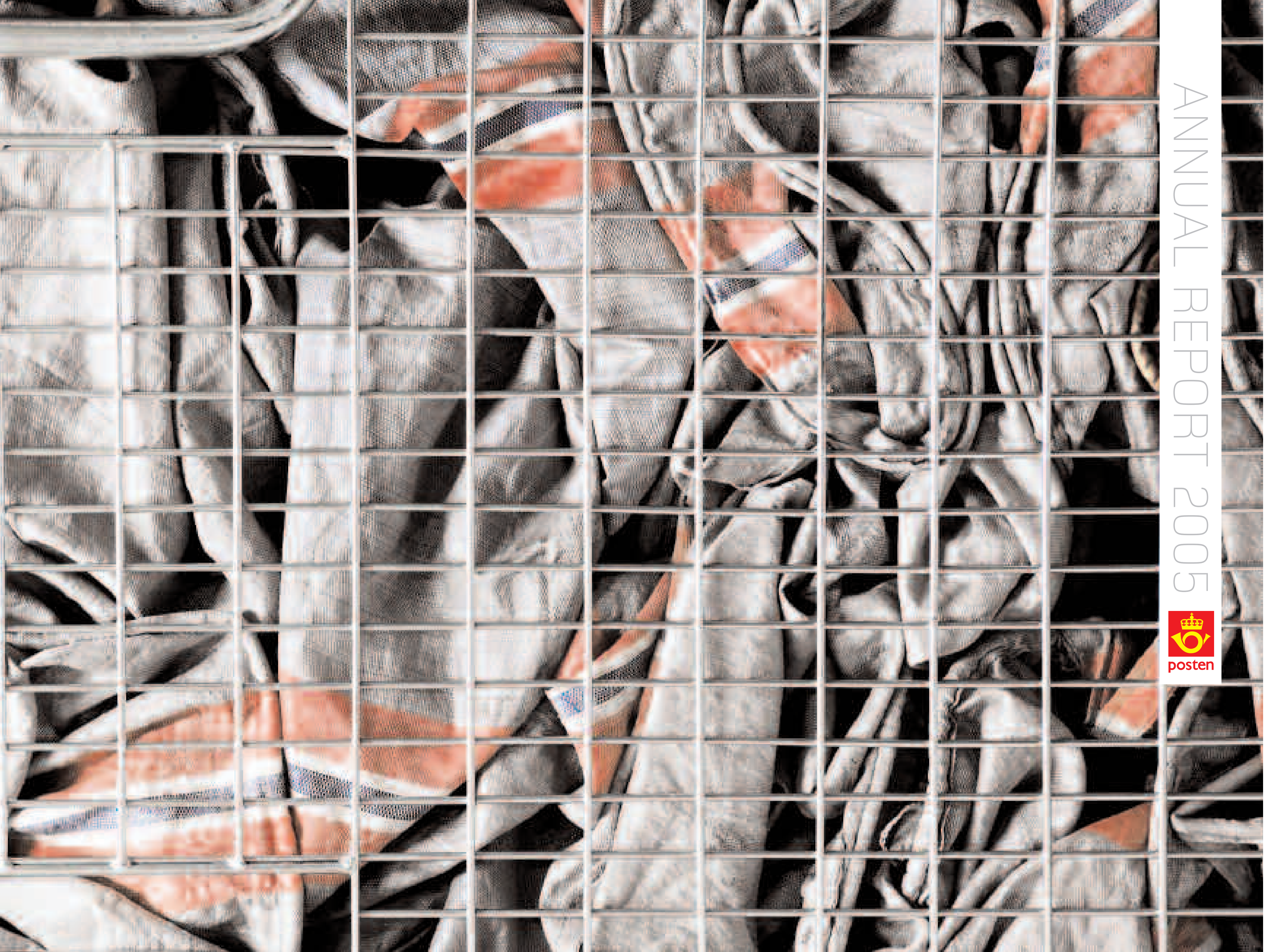

ANNUAL REPORT 2005

posten

KEY FIGURES

	2005	2004	2003
Operating revenues (MNOK)	19 995	17 959	15 559
EBIT (MNOK)	1.250	1.257	512
Government procurements (MNOK)	326	316	305
Equity value (MNOK)	12 000	7 700	5 500
Share of revenue from licensed area	18,3 %	20,8 %	24,2 %
Revenues from international companies (MNOK)	1 727	1 443	1 253
Total parcel volume (million)	27,0	26,4	24,7
Total letter volume (million)	2 654	2 586	2 652
Development A and B mail	- 5,5 %	- 7,0 %	- 0,7 %
Delivery quality A priority mail (delivered overnight)	86,7 %	87,5 %	87,7 %
Machine-sorted, small letters	82 %	81 %	79 %
Machine-sorted, all letters	61 %	59 %	54 %
Employees (full-time equivalents) as of 31 December	20 541	21 373	21 640
Number of sales outlets (post offices/Post in Shop)	1 523	1 529	1 503
Customer satisfaction in the sales network (points, max. 100)	81	80	74
Norway Post's reputation, percentage of «Good Impression» (MMI)	56 %	50 %	46 %

Norway Post is both competitive and provides good, nation-wide postal services

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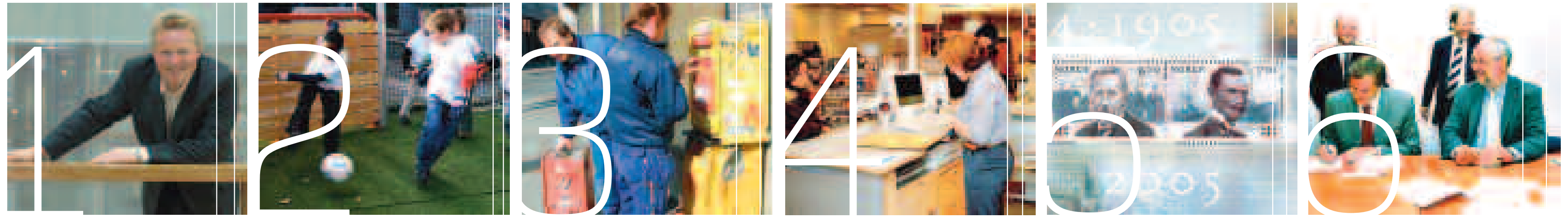
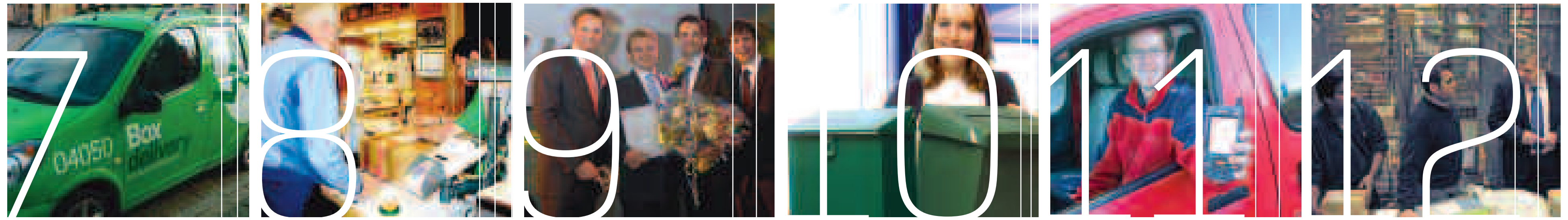
Year 2005





JANUARY

Norway Post invites tenders for a defined contribution employee pension scheme.

ErgoGroup gathers its operations into one company.

FEBRUARY

BBS acquires all the shares in ZebSign AS from ErgoGroup AS and Telenor.

Norway Post supports the building of 250 areas for ball sports over the next three years. A total of NOK 14.2 million is to be spent on this project.

The Norwegian Broadcasting Corporation's Dagsrevyen news programme breached the press ethics code when it incorrectly claimed that half of the Norway Post employees who are made redundant end up on state social security schemes.

MARCH

The Norwegian parliament decides there is to be full competition in the postal market as from 1 January 2007. Norway Post welcomes this.

Norway Post relocates some of its post boxes in Oslo. The goal is improved accessibility.

Kaare Frydenberg resigns after five years as the CEO of Norway Post.

Norway Post starts to cooperate with the Norwegian Association of the Disabled in order to make its sales network more physically accessible.

Norway Post's internal company services, ie, the handling of mail within companies, were sold to ISS.

APRIL

Norway Post and Dutch TNT sign a new contract which extends these two companies' close collaboration.

A survey conducted by Norsk Kundebarometer shows that Norway Post's customers are increasingly satisfied with Norway Post. They give Norway Post 61.8 points – 1.6 points more than in 2004.

Norway Post and the Norwegian Postal and Communications Union (Postkom) sign a contract regarding a senior citizen guarantee that guarantees all postal employees over 59 years of age a job until retirement age.

Hjelp 24 AS, which is owned by the Gjensidige insurance company, buys HMS Norge AS from Norway Post and Telenor.

Norway Post has reduced the energy consumption at Norway Post's terminals by 19 per cent since 2002. This means a reduction in energy costs of around NOK 15 million.

MAY

This spring's customer satisfaction survey shows that Norway Post's customers are more satisfied with the sales network than ever before.

The government increases the dividend from Norway Post by NOK 50 million to NOK 516.4 million for the 2004 financial year. This is 63 per cent of Norway Post's profit.

Norway Post buys EuroDynamic Norge AS, which will complement and strengthen Norway Post's logistics services with international vehicle transport services.

The centenary of the dissolution of the union between Norway and Sweden is marked by two new stamps showing former prime minister Christian Michelsen and Prince Carl.

Opplysningen 1881, a directory enquiries service, enters into a contract with ErgoGroup to buy IT services for a value of NOK 2.2 billion over a five-year period.

JUNE

Brokerage house Enskilda Securities ascertains the total value of the group to be NOK 12.8 billion and states that Norway Post is one of the world's most efficient postal companies.

Norway Post enters into a new banking agreement with DnB Nor/Postbanken for 2006-2013.

Following a bidding round for new sorting machines, Norway Post chooses to buy machinery for NOK 324 million from three suppliers.

Norway Post decides to build a new sorting terminal at Espehaugen near Flesland Airport in Bergen. This is to be completed in 2008.

In its report on the postal market, the Norwegian Post and Telecommunications Authority states that Norway Post's delivery frequency is probably the world's best.

Norway Post buys a plot of land at Robsrud in Lørenskog outside Oslo, where a new terminal for south east Norway is planned.

JULY

Norway Post's subsidiary Box Delivery Norge buys distribution company Gardermoens Distribusjons Service AS (GDS).

It is decided that Norway Post is to issue stamps with no value stated on them, ie, stamps which are valid even if the price increases.

The terminals at Brønnøysund, Sandnessjøen and Mosjøen are closed down.

170 online companies compete to be chosen as the eCommerce Company of the Year – an award presented by Norway Post.

AUGUST

Norway Post reorganises its logistics operations and gathers them under the following brands: Posten, Nor-Cargo and Box.

Five project groups are to look into the structure and organisation of Norway Post's sales network. The reasons for this are changes in user requirements and the new banking agreement with DnB Nor.

SEPTEMBER

Norway Post's Board of Directors decides to introduce a defined contribution pension scheme as from 1 January 2006 for around 26 000 employees who are entitled to a pension.

Klaus-Anders Nysteen is appointed Acting CEO when Kaare Frydenberg resigns.

583 postal employees who have been employed for 50, 40 and 25 years gather for an anniversary party at Det Norske Teatret in Oslo.

Norway Post aims to become greener through a collaboration with GRIP, an environmental organisation.

«Exploit the opportunities» is the message stated at the opening of the 22nd IT conference in Sandefjord arranged by Norway Post's subsidiary ErgoGroup.

Elkjøp is chosen as the eCommerce Company of the Year and receives this award at the IT conference.

OCTOBER

ErgoGroup buys Ementor's outsourcing operations in Norway and Sweden, which have annual revenues of NOK 235 million.

101 new sites receive financial support from Norway Post to build areas for ball sports in 2006.

Norway Post buys HSD Transport for NOK 55 million.

To make it easier to deliver post-order goods and goods ordered online, Norway Post launches larger mailboxes.

Norway Post's increase in postage for newspapers and magazines as from the year-end means that the three-year price changing plan has been completed.

The sorting terminals at Lakselv, Hønefoss and Finnsnes are closed down.

NOVEMBER

New prices for letters and parcels as from 2006. For Norway Post, this means a reduction in revenue of NOK 40 million.

Box is to become a courier and express service company throughout the Nordic region, and buys two courier companies, JW Lähetit and Fillarilähetit KSV Oy, in Helsinki.

An extensive customer satisfaction survey shows that Norway Post's customers are very satisfied. Eight out of ten are pleased with the waiting time and service.

The terminals at Alta, Haugesund and Værnes are closed down.

It is agreed to merge the refrigerated transport operations in Nor-Cargo and Johs. Lunde.

Norway Post enters into a contract to buy Frigoscandia, a Swedish refrigerated transport company, and thus becomes a major player in this market.

The Minister of Transport and Communications, Liv Signe Navarsete, states that the postal market should not after all be liberalised as from 1

DECEMBER

Norway Post's Board of Directors appoints Dag Mejdell of Dyno Nobel as the new CEO. He will take up his position on 16 January 2006.

Bad weather and problems with air traffic delay postal deliveries. In order to ensure that the Christmas post is delivered, Norway Post leases its own aircraft.

The Minister of Labour and Social Inclusion, Bjarne Håkon Hanssen, awards the «Diversity Prize 2005» to Norway Post for its work to achieve ethnic diversity.

Norway Post decides to move Nor-Cargo's heavy goods operations in Lørenskog and Oslo to Alnabru in Oslo.

We have satisfied owners. Satisfied customers. And satisfied employees. Nonetheless, we aim to improve.

FULL SPEED AHEAD INTO THE FUTURE

Norway Post has produced a record result for the second year running. It is a company that is capable of change. Its competitive service-oriented and has in 2005 succeeded in improving its profitability and developing strong market positions.

Norway Post neither can nor will rest on its laurels. The world around us is in flux, and the main trend in industry for many years has been towards larger units and greater internationalisation. Norwegian companies are establishing operations abroad, while foreign companies are buying and establishing operations in Norway.

FOLLOWS ITS CUSTOMERS

For Norway Post, it is of crucial importance to relate to these trends. We must follow our customers to where they have their markets and where the flow of goods arises. Norwegian companies are increasingly regarding the Nordic region as their domestic market. The same applies to companies in our neighbouring countries that have traditionally had a national perspective on their markets. Many decisions are thus made outside Norway and we must be sure that we have a presence which allows us to be close to where the decisions are reached. One of the consequences for Norway Post is a stronger Nordic focus. The formation of companies in Sweden, Denmark and Finland is intended to make Norway Post an attractive business partner for Nordic customers.

OFFERS A COMPLETE RANGE OF SOLUTIONS

The deliberate Nordic focus within our four main segments gives Norway Post a greater opportunity to develop future-oriented products and services that meet our customers' needs. Norway Post can therefore increasingly offer a wide range of products in the fields of letters, parcels, express services, general cargo/bulk cargo, refrigerated transport, third party logistics and ICT services. These increase our customers' choices and Norway Post thus improves its opportunities to meet demanding customers' total requirements.

An international focus is not only necessary to satisfy important groups of customers. The results that are created are also necessary for strengthening the postal services in Norway. If we are to succeed in developing the world's most future-oriented postal company, we must expand internationally while also reinforcing and improving our services in Norway.

FULL COMPETITION

Through comprehensive restructuring over the past few years, Norway Post has prepared itself for full competition in the postal market. As from 1 January 2006, the licensed area is limited to letters of less than 50 grams. This means that 88 per cent of Norway Post's total revenue in 2006 will come from areas that are open to competition. The political authorities have indicated that the abolition of the remaining licensed area will take place when the EU implements its liberalisation process. Norway Post is positive to a liberalisation of the postal market, and will spend the time leading up to the abolition of the licensed area reinforcing its commitment in the field of physical postal deliveries in the Nordic countries. The formation of CityMail in Denmark is an important part of the work of achieving Norway Post's ambition to become the leading company for industrial post in the Nordic region.

HEALTH, SAFETY AND THE ENVIRONMENT

A qualified and motivated organisation is needed for future success. Norway Post has implemented many, extensive changes. During a period of downsizing and major changes, we have managed to improve both our service and quality. However, although the sickness absence rate has shown a positive trend over the past few years, the level is still too high and this is a reminder that we must always focus on a good,

NORWAY POST'S VISION

Our vision is that Norway Post will become:

The world's most future-oriented postal company.
This vision expresses Norway Post's long-term ambition, stating how we want our company to be perceived. The vision is intended to create a common understanding of Norway Post's choice of direction, and to serve as an ideal that all of Norway Post's employees can strive to attain.

«World's» underscores our goal of being the world-leader in our industry. No other postal company should perform better in its market than Norway Post does in Norway. We will seek inspiration from the best performers in our sector.

«Most» means that we are going to be the best. We are to be the ones that most often win profitable competitions in the market.

«Future-oriented» means that we want to be at the forefront of developments.
We will offer solutions adapted to current and future requirements and focus on our customer's needs. We operate in a dynamic industry with rapidly developing markets. Our vision acknowledges the fact that changes and developments will be continuous.

«Postal company» is not a static concept. It is up to us to decide what to include in the «post» concept in the future, based on our history and the confidence the market has in us.

BUSINESS CONCEPT

Norway Post develops and delivers complete, value-adding communications and logistics solutions to domestic and international customers through physical and electronic networks.
Norway Post is to develop complete, value-adding communications and logistics solutions. This means that we will not only transport items from A to B, but also offer complete services based on our customer's needs.
We develop solutions that are delivered using physical and electronic networks. This means that we will continue to offer physical transport services while at the same time providing electronic products such as payment services, secure ID and secure email. Delivery can take place using both our own systems and those of our alliance partners.
Our network serves both private individuals and companies. Our main focus is still on customers in Norway, but our network covers the entire world.

OVERALL OBJECTIVES

Based on our business concept, vision, values and future challenges, we have defined the following overall objectives for Norway Post's activities:

- **Satisfied customers**
  This is to be measured by the development in customer satisfaction, indicating the customer's overall impression of Norway Post.

- **A strong market position**
  This is to be measured by the development in market shares in existing and new areas. We are to be the leading operator in Norway and in niche markets in the Nordic countries. We are to form alliances with other players abroad.

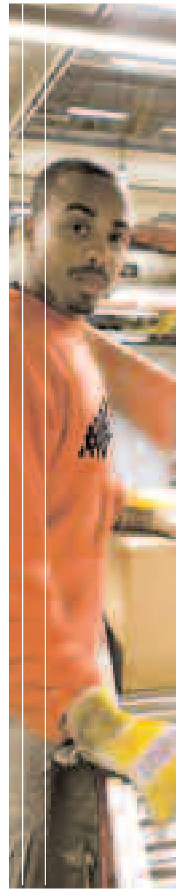
- **Attractive workplaces**
  This is to be measured by the development in workplace attractiveness, in which employee satisfaction is a central factor.

- **Competitive value creation**
  This is to be measured by the development in Norway Post's overall value. We are to create higher value for Norway Post's owners than they would have achieved from alternative investments.

VALUES

Norway Post's values have been chosen to support and improve the company's reputation. These are to help develop a company culture and serve as a guide in all decision making.
Norway Post's four fundamental values are:

Honesty, respect, innovation and interaction.



healthy working environment. This is why we are going to increase our focus on health, safety and the environment (HSE) in 2006. Our goal is to achieve a considerable reduction in the sickness absence rate, reduce the numbers of industrial injuries during production work and the numbers of those receiving disability benefit.

GOOD POSTAL SERVICES

However, Norway Post is not only a group that must succeed in commercial markets. Our social responsibility tasks must also be carried out and developed. The entire country must have good, high quality postal services at reasonable prices. Letters must be distributed to all households six days a week. Norway Post's unique accessibility is an important competitive advantage on which we will base our further developments.

Norway Post's licence is up for renewal in 2007. Norway Post is naturally prepared to carry out the tasks that society demands of it. At the same time, our task is to run our operations as efficiently and commercially as possible. The market is changing and we can see that a number of new electronic products and services mean that our customers' behaviour is changing. The increasing use of online banking and payment cards as well as the withdrawal of cash from shops' payment terminals means that Norway Post's post office network has experienced considerable challenges to its profitability over the past few years. Our customers' demand for financial services is now down to the level we had in the 1950s. These developments mean that we have decided in 2006 that, based on commercial criteria, there is no longer any foundation for offering basic banking services in the post office network. If Norway Post is to maintain this service in future, the additional costs must be covered through government procurements.

QUALITY AND SERVICE

The best guarantee that Norway Post will further develop a good, nationwide postal service is if we manage to compete successfully and capture the most attractive parts of the market. Our future success must be based on a service- and quality-oriented organisation, the development of new and existing products and services, a continuous adaptation of the organisation to the market's requirements and our ability to carry out our social responsibility tasks in a good, cost-effective manner.

The 2000-2005 period was characterised by several major reorganisational processes that necessitated huge efforts on the part of Norway Post's employees. This work created an extremely good foundation for Norway Post's further development. Further acquisitions and customer-related business development processes must continue to be combined with a continuous adaptation of our costs in order to meet the lower demand for traditional postal and banking services. While keeping our business in order, we must use the financial strength and foundation this provides to grow further, so as to meet our customers' demands even better. If we succeed in coping with these challenges, we will be able to turn around in a few years and look back with pride on the fact that we have together managed to create an even stronger group for the benefit of our customers.

Norway Post is to be the most cost-effective company in its markets. At the same time improving its service.

Norway Post's group management consists of (in front, from left) Elisabeth H Gjølme, Senior Vice President Corporate Information, Terje Mjøs, Managing Director of ErgoGroup, Lars Tendal, Senior Vice President Communications, and Klaus-Anders Nysteen, CFO. Behind (from left) Erik Johannessen, Senior Vice President Consumer, Arne Bjørndahl, Senior Vice President Logistics, CEO Dag Mejdell, Trygve Gjertsen, Senior Vice President Strategy and Development, and Aniela Gjøs, Senior Vice President Distribution Network.

ORGANISATION

Norway Post is organised in five divisions and four corporate staffs. The divisions have total responsibility for their business areas and are to develop and provide competitive solutions that meet existing and new customer requirements, both individually and together.

The Communication and Consumer Divisions are responsible for the group's postal products and physical sales network. The Logistics Division is responsible for the express service and logistics products, while ErgoGroup is responsible for the group's ICT work. The Distribution Network Division is responsible for the production and distribution of the postal products.

The group's HSE function will be upgraded in 2006 and the process of hiring a senior vice president for HR/HSE has started.

The Logistics, Communication, Consumer and Distribution Network Divisions are organised under the parent company, Posten Norge AS, while the ErgoGroup AS division is a wholly owned subsidiary.

The heads of the divisions and corporate staffs form part of the group Management, which is the group's most senior management group.

FOUR MARKET SEGMENTS

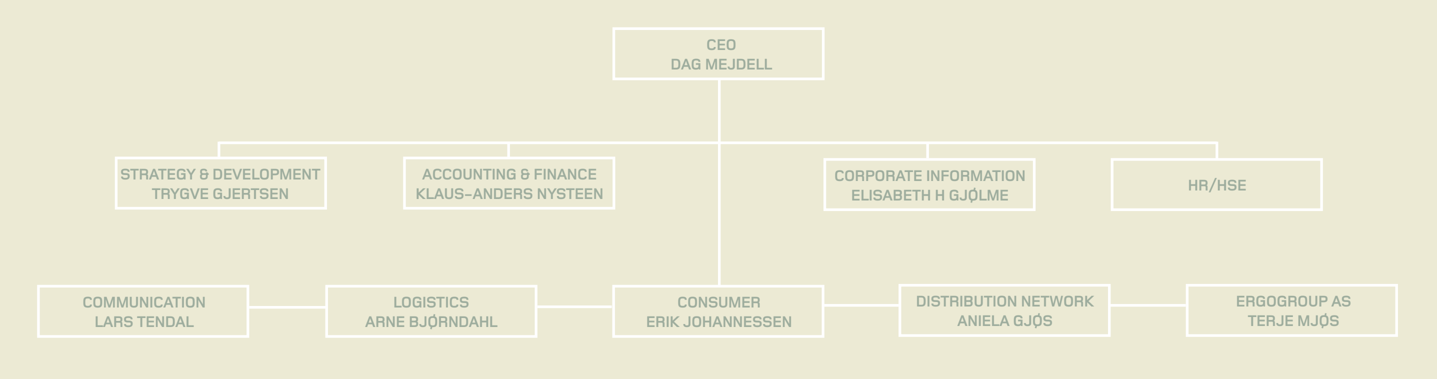
Norway Post has chosen to divide its operations into four segments for reporting purposes: post, express, logistics and ICT.

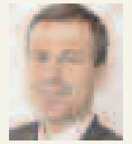
Post consists of letter and communications products, banking services, the sale of goods and document management. This segment comprises the activities of the Communication Division, including the CityMail subsidiary, the Consumer Division and the Distribution Network Division.

Express consist of domestic and international parcels, courier services in the Nordic region and express-related logistics solutions. The express segment comprises the parcel operations in the Logistics Division and the Box group AS and PNL AB subsidiaries.

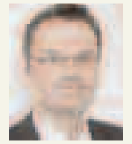
Logistics consists of general cargo, refrigerated transport, air, sea, special and heavy transport, third-party logistics and stevedoring. The logistics segment comprises the activities of part of the Logistics Division and of Norway Post's subsidiaries Nor-Cargo Holding, the Nettlast companies and Box Solutions.

ICT consists of ICT operations services, administrative and business solutions, and communications services. The ICT segment comprises the activities of Norway Post's subsidiary ErgoGroup AS and its underlying subsidiaries.

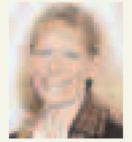




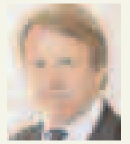
DAG MEJDELL (48)
CEO from January 2006.
Former positions: CEO of Dyno Nobel ASA, various positions in Dyno ASA since 1981, including CFO and CEO.
Education: Master of Business Economics degree



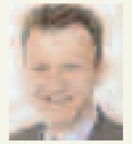
KLAUS-ANDERS NYSTEEN (40)
CFO from January 2001.
Former positions: Finance Director Hydro Seafood, Controller Hydro Seafood Norway, various positions in the Norwegian Navy.
Education: MBA



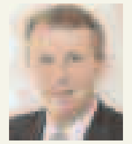
ELISABETH HEGG GJØLME (46)
Senior Vice President, Corporate Information from April 2000.
Former positions: Vice President Information Telenor Mobil, Information Manager Telenor, Marketing and Information Manager Oslobanken AS, Secretary General of the Young Conservatives.
Education: Economics degree



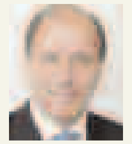
TRYGVE GJERTSEN (53)
Senior Vice President Strategy and Development from January 2005.
Former positions: Commercial Director and Operational Director Braathens, various management positions in SAS in Norway, Stockholm and Brussels.
Education: Master of Business and Marketing degree



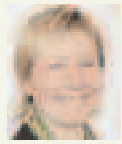
LARS HARALD TENDAL (39)
Senior Vice President Communications from January 2001.
Former positions: Sales/Marketing Director ICA Norge, Key Account and Sales Director of Sætre AS.
Education: Master of Business and Marketing degree



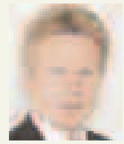
ARNE BJØRNDAHL (53)
Senior Vice President Logistics from January 2002.
Former positions: Directorships of Ringnes, Managing Director of EMO AS.
Education: Bachelor of Business Administration



ERIK JOHANNESSEN (53)
Senior Vice President Consumer from September 2000.
Former positions: Director of Telenor International AS, Project Director Telenor ASA, Marketing Director Ericsson AB.
Education: Business & engineering degrees



ANIELA GJØS (47)
Senior Vice President Distribution Network from October 2003.
Former positions: Logistics Director in Ringnes.
Education: Master of Science and Business Candidate degrees



TERJE MJØS (45)
Managing Director of ErgoGroup AS from June 2004.
Former positions: Director of Hydro IS Partner AS, various positions with Norsk Hydro ASA.
Education: Master of Science and MBA degrees

Norway Post visits 99.96 per cent of Norway's households six days a week.

THE BEST RESULT EVER

Norway Post is expanding rapidly and has developed into a leading service company that is highly efficient and profitable.

Group earnings before tax for 2005 amounted to NOK 1 297 million, after total net costs of NOK 690 million related to restructuring and the conversion to a new pension scheme. The improvement in earnings is due to positive market developments, acquisitions, the development of products and services, and efficient operations. The future development in earnings will be challenged by the decrease in A and B mail and bank transactions, at the same time as there is less potential for further efficiency gains than before. At the beginning of 2006, 88 per cent of Norway Post's revenues came from areas that were subject to competition. The competition in the market is increasing, even though Norway Post retains the exclusive right to carry letters until the postal market is liberalised in the EU.

The postal industry is undergoing rapid development. The largest customers are becoming increasingly Nordic and international, and are looking for solutions for their communication and logistics requirements that cover the entire Nordic region. Through acquisitions and product and service development, Norway Post has extended its operations in the Nordic region in order to offer its customers Nordic solutions. This has led to Norway Post strengthening its market position, also in its domestic market, and gaining access to imported volumes for further distribution in Norway. In 2005, Norway Post's revenues from outside of Norway increased by 43 per cent, or NOK 769 million, to NOK 2 563 million.

Competition in the Norwegian postal market is increasing rapidly, due to international companies establishing a presence in Norway, as well as an overlapping between sectors, in that the IT and media sectors are offering substitute or competing solutions. Over the past few years, Norway Post has been making preparations for liberalisation and full competition in the postal market by implementing extensive changes.

The Ministry of Transport and Communications submitted a proposal to the Norwegian parliament in May 2006 to reverse the decision regarding liberalisation of the Norwegian postal market with full competition from 2007 made by the parliament in the spring of 2005. Nonetheless, Norway Post will continue its work of improving efficiency and developing the company in order to meet new customer requirements and user needs.

Norway Post carries out its obligation to society by providing high quality postal services at reasonable prices throughout Norway, six days a week. In order to meet its licensing requirements, Norway Post must further develop as a leading service company and be the most cost-effective company in the market. Its owner also stipulates that Norway Post must be profitable, competitive and provide its owner with a return on invested capital and the highest possible added value over time. To Norway Post, there is no contradiction between being competitive and carrying out the obligations imposed on it by society by maintaining a good, nationwide postal network.

GROWTH IN REVENUE

Norway Post is expanding rapidly. In 2005, its revenue increased by 11.3 per cent to NOK 19 995 million. Acquisitions contributed 9.8 per cent to this growth, while the existing operations grew by 1.5 per cent.

Norway Post has held a strong position in the Norwegian market's postal segment for almost 360 years. Over the past few years, the company has also developed considerable positions in express, logistics and ICT services.

In 2005, the revenues from the Post segment accounted for 52 per cent of Norway Post's total revenues. The total volume of letters sent in Norway increased by 2.7 per cent in 2005. While the volume of A and B mail fell by 5.5 per cent as a result of the transition to electronic solutions, the volume of unaddressed direct mail advertising increased by 11.6 per cent and the volume of addressed direct mail advertising increased by 3.2 per cent compared to 2004. The volume of letters handled by CityMail Sweden increased by 4.9 per cent in 2005.

The increase in the volume of direct mail advertising is greater than the decrease in the volume of A and B mail, however the profit margins on direct mail advertising are much lower than for A and B mail. There is stiff competition in the advertising market and in the field of newspaper and magazine distribution. The newspapers account for around 76 per cent of the newspaper distribution in Norway and they collaborate on distribution solutions. The newspapers are also focusing heavily on advertising inserts which allow them the opportunity to expand their distribution services to include traditional postal services. Norway Post has managed to maintain its position in this market, mainly by developing products that provide an increased return on the customers' market investments.

Over the past three years, Norway Post has rebalanced the postage for newspapers and magazines in line with the licensing requirement that prices must be cost-based. This change in prices has been heavily criticised by newspaper and magazine publishers. The Ministry of Transport and Communications and The Norwegian Post and Telecommunications Authority have supported Norway Post's restructuring of its prices.

Since 1996, Norway Post has had a statutory duty to provide basic banking services throughout its post office network and rural postal routes. These banking services have been unprofitable for Norway Post for several years. The customers' transition to net banking, ATMs and cash withdrawals in shops has reduced the need for basic manual banking services. In 2005, the number of banking transactions carried out by Norway Post's sales network fell by 10.5 per cent. The number of banking transactions is now at 20 per cent of the 1990 level, and is at the same level as in the 1950's. Revenues from the sale of savings and loan products decreased by 2.3 per cent compared to 2004. Last year, Norway Post entered into a new banking agreement with DnBNOR/Postbanken to offer banking services in its sales network, effective from 2006 to 2013. This agreement ensures that Norway Post complies with its statutory duty to provide basic banking services, yet allows the parties room to adapt to any removal of the banking obligation during the agreement period.

The Express segment contributed 18 per cent of Norway Post's revenues in 2005. Parcel volumes increased by 3.2 per cent in 2005 as a result of growth in ecommerce and mail order sales.

The Logistics segment accounted for 20 per cent of Norway Post's revenues in 2005. Over the past few years, Norway Post has participated in the on-going consolidation in the logistics market. Through acquisitions, Norway Post has become a supplier of a complete range of logistics services in the Nordic region. In 2005, the logistics operations grew by 74.2 per cent, mainly due to the acquisition of Nor-Cargo in 2004 and the growth in this company's revenues. With the acquisitions of HSD Transport AS, EuroDynamic AS, Frigoscandia (FSD HoldCo AB) and the Johs Lunde Group's thermo-regulated transport companies, the logistics operations will triple in volume in 2006 compared to 2004.

The ICT segment accounted for 9 per cent of Norway Post's revenues from external parties in 2005. ErgoGroup achieved revenues of NOK 2 799 million, an increase of NOK 177 million or 6.8 per cent compared to 2004. This growth is a result of ErgoGroup winning major outsourcing and consulting contracts. In addition, Ementor's outsourcing operations in Norway and Sweden were acquired in November 2005. In order to strengthen its consulting and integration services operations, ErgoGroup has acquired Serve ASA and Løsningsarkitektene AS.

INCREASE IN VALUE

A valuation conducted by Danske Markets in February 2006 on the orders of the Ministry of Transport and Communications concluded that Norway Post's equity value is NOK 12.5 billion, which is 5 per cent more than the 2005 valuation. The value of the parent company is NOK 5.75 billion in 2006, which is 29 per cent less than in 2005. This decline is due to lower earnings on banking operations and a reduction in government procurements. The value of ErgoGroup has risen by 29 per cent to NOK 2.7 billion, while the value of Nor-Cargo is NOK 2.55 billion, which is twice the 2005 value.

SERVICE AND QUALITY

Norway Post is developing as a service company in order to meet its customers' needs and the society's expectations regarding increased accessibility, quality, all-inclusive solutions and changes in user requirements.

Over the past few years, Norway Post has become more accessible by opening more sales outlets, increasing opening hours and shortening the queues at the post offices. In 2005, five new Post in Shops were opened, while ten were closed down. At the end of 2005, the sales network consisted of 1 523 sales outlets divided among 303 post offices, 1 196 Post in Shops and 24 Business Centres. On average, Norway Post has one sales outlet per 3 000 inhabitants. Surveys show that private customers are increasingly satisfied with Norway Post and its sales channels. In addition, Norway Post has approximately 1 841 rural postal distributors serving some 530,000 households and providing them with postal and basic banking services.

The number of customers using post offices fell by 5 per cent in 2005 compared to 2004. This decline is continuing in 2006 and is a result of changes in user requirements, mainly due to the transition from manual over-the-counter banking transactions to netbanking, eInvoices and payment terminals.

In order to adapt to the changes in customer requirements and make ecommerce easier, Norway Post's range of services has been expanded to include customer-selected post offices, SMS notification for parcel delivery, simplified customs handling, more online postal services, offers of larger mailboxes and heavier goods delivered to the door. Machines where parcels can be collected are being tested.

The delivery quality in 2005, measured as the volume of A mail delivered overnight, was 86.7 per cent, while 99.4 per cent of the mail was delivered within three days. This is well above the licence requirements of 85 per cent and 97 per cent respectively. Major problems with flights in Norway led to poorer delivery quality in the 4th quarter and this situation has continued into 2006. In 2005, Norway Post leased its own aircraft to fly between Troms and Finnmark in order to improve the delivery quality to and from Finnmark.

Norway Post has initiated an extensive programme to improve the accessibility of its red and yellow post boxes. These post boxes are therefore being moved to busy sites based on local traffic patterns, shopping patterns, population density and the volume of post handed in for delivery in the area. The first area in which this took place was Oslo in 2005, while corresponding changes will be carried out in Akershus, Trondheim and Bergen in the spring of 2006.

EFFICIENCY

In 2005, Norway Post continued to enhance the efficiency of its operations, increase the flexibility of its costs and develop more cost-effective processes. The restructuring work is a continuous process in order to adapt the operations to trends in the market and changes in user requirements.

The operating revenues per full-time equivalent are continuing to increase. At the end of 2005, each full-time equivalent in Norway Post produced revenues of NOK 936 000 based on a sliding 12-month average, compared to NOK 778 000 the year before.

Work on establishing Norway Post's new sorting terminal has continued in 2005. Thirteen sorting terminals were closed down and letter sorting has been transferred to fewer but larger terminals. The terminals are now using new sorting machines and the degree of automation rose from 58.7 per cent in 2004 to 60.8 per cent in 2005.

The work of building new terminals for the Oslo and Bergen region has started. Locating the new terminal for south eastern Norway at Lørenskog, outside Oslo, has been under dispute, but Lørenskog municipal council has now agreed to Norway Post's development plan and, provided the Ministry of the Environment grants approval, construction work is expected to start in 2006. In Bergen, Norway Post has taken out an option to buy a site for a terminal at Espehaugen, close to Flesland Airport. This site is already regulated for this purpose.

The new terminal structure will be completed in 2009. Fewer units and new technology will ensure lower costs, a much higher degree of automatic sorting and a better delivery quality.

The work of enhancing the efficiency of the post office network has been based on best practices. In the logistics operations, cost gains have been extracted across business units and corporate entities due to a better coordination of the operations.

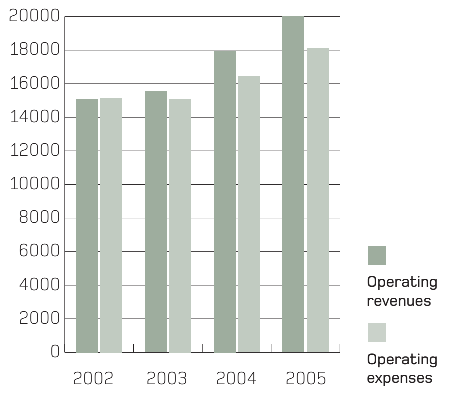
PROFITABILITY

The Group's earnings before tax were NOK 1 297 million, an increase of NOK 45 million compared to 2004. The earnings before interest and tax (EBIT) amounted to NOK 1 250 million, compared to NOK 1 257 million in 2004. This resulted in an EBIT margin of 6.3 per cent in 2005, compared to 7.0 per cent in 2004.

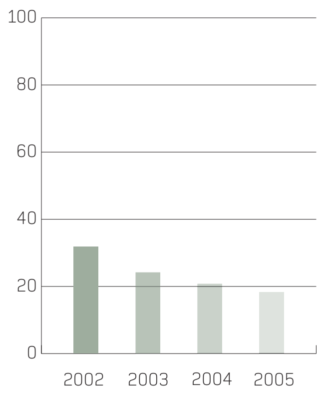
The improvement in results was achieved despite

Norway Post has become more accessible by opening more sales outlets, increasing opening hours and shortening the queues at the post offices.

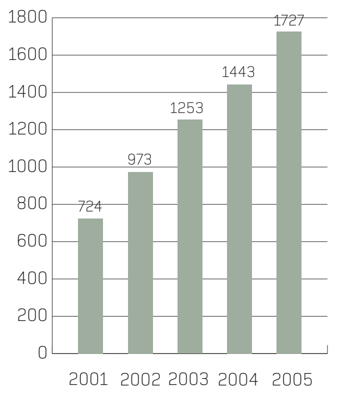
OPERATING REVENUES AND OPERATING EXPENSES
in MNOK



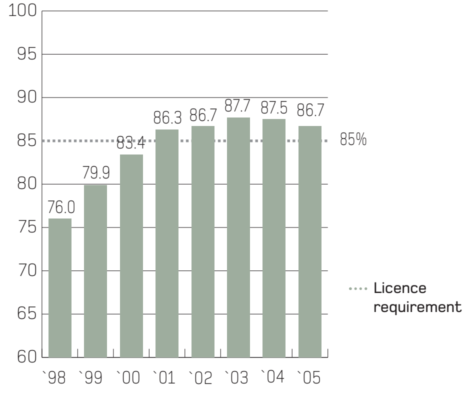
SHARE OF OPERATING REVENUES FROM LICENSED AREA
in %



OPERATING REVENUES FROM INTERNATIONAL SUBSIDIARIES
in MNOK



DELIVERY QUALITY A-PRIORITY MAIL
percentage delivered overnight



non-recurring costs of NOK 532 million related to the withdrawal from the Norwegian Public Service Pension Fund in 2005. The pension provision is the result of Norway Post's decision to introduce a new pension scheme for the parent company's employees as of 1 January 2006. The company's defined benefit pension scheme with the Norwegian Public Service Pension Fund will be replaced by a defined contribution retirement pension scheme and a contractually agreed early retirement (AFP) pension scheme with the Federation of Public Sector Employers (NAVO). The new pension scheme is provided for under a collective agreement.

As of 31 December 2005, Norway Post had total assets of NOK 13 213 million, an increase from NOK 10 314 million in 2004. This change is mainly related to the final settlement due from the Norwegian Public Service Pension Fund, while provisions have been made for future contractually agreed early retirement pension commitments. Norway Post's book equity equalled NOK 4 782 million as of 31 December 2005, compared to NOK 4 363 million in 2004.

The equity ratio has fallen to 36.2 per cent, from 42.3 per cent in 2004. This is due to the increase in total assets and the NOK 516 million paid to the owner as dividend in 2005. As a result of accounting effects relating to pensions, the parent company has no distributable reserves from which to distribute dividend as of 31 December 2005. The decision to leave the Norwegian Public Service Pension Fund also means that there is a net deferred tax asset in the balance sheet which, in accordance with the Companies Act, reduces the amount of distributable reserves. Through the transition to a new pension scheme, the company has achieved greater predictability regarding premium developments and risk, which will be positive for future equity developments.

The return on capital employed (ROCE) and return on equity are both good. ROCE amounted to 23.9 per cent, compared to 23.2 per cent the year before. The return on equity amounted to 21.5 per cent, compared to 21.0 per cent in 2004.

The cash flow from operations was NOK 2 707 million in 2005, up from NOK 2 217 million in 2004. The interest-bearing liabilities were NOK 1 519 million at the year-end. The company has good liquidity and financial freedom, with total liquidity reserves of around NOK 6.6 billion, including unused overdraft facilities. The total investments in 2005 relating to acquisitions, construction projects and operations came to NOK 1 259 million. This is NOK 230 million less than in 2004, which also included the acquisition of Nor-Cargo.

From 1 January 2005 Norway Post's accounts are based on International Financial Reporting Standards (IFRS). Comparable figures for 2004 have been restated accordingly. The effects of the transition to IFRS are described in the notes to the accounts.

Norway Post is exposed to risk in several areas. A risk assessment is conducted each year as part of its corporate governance. The risk analysis reveals and assesses the main strategic, financial and operational risks to which Norway Post is exposed. This assessment is followed up by measures and recommendations to reduce the individual risk factors and prevent incidents that may be negative for the Group's operations and reputation in the market. Financial instruments are used to manage the risk relating to interest rate changes, exchange rate changes and changes in electricity prices. Norway Post actively monitors its risk exposure, with a focus on areas such as strategic acquisitions or divestitures of activities, regulatory factors, competition factors, expertise, pensions and sickness absence/disability trends. The introduction of a new pension scheme in the parent company as of 1 January 2006 is a measure that helps to reduce the risk exposure linked to pension obligations.

The Board confirms that the annual accounts are based on the assumption that the company is a going concern and that the prerequisites for this assumption are present.

ALLOCATIONS

In 2005, Posten Norge AS achieved a net income of NOK 718 million. The Board proposes transferring this entire amount to other equity. As a result of restrictions on its distributable reserves, the Board does not propose distributing any dividend for the 2005 financial year.

EMPLOYEES, EXPERTISE AND WORKING ENVIRONMENT

The development of a corporate culture and management training have been two important elements of Norway Post's restructuring process designed to meet new competition. The aim has been to develop a business-oriented corporate culture with motivated, proud and competent employees.

Norway Post's management philosophy is based on value-based management. Internal management development programmes were also held in 2005 for 18 top managers and 62 middle managers, while 361 first-line managers have taken part in a tailor-made business management programme. Extensive work is under way throughout the organisation in order to develop desired behaviour that is in accordance with the company's fundamental values. In this way, each employee will feel secure enough to make the correct decisions in the company and in his or her meetings with customers.

Norway Post has employees from 75 nationalities and persons with an ethnic minority background work at all levels in the company. Norway Post has had a zero tolerance approach to racism for five years. A number of measures and activities are being carried out, focusing on Norway Post being a place where everybody is welcome regardless of the colour of their skin, religion or cultural background.

In 2005, Norway Post was awarded the "Diversity" Prize by the Ministry of Labour and Social Inclusion for its work in integrating and allowing for ethnic diversity in the company.

At the end of 2005, Norway Post had 20 541 full-time annual work equivalents, compared to 21 222 at the end of 2004. Adjusted for acquisitions, Norway Post had 1 113 fewer full-time work equivalents than in 2004. The parent company had 15 713 full-time work equivalents at the end of 2005. In 2005 Norway Post entered into an agreement with the Norwegian Postal and Communications Union (Postkom) which does not allow for the dismissal of surplus employees who are at least 59 years old, have worked for the company for at least 10 years, are permanent employees and are not entitled to any form of pension. These employees must, if necessary, agree to carry out other tasks at work.

At the end of 2005, 44.2 per cent of the Group's employees were women, which is the same percentage as in 2004. The corresponding figure for the parent company was 48 per cent, as in 2004. Women accounted for 62 per cent of the part-time employees, compared with 63 per cent in 2004.

Women make up 50 per cent of Norway Post's Board of Directors. The female percentage of the group management is 22 per cent. Of Norway Post's just over 1 600 managers, 32 per cent are women, up from 31 per cent in 2004. Norway Post's recruitment policy and collective wage agreement stipulate a moderate gender-based quota system in order to increase the number of female managers and employees in male-dominated job categories. When recruiting trainees for the company's management development programme, emphasis is placed on finding and developing female managers and management candidates. When recruiting managers at the most senior levels, Norway Post's goal for 2005 was that at least 34 per cent would be women, but the result was 12 per cent. Norway Post has introduced a new rule that there must be at least one female candidate among the finalists for the most senior management positions.

In 2005, the average annual salary for female employees was NOK 277 335, which is an increase from NOK 275 682 in 2004. For male employees, the average annual salary was NOK 288 491, up from NOK 286 502 the year before. Female managers had an average salary of NOK 423 544 in 2005, compared to NOK 400 020 in 2004, while male managers had an annual salary of NOK 455 837 in 2005, compared to NOK 434 987 the year before.

The sickness absence rate was 8.8 per cent in 2005, a reduction from 9.1 per cent in 2004. The trend during the last half of 2005 and into 2006 shows an increase in this rate. The sickness absence rate in the parent company was 9.6 per cent in 2005, down from 10.1 per cent in 2004. The rate is highest among women, where it is 10.8 per cent, while it is 8.7 per cent among men.

Norway Post is working systematically to reduce the sickness absence rate and had a special focus on the HSE internal controls system in 2005. Norway Post has been an "Encompassing Workplace" since 2001 and is now seeing the results of its systematic work to reduce the sickness absence rate. Managers must register how sickness absences are followed up and the results are monitored through a follow-up index. Emphasis is placed on adapting workplaces for employees with special needs, in part through close collaboration with the company's health service and the National Insurance Service's Working Life Centre.

The reduction in the sickness absence rate in 2005 has resulted in fewer employees receiving disability benefits. The number of new people to receive disability benefits in 2005 was 342, compared to 457 the year before. In the parent company, 333 new people received disability benefits in 2005, compared to 439 in 2004. The number of new people receiving disability benefits as a percentage of parent company employees was 2.1 per cent in 2005, compared to 2.5-2.7 per cent in 2002-2004. Sixty-one per cent of those receiving disability benefits were women, the same percentage as in 2004.

A total of 428 lost-time injuries were registered in 2005, compared to 438 in 2004. This resulted in an injury frequency rate (the number of lost-time injuries per one million hours worked) of 12.8, which is a reduction from 13.2 in 2004. In the parent company, there has been a decrease in the number of injuries from 396 in 2004 to 379 in 2005, however, due to a relatively large decrease in staff numbers, the injury frequency rate has risen to 14.5 from 13.6 in 2004.

One post office was robbed in 2005, compared to four robberies in 2004. Norway Post has good security systems and routines and holds regular robbery training exercises in order to ensure a high level of attention and good follow-up from managers and the HSE system. The security systems continue to be maintained and regularly improved throughout the organisation, and there is a focus on emergency preparedness and exercises.

A new organisational survey was conducted for the first time in 2005. This can therefore not be directly compared to previous years' results. A total of 89 per cent of the employees replied to the survey. Among the various factors in the survey, "a focus on customers and results" scored highest, while "organisational frameworks" and "a working environment that promotes health" achieved the lowest scores.

Dag Mejdell was appointed Norway Post's new CEO after Kaare Frydenberg resigned in 2005. Senior vice president Klaus-Anders Nysteen was Acting CEO during the period from Frydenberg's departure on 1 October 2005 until Mejdell took up his appointment on 16 January 2006.

The Board of Directors would like to thank all the employees for their active participation and joint responsibility for developing Norway Post into an efficient, profitable company. The Board is satisfied with the job that has been done to create the good results in 2005.

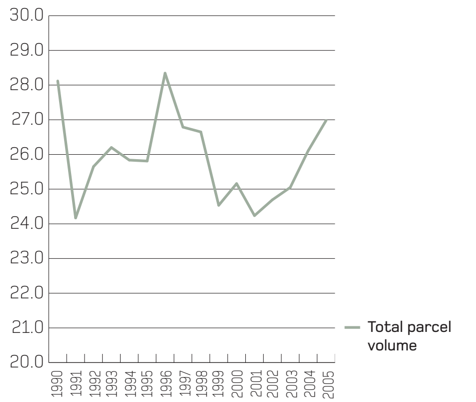
NATURAL ENVIRONMENT

Norway Post's environmental work in 2005 has resulted in a more environmentally efficient group. Through its value chain, Norway Post's activities have an impact on the natural environment. Purchases of goods, energy and services indirectly affect the environment. The Group's major environmental challenges are related to transport, waste and energy consumption in buildings. Norway Post strives to achieve more environmentally efficient operations by preventing and reducing its emissions, waste and use of resources.

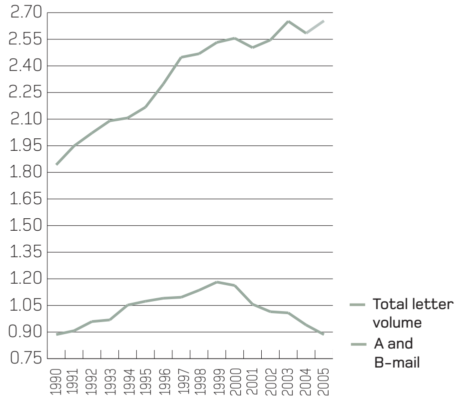
Norway Post's total transport work and the emissions relating to this increased considerably in 2005 compared to 2004. This was due to an increase in production and the fact that Norway Post's subsidiary, Nor-Cargo, which is a major contributor to the environmental accounts, has been reported in

Norway Post has 75 nationalities represented among its employees.

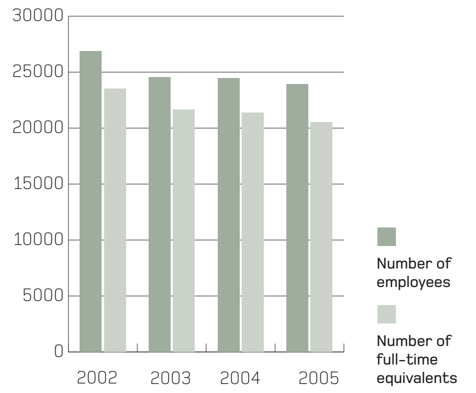
VOLUME DEVELOPMENT, PARCELS
million items



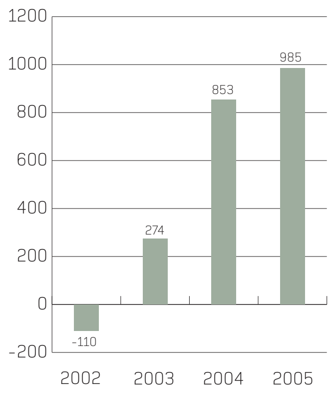
VOLUME DEVELOPMENT, LETTERS
billion items



DEVELOPMENT IN NUMBER OF EMPLOYEES



NET INCOME
in MNOK



Norway Post's accounts since its acquisition in June 2004. Changes to Norway Post's terminal, logistics and production systems have led to more transport using leased vehicles, trains and aircraft, and less transport by ship. A greater degree of coordination has led to a better utilisation of Norway Post's fleet of vehicles. This fleet has been increased by 118 lorries and some cars have been replaced by mopeds. In 2005, 400 heavy goods vehicle drivers were given training in environmentally efficient driving. Norway Post's energy-savings programme, which was started in 2002, ended in 2005 with very good results. The energy used in the terminals has been reduced by 25 per cent and costs have been reduced by approximately NOK 11 million annually.

The environmental report for 2005 on pages xx-xx encompasses the entire group.

THE BOARD OF DIRECTORS

Norway Post's Annual General Meeting in 2005 elected Nina Iversen as a new director to replace Inger Marie Gulvik Holten, while Elisabeth Angell was elected as a new alternate director, replacing Kari Lund.

The Board performs an annual review of its own work. In addition to being a decision-making and supervisory body, the Board of Directors wishes to be a valuable discussion partner for the company's management and owner, based on its good insight into Norway Post's strategies, value chain and processes combined with its diversity of external expertise.

The Board of Directors is very pleased with the progress made by Norway Post in operationalising its strategies, and is satisfied with the company's corporate governance and with the principal prosesses relating to strategy, finance, risk management and reporting. Each year, the Board of Directors revises its corporate governance declaration for Norway Post and sends this to its owner, the Ministry of Transport and Communications, for approval.

OUTLOOK

Stronger competition, customers' demands for modern, efficient services, and the owner's demand for profitability all require that Norway Post's developments continue to be characterised by growth and continual improvements. A growth in revenues is necessary for Norway Post to be able to make the desired investments and further develop its operations. As a competitive company, Norway Post will be better able to carry out the tasks it has been assigned by the Norwegian society.

Norway Post's results will be affected in the years to come by a continued fall in the volume of A and B mail and bank transactions, as well as by increased competition and consolidation in this sector in the Nordic region and Europe. At the same time, there is less potential for further efficiency enhancement gains than before, and government procurements have disappeared in 2006.

Norway Post must make use of its opportunities for capturing new, attractive market positions. Its ambition is to develop further into a leading, Norwegian-based communications and logistics company in the Nordic region, combined with continued efficiency enhancement and the development of services.

Norway Post will continue with its strategy of creating Nordic growth within defined niches. Its stake in CityMail Sweden was increased from 57 per cent to 100 per cent in the 1st quarter of 2006. In order to further strengthen the Post segment's position in the Nordic region, Norway Post has acquired OptiMail AB and started to establish CityMail in Denmark. This means that Norway Post will be the only postal company to offer postal services to Nordic customers in the three Scandinavian countries.

In May 2006, the Ministry of Transport and Communications submitted a proposal to the Norwegian parliament stating that the liberalisation of the postal market in Norway should not be implemented as of 2007, and should not take place until the same happens in the EU. The provisional EU schedule aims for full liberalisation in 2009. The Norwegian government will formulate a new licence for Norway Post in 2006 which will apply from 2007.

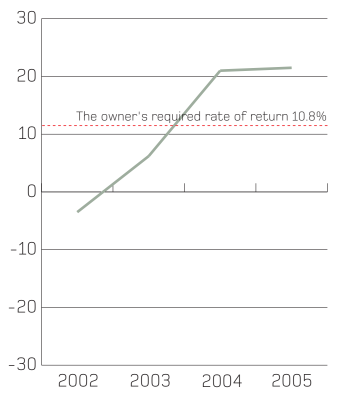
From a business point of view, there is no basis for Norway Post to maintain its general, nationwide duty to offer basic banking services. Norway Post does not regard banking services as being part of its core activities. Should, however, the authorities decide in the new licence applicable from 2007 that the banking obligation should be continued in whole or in part, losses on this must be fully compensated by long-term government procurements.

Changes in user requirements will, together with any removal of the banking obligation, lead to Norway Post having to optimise its customer sales and service channels in order to provide the best possible service and accessibility. Norway Post has begun the work of evaluating future solutions for its sales channels and delivery sites. The conclusions from this work on the channel strategy will be ready in 2006.

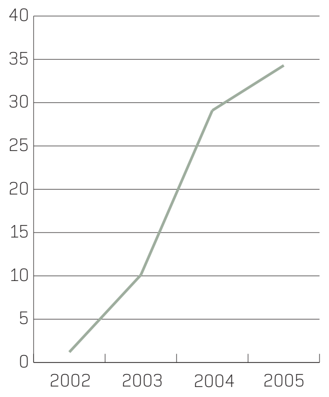
The focusing of ErgoGroup's operations and a general increase in demand in the ICT market are expected to result in a future growth in revenues. ErgoGroup will, in particular, strengthen its position in relation to ICT operations for the SME market, and will continue to strive to be an attractive local partner for large, international ICT-operations companies. The acquisition of Allianse ASA in May 2006 is an important part of this work.

Norway Post will upgrade its work on health, safety and the environment (HSE) and set more ambitious goals for reducing the sickness absence rate, disability benefit rate and lost-time injury rate in future. The central HSE organisation will be strengthened.

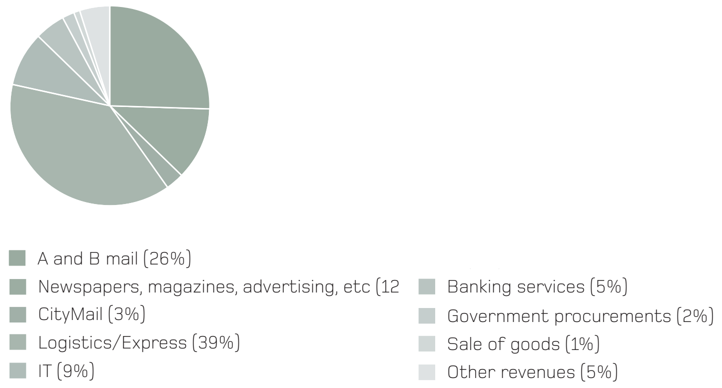
RETURN ON EQUITY AFTER TAX
in %



RETURN ON CAPITAL EMPLOYED BEFORE NON-RECURRING ITEMS
in %



DISTRIBUTION OF REVENUES
in %



Norway Post's Board of Directors consists of the following, in front from the left: Paul Magnus Gamlemshaug, Terje Christoffersen, Liv Stette (Vice Chairman), Asbjørn Birkeland and Arvid Moss (Chairman). Behind, from the left: Ingeborg Anne Sætre, Odd Christian Øverland, Elisabeth Angell, Jacqueline Hopkinson and Gry Mølleskog. Nina Iversen was not present.

OSLO, 18 MAY 2006

Arvid Moss
Chairman of the Board

Liv Stette
Vice-Chairman

Elisabeth Angell

Asbjørn Birkeland

Terje Christoffersen

Nina Iversen

Gry Mølleskog

Odd Christian Øverland

Jacqueline Hopkinson

Ingeborg Anne Sætre

Paul Magnus Gamlemshaug

Dag Mejdell
Chief Executive Officer

ACCOUNTS

KEY FIGURES

Amounts in MNOK

NORWAY POST GROUP

		2005	2004
RESULTS			
Operating revenues	MNOK	19 995	17 959
Earnings before interest and taxes (EBIT)	MNOK	1 250	1 257
Earnings before tax (EBT)	MNOK	1 297	1 252
PROFITABILITY AND RETURNS			
Key financial figures incl. non-recurring items:			
EBIT margin 1)	%	6.3	7.0
Profit margin 2)	%	6.5	7.0
Return on capital employed 3)	%	23.9	23.2
Return on equity after tax 4)	%	21.5	21.0
Key financial figures excl. non-recurring items:			
Earnings (EBIT) before non-recurring items 5)	MNOK	1 893	1 492
EBIT margin	%	9.5	8.3
Profit margin	%	9.7	8.3
Return on capital employed	%	34.3	29.1
CAPITAL AND LIQUIDITY			
Cash flow from operations	MNOK	2 707	2 217
Investments excl. acquisitions	MNOK	958	610
Equity ratio 6)	%	36.2	42.3
Net debt ratio 7)	%	-0.1	0.1

DEFINITIONS
1) EBIT margin: EBIT/operating revenues
2) Profit margin: Earnings before tax/operating revenues
3) Return on capital employed: (EBIT + financial income)/average capital employed
Capital employed: Equity + interest-bearing liabilities
4) Return on equity after tax: Net income/average equity
5) EBIT before non-recurring effects: EBIT excl. gains/losses on the sale of fixed assets/subsidiaries, restructuring costs and the costs of transferring to a new pension scheme
6) Equity ratio: equity/total assets
7) Net debt ratio: (interest-bearing liabilities – liquid assets)/total equity

INCOME STATEMENT

Amounts in MNOK

POSTEN NORGE AS				NORWAY POST GROUP	
2004	2005		Note	2005	2004
12 648	12 755	Operating revenues	1	19 995	17 959
		Operating expenses			
1 555	1 644	Cost of goods and services	1	5 972	4 573
6 307	6 237	Payroll expenses	2	8 370	8 118
427	428	Depreciation	9,10	745	802
2	32	Write-downs	9,10	56	117
3 057	2 897	Other operating expenses	4	2 959	2 857
(12)	(70)	(Gain) on sale of fixed assets/subsidiaries, etc	6	(80)	(43)
17	32	Loss on sale of fixed assets/subsidiaries, etc	6	33	22
164	55	Reorganisation expenses	5	158	256
	532	Costs of transfer to new pension scheme	3	532	
1 131	968	Earnings before interest and taxes		1 250	1 257
		Share of net income (loss) of associates	12	2	(2)
266	238	Financial income	7	265	170
168	200	Financial expenses	7	220	173
1 229	1 006	Earnings before taxes (EBT)		1 297	1 252
398	288	Taxes	8	312	399
831	718	Net income (loss)		985	853
		Net income (loss) attributable to majority interests		949	849
		Net income (loss) attributable to minority interests		36	4
		Transfers and allocations			
(466)		Provisions for dividend			
(365)	(718)	Transferred (to)/from equity			
(831)	(718)	Total transfers and allocations	18		

BALANCE SHEET

Amounts in MNOK

POSTEN NORGE AS				NORWAY POST GROUP	
2004	2005		Note	2005	2004
		Assets			
111	285	Intangible assets	9	2 496	2 015
54	545	Deferred tax assets	8	597	80
2 777	2 895	Tangible fixed assets	10	3 475	3 382
1 870	2 409	Investments in shares	12,22	51	90
		Investments in associates	12	18	11
722	557	Interest-bearing long-term receivables	13	91	106
916	15	Other long-term receivables	14	20	795
6 450	6 706	Fixed assets		6 748	6 479
60	58	Inventories	15	63	67
1 493	2 935	Interest-free short-term receivables	16	4 328	2 475
538	323	Interest-bearing short-term receivables	13	13	12
1 024	1 899	Cash and cash equivalents	17	2 040	1 276
3 115	5 215	Current assets		6 444	3 830
	16	Assets held for sale	11	21	5
9 565	11 937	Total assets		13 213	10 314
		Equity and liabilities			
3 120	3 120	Share capital		3 120	3 120
1 560	1 560	Share premium account		1 560	1 560
(149)	33	Other equity		61	(341)
	13	Other reserves		28	
		Minority interests		13	24
4 531	4 726	Total equity	18	4 782	4 363
228	1 699	Provisions for liabilities and charges	19	1 942	330
		Deferred tax	8		
228	1 699	Total provisions for liabilities and changes		1 942	330
1 407	1 336	Interest-bearing long-term liabilities	20	1 446	1 527
	8	Interest-free long-term liabilities	21	20	7
1 407	1 344	Total long-term liabilities		1 466	1 534
542	564	Interest-bearing short-term liabilities	20	73	252
2 857	3 014	Interest-free short-term liabilities	21	4 324	3 827
	590	Tax payable	8	626	8
3 399	4 168	Total short-term liabilities		5 023	4 087
9 565	11 937	Total equity and liabilities		13 213	10 314
		Guarantees/Mortgages	25		

OSLO 18 MAY 2006

Arvid Moss
(Chairman)

Liv Stette
(Vice Chairman)

Elisabeth Angell

Asbjørn Birkeland

Terje Christoffersen

Nina Iversen

Gry Mølleskog

Odd Christian Øverland

Jacqueline Hopkinson

Ingeborg Anne Sætre

Paul Magnus Gamlemshaug

Dag Mejdell
(CEO)

CASH FLOW STATEMENT

Amounts in MNOK

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
		Cash flow from operational activities		
1 661	1 303	Provided by operations*	1 910	2 171
(285)	(1 162)	Change in working capital	(1 488)	267
(215)	2 272	Change in other receivables and provisions	2 285	(221)
1 161	**2 413**	**Net cash flow from operational activities**	**2 707**	**2 217**
		Cash flow from investing activities		
(920)	(381)	Investments in subsidiaries, excl. cash holdings on acquisition date	(290)	(879)
(248)	(777)	Investments in tangible fixed assets/IT development, etc	(958)	(610)
		Investments in associates	(11)	
	79	Sales of subsidiaries, excl. cash holdings on acquisition date	149	
28	8	Sales of tangible fixed assets	49	85
81	171	Changes in other fixed assets	(105)	(355)
(1 059)	**(900)**	**Net cash flow from investing activities**	**(1 166)**	**(1 759)**
		Cash flow from financing activities		
522		New long-term and short-term debt raised		582
(124)	(252)	Repayment of long-term and short-term debt	(260)	(214)
207	130	Group contribution/dividends received		
(242)	(516)	Group contributions/dividends paid	(517)	(242)
363	**(638)**	**Net cash flow from financing activities**	**(777)**	**126**
465	**875**	**Total change in cash and cash equivalents**	**764**	**584**
559	1 024	Cash and cash equivalents at start of period	1 276	692
1 024	**1 899**	**Cash and cash equivalents at end of period**	**2 040**	**1 276**
		*) Generated as follows:		
1 229	1 006	Earnings before taxes	1 297	1 252
429	460	+ Depreciation/write-downs 1)	801	919
	13	+/- Unrealised financial items	5	2
5	42	+/- Net interest expenses/income	66	34
	(180)	- Tax paid	(188)	(7)
45	67	+ Interest received	44	15
(52)	(62)	- Interest paid	(53)	(52)
5	(43)	- Loss/(Gain) from sale of fixed assets 1)	(62)	8
1 661	**1 303**	**= Provided by operations**	**1 910**	**2 171**

1) In the cash flow statement depreciation, write-downs and gains/losses from sale of assets also includes shares etc.

STATEMENT OF CHANGES IN EQUITY

Amounts in MNOK

POSTEN NORGE AS	Share capital	Share premium account	Other equity	Other reserves	Minority interests	Total equity
Equity at 1 January 2004	3 120	1 560	(739)			3 941
Dividend paid			(241)			(241)
Net income for the period			831			831
Other equity transactions						
Equity as at 31 December 2004	**3 120**	**1 560**	**(149)**			**4 531**
Equity at 1 January 2005	**3 120**	**1 560**	**(176)**	**14**		**4 518**
Cash flow hedges:						
Changes in value/transferred to income				4		4
Tax on changes in value				(1)		(1)
Available for sale investments:						
Gains/losses from fair valuations				(4)		(4)
Dividend paid			(516)			(516)
Net income for the period			718			718
Other equity transactions			7			7
Equity at 31 December 2005	**3 120**	**1 560**	**33**	**13**		**4 726**

GROUP	Share capital	Share premium account	Other equity	Other reserves	Minority interests	Total equity
Equity at 1 January 2004	**3 120**	**1 560**	**(932)**		**18**	**3 766**
Translation differences			3			3
Dividend paid			(242)			(242)
Net income for the period			853		4	857
Other equity transactions			(23)		2	(21)
Equity at 31 December 2004	**3 120**	**1 560**	(341)		24	4 363
Equity at 1 January 2005	**3 120**	**1 560**	**(370)**	**34**	**24**	**4 368**
Translation differences			(2)			(2)
Cash flow hedges:						
Changes in value/transferred to income				4		4
Tax on changes in value				(1)		(1)
Available for sale investments:						
Gains/losses from fair valuations				(9)		(9)
Dividend paid			(517)			(517)
Net income for the period			949		36	985
Other equity transactions					(47)	(47)
Equity at 31 December 2005	**3 120**	**1 560**	**61**	**28**	**13**	**4 782**

See note 18 for movements in equity between 31 December 2004 and 1 January 2005.

Notes

The notes are an integral part of the annual accounts and are shown on pages 54-107.

POST

THE POST SEGMENT consists of letter and communications products, banking services, the sale of goods and document management. This segment comprises the Communication Division, including the CityMail subsidiary, the Consumer Division and the Distribution Network Division. This segment takes care of the entire letter-distribution chain, from sale to delivery.

We operate in one of the world's most inaccessible countries. Nonetheless, our delivery quality is world class.

NORDIC COMMUNICATIONS SOLUTIONS

Norway Post is a major player in the Norwegian communications market. Through its Nordic strategy, Norway Post offers good Nordic solutions.

In the Post Segment, Norway Post aims to be a leading service company in Norway, among other things by meeting the licence's requirement of providing statutory postal services throughout the country. The licence requirement stipulates that 85 per cent of the prioritised letter mail must be delivered the day after it is handed in. Like last year, Norway Post can look back on a year in which the quality of its postal deliveries remained better than that required by the licence. In total 86.7 per cent of all A mail was delivered the next day, compared to 87.5 per cent in 2004. As a result of air traffic problems, the A-mail delivery quality fell below the licence requirement in the fourth quarter of 2005 and first quarter of 2006.

NEW TERMINAL STRUCTURE

In order to succeed in a competitive postal market, Norway Post is in the process of establishing a new terminal structure with fewer but larger sorting terminals. This will result in greater automation and standardisation. As part of the reorganisation to achieve a new terminal structure, 17 terminals have been closed down by the end of 2005. Work is being carried out to establish a new postal terminal for the south east Norway region and a new terminal in Bergen. The new structure, involving 12 terminals and advanced sorting machines, will lead to a great improvement in the letter delivery quality.

STRONG GROWTH IN ADVERTISING

Electronic communication is increasingly replacing physical dispatches, and the trend towards a lower volume of addressed letters is continuing. Despite the reduction in the volumes of A and B mail, Norway Post's total revenues from its letter and communications products are rising. One of the reasons for this is the strong growth in unaddressed mail advertising, which grew by 11.6 per cent in 2005. Norway Post is a considerable player in the advertising market. Its goal is to further reinforce this position in 2006. New products and solutions were launched in 2005, including Norway Post's effect base, which documents the effect of mail advertising. Both a programme focusing on address quality and an offer to distribute advertising on Saturdays will be launched in 2006.

A NORDIC COMMITMENT

Norway Post aims to develop a Nordic presence that meets major customers' needs to have one supplier of cross-border distribution solutions, especially for addressed commercial mail. By establishing CityMail in Denmark, Norway Post is continuing with its ambition to be the leading addressed commercial mail company in the Nordic region. Norway Post already distributes addressed commercial mail in the largest Swedish towns through its subsidiary CityMail Sweden AB. This company has grown considerably since Norway Post acquired it in 2002.

CHANGES IN THE POST OFFICE NETWORK

Over the past five years, the level of activity in the post office network has been halved as a result of a decline in both volumes and customer numbers. The customers' use of manual transactions over the counter has fallen considerably. The trend is for customers to more and more use online banking, bank cards and cash withdrawals in shops. From 2001 to 2005, the number of banking transactions in the post office network declined from 25 million to 11 million - a reduction of 57 per cent. Compared to the 1990 figures, this is a reduction of all of 80 per cent. Forecasts show that the decline in the number of transactions in the post office network will continue and be reinforced by the introduction of Bank in Shop facilities.

In the autumn of 2005, Norway Post initiated a project to assess the post office structure in the light of developments in the market and new user requirements. Calculations show that the post office network is making a loss of around NOK 300-500 million a year. Around half of the post offices do not have any economic basis for maintaining their operations and may be transferred to Post in Shops. Norway Post's calculations are based on purely financial considerations, before any other factors such as geographical distances, customer composition, accessibility and local market developments have been taken into consideration.

Norway Post's work of assessing future sales channels and channels for the handing in and delivery of mail will be finished by the end of 2006 and will form part of Norway Post's contribution to the political evaluations. The Ministry of Transport and Communications, on its part, has started to examine the need for Norway Post to have a duty to offer basic banking services in the future.

An extensive efficiency enhancement and improvement programme was implemented in the post offices in 2005, and the staff has been reduced by 561 employees. In order to provide better and quicker service to customers, Norway Post will implement a new shop-data solution in the sales network in 2006.

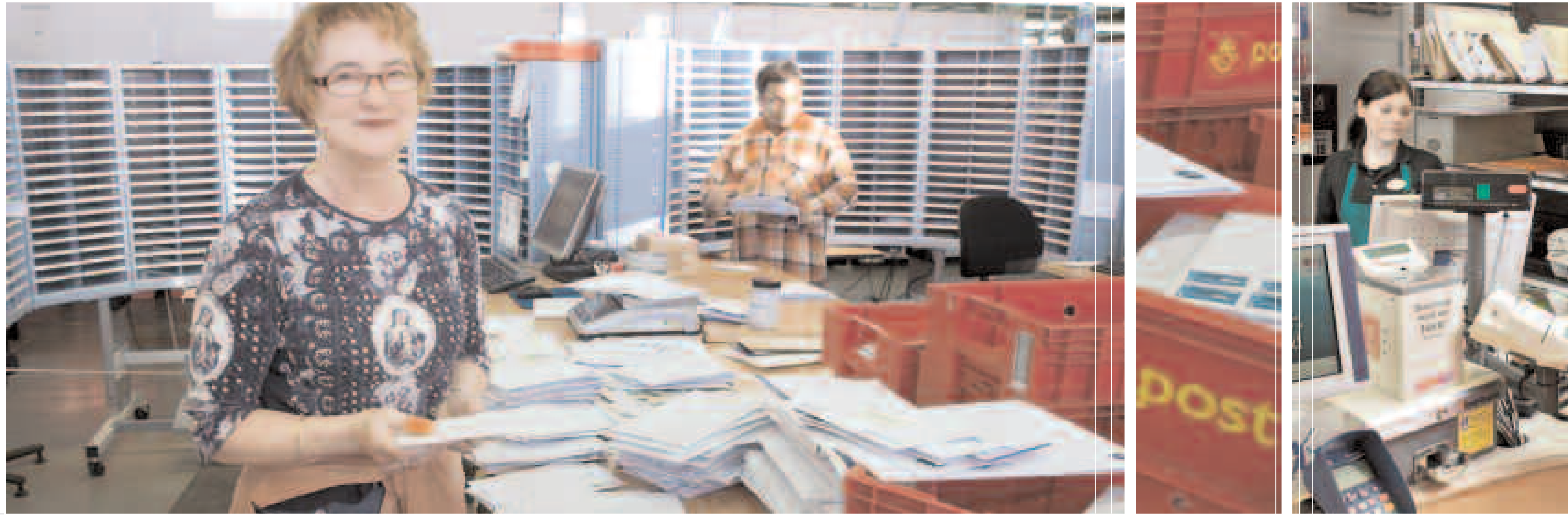
NEW BANK AGREEMENT

Satisfied bank customers gave Norway Post a bonus payment of NOK 70 million from DnB Nor/Postbanken in 2005. Following a bidding round in 2005, Norway Post has entered into a new bank agreement with DnB Nor/Postbanken to offer banking services in Norway Post's sales network from 2006 to 2013. This agreement is a continuation of the agreement that expired on 31 December 2005.

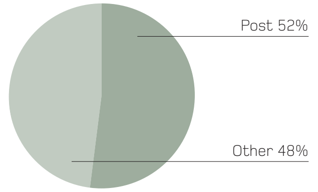
During the year, Norway Post sold its internal-company postal services enterprise to ISS.

GREATER ACCESSIBILITY

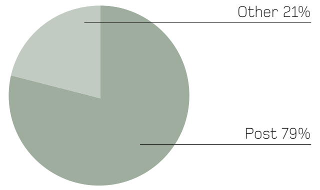
In order to make it easier to hand in mail, Norway Post moved 300 red and yellow post boxes in Oslo to busy sites. The handing in deadlines have also been extended at a number of post offices. Similar changes will be implemented in Akershus, Bergen and Trondheim in 2006.



SHARE OF GROUP REVENUES FROM EXTERNAL PARTIES



PERCENTAGE OF GROUP EMPLOYEES



EMPLOYEES	
2005	18 905
2004	20 212

REVENUE FROM EXTERNAL PARTIES IN MNOK	
2005	10 393
2004	10 433
2003	10 070

EARNINGS BEFORE INTEREST AND TAXES IN MNOK	
2005	1 393
2004	1 187

PHYSICAL DISPATCHES IN MILLION UNITS	
2005	2 654
2004	2 586
2003	2 652

SUBSIDIARIES

CityMail Sweden AB, CityMail Denmark AS and OptiMail AB.

EXPRESS

THE EXPRESS SEGMENT consists of national and international parcels, courier cars in the Nordic region and express-related logistics solutions. This segment comes under the Logistics Division.

Obviously, the Internet is a challenge to Norway Post. The more people that buy online, the busier we are.

THE BIGGEST EXPRESS SERVICES OPERATIONS IN THE NORDIC REGION

The increase in goods bought online has resulted in a considerable growth in parcels for Norway Post. Through Box group, Norway Post is the leading courier and express services company in Scandinavia.

In 2005, Norway Post experienced a growth in its parcel volume. The total increase in volume was 3.2 per cent compared to the year before. The increased volume can be explained by the fact that more and more people are choosing to buy online and from post-order companies. Nor-Cargo's parcel production has been transferred to Norway Post and a common sales organisation has been established.

SUPPLIER OF A COMPLETE RANGE OF ECOMMERCE SOLUTIONS

Compared to 2004, the number of those buying goods online increased by 8.6 per cent in 2005, according to MMI figures. The number of private individuals buying online rose from 31 per cent in 2004 to 39 per cent in 2005. The growth in ecommerce means more to do for Norway Post, and Norway Post's ambition is to be a supplier of a complete range of ecommerce solutions. Norway Post aims to make conditions suitable for safe and efficient online buying and has therefore focused heavily on improving and developing its ecommerce solutions. Services that were established in 2004, such as SMS and e-mail notification of parcels that have arrived, are becoming increasingly popular, and new services are also being introduced. One example of new services is optional post offices, according to which the recipient can choose where he or she wants to pick up a parcel. Mail machines, where the recipients can pick up their packages from a machine at any time of the day, are a service that is being tried out.

AWARD FOR THE ECOMMERCE COMPANY OF THE YEAR

Norway Post wants to encourage the use of online buying and offers a wide range of solutions to companies that are starting a web shop. As part of Norway Post's focus on ecommerce, it held a competition to choose the Ecommerce Company of the Year for the first time in 2005. A total of 166 web shops took part in the competition, which was won by Elkjøp.

TAILOR-MADE SOLUTIONS

Norway Post aims to be a logistics and express services player in the Nordic region that can provide Nordic customers with tailor-made solutions. The company is already the leading courier and express-logistics company through Box group, which offers "same-day solutions" both locally and internationally. In 2005, Norway Post started its Nordic commitment in Finland by acquiring two courier companies, JW Lähetit and Fillarilähetit K&V Oy in Helsinki. Fillarilähetit K&V Oy had revenues of Euro 1.1 million in 2004 and will form the basis for Box group's efforts in Finland. This means that the company will comply with its strategy of becoming a leading player in the Nordic express-logistics market, which involves the rapid delivery of documents, parcels and large goods both nationally and across national boundaries.

Box is already a major subcontractor to Norway Post's CityMail subsidiary in Sweden, which distributes commercial mail in the largest towns in Sweden. Box will also cooperate with CityMail in Denmark.

NEW CONTRACT WITH IKEA

In 2005, Norway Post won a new contract to distribute goods for IKEA in Finland. This contract consists of Box driving goods from IKEA's shops home to private individuals. The solution for delivering heavy goods to the door that has been developed in cooperation with IKEA is also offered to other large customers. In addition, Norway Post has a large share of IKEA's customer-order distribution operations, ie, the freight of goods from IKEA's warehouses home to private individuals when they have shopped online or via the IKEA catalogue.

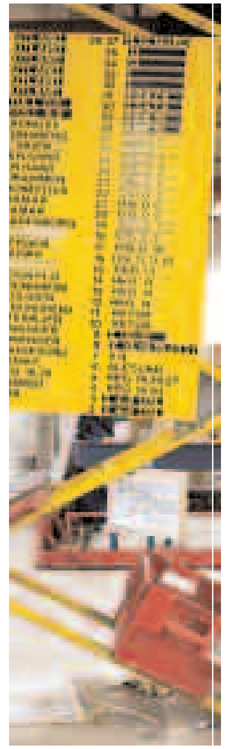
The aim is to further develop both the company's position in Finland and the services supplied in the Nordic region.

SCANDINAVIAN POSITION STRENGTHENED

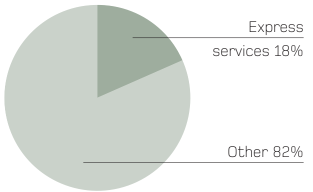
In 2005, Box Delivery Norge bought Gardermoens Distribusjons Service AS (GDS). This distribution company will supplement Box's local same-day service in Norway with regional and national services. The company has around 20 vehicles in the south east Norway region and also handles national transport assignments via 40 local subcontractors. The combination of GDS's unique infrastructure and Box's size and services will create a strong position for express services in the Norwegian and Scandinavian markets.

TNT COOPERATION EXPANDED

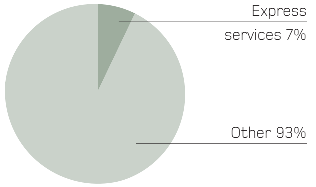
In 2005, Box group expanded its cooperation agreement with Dutch TNT so as to distribute TNT goods in Oslo too. This means that Box distributes TNT parcels throughout Norway. This agreement builds further on an agreement the companies entered into in 2004 regarding common international express products for Norwegian customers.



SHARE OF GROUP REVENUES FROM EXTERNAL PARTIES



SHARE OF GROUP EMPLOYEES



EMPLOYEES	
2005	1 652
2004	1 592

REVENUES FROM EXTERNAL PARTIES IN MNOK	
2005	3 677
2004	3 523
2003	3 275

EARNINGS BEFORE INTEREST AND TAXES IN MNOK	
2005	152
2004	136

NUMBER OF PARCELS MILLION UNITS	
2005	27.0
2004	26.4
2003	24.7

SUBSIDIARIES

Box group AS with subsidiaries and PNL AB.

LOGISTICS

THE LOGISTICS SEGMENT consists of general cargo, refrigerated transport, air, sea, special and heavy transport, third-party logistics and stevedoring. This segment includes the Logistics Division's heavy goods operations.

We drive fish to Europe so that Norwegian fishing villages can have better postal services.

A SUPPLIER OF COMPLETE LOGISTICS SOLUTIONS

Nordic customers require Nordic solutions. With the acquisition of Swedish refrigerated-transport giant Frigoscandia, Norway Post is close to achieving its goal of being a Nordic supplier of a complete range of logistics services.

Declining volumes of letters and increased competition, as well as the consolidation of the logistics industry in the Nordic region and Europe, mean that Norway Post must utilise its opportunities to capture new, attractive market positions. The group aims to further develop Norway Post into a leading, Norwegian-based communications and logistics company in the Nordic region. Within the logistics segment, Norway Post wants to be a partner for a strong international company that does not have a land-transport network in the Nordic region and which will ensure volumes coming into Norway.

STIFF COMPETITION

The competition in the logistics market is stiff and the main players are Deutsche Post/DHL, Dutch TPG/TNT, Svenske Posten/Tollpost and Linjegods/Schenker BTL. Norway Post's goal is to develop a strong Norwegian logistics company that can be a good Norwegian alternative in the competition with international players. Norway Post regards the Nordic region as its domestic market and its ambition is to achieve continued growth in both Norway and the Nordic region. A stronger position in the Nordic region strengthens Norway Post's position in its domestic market.

NORDIC SOLUTIONS

Market developments show that Nordic customers want Nordic solutions. The customers of the future also want solutions to be simpler in that they want to deal with fewer and fewer suppliers. Norway Post believes there are major synergies to be extracted from the transport of parcels, general cargo and refrigerated goods both by coordinating the goods and by utilising the common management systems used to transport such goods. Synergies also exist due to the fact that there are many shared customers within these three areas.

One important contribution to Norway Post's efforts to become a supplier of a complete range of Nordic solutions is the acquisition of Swedish refrigerated-transport giant Frigoscandia.

REFRIGERATED-GOODS GIANT

Ever since its formation in 1950, Frigoscandia has been the leading company in the field of temperature-regulated logistics in the Nordic region. Its operations include third-party logistics, international and Nordic transport, and offers of outsourcing services for much of its customers' supply chain. Through this acquisition, Norway Post has become a market leader, which is important for the rest of its efforts in the Nordic region.

The acquisition also provides a better network in Europe, so that Norway Post comes closer to its customers on the Continent. Developments also show that a presence in Europe is important in order to win contracts and build customer relations. Large companies often make decisions outside Norway regarding the purchase of transport services for their entire value chain.

NEW REFRIGERATED-TRANSPORT COMPANY

In 2005, Norway Post-owned Nor-Cargo Holding AS entered into an agreement with the Johs. Lunde group to merge their refrigerated-transport operations in Norway and form a new company. This merger includes Nor-Cargo Thermo AS and the Johs. Lunde group's seven refrigerated-transport companies. The new company will have a total revenue of NOK 1.5 billion and will be a strong Norwegian player that is well equipped to face the increasing international competition in the refrigerated-transport segment.

Norway Post is currently the Nordic region's fourth largest logistics company. The acquisition of Nor-Cargo Tromsø AS in 2005 supplements Nor-Cargo's network and strengthens Norway Post's operations and customer services in northern Norway.

POSITION STRENGTHENED

In 2005, Norway Post also acquired a firm of forwarding agents, Eurodynamic Norge AS, as well as HSD Transport AS. The acquisition of Eurodynamic Norge AS helps to strengthen Norway Post's position in the logistics market for international vehicle transport to and from Oslo and the south-east area of Norway. This company complements Nor-Cargo's network of agents, so that more goods are imported into Norway by Nor-Cargo. With HSD Transport AS on its team, Norway Post has strengthened its logistics services with a nationwide system for general cargo and bulk cargo.

ENHANCES OPERATIONAL EFFICIENCY

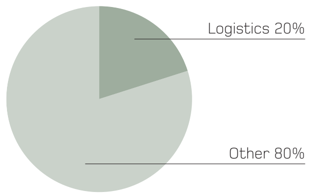
Norway Post is making efforts to extract synergy gains in the operations of Nor-Cargo and those of the rest of Norway Post's express and logistics services. The efficiency of the purchasing operations and administrative services has been enhanced. Synergies of around NOK 100 million were realised in 2005. The efficiency enhancement work is continuing in the refrigerated-transport operations and includes the coordination of the administration services, better utilisation of the fleet of vehicles, co-localisation and the coordination of parcel and cargo loads.

BUILDING A BRAND

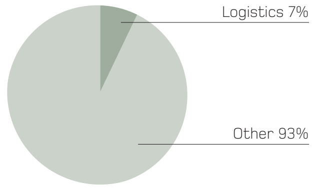
In order to appear more uniformly to the market and more clearly to its customers, Norway Post has reorganised its logistics operations and gathered them under the brand names Posten, Nor-Cargo and Box.

In order to simplify Nor-Cargo's corporate structure, Nor-Cargo Bedriftspakke AS and Nor-Cargo Airfreight AS have been merged with Nor-Cargo AS. The plans are to merge Nor-Cargo Tromsø AS and HSD Transport AS with Nor-Cargo AS at the beginning of 2006.

SHARE OF GROUP REVENUES FROM EXTERNAL PARTIES



SHARE OF GROUP EMPLOYEES



EMPLOYEES	
2005	1 693
2004	1 045

REVENUE FROM EXTERNAL PARTIES IN MNOK	
2005	4 023
2004	2 310
2003	468

EARNINGS BEFORE INTEREST AND TAXES IN MNOK	
2005	134
2004	87

SUBSIDIARIES

Nor-Cargo Holding AS with subsidiaries, Nettlast AS, Nettlast Hadeland AS and Box Solutions AS.

ICT

THE ICT SEGMENT consists of operations services, public sector solutions and business and SME solutions. This segment comprises the activities of the ErgoGroup.

Norway Post's subsidiary ErgoGroup is one of Norway's biggest IT companies.

ICT COMPANY IN THE ELITE DIVISION

ErgoGroup aims to excel by being an IT supplier that provides integrated ICT solutions and has a local presence. The company focused its strategy and efforts in 2005.

Norway Post's IT company, ErgoGroup, is a major player in the Norwegian ICT market and aims to combine its business knowledge, technological expertise and thorough knowledge of its individual customers in order to develop, supply and operate integrated ICT solutions.

ONE COMPANY

At the start of 2005, ErgoGroup gathered all its operations into one company by consolidating its subsidiaries ErgoIntegration AS, ErgoEphorma AS and ErgoSolutions AS. Although the actual consolidation took place on 1 April 2005, the new organisation was operational as from 1 January 2005. This focusing of the operations makes ErgoGroup's four business areas clear: business solutions, administrative solutions, SME solutions and ICT operations services. Within these areas, ErgoGroup offers solutions relating to outsourcing, ICT operations, ERP, application management, electronic services and information services.

The new organisation ensures efficient managerial control of the entire operations, with short decision-making routes and a higher level of interaction.

A FOCUS ON THE SME MARKET

At the end of the year, the ErgoRunit subsidiary was incorporated into the ErgoGroup with effect from 1 January 2006. This consolidation is also part of the company's focus on small and medium-sized enterprises.

The acquisition of Ementor's outsourcing operations and consolidation of the ErgoRunit subsidiary give the ErgoGroup the opportunity to enhance the efficiency of its operations and streamline its work processes in order to meet its customers' efficiency improvement requirements. On this basis, the staff has been reduced by around 100 employees.

Despite the tough competition in the ICT market, ErgoGroup won contracts worth almost NOK 6 billion in 2005, which is a record for ErgoGroup. In 2005, Norway's largest non-life insurance company, Gjensidige, renewed its contract with ErgoGroup for the supply of IT services for another seven years. This contract is worth NOK 1.4 billion. Another major contract that was renewed was the one with Bergesen d.y. covering application operations and communications services. ErgoGroup has also renewed its contract with Bertel O. Steen and will provide operations services to this company for another 2.5 years.

NEW CONTRACTS

On the operations side, several major contracts were entered into in 2005. These include a contract with Opplysningen 1881, a directory enquiries service, to deliver telecommunications, IT operations services and information services. This contract is worth almost NOK 2.2 billion and confirms that customers want an ICT partner that delivers integrated solutions.

Several new contracts were entered into in 2005: for the delivery of ICT operations services to If Skadeforsikring in collaboration with TietoEnator, for a wages and HR solution for Avinor, an operations contract with Vital and BN Bank, and for the development of a company portal for the Norwegian Competition Authority. ErgoGroup is a leading supplier of election solutions and several contracts for election solutions for the Norwegian parliamentary elections were entered into at the beginning of the year. More than 230 local authorities and county council authorities used ErgoGroup's IT solution in their elections.

ErgoGroup is a market leader in the field of electronic casework tools in the municipal market, and provides services that help to digitalize the public sector. The company has won contracts to deliver electronic casework tools to three of Norway's five health authorities. It has also strengthened its operations relating to the digitisation of public sector bodies through the acquisition of Serve ASA, which has sound expertise in giving advice on and developing Agresso solutions. This acquisition means that ErgoGroup can offer an even wider range of services which also include case, document and portal solutions and operations.

The acquisition of the consulting company Løsningsarkitektene strengthens the company's commitment to ERP/Oracle.

ZEBSIGN SOLD

ErgoGroup achieved revenues of NOK 2 799 million in 2005. This is an increase of NOK 177 million, or 6.8 per cent, compared to 2004. Sixty-eight per cent of ErgoGroup's revenues in 2005 came from outside Norway Post, compared to 64 per cent in 2004.

ErgoGroup and Telenor completed the sale of ZebSign AS to Bankenes BetalingsSentral (BBS) in 2005. Zebsign develops PKI (Public Key Infrastructure) technology, which enables the use of digital signatures and certificates. At the same time, ErgoGroup entered into five-year contracts with BBS for the purchase of such services.

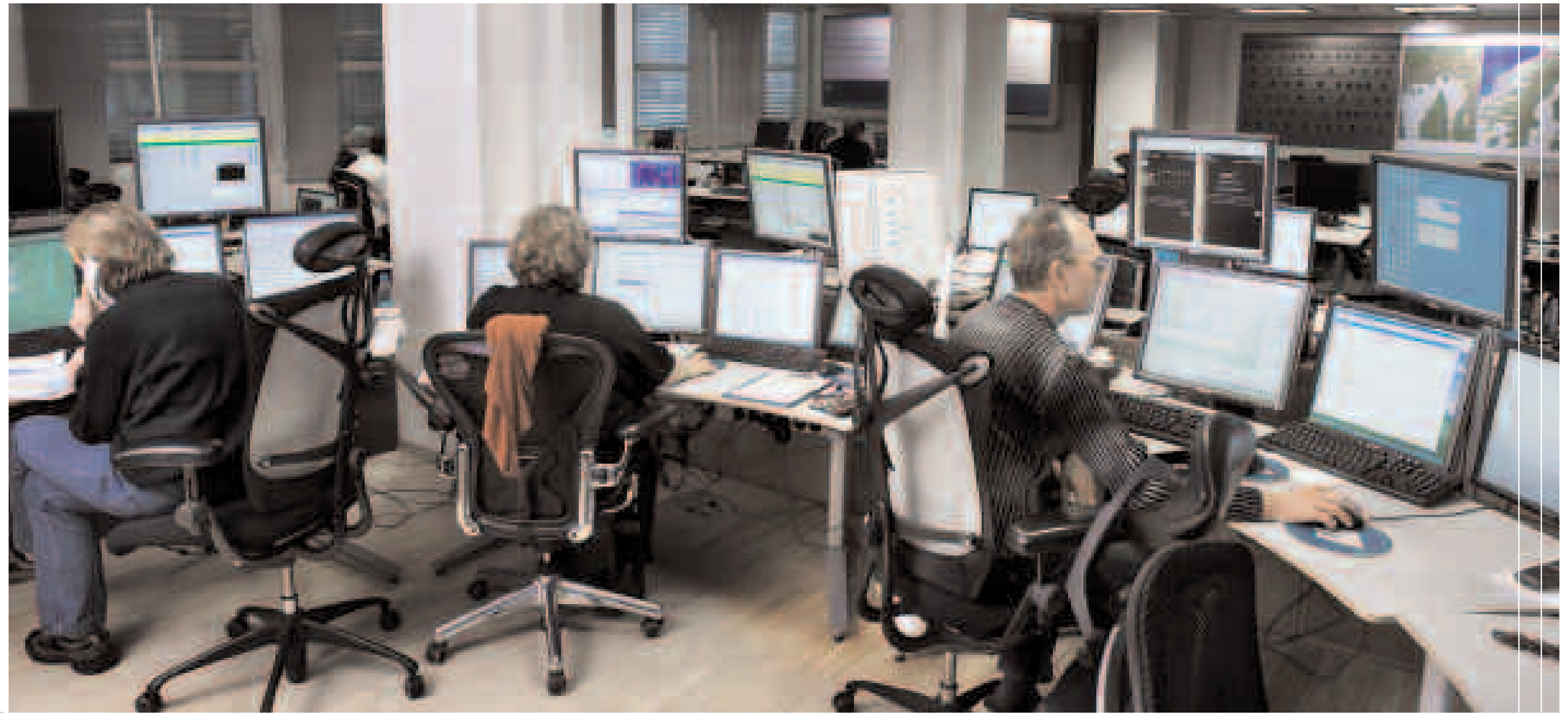
As usual, ErgoGroup arranged its annual industry conference, IT Tinget, in September. This conference was arranged for the 22nd time, and was attended by many representatives of the industry and customers.

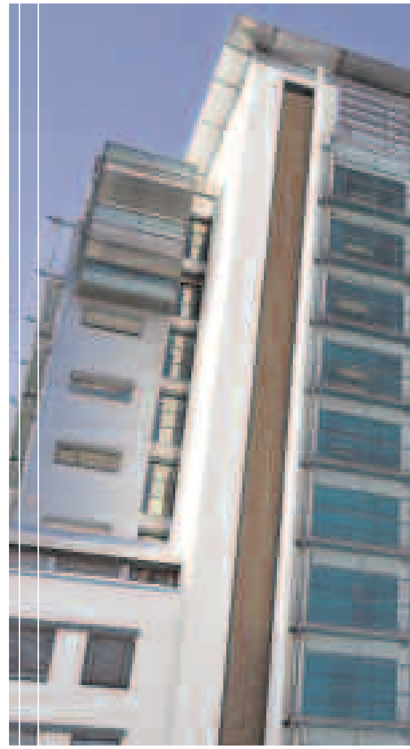
ACQUISITION OF PART OF EMENTOR

In the autumn of 2005, ErgoGroup entered into a contract with Ementor ASA to buy Ementor's outsourcing operations in Norway and Sweden and its outsourcing contracts with 175 customers. This acquisition strengthens ErgoGroup in the Nordic SME market and as an operations services supplier. With Ementor on its team, ErgoGroup has also tripled its operations in Sweden. In connection with the acquisition, Ementor and ErgoGroup entered into a strategic cooperation agreement, according to which they are to be each other's preferred partners for infrastructure solutions and operations/outsourcing.

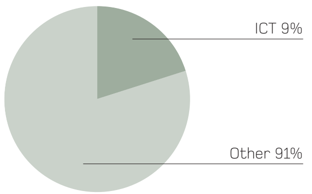
IMPROVING ITS POSITION

In future, ErgoGroup aims to improve its position in the field of ICT operations and outsourcing with regard to small and medium-sized enterprises. The company's goal is also to be an attractive local partner for large, international ICT operations companies. The purchase of the Allianse ASA IT company in May 2006 is an important part of this work.

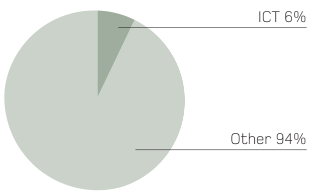




SHARE OF GROUP REVENUES FROM EXTERNAL PARTIES



SHARE OF GROUP EMPLOYEES



EMPLOYEES	
2005	1 522
2004	1 467

REVENUE FROM EXTERNAL PARTIES IN MNOK	
2005	1 898
2004	1 673
2003	1 742

EARNINGS BEFORE INTEREST AND TAXES IN MNOK	
2005	82
2004	(35)

SUBSIDIARIES

Allianse ASA, ErgoGroup AB, TransWare AB and Eiendomsverdi Skandinavia AS. ErgoGroup has stakes in Buypass AS, Gecko Informasjonssystemer AS and Atento AS.

In order to do well in Norway, Norway Post must have operations abroad.

THE POSTAL INDUSTRY IS CHANGING

Norway Post's markets are changing. Some are expanding while others are shrinking. Customers' needs and usage patterns are changing. This means Norway Post also has to adapt to its customers' requirements.

Customers demand more speed, precision and simplicity. New technology creates new solutions that meet some customers' needs more efficiently. There is more communication between people, between companies and between companies and consumers. It is primarily electronic communication that is increasing. The transition from the use of physical messages to various electronic solutions means that the volume of addressed letters is continuing to fall.

GROWTH IN THE ADVERTISING MARKET

The advertising market expanded considerably in 2005. The growth in addressed and unaddressed advertisements means that the total number of messages distributed by Norway Post has increased slightly. The increase in advertisements together with new work methods and new technology means that the commercial mail segment is growing. The rise in demand in the Norwegian market mirrors developments in the international markets.

NEW LOGISTICS REQUIREMENTS

The logistics sector is growing for several reasons. The general growth in demand, the transfer of manufacturing work to the Far East and increased international trade via the Internet are among the most important driving forces. At the same time, demands for greater efficiency, stronger competition and greater complexity mean that more and more companies are choosing to hand their logistics functions over to a professional logistics partner. Changes in the logistics market create particular growth in the parcel and express services, customer-adapted special solutions and third-party logistics solutions markets. At the same time, the logistics structures are changing and the centres of gravity are moving abroad and becoming centralised.

Distribution patterns are increasingly affected by strong players that control the international hubs globally from Northern Europe and Southern Sweden. A more varied range of products, opportunities for customer-adapted, cost-effective solutions and the need for efficient information logistics are making the customer's choice of solutions and suppliers more complex.

THE ICT MARKET IS GROWING

The strong economy and high level of business activity have led to an increase in the demand for ICT services.

Changes in the market demand and Norway Post's expansion in the logistics and ICT sectors mean that less and less of Norway Post's revenue comes from the licence areas. At the same time, Norway Post's revenue from outside Norway is continuing to grow. These changes make great demands on Norway Post's ability to develop and adapt.

CUSTOMERS' BEHAVIOUR IS CHANGING

The demands for precision, quality and efficiency in solutions and customer service are becoming more and more stringent throughout Norway Post's business areas. Private individuals have less free time than before and they are demanding greater accessibility and simplicity. Private individuals expect to have their needs resolved immediately and simply. That means that customers are looking for new ways to interact with Norway Post. Norway Post is experiencing a considerable decline in the number of manual banking transactions over the counter in both its post offices and Post in Shops. Customers are choosing online banking and in 2008 the volume of such manual banking transactions is expected to be 15 per cent of the 1990 level. There has also been a decline in the volume of letters dealt with over the counter, but there has been some growth in the parcel volume. The number of customers visiting the post offices is declining year by year. Post in Shop now handles 40 per cent of around 45 million customer visits and this share is increasing.

More and more customers perceive the Internet to be the most natural, effective channel for obtaining information and buying products and services. In December 2005, more than twice as many customers visited www.posten.no compared with the same month in 2004.

INTERNATIONAL CORPORATE CUSTOMERS

Corporate customers are increasingly Nordic and international ones. Their operations are integrated in regional and cross-border structures. This gives rise to new demands for the creation of good Nordic and international solutions that meet the customers' needs and ensure that Norway Post is competitive and profitable. Technological developments change processes and patterns of interaction. Norway Post's role as a business partner to help meet these demands is becoming more important. This necessitates proximity to customers, innovative developments, an ability to create tailor-made industrial solutions and integrated solutