	9,492	9,752	Total fixed assets		9,534	9,476	9,600
CURRENT ASSETS							
256	278	640	Trade accounts	12	1,084	767	910
5	18	18	Intercompany accounts receivable	16	-	-	-
24	40	14	Other short-term receivables	12	48	52	37
766	897	783	Investments in market-based securities	13	766	897	783
190	114	100	Liquid assets		596	383	204
1,241	1,347	1,555	Total current assets		2,494	2,099	1,934
10,995	10,980	11,361	Total assets		12,244	11,711	11,618

BALANCE SHEET

INCLUDING THE MAIN GRID COMMERCIAL AGREEMENT

PARENT COMPANY						GROUP	
31.12.01	31.12.00	31.12.99	Amounts in NOK million	Notes	31.12.01	31.12.00	31.12.99
LIABILITIES AND EQUITY							
EQUITY							
2,700	2,700	2,700	Paid-in capital		2,700	2,700	2,700
1,696	1,518	1,431	Other equity		1,811	1,640	1,449
4,396	4,218	4,131	Total equity	18	4,511	4,340	4,149
ALLOCATIONS FOR LIABILITIES							
94	98	93	Pension liabilities	8	124	128	126
LONG-TERM LIABILITIES							
3,399	2,402	2,540	Bond loans	14	3,399	2,402	2,540
1,201	1,601	2,001	Government loans	14	1,201	1,601	2,001
970	1,294	1,396	Loans from financial institutions	14	974	1,295	1,396
50	53	54	Other long-term liabilities	15	55	59	66
5,620	5,350	5,991	Total long-term liabilities		5,629	5,357	6,003
SHORT-TERM LIABILITIES							
225	214	341	Trade accounts payable		1,281	788	584
77	120	147	Intercompany accounts payable	16	-	-	-
206	273	149	Tax payable	17	224	282	165
111	119	113	Tax payable, holiday allowances		139	149	127
170	390	208	Provisions for dividends		170	390	208
96	198	188	Other short-term liabilities		166	277	256
885	1,314	1,146	Total short-term liabilities		1,980	1,886	1,340
10,995	10,980	11,361	Total liabilities and equity		12,244	11,711	11,618
19	11	1	Secured liabilities, guarantees	19	19	11	1
			Financial derivatives	2			

Oslo, March 21 2002



Grete Faremo
Chairman of the Board



Anne Kverneland Bogsnes



Kjell Olav Kristiansen
Deputy Chairman



Elisabeth Wille



Sverre Aam



Jonfinn Fløtre



Ole Bjørn Kirstihagen



Jan Eskedal



Rolf Magne Nyheim



Odd Håkon Hoelsæter
President & CEO

CASH FLOW STATEMENT

PARENT COMPANY			Amounts in NOK million	GROUP		
31.12.01	31.12.00	31.12.99		31.12.01	31.12.00	31.12.99
CASH FLOW FROM OPERATIONS						
481	666	551	Profit before tax	485	815	575
167	- 46	- 51	Profit/loss from sale of fixed assets	197	- 171	- 30
558	522	484	Ordinary depreciation	571	532	494
33	235	240	Change in trade receivables/payables	176	347	141
- 419	- 202	- 201	Change in other accrual items	- 414	- 171	- 202
820	1,175	1,023	Net cash flow from operations	1,015	1,352	978
CASH FLOW FROM INVESTMENTS						
7	28	36	Receipts from sale of fixed assets	10	155	38
- 657	- 398	- 1,058	Payments from purchase of fixed assets	- 686	- 413	- 1,067
- 65	18	238	Change in stocks, plant under construction	- 88	- 17	268
- 23	164	31	Change in long-term borrowings	2	60	- 60
- 20	- 10	23	Change in share investments	- 57	3	46
- 758	- 198	- 730	Net cash flow from investments	- 819	- 212	- 775
CASH FLOW FROM FINANCING ACTIVITIES						
1,937	1,385	1,550	Receipts from new long-term loans	1,940	1,387	1,550
- 1,664	- 2,026	- 1,509	Repayments of long-term debt	- 1,664	- 2,026	- 1,509
- 390	- 208	- 350	Dividends paid	- 390	- 208	- 350
- 117	- 849	- 309	Net cash flow from financing activities	- 114	- 847	- 309
- 55	128	- 16	Net cash flow for period	82	293	- 106
1,011	883	899	Cash and cash equivalents at beginning of period	1,280	987	1,093
956	1,011	883	Cash and cash equivalents at end of period	1,362	1,280	987

NOTES

NOTE 1 – ACCOUNTING PRINCIPLES

General

The accounts for the parent company and the Group have been prepared in accordance with the Norwegian Act of 17 July 1998 regarding annual accounts as well as generally accepted accounting standards, including the recommendations of the separate accounting memorandum for power companies issued by the Oslo Stock Exchange.

Basis of consolidation

Consolidated companies

The consolidated accounts include the parent company and the wholly-owned subsidiaries Statnett Entreprenør AS and Statnett Transport AS in addition to Statnett Skagerrak AS, which is wholly-owned by Statnett Transport AS.

The wholly-owned subsidiary Statnett Forsikring AS is not included in the consolidated accounts as the company's operations differ substantially from those of the rest of the Group. As a matter of form, it should be mentioned that Statnetts Pensjonskasse is not part of the Group either.

In addition, the jointly-controlled companies mentioned below, in which Statnett or Statnett Entreprenør has a 50 per cent shareholding and a majority controlling interest, are included.

Investments in jointly-controlled companies

The parent company owns 50 per cent of Nord Pool ASA, Viking Cable AS and EuroKabel AS.

Investments in jointly-controlled companies are dealt with using the cost method in the parent company accounts and the gross method in the consolidated accounts.

Statnett Entreprenør AS holds shares in the following jointly-controlled companies:

- Elkom Entreprenør AS (51.45%) acquired with accounting effect from 1 January 2001.
- Statnett Optocomm AS (50%) purchased with accounting effect from 1 January 2000.
- Statnett Helimatic AS (51%), which was established in 2001.

The companies' turnover in the periods prior to the acquisition of shares was so low that no comparative figures for previous years have been drawn up.

Elimination of internal transactions

All transactions and outstanding items between the companies in the Group have been eliminated.

Elimination of shares in subsidiary companies

Shares in subsidiaries have been eliminated in accordance with the purchase method. The wholly-owned subsidiaries have been formed by the parent company.

Investments in associated companies

Investments in associated companies in which the Group holds between 15 and 50 per cent of the voting shares and where the company has a substantial controlling interest (associated company) are dealt with using the cost method in the parent company accounts and the equity method in the consolidated accounts.

Investments in other companies

Investments in companies in which the Group owns less than 15 per cent of the voting shares are dealt with using the cost method.

Principles for the recording of income and expenses in the accounts

Income/expenses are charged as they are earned/incurred.

Main Grid Commercial Agreement (power transmission)

Power transmission revenues

The input and withdrawal of power from the Main Grid is invoiced to consumers in accordance with the stipulated price system.

The price system consists of a fixed element and a variable ele-

ment (amount of electricity x price of electricity). The fixed element is recorded as revenue at regular intervals during the period, while the variable elements are recorded according to the rate of input or withdrawal of electricity from the grid.

Price regulation

The Main Grid Commercial Agreement shall break even over time. Any higher/lower revenues from the operation of the Main Grid are calculated into and recouped/covered through prices in subsequent years. Higher/lower revenues have been included in the accounts on the accruals basis as trade accounts payable and trade accounts receivable respectively.

Leasing of Main Grid facilities

Statnett owns most of the overall Main Grid. The remainder is leased from other owners. The leasing costs are recorded in the accounts as a separate item under operating costs. The leasing of Statnett's Main Grid facilities has been eliminated in the parent company accounts.

Common regional grids

These are dealt with in the accounts in the same manner as the Main Grid Commercial Agreement.

Systems operations

Revenues

Statnett has a separate revenue ceiling for transmission losses in the Main Grid. Part of Statnett's ordinary revenue ceiling is linked to transmission losses in the regional grid. This element has been transferred to the system operator function in separate common regional grids. The revenue ceiling for transmission losses is adjusted at year-end in accordance with the actual spot price of electricity throughout the year. This correction is calculated and included in the accounts.

The revenue ceilings for the operator are equivalent to costs in the Main Grid Commercial Agreement and common regional grids. In the financial statements this has been eliminated.

Pursuant to the guidelines, the difference between the revenue ceiling for transmission losses and the actual costs shall be divided between the owners of the installations in the common grids. In the accounts, it is assumed that other operators in the Main Grid will cover a share according to their revenue ceiling for 2001.

Transmission losses (power purchases)

Expenses are charged in line with the measured difference between the input and withdrawal of electricity in the Main Grid.

The amount of loss per hour will vary inter alia according to temperature, load on the grid and the price of electricity.

Loss in conjunction with power transmission on the Main Grid and the common regional grids is covered by the system operator and recorded in the accounts as an ordinary operating cost.

Leasing of the grid

Recording of revenue

As of 1997, NVE has introduced a new regulatory system whereby grid revenues are regulated by means of a stipulated revenue ceiling. The revenue ceiling for 2001 is based on the cost levels in 1994/1995, adjusted for inflation, an increase in energy transmission in the grid and an efficiency factor. For the year 2001, the efficiency factor is 3.60 per cent compared to 3.82 per cent in 2000. Grid Owner's average return for 1997–2001 must be between 2 per cent and 15 per cent. Earnings above this maximum level shall be refunded to customers, while earnings below the minimum level can be charged to customers.

Statnett's facilities are divided into the following grid levels:

The Main Grid, regional grids, distributional grids (from 2001) and the cables to the Continent. Statnett divided the revenue ceiling between these grid levels (accounts appear under Statnett's business areas). During the course of 1999 the cables to the Continent were excluded from monopoly regulation, and the share of the original ceiling was separated with effect from 1997. From 2001 the cables to the

NOTES

Continent are included as part of the Main Grid and will thus be subject to monopoly control.

Revenues are recorded in the accounts as they are earned. In the case of the Main Grid and regional grids, 1/12 of the revenue ceiling is recorded in the accounts every month. Revenues from the cables to the Continent are based on contracts.

Increased revenues resulting from matters that require applications to adjust revenue ceilings or interpretations of regulations for which clarification has been sought from NVE are only included in the accounts to the extent that it has been considered more than likely that the income will be a reality.

Higher/lower revenues for the Main Grid and regional grid facilities are dealt with separately in accordance with guidelines from NVE. At the end of 2001, the grid operator Statnett SF had no higher/lower revenues from Main Grid facilities. See, however, note 22 (Disputes), and note 23 (Unresolved matters).

For regional grid facilities, invoiced revenues have been in accordance with leasing rates which, taken as a whole, have been lower than the revenue ceiling.

Accumulated lower revenues for regional grid facilities at the end of 2001 total NOK 21 million. The difference is recorded as an accrued revenue and appears in the balance sheet as a trade account receivable, and will be charged to customers in subsequent years.

Power sales/purchases

Revenues/costs are recorded as they are earned/accrued, i.e. at the time of delivery.

Customer projects

Revenues from projects are recorded on an ongoing basis. This means that they are recorded in the accounts as the work is performed according to the degree of completion, i.e. the share that has built up on the project's estimated earnings is treated as revenue. The degree of completion is determined on the basis of the production carried out.

For projects that are expected to run at a loss, the whole of the estimated loss is charged as a cost. Guarantee liabilities are charged as a cost.

Maintenance/upgrades

Maintenance costs are recorded as they are incurred. Provisions have only been made for periodic maintenance of the Group's vessels.

Costs that substantially extend the life of the facility and/or increase its capacity are recorded as investments.

Compensation

On-going compensation paid in connection with the acquisition of land etc. is charged in the year in which the liability is incurred. Lump sum compensation payments are included in the cost price of the operating asset.

Interest income/costs

Interest income/costs are recorded as they are earned/incurred.

Gains/losses on securities

Gains/losses relating to securities trading are recorded at the time of realisation since under the accounting rules the portfolio cannot be regarded as a customer portfolio.

Taxes

As of 1997, the parent company and the jointly-controlled companies have been subject to standard taxation.

The opening balances for taxation purposes of fixed assets are the book values at 1 January 1997.

Income tax is charged in the taxation year, but paid in arrears.

Property taxes are charged and paid in the taxation year. These are classified under other operating costs.

Securities

Bonds and certificates are classified as current assets. Securities are managed as a portfolio and valued according to the portfolio method.

The portfolio is valued at cost price or actual value (market value), whichever is lower, on the balance sheet date. Net unrealised losses on portfolio trading are recorded as costs under financial items, while net unrealised gains are recorded as income (reversed) against previously charged losses. Realised gains/losses from securities trading are recorded net under the same item.

Shares classified as fixed assets are valued at cost price, or actual value if the reduction in value is not of a temporary nature.

Trade accounts receivable

Trade accounts receivable are valued at face value with deductions for estimated losses.

Supplies and bunkers

Stocks of supplies and bunkers on board the Group's two special-purpose vessels are valued at acquisition cost or actual value, whichever is lower, and are included in other short-term receivables.

Own investment work

The construction of new power lines and facilities by our own engineering and construction operations constitutes a significant part of the investments.

Own investment work in the parent company is capitalised at the estimated full cost.

Preliminary projects

Engineering costs in connection with investments in the cable companies Viking Cable AS and the collaborative project (NorNed), in which Statnett has a 50 per cent participation, are recorded in the balance sheet as plant under construction. The same applies to the North Sea Interconnector (NSI) cable project, in which Statnett is collaborating with The National Grid Company plc. The question of whether licensing conditions or other circumstances demand the complete or partial write-down of the costs of discontinued preliminary projects is subject to continuous evaluation.

Interest during the construction period

Interest on construction loans associated with own plant under construction is capitalised. The interest is calculated from an average rate of interest as well as the extent of the investment, as the financing is not specifically identified with individual projects.

Tangible fixed assets/depreciation

Tangible fixed assets are valued at cost price with a deduction for ordinary depreciation and write-downs.

Ordinary depreciation is made from the time the asset was put into normal operation and is calculated on the basis of the useful life of the asset. The same applies to operating assets acquired from other grid owners. The basis for determining the useful life is based on recommendations from EBL's publication "Depreciation in the Power Supply Industry" and NVE guidelines for the determination of transmission tariffs.

Spare parts are capitalised with the associated operating asset, and are depreciated at the same rate.

Gains/losses from the sale of operating assets are entered as ordinary operating revenue.

Goodwill

Any goodwill arising from the purchase of shares in other companies is written down over five years.

Financial leasing

The co-operation agreement regarding investments in fibre-optic cables and leasing for use in commercial telecommunications is treated as financial leasing. Annual payments are recorded as income for the period.

Foreign currency receivables and debts

Liquid assets denominated in foreign currencies are translated at exchange rates on the balance sheet date.

NOTES

Other current assets and liabilities, which have not been hedged or swapped to NOK, are recorded at the lower or higher rates on the transaction date and the balance sheet date respectively. Unrealised losses are recorded as costs, while unrealised gains are only taken to income to the extent that they are used to cover unrealised losses in the same currency.

Long-term borrowing in foreign currencies is linked to swaps and treated as borrowing in NOK.

Financial instruments

Financial instruments comprise securities, loans from the government and financial institutions and derivatives. Financial derivatives are agreements that are made with financial institutions for the determination of future interest terms and/or exchange rates. See note 2 for further details on the various types of financial derivatives used by the parent company.

Financial derivatives are classified when entered into either as hedging transactions or trading transactions. Classification is decided by the intention of the transaction when it is made. Hedging transactions consist of contracts intended to neutralise an existing or anticipated interest risk and/or exchange risk in the balance sheet.

The accounting treatment of financial instruments follows from the reason for entering into the contract.

Hedging instruments only affect the profit and loss account on realisation. Gains/losses on such transactions are accounted for on an accruals basis together with the underlying object.

Hedge accounting

The aim of the parent company is to guard against losses in the following situations:

1. *Losses on liabilities as a result of changes in interest rates.*
2. *Losses from purchase/sales contracts in foreign currencies as a result of changes in exchange rates.*

Hedge accounting means that changes in the value of a hedge object and the hedging transaction will be recorded in the same period.

The parent company adopts hedge accounting when the following three criteria are met simultaneously:

1. *The object or object group that is to be hedged (hedge object) must be identified specifically, and it must expose the parent company to a potential reduction in equity through changes in interest rates and/or exchange rates.*
2. *The instrument(s) used must be specifically designated as hedging.*
3. *It is highly likely that there will be a high degree of negative correlation in the real value of the hedging instrument and the object that is to be hedged.*

The instruments used by the parent company to guard against losses are described in more detail in note 2 on financial market risk.

Pension costs and pension liabilities

The parent company and the subsidiaries have pension schemes entitling the employees to future benefits (benefit plans). The benefits are based on the number of years of service and the wage level at retirement age.

Pension rights earned are primarily ensured through pension schemes in Statnett SF's Pension Fund and the Norwegian Public Services Pension Fund. In addition, the parent company has early-retirement obligations that are covered by its operations.

Contributions to the pension fund are made in accordance with the actuarial calculation method. The funds in the pension fund are primarily invested in securities.

Pension liabilities are calculated according to NRS' provisional Norwegian Accounting Standard on pension costs.

Pension costs are valued at the present value of the future retirement benefits that have accrued on the balance sheet date and which are to be covered by our own pension fund or financed by operations.

Estimated pension liabilities, less the estimated value of pension funds at 31 December, are included in the balance sheet under long-term liabilities and pension funds.

The net pension cost for the year is included in salaries in the profit and loss account. Premiums that have been paid are treated as investments in pension funds.

NOTE 2 – FINANCIAL MARKET RISK

Interest rate and currency swaps

These are agreements whereby the contracting parties exchange currency and/or interest rate terms for an agreed amount over a defined future period. The agreements below have been entered into for the existing balance sheet liabilities.

Amounts in million Maturity:	Principal Lending	Principal Borrowing	Interest rate terms Statnett receives	Interest rate terms Statnett pays	Call-option* for opposing party
2002	USD 11	NOK 85	Fixed USD	Nibor 3 months	
2003	NOK 400	NOK 400	Fixed	Nibor 6 months	
2003	NOK 700	NOK 700	Nibor 6 months	Fixed	
2004	NOK 50	NOK 50	Nibor 6 months	Nibor 3 months	
2004	USD 31	NOK 268	Zero coupon	Nibor 6 months	
2004	NOK 87	NOK 87	Nibor 6 months	Fixed	
2005	NOK 200	NOK 200	Nibor 6 months	Fixed	
2005	NOK 600	NOK 600	Fixed	Nibor 6 months	
2006	NOK 50	NOK 50	Nibor 6 months	Nibor 3 months	
2006	NOK 400	NOK 400	Fixed	Nibor 6 months	
2006	NOK 100	NOK 100	Fixed	Fixed	
2006	NOK 638	NOK 638	Nibor 6 months	Fixed	
2008	NOK 1,000	NOK 1,000	Fixed	Nibor 6 months	
2008	USD 58	NOK 438	Fixed USD	Nibor 6 months	
2009	NOK 400	NOK 400	Fixed	Nibor 6 months	October 29, 2004
2010	JPY 1,000	NOK 87	Fixed JPY	Nibor 6 months	
2013	JPY 1,500	NOK 61	Variable interest rate	Nibor 6 months	Annual

* The opposing contractual partner is entitled to terminate the contract at given times before the maturity date. In the case of underlying loans, Statnett will have a corresponding right to terminate the loan before the maturity date

The following overview shows the gross amount of interest rate swaps. Many of the swaps will "go against one another" and the net amount will not be exposed to interest rate changes.

NOTES

Interest rate swaps with start in the future

<i>Amounts in million</i> Start – maturity:	Principal Lending	Principal Borrowing	Interest rate terms Statnett receives	Interest rate terms Statnett pays	Call-option* for opposing party
2002–2004	NOK 268	NOK 268	Nibor 6 mnd.	Fixed	
2003–2006	NOK 200	NOK 200	Nibor 6 mnd.	Fixed	
2002–2012	JPY 1,300	NOK 92	Variabel rente	Nibor 6 months	Half-yearly
2002–2017	JPY 1,000	NOK 69	Variabel rente	Nibor 6 months	Half-yearly

Interest rate options:

These are agreements whereby one has a right, but not an obligation, to pay (Call) or receive (Put) a given rate of interest on a given amount at a given time or within a given period of time. The following contracts have been entered into:

Amounts in million:

Maturity	Amount	Instrument	Bought/sold
2003	NOK 200	Cap	Bought
2003	NOK 200	Put	Sold

Currency futures:

Currency futures are entered into to hedge short-term transactions in a foreign currency. The maturity of the futures corresponds with the maturity of the loans. Unrealised gains are recorded when they are realised.

At 31 December 2001 the company had 10 currency futures, all of which were sales of Euro, totalling EUR 31 million. All of the contracts were entered into on behalf of Viking Cable AS, with a guarantee from Viking Cable AS to Statnett SF.

Unrealised gains from these currency futures were NOK 11 million at 31 December 2001.

NOTE 3 – INFORMATION ON BUSINESS AREAS

<i>Amounts in NOK million</i>	Statnett's operations ¹⁾	Engineering & Construction ²⁾	Power Exchange ³⁾	Other tasks ⁴⁾	Other/eliminations	Total Group
2001						
Operating revenues	2,734	329	10,822	2,749	- 1,360	15,274
Operating costs	- 1,821	- 349	- 10,779	- 2,688	1,300	- 14,337
Operating profit/loss	913	- 20	43	61	- 60	937
Net financial items	-	3	6	- 5	- 456	- 452
Tax					- 144	- 144
Profit/loss						341
Fixed assets	9,540	87	59	-	- 152	9,534
Investments for the period	657	22	7	-	-	686
2000						
Operating revenues	2,372	385	5,662	2,438	- 1,578	9,279
Operating costs	- 1,493	- 378	- 5,641	- 2,085	1,348	- 8,249
Operating profit/loss	879	7	21	353	- 230	1,030
Net financial items		3	8	- 6	- 220	- 215
Tax					- 234	- 234
Profit/loss						581
Fixed assets	9,492	72	19	-	- 107	9,476
Investments for the period	398	12	3	-	-	413

NOTES

Amounts in NOK million	Statnett's operations ¹⁾	Engineering & Construction ²⁾	Power Exchange ³⁾	Other tasks ⁴⁾	Other/ eliminations	Total Group
1999						
Operating revenues	2,272	349	4,561	2,288	- 1,496	7,974
Operating costs	- 1,517	- 394	- 4,543	- 2,036	1,316	- 7,174
Operating profit/loss	755	- 45	18	252	- 180	800
Net financial items	-	- 3	5	- 12	- 215	- 225
Tax					- 160	- 160
Profit/loss						415
Fixed assets	9,112	182	8	-	298	9,600
Investments for the period	1,054	6	3	-	4	1,067

¹⁾ Statnett's business operations.

²⁾ Consists of Statnett Entreprenør AS, Statnett Transport AS, Statnett Skagerrak AS and jointly controlled engineering and construction companies.

³⁾ Consists of 50% of Nord Pool ASA.

⁴⁾ Consists of the Main Grid Commercial Agreement, two regional shared grids, the regulating power settlement system and foreign trade.

NOTE 4 – OPERATING REVENUES

PARENT COMPANY			Amounts in NOK million	GROUP		
2001	2000	1999		2001	2000	1999
POWER TRANSMISSION						
2,655	2,277	2,155	Tariff revenues	2,633	2,277	2,155
- 59	- 235	- 155	Higher/lower revenue for year – Main Grid and shared regional grids	- 59	- 235	- 155
336	358	310	Leasing regional grid facilities	336	358	310
- 1	-	-	Higher/lower revenue regional grid facilities	- 1	-	-
12	165	157	Leasing cables to Continent	12	165	157
2,943	2,565	2,467	Total transmission revenues	2,921	2,565	2,467
POWER SALES						
1,157	640	713	Sales – spot and regulating power	11,623	6,083	5,082
318	95	118	Sales – coordination of operations	318	94	117
1,475	735	831	Total power sales	11,941	6,177	5,199
OTHER OPERATING REVENUES						
11	13	11	Revenues from fees	171	130	105
21	40	44	External contracts	181	237	156
53	34	37	Other operating revenues	60	170	47
85	87	92	Total other operating revenues	412	537	308

Power transmission

Prices (tariffs) for input and use of electricity from the Main Grid and common regional grids are charged to the users in accordance with a fixed price system. Leasing of regional grid facilities includes services which are not included in the Main Grid Commercial Agreement or common regional grids. As of 2001 cables to the Continent are included in the Main Grid. Leasing outside the Norwegian sector is invoiced separately to the Danish customer.

Disputes and Unresolved matters

Reference is made to note 22 (Disputes), and to note 23 (Unresolved matters).

KILE

As of 2001 NVE introduced the so-called KILE scheme (Quality-adjusted Revenue Ceilings for Undelivered Energy). This scheme is intended to function as an incentive to secure an acceptable quality of transmissions. NVE has calculated an expected "KILE ceiling" for grid owners which is supposed to reflect the socio-economic costs resulting from outages. At year-end there will be a difference between the actual KILE level and the framework, so-called higher/lower revenues. The transmission tariffs will only be amended if it can be said that there is a permanent change in the KILE level. In the event of a permanently lower level of outages, the tariffs may be raised, or lowered in the event of a permanently higher level.

NVE has set the annual KILE framework for Statnett at NOK 52.5 million for 2001 and 2002. Statnett has been involved in 60 KILE incidences in 2001. Altogether this resulted in 1,224 MWh of undelivered energy, corresponding to just under NOK 30 million. The estimated higher revenue is thus NOK 22.5 million.

It is too early to say whether all or part of the estimated higher revenue can be said to represent a permanent reduction in outage costs. This higher revenue is therefore not taken to account in the financial statements.

NOTES

Power sales

On 1 January 1996 Norway and Sweden established a joint power market and a joint exchange based on Nord Pool ASA. Finland became a separate bidding area as of the summer of 1998.

The western parts of Denmark (Funen and Jutland) were established as a separate pricing area in this market as of 1 July 1999. Eastern Denmark was established as a separate price area from 1 October 2000.

Gross sales

Amounts in NOK million

	2001	2000	1999
Spot market*	21,304	11,071	8,916
Regulating power*	2,693	846	944
Total	23,997	11,917	9,860

Sales in TWh

	2001	2000	1999
Spot market*	111.2	96.9	75.9
Futures market (trading)**	909.9	358.9	215.9
Regulating power*	8.9	8.4	8.1
Total trading in TWh	1,030.0	464.2	299.9

Clearing of bilateral contracts in TWh***	1,747.6	1,179.5	683.6
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* The spot market is cleared by Nord Pool ASA. Regulating power is cleared by Statnett SF.

** In 2001 sales in the financial market amounted to NOK 157.1 billion. For 2000 and 1999, it was NOK 43.3 billion and NOK 27.6 billion.

*** The contractual value of clearing (NEC) sales amounted to NOK 234 billion. For 2000 and 1999, it was NOK 122.5 billion and NOK 87.7 billion.

Nord Pool ASA manages sales in the organised markets in accordance with its licence, which was granted on 2 December 1994. This was changed to a market place licence on 1 January 2002.

On 10 February 1995 Nord Pool ASA was granted a licence to purchase and sell short-term electricity to export markets. This activity is carried out on behalf of and for the account of Statnett.

On 6 March 2002 Nord Pool ASA was granted a licence as an exchange for trade derivatives with electricity as an underlying product. At the same time the company was granted a licence as a clearing house for trade derivatives with electricity as the underlying product.

External contracts

External contracts are channelled primarily via Statnett Entreprenør AS and Statnett Transport AS.

Statnett has also supplied engineering services for the planning of cable projects in Viking Cable AS.

NOTE 5 – POWER PURCHASES AND SYSTEM SERVICES

PARENT COMPANY				GROUP		
2001	2000	1999	Amounts in NOK million	2001	2000	1999
1,211	658	777	Purchases, electricity spot and regulating power	11,841	6,193	5,234
450	165	103	Purchases, coordination of operations	450	165	103
1,661	823	880	Total power purchases and system services	12,291	6,358	5,337

NOTE 6 – PLANT UNDER CONSTRUCTION

PARENT COMPANY				GROUP		
2001	2000	1999	Amounts in NOK million	2001	2000	1999
295	313	551	Acquisition cost 1 January	379	362	630
-	-	- 75	Transferred to Enitel ASA	-	-	- 75
- 362	- 278	- 437	Transferred investments	- 362	- 278	- 438
470	280	381	Change in stocks	493	316	402
403	315	420	Acquisition cost 31 December	510	400	519
- 43	- 20	- 107	Write-downs	- 43	- 21	- 107
-	-	-	Reclassified to long-term receivables	-	-	- 50
360	295	313	Book value 31 December	467	379	362

NOTES

The year's change in stocks can be broken down as follows:

PARENT COMPANY				GROUP		
2001	2000	1999	Amounts in NOK million	2001	2000	1999
215	123	204	Materials and subcontractors	181	103	153
91	69	60	Wages, social security costs	123	92	96
140	66	103	Other operating costs	165	100	138
446	258	367	Total operating costs	469	295	387
24	22	14	Construction loan interest	24	22	15
470	280	381	Total	493	317	402

The change in stocks has been recorded as a reduction of the relevant items in the profit and loss account.

Write-downs

Write-downs concerning cable projects to the Continent and associated grid reinforcements on land. Statnett has been involved in several such cable projects.

In June 2001, E.ON Energie AG declared hardship concerning the commercial agreement between E.ON Energie AG and Statkraft SF which has formed the basis for a cable to Germany, called Viking Cable. E.ON and Statnett have resolved to discontinue the Viking Cable project on terms that are satisfactory for both parties.

Changes in plans, progress, the design of facilities and the uncertainty concerning some projects has resulted in a write-down of facilities under construction in the amount of NOK 43 million against NOK 20 million in 2000 and NOK 107 million in 1999.

NOTE 7 – WAGE COSTS, EMPLOYEES, REMUNERATION

PARENT COMPANY				GROUP		
2001	2000	1999	Amount in NOK million	2001	2000	1999
209	185	187	Wages	334	295	305
34	34	32	National Insurance contributions	50	50	46
25	32	20	Pension costs	34	40	27
17	19	18	Other benefits	22	21	22
285	270	257	Total wage costs	440	406	400
- 91	- 69	- 60	Of which own investment projects	- 123	- 92	- 96
194	201	197	Net wage costs	317	314	304

The average number of full-time positions in the parent company and group (2001) is 514 and 869 respectively.

Benefits to senior persons

Amounts in NOK

	President and CEO	The Board
Salaries/director's fees	1,208,752	1,190,000
Pension expenditure	*	
Other remuneration	135 533	-
Total benefits	1,344,285	1,190,000

* President and CEO is included in Statnett SF's ordinary pension scheme.

In February 2000 an agreement was entered into concerning pension rights for the President and CEO from the age of 60. The President and CEO's pensionable age is 65.

Auditor

Total remuneration for the auditor for 2001 is NOK 891,450, of which NOK 391,450 comprises consultancy services.

NOTES

NOTE 8 – PENSIONS AND PENSION LIABILITIES

PARENT COMPANY			Amounts in NOK million	GROUP		
2001	2000	1999		2001	2000	1999
			Benefit plans			
17	14	14	Present value of year's pension earnings	23	19	19
17	16	14	Interest cost of pension liabilities	23	21	18
- 19	- 18	- 15	Yield on pension funds	- 24	- 22	- 19
15	12	13	Net pension costs	22	18	18
10	20	7	Early retirement pensions and other pension liabilities	12	22	9
25	32	20	Net accrued pension cost	34	40	27

PARENT COMPANY			Amounts in NOK million	GROUP		
2001	2000	1999		2001	2000	1999
			Benefit plans			
264	250	228	Accrued pension liabilities	341	330	286
49	37	37	Estimated effect of future wage adjustments	63	49	47
313	287	265	Estimated pension liabilities	404	379	333
- 301	- 284	- 242	Pension funds at market value	- 387	- 359	- 295
- 45	- 28	- 32	Changes in estimates not recorded in accounts	- 41	- 36	- 37
- 33	- 25	- 9	Net pension liabilities fund-financed benefit plan	- 24	- 16	1
92	98	93	Early retirement pensions and other pension schemes	115	119	116
59	73	84	Accrued pension liabilities	91	103	117

In the accounts for the parent company, pension liabilities of NOK 94 million are included in the balance sheet as provisions for liabilities, as are pension funds of NOK 33 million. Prepaid contractual pensions to NAVO of NOK 2 million are included in other long-term receivables. In the consolidated accounts, pension liabilities of NOK 124 million are included in the balance sheet as provisions for liabilities, as are pension funds of NOK 33 million.

Specification of estimated pension funds in the pension fund

Amounts in NOK million	GROUP	PARENT COMPANY
Premium reserve	314	247
Premium fund	39	23
Additional allocations	13	11
Total actual pension funds at 31 December 2001	366	281

Extent of pension fund at 31 December 2001

Members of pension fund	1,100	765
Of which pensioners	212	186
No. of persons with pension agreements	888	579

Financial/actuarial factors

	2001	2000	1999
Discount interest rate	6 %	6 %	6 %
Expected yield	7 %	7 %	7 %
Expected wage adjustments	3.00 %	2.50 %	2.50 %
Expected pension adjustment	2.50 %	2.50 %	2.50 %
Expected government NI multiplier adjustment	3.00 %	2.50 %	2.50 %
Remaining earning period	15 years	15 years	15 years

NOTES

NOTE 9 – TANGIBLE FIXED ASSETS

GROUP

Amounts in NOK million

	Electrotechnical equipment	Telematics	Buildings/ land	Other operating movables	Total
Acquisition cost 1 January	11,218	484	744	231	12,677
Additions acquisition cost	531	70	29	56	686
Disposals acquisition cost	- 10	- 12	- 5	- 88	- 115
Acquisition cost 31 December	11,739	542	768	199	13,248
Ordinary depreciation 1 January	3,355	191	135	167	3,848
Ordinary depreciation for year	463	50	20	38	571
Disposals ordinary depreciation	- 3	- 12	- 2	- 88	- 105
Ordinary depreciation 31 December	3,815	229	153	117	4,314
Book value 31 December	7,924	313	615	82	8,934

Depreciation rates in per cent

2.5–6.6 6.6–12.5 0–2 10–33

Amounts in NOK million	Investments									Sale 1997
	2001	2000	1999	1998	1997	2001	2000	1999	1998	
Electrotechnical equipment	531	255	950	248	140	-	2	-	-	1
Telematics equipment	70	100	78	65	93	-	-	-	41	-
Buildings, land	29	13	24	33	51	8	26	36	15	12
Other operating movables	56	45	15	29	42	2	127	2	5	28
Total	686	413	1 067	375	326	10	155	38	61	41

PARENT COMPANY

Amounts in NOK million

	Electrotechnical equipment	Telematics	Buildings/ land	Other operating movables	Total
Acquisition cost 1 January	11,218	484	716	181	12,599
Additions acquisition cost	531	70	26	30	657
Disposals acquisition cost	- 10	- 12	- 4	- 87	- 113
Acquisition cost 31 December	11,739	542	738	124	13,143
Ordinary depreciation 1 January	3,356	191	133	134	3,814
Ordinary depreciation for year	463	50	20	25	558
Disposals ordinary depreciation	- 3	- 12	- 1	- 88	- 104
Ordinary depreciation 31 December	3,816	229	152	71	4,268
Book value 31 December	7,923	313	586	53	8,875

Depreciation rates in per cent

2.5–6.6 6.6–12.5 0–2 10–33

Amounts in NOK million	Investments									Sale 1997
	2001	2000	1999	1998	1997	2001	2000	1999	1998	
Electrotechnical equipment	531	255	950	248	140	-	2	-	-	1
Telematics equipment	70	100	78	65	93	-	-	-	41	-
Buildings, land	26	13	23	32	22	6	25	34	13	33
Other operating movables	30	30	7	19	32	1	1	-	1	27
Total	657	398	1,058	364	287	7	28	34	55	61

NOTES

NOTE 10 – FINANCIAL ITEMS

PARENT COMPANY			Amounts in NOK million	GROUP		
2001	2000	1999		2001	2000	1999
Financial income						
-	4	5	Income from investment in subsidiaries	-	-	-
5	8	15	Interest from subsidiaries and jointly-controlled companies	-	-	-
77	72	74	Other interest income	97	89	89
1	2	-	Other financial income	5	2	1
-1	2	3	Change in value of market-based financial current assets	-1	4	3
82	88	97	Total financial income	101	95	93
Financial costs						
374	359	351	Interest costs	375	359	351
-24	-22	-14	Capitalised construction loan interest	-24	-22	-14
5	4	4	Other financial costs	5	6	5
355	341	341	Total financial costs	356	343	342

NOTE 11 – SHARES AND OWNER INTERESTS

Company	Type	Year of acquisition	Registered office	Shareh.	Voting right	Acquisition cost In NOK 1,000	Book value In NOK 1,000
Statnett Entreprenør AS	Subsidiary	1994	Oslo	100.0 %	100.0 %	60,000	76,704
Statnett Transport AS	Subsidiary	1996	Oslo	100.0 %	100.0 %	50	9,846
Statnett Forsikring AS	Subsidiary	1998	Oslo	100.0 %	100.0 %	30,200	30,200
Nord Pool ASA	Jointly-controlled	1992	Bærum	50.0 %	50.0 %	2,500	2,500
Viking Cable AS	Jointly-controlled	1994	Oslo	50.0 %	50.0 %	250	17,750
EuroKabel AS	Jointly-controlled	1995	Oslo	50.0 %	50.0 %	16,250	0
Total subsidiaries and joint companies						109,250	137,000
Nord Pool Consulting AS	Deposits	1998	Bærum	33.3 %	33.3 %	2,000	2,000
Norwegian Pipelines AS	Deposits	1993	Stavanger	4.1 %	4.1 %	70	0
STRI AB	Deposits	1998	Sverige	12.5 %	12.5 %	1,407	1,407
Statnett SFs Pensjonskasse	Deposits	1993	Oslo	100.0 %	100.0 %	15,000	15,000
Total other shares etc.						18,477	18,407
Total shares and owner interests						127,727	155,407

Subsidiaries and jointly-controlled companies are recorded in the accounts using the cost method adjusted for group contribution made (net after tax).

Shares owned by subsidiaries and jointly-controlled companies

Company	Year of acquisition	Registered office	Shareh.	Voting rights	Acquisition cost Amounts in NOK 1,000	Book value Amounts in NOK 1,000
Elkom Entreprenør AS	2001	Oslo	51.5 %	51.5 %	5,345	3,081
Statnett Helimatic AS	2001	Oslo	51.0 %	51.0 %	600	357
Statnett Optocomm AS	2000	Oslo	50.0 %	50.0 %	3,500	696
Statnett Skagerrak AS	1998	Oslo	100.0 %	100.0 %	100	100
Nord Pool Consulting AS	1998	Bærum	16.7 %	16.7 %	1,000	1,000
Nordic Electricity Clearing House AS	1998	Bærum	100.0 %	100.0 %	25	25
NOS Holding ASA	2001	Oslo	10.0 %	10.0 %	29,627	29,626
LPX Leipzig Power Exchange GmbH	2000/2001	Tyskland	17.4 %	17.4 %	11,339	18,450

Enitel ASA

The company went into compulsory liquidation in the autumn of 2001. Statnett's shares have been recorded as a loss of just over NOK 163 million. Until 30 September 1999 the company was defined as an associated company. After this date the shareholding was considered an investment in other shares. The book value of the shares in the Group was identical to the share of Enitel's equity as of 30 September 1999. The accounting write-up of just over NOK 33 million made in previous years has been reversed and the recorded loss for the Group is just below NOK 197 million.

Over time Statnett has taken to income just over NOK 65 million in realised gains from the sale of shares in Enitel. Statnett's investment in Enitel has over time thus yielded a loss of just below NOK 98 million.

NOTES

NOTE 12 – RECEIVABLES DUE LATER THAN ONE YEAR

Receivables due later than one year

PARENT COMPANY

2001	2000	1999		2001	2000	1999
114	82	184	Loans to companies in the same group	-	-	-
2	3	48	Other long-term receivables	2	3	58
24	-	12	Trade accounts receivable	24	-	12
140	85	244	Total	26	3	70

Loans to companies in the same group comprise subsidiaries and jointly-controlled companies.

Trade accounts receivable due in later than one year comprise lower revenues in the Main Grid Commercial Agreement, leasing to regional grids and the leasing of components in regional grids.

In accordance with NVE's regulations, lower revenues can be recouped through tariffs/leasing rates in subsequent years.

Other

Accounts receivable include a disputed receivable of approx. NOK 15 million. If necessary, attempts will be made to solve this matter in the courts. No write-down of this receivable has been made.

NOTE 13 - MARKET VALUE OF CURRENT ASSETS

Certificates	Acquisition cost	Value entered in balance sheet	Market value*	Interest rate	Interest rate regulation
BKK	20	20	20	7.30 %	Fixed
Østfold Energiverk	20	20	20	7.03 %	Fixed
Total certificates	40	40	40		

Bonds	Acquisition cost	Value entered in balance sheet	Market value*	Interest rate*	Interest rate regulation*
Agder Energi	10	10	10	6.10 %	Fixed
BN-Bank	197	197	200	6.43 %	Half-yearly**
Elkem	10	10	10	7.00 %	Quarterly
Kommunalbanken	10	10	10	5.55 %	Fixed
Kreditkassen	185	185	185	6.36 %	Half-yearly
Kreditkassen	15	15	15	6.34 %	Half-yearly
Norsk Stat	20	20	20	9.50 %	Fixed
Norsk Stat	15	15	14	5.75 %	Fixed
Norske Skog	9	9	10	6.10 %	Fixed
Orkla	10	10	10	6.10 %	Fixed
Oslo Kommune	30	30	31	5.50 %	Fixed
Sparebanken Møre	30	30	30	6.50 %	Fixed
Sparebanken Rogaland	15	15	15	5.15 %	Fixed
Sparebanken Sør	50	50	50	6.45 %	Half-yearly***
Sparebanken Vest	50	50	50	6.28 %	Half-yearly***
Sparebankkreditt	10	10	10	6.75 %	Half-yearly
Sparebankkreditt	15	15	15	8.90 %	Fixed
Total bonds	681	681	685		

The face value of all bonds owned by Statnett are in NOK.

* The columns show value including swap interest rate.

** This bond has been swapped from a fixed rate of interest to a variable rate NIBOR 6 months.

*** The bond has been swapped from a variable rate 3 months to a variable rate NIBOR 6 months.

Shares	Acquisition cost	Value-entered balance sheet	Market value
Floating portfolio, shares	47	45	45

Total market-based securities 766

The company values securities according to the portfolio method; certificates and bonds individually.

NOTES

NOTE 14 – LOANS FROM GOVERNMENT AND OTHER FINANCIAL INSTITUTIONS

Borrowing and guarantee limit

A state-owned enterprise's total loans and guarantees must be kept within a specified total limit (cf. Section 5 of the State Enterprises Act). The total limit is set as the total assets or the stipulated limit of NOK 10 billion, whichever is the lower. Pursuant to the State Enterprises Act, lenders are ensured full cover for their claims within the total limit.

The remaining unutilised borrowing limit is NOK 4 billion. The provision concerning loan guarantees in the Act on State Enterprises is under revision and may be repealed following a transitional period. All existing debt and new borrowing until such time as the amended legislation enters into force is secured under the current lending and guarantee scheme.

Debts falling due more than five years following the end of the accounting year:

Amounts in NOK million

	2001	2000	1999
Bond issue	1,400	1,500	1,350
Loans from the Government	0	400	800
Loans from credit institutions	585	367	700
Total parent company	1,985	2,267	2,850
Debt to credit institutions	3	-	-
Total group	1,988	2,267	2,850

Neither the parent company nor other group companies have convertible loans.

Information on bond issues, government loans and loans from financial institutions

Currency	Average interest rate ¹⁾	Loan amount in foreign currency	Loan amount NOK mill.
NOK	6.5 %	4,865	4,663
USD	6.9 %	100	759
JPY	6.4 %	2,000	148
Total parent company			5,570

¹⁾ All loans in foreign currencies are converted into NOK through currency and interest rate swaps. The average interest rate for the loans includes swaps.

Repayment schedule

Amounts in NOK million	2002	2003	2004	2005	2006	Deretter	SUM
Parent company	549	600	237	1,000	1,199	1,985	5,570
Group	550	600	237	1,000	1,199	1,988	5,574

Own holding of bonds

As of 31 December 2001 Statnett SF has no own holding of bonds.

NOTE 15 – OTHER LONG-TERM LIABILITIES

PARENT COMPANY				GROUP		
2001	2000	1999	Amounts in NOK million	2001	2000	1999
37	39	41	Pre-paid revenues	37	39	41
-	-	-	Allocation periodic maintenance	1	2	7
13	14	13	Other long-term liabilities	17	18	18
50	53	54	Total other long-term liabilities	55	59	66

Pre-paid revenues relate to compensator stations for the Skagerrak cables. Revenues (including interest element) are spread over 25 years in line with the life of the assets. Other long-term liabilities consist mainly of employers' social security contributions relating to pension provisions.

NOTES

NOTE 16 – INTRA-GROUP BALANCES

Amounts in NOK million	Trade accounts receivable			Long-term lending		
	2001	2000	1999	2001	2000	1999
Subsidiaries	4	15	6	14	22	150
Jointly-controlled companies	1	3	12	100	68	41
Total	5	18	18	114	90	191

Amounts in NOK million	Trade accounts payable			Group bank accounts		
	2001	2000	1999	2001	2000	1999
Subsidiaries	23	23	38	43	91	109
Jointly-controlled companies	11	6	-	-	-	-
Total	34	29	38	43	91	109

NOTE 17 – TAXES

GROUP

Amounts in NOK million

Summary of temporary differences	Change		
	2000-2001	2001	2000
Receivables	- 1	- 2	- 1
Stock-in-trade	-	- 1	- 1
Projects	- 13	- 13	-
Shares and securities	2	5	3
Operating assets	- 271	- 695	- 424
Provisions in accordance with good accounting practice	7	- 19	- 26
Pensions	11	- 71	- 82
Profit and loss account	- 13	31	44
Temporary differences in connection with acquisitions	- 3	-	-
Total	- 281	- 765	- 487
Loss carried forward	1	0	- 1
Base for deferred tax in the balance sheet	- 280	- 765	- 488

Deferred tax (DT)/deferred tax benefit (DTB) in the balance sheet	Change 2000-2001	2001 DTB	2001 DT	2000 DTB	2000 DT
Statnett Entreprenør AS	5	2	-	-	3
Statnett Transport AS	2	-	7	-	9
Statnett Skagerrak AS	-	-	-	-	-
Elkom Entreprenør AS	-	-	-	-	-
Statnett Helimatic AS	-	-	-	-	-
Statnett Optocomm AS	-	-	-	-	-
Nord Pool ASA	-	1	-	1	-
Elimination	- 2	5	1	4	- 2
DT offset against DTB	-	- 8	- 8	- 10	- 10
Total	78	214	0	136	0

Tax cost	Tax payable	Change DTB/DT	Excess/insufficient provision	Tax cost
Statnett Entreprenør AS	2	- 5	-	- 3
Statnett Transport AS	-	- 2	-	- 2
Statnett Skagerrak AS	-	-	-	-
Elkom Entreprenør AS	-	-	-	-
Statnett Helimatic AS	-	-	-	-
Statnett Optocomm AS	-	-	-	-
Nord Pool ASA	14	-	-	14
Elimination	-	2	-	2
Total	224	- 78	- 2	144

NOTES

NOTE 17 – TAXES

PARENT COMPANY

Amounts in NOK million

Calculation of deferred tax and change in deferred tax

Summary of temporary differences (basis for deferred tax)

	Change 2000–2001	2001	2000	1999
Receivables	- 3	- 3	-	- 5
Shares and securities	2	5	3	- 2
Operating assets	- 270	- 691	- 421	- 62
Provisions in accordance with good accounting practice	4	- 7	- 11	- 17
Pensions	11	- 72	- 83	- 98
Profit and loss account	- 6	3	9	- 10
Base for deferred tax	- 262	- 765	- 503	- 194
Deferred tax/tax benefit	- 73	- 214	- 141	- 54

TAX PAYABLE

Base for tax cost and tax payable

	2001	2000	1999
Profit before tax cost	481	666	551
Permanent differences	3	-	2
Base for tax cost for the year	484	666	553
Change in temporary differences	262	309	19
Base for tax payable	746	975	572

Tax payable (in the tax cost)

28% of base for tax payable	208	273	159
Allowance for tax on dividends	-	- 1	- 1
Tax payable (in the tax cost)	208	272	158

Tax payable in the balance sheet

Tax payable in the tax cost	208	272	158
Tax effect of group contribution affecting tax payable	- 2	1	- 9
Tax payable (in the balance sheet)	206	273	149

TAX COST (SUMMARY)

Tax cost

28% of base for tax payable	135	186	154
Allowance for tax on dividends	-	- 1	- 1
Insufficient/excess provision previous year	- 2	4	- 4
Total tax cost on the ordinary profit	133	189	149

Distribution of tax cost on the ordinary profit

Tax payable	208	272	158
Change in deferred tax	- 73	- 87	- 5
Insufficient/excess provision for last year	- 2	4	- 4
Tax cost on ordinary result (tax cost for the year)	133	189	149

NOTES

NOTE 18 – EQUITY

PARENT COMPANY

<i>Amounts in NOK million</i>	Invested capital	Other equity	Total
Equity at 1 January 2001	2,700	1,518	4,218
Profit for year (after dividend allocated and group contributions)		178	178
Equity at 31 December 2001	2,700	1,696	4,396

GROUP

<i>Amounts in NOK million</i>	Invested capital	Other equity	Total
Equity at 1 January 2001	2,700	1,640	4,340
Profit for year (after dividend allocated)		171	171
Equity at 31 December 2001	2,700	1,811	4,511

NOTE 19 – MORTGAGES, GUARANTEES

Neither the parent company, subsidiaries nor jointly-controlled companies have furnished any substantial guarantees. The parent company has furnished guarantees vis-à-vis third parties for a total of SEK 10 million on behalf of STRI AB.

The parent company has furnished a guarantee of NOK 10 million in order to secure Statnett SF's Pension Fund's capital adequacy and solvency requirements in accordance with the Norwegian Banking, Insurance and Securities Commission's rules and regulations. This guarantee is valid until 31 December 2003. The pension fund's capital adequacy has not been so low that there has been a need to effectuate the guarantee.

The parent company has no opportunity to mortgage the company's assets.

NOTE 20 – INSURANCE

Statnett Forsikring AS was formed on 1 April 1998, with Statnett SF as the sole shareholder. From this date, Statnett Forsikring AS took over the obligations and assets of Statnett's captive insurance arrangement in Norsk Energiverk Forsikring AS. This licence is limited to covering risks relating to Statnett employees and units in the Statnett Group.

The company operates both as a direct underwriter, signing insurance policies, and in international reinsurance markets. In 2001, the company has operated in the following areas:

- Property insurance, including natural disaster
- Liability insurance
- Personal insurance (occupational injury, accident and group life)
- Special insurance

Developments in damages in the parent company in 2001 have been favourable for Statnett Forsikring AS, which has contributed to good results in respect of its insurance activities. Despite the weak financial markets in 2001, the company recorded positive results on the management of its assets.

Statnett Forsikring AS' finances are solid. Provisions for insurance purposes exceed the minimum requirements stipulated by the authorities. The company satisfies the capital adequacy requirements for insurance companies, set by the Banking, Insurance and Securities Commission.

Key figures

<i>Amounts in NOK 1,000</i>	2001	2000	1999
Due premiums, gross	23,970	13,991	15,371
Profit/loss before insurance allocations	11,869	5,762	10,062
Equity	31,362	31,362	31,221
Total insurance allocations	106,314	96,849	88,801
Total assets	141,574	130,728	123,899

The accounts of Statnett Forsikring AS have not been incorporated in the consolidated figures, since the company's activities are not part of the Group's ordinary operations.

NOTES

NOTE 21 – RELATED PARTIES

Ministry of Petroleum and Energy (OED)

As the owner of Statnett SF, the Norwegian Government represented by the Ministry of Petroleum and Energy (OED) is a closely related party. Statnett has the following relations with the OED:

Regulatory authority

The Norwegian Parliament (Stortinget) is the legislative authority that passes legislation based on proposals from the Government. Regulations are passed by the King in Council. OED administers its part of this and delegates the administration of the greater part of the Energy Act to NVE and others. Pursuant to the Norwegian Public Administration Act, any individual decision made by NVE can be appealed to the superior authority, i.e. the OED. See also note 22 – Disputes

Loans

OED furnishes loans to Statnett on ordinary commercial terms and conditions. See note 14.

Foreign trade in electric power

Statnett has managed the foreign power trade on behalf of OED. As an element of this, Statnett collected the priority fee and bottleneck revenues on power transmission to the Continent on behalf of the OED. These revenues have gone towards covering previous years' accumulated deficits in foreign power trade. These were not included in Statnett's accounts. Accumulated deficits from previous years totalled NOK 17 million as of 31 December 2000 and were covered in their entirety in the form of a final settlement to OED in June 2001. After this time, revenues fall to the Main Grid Commercial Agreement and will yield a reduction in other tariffs.

Other related parties are:

Subsidiary companies:

The wholly-owned subsidiaries Statnett Entreprenør AS and Statnett Rederi AS, and also Statnett Skagerrak AS which is wholly owned by Statnett Transport AS.

The jointly-controlled companies:

- Nord Pool ASA of which Statnett and Svenska Kraftnät each own 50 per cent
- -Viking Cable AS of which Statnett and E.ON Energie AG each own 50 per cent
- EuroKabel AS of which Statnett and EST EuroStrom Trading GmbH each own 50 per cent

Co-operating partners:

NEA and Statnett are constructing the NorNed cable and will each own their section of this.

NOTE 22 – DISPUTES

Complaints regarding revenue ceilings

At 31 December, Statnett had the following unresolved matters regarding revenue ceilings:

Matter	Time of complaint	Status 31 Dec.	NOK million (approx.)
Efficiency requirements for Statnett SF	Jan. 1999	By NVE	
Raised ceiling relating to Y2K supervisory function	Jan. 1999	By NVE	5

Efficiency requirements for Statnett SF

In an individual decision, NVE set an initial revenue ceiling for 1999 in which efficiency requirements were one of the parameters. In Statnett's view, the efficiency requirement was set too high. A one per cent reduction in the efficiency requirement will increase Statnett's revenues by approx. NOK 18 million each year. The matter was appealed to the OED in January 1999 via NVE but has not yet been passed on to the OED from NVE.

Raised revenue ceiling for supervisory function relating to the Y2K problem

Statnett was given a supervisory function by NVE over other companies relating to the year 2000 problem on the basis of its system-wide responsibility.

The revenue ceiling for 1999 included a special addition to take into account increased costs relating to the year 2000 problem. In Statnett's view, this addition is intended to cover the grid companies' own costs. The supervisory function, estimated at NOK 5 million, should be added to this.

The matter was appealed to the OED in January 1999 via NVE but has not yet been passed on to the OED from NVE.

Concluded complaints

In an individual decision, NVE accepted that facilities connected to the cables to Denmark form part of the Main Grid. This individual decision also covered the years 1998–2000 and gave a revenue ceiling approx. NOK 0.5 million higher than that recorded as revenues in these years.

NOTES

Other matters

Tariffs for components in the regional grid

In September 1999, Statnett's User Council submitted a complaint to the OED regarding the decision of Statnett's board relating to tariffs for components (transformers) in the regional grid.

The matter had no bearing on Statnett's total revenues, but would have affected the distribution of costs between Statnett's customers since it concerned whether components should have local tariffs according to actual costs or whether all components should have equal tariffs based on an average view of costs.

A corresponding complaint was lodged with NVE by SFO and a number of customers.

In a letter to Statnett's User Council in May 2001, OED announced that the ministry sees no reason to intervene with regard to Statnett's practise of tariff charges for components in the regional grid.

NOTE 23 – UNRESOLVED MATTERS

Applications for higher revenue ceilings

On 21 December 2001 Statnett SF sent an application to NVE for a higher revenue ceiling for 2001 of NOK 16.8 million in connection with the acquisition of output reserves in the autumn of 2001 in order to carry out its task as transmission system operator in Norway. On 19 December 2001 an application was lodged for a higher revenue of NOK 0.6 million for 2001 as a result of higher administrative costs in connection with the reporting of outages. These amounts have not been recorded as income in the accounts.

Higher amount of energy supplied

One of the parameters NVE employs when stipulating the annual revenue ceiling is expected increase in the supply of energy. According to Section 8-3, third paragraph of NVE's Regulations concerning technical and financial reporting, the revenue ceiling shall be adjusted upwards each year by half of the expected increase in supplied energy in the grid company's settlement area.

In the same regulation, Section 11-2, it is stated that at the end of the regulating period NVE shall implement a final settlement in which actual developments in the amount of energy supplied are to be taken into account. The result of the final settlement shall be recorded as a higher or lower revenue and be paid out, or be recouped in later year's tariffs.

At the end of 2001 it has been calculated that Statnett has an accumulated higher revenue for years 1998-2001 of over NOK 600 million according to our interpretation of the regulation concerning the calculation of actual increases in supplied energy. Just under a third of this amount relates to last year. Recording this sum as a revenue and in the balance sheet in the regulating period that runs until 2001 requires a special individual decision by NVE relating to the stipulation of adjusted revenue ceilings. NVE's method for calculating actual trends in supplied energy is still being discussed. The size of this amount is therefore uncertain. The lower revenue has not been taken into account in the financial statements.

AUDITOR'S REPORT



PricewaterhouseCoopers DA
 N-0245 Oslo
 Telephone 23 16 00 00
 Telefax 23 16 10 00

To the Enterprise Meeting of Statnett SF

Auditor's report for 2001

We have audited the annual financial statements of Statnett SF as of 31 December 2001, showing a profit of MNOK 348 for the parent company and a profit of MNOK 341 for the group. We have also audited the information in the 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 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 auditing standards and practices generally accepted in Norway. Those standards and practices 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 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 have been prepared in accordance with the law and regulations and present the financial position of the Company and of the Group as of December 31, 2001, and the results of its operations and its cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information as required by law and accounting standards, principles and practices generally accepted in Norway
- the information given in the directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Oslo, March 21, 2002

PricewaterhouseCoopers DA

Johnny Skaug
 State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

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PROFIT AND LOSS ACCOUNT FOR BUSINESS AREAS

STATNETT BUSINESS OPERATIONS					
<i>Amounts in NOK million</i>	<i>Notes</i>	2001	2000	1999	
STATNETT SF					
Revenue ceiling Statnett SF	2	2,289	1,874	1,773	
Revenue ceiling transmission losses	3	308	164	173	
Leasing income foreign cables		12	165	157	
Other revenues		125	169	169	
Total operating revenues		2,734	2,372	2,272	
Operating costs		- 576	- 544	- 718	
Transmission losses	3	- 390	- 239	- 175	
System costs	4	- 180	- 90	- 49	
Reimbursement to other Main Grid owners	3	10	5	- 28	
Depreciation/write-downs		- 601	- 542	- 472	
Property taxes		- 84	- 83	- 75	
Total operating costs		- 1,821	- 1,493	- 1,517	
Operating profit		913	879	755	
Financial revenues		89	117	139	
Financial expenses		- 358	- 330	- 343	
Total financial items		- 269	- 213	- 204	
Loss on Enitel shares		- 163	-	-	
Profit before tax		481	666	551	
ENGINEERING AND CONSTRUCTION					
Operating revenues		329	385	349	
Operating costs		- 349	- 378	- 394	
Operating profit/loss (-) before tax		- 20	7	- 45	
Net financial items		3	3	- 3	
Profit/loss (-) before tax		- 17	10	- 48	
POWER EXCHANGE (NORD POOL ASA)					
Power sales		10,652	5,536	4,458	
Other operating revenues		170	126	103	
Total operating revenues		10,822	5,662	4,561	
Power purchases		- 10,652	- 5,536	- 4,458	
Operating costs/financial items		- 121	- 97	- 80	
Total operating costs		- 10,773	- 5,633	- 4,538	
Profit before tax		49	29	23	
OTHER ITEMS					
Group eliminations		- 28	110	49	
Taxes		- 144	- 234	- 160	
Business profit		341	581	415	

PROFIT AND LOSS ACCOUNT FOR BUSINESS AREAS

POWER TRANSMISSION					
<i>Amounts in NOK million</i>					
	Notes	2001	2000	1999	
Main Grid Commercial Agreement					
Tariff revenues – fixed element	5	2,124	2,009	1,909	
Tariff revenues - variable element	5	445	226	205	
Total revenues		2,569	2,235	2,114	
Leasing costs external installation owners		- 319	- 346	- 353	
Leasing costs Statnett facilities		- 1,815	- 1,502	- 1,334	
Reversals excess/reduced earnings installation owners	6	- 92	7	21	
Leasing costs installation owners		- 2,226	- 1,841	- 1,666	
Cost of transmission losses	3	- 282	- 156	- 281	
Total Main Grid costs		- 2,508	- 1,997	- 1,947	
Financial items	7	- 5	- 7	- 12	
Higher revenues for the year	8	56	231	155	
Common regional grids					
Tariff revenues – fixed element	5	136	73	68	
Tariff revenues – variable element	5	31	5	5	
Total revenues		167	78	73	
Costs from overlying grid		- 91	- 40	- 27	
Leasing costs – external and Statnett facilities		- 47	- 26	- 37	
Costs, transmission losses		- 26	- 8	- 9	
Total operating costs		- 164	- 74	- 73	
Higher revenues for the year		3	4	0	
REGULATING POWER SETTLEMENT					
Fee revenues		13	16	20	
Administration costs/financial items		- 16	- 14	- 16	
Higher/lower (-) revenues for the year	9	- 3	2	4	

NOTES FOR BUSINESS AREAS

NOTE 1 – PROFIT/LOSS, STATNETT'S BUSINESS OPERATIONS PER BUSINESS AREA

<i>Amounts in NOK million</i>	Grid operations	Grid losses	Other	Total Statnett SF
Revenue ceiling	2,289	308	-	2,597
Leasing revenues – cables to other countries	12	-	-	12
Other revenues	69	-	56	125
Total operating revenues	2,370	308	56	2,734
Operating costs	- 678	-	- 68	- 746
Transmission losses	- 21	-369	-	- 390
Depreciation/write-downs	- 555	-	- 46	- 601
Property tax	- 84	-	-	- 84
Total operating costs	- 1,338	- 369	- 114	- 1,821
Operating profit (loss)	1,032	- 61	- 58	913
Fixed capital:				
Capital 1 January 2001	8,999		81	9,080
Capital 31 December 2001	9,109		126	9,235
Average capital	9,054		104	9,158
Working capital 1%	91			
Calculation base for rate of return	9,145			
Rate of return	11.28%			

Other

"Other" consists of the units for engineering and project administration (Technology Division), commercial telecommunication and project administration for new cables to the Continent (Cable Division). These areas have been excluded from the table when calculating the return on grid capital.

Revenues – cables to other countries

Revenues from cables to other countries are regulated by a separate agreement with the customer in the Danish sector. As of 2001, foreign cables in the Norwegian sector form part of the Main Grid.

NOTE 2 – REVENUE CEILING FOR STATNETT SF

The book value of the revenue ceiling increased by over NOK 415 million from 2000 to 2001. This was, for example, due to:

- Denmark cables, Norwegian sector
- Acquisition of grid facilities
- Acquisition of power reserves
- Factors effecting the formula (price inflation, higher energy transmission and efficiency requirements) used by the Norwegian Water Resources and Energy Directorate (NVE) for calculation of the revenue ceiling.
- Increased risk premium

As a result of the reduction in the tax-related depreciation of grid facilities, the NVE has increased the risk premium for 2000 and 2001. This accounted in total for over NOK 90 million.

NOTE 3 – REVENUE CEILING FOR TRANSMISSION LOSSES

The revenue ceiling for transmission losses consists of the revenue ceiling for losses in the Main Grid and the common regional grids where Statnett is the operator. The ceiling for grid losses is adjusted according to the actual loss-weighted spot price of NOK 206/MWh, which is calculated by the Norwegian Water Resources and Energy Directorate (NVE).

If the revenue ceiling for losses deviates from the actual transmission loss costs, then the deficit is distributed among the Main Grid owners proportionate to the revenue ceiling they represent. The deficit for the Main Grid in 2001 was NOK 67 million. The share charged to the other owners was NOK 10 million.

No such distribution is made for the common regional grids.

<i>Amounts in NOK million</i>	Main Grid	Common regional grids	Total
Revenue ceiling	282	26	308
Actual losses	- 349	- 20	- 369
Result for distribution	- 67	6	- 61
Share, other owners	- 10	-	- 10
Statnett's share	- 57	6	- 51

NOTES FOR BUSINESS AREAS

NOTE 4 – SYSTEM OPERATOR COSTS

Statnett is the transmission system operator in Norway. System operator costs are costs to coordinate generation and consumption of electricity. Greater utilisation of the grid has led to higher system operator costs. In order to ensure the power reserves required to safeguard system security, Statnett has entered into agreements with generators and consumers to withhold power capacity from the market.

NOTE 5 – TARIFF REVENUES POWER TRANSMISSION

The revenues are apportioned to the different tariff bases as follows:

<i>Amounts in NOK million</i>	Main Grid			Distributional grid/ Common regional grids		
	2001	2000	1999	2001	2000	1999
Connection element	587	626	560	39	19	18
Power element	1,469	1,265	1,249	89	44	41
Reactive power output/coordination gains	- 46	6	9	1	-	1
Minimum supplement	104	104	88	7	10	8
Disconnectable consumption	5	4	4	-	-	-
Corrections previous years	5	4	- 1	-	-	-
Total tariff revenues, fixed element	2,124	2,009	1,909	136	73	68
Energy element	401	226	204	31	5	5
Congestion revenues	44	-	1	-	-	-
Total tariff revenues, variable element	445	226	205	31	5	5
Total tariff revenues	2,569	2,235	2,114	167	78	73

Domestic tariff revenues	2001	2000	1999
<i>NOK 1000 per MW</i>	In/Out	In/Out	In/Out
Connection element	14.0/14.0	11.0/14.0	12.0/13.0
Power element	44.0/80.0	45.0/63.0	46.0/57.5

Congestion revenues are generated as a result of internal transmission restrictions in the electricity exchange area. Statnett, Svenska Kraftnät, Eltra and Fingrid have entered into an agreement that regulates the apportionment of congestion revenues for 2001.

NOTE 6 – REVERSAL OF HIGHER/LOWER REVENUES FROM INSTALLATION OWNERS

The reversal of lower revenues from Main Grid owners can be broken down as follows:

<i>Amounts in NOK million</i>	2001	2000	1999
From Statnett	83	-	-
From other Main Grid owners	9	7	21
Total reversed lower revenues	92	7	21

In connection with NVE's stipulation of the revenue ceiling for grid owners, changes in the consumer price index are one of several parameters employed. NVE has by means of an individual decision elected to amend this for 2000 and 2001. Furthermore, NVE has granted a special increase in the revenue ceiling for these years (increased risk premium) as compensation for reduced tax depreciation on grid facilities in these years. For Statnett, the above conditions yield an increase in the revenue ceiling for 2000 of just under NOK 54 million.

In addition, NVE has by means of an individual decision made in 2001 granted Statnett an increase in its revenue ceiling for 2000 relating to the purchase of power reserves totalling just over NOK 28 million.

NOTE 7 – FINANCIAL ITEMS, MAIN GRID COMMERCIAL AGREEMENT

Pursuant to guidelines issued by NVE, interest of 6.1% pa is to be charged on the average balance of higher/lower revenues. The interest cost relating to lower revenues totals NOK 8 million.

Interest received and reversed higher/lower revenues from Main Grid owners amount to a net financial income of NOK 3 million.

NOTE 8 – ACCUMULATED HIGHER/LOWER REVENUES, MAIN GRID COMMERCIAL AGREEMENT

<i>Amounts in NOK million</i>	2001	2000	1999
Accumulated lower revenues 1 January	- 60	- 291	- 446
Higher revenues for the year	56	231	155
Accumulated lower revenues 31 December 2001	- 4	- 60	- 291

NOTE 9 – BALANCE ACCOUNTING

The fee revenue shall cover administration costs over time. Accumulated higher revenues at 31 December 2001 of NOK 18 million have been recorded under current liabilities on the balance sheet in the parent company's accounts.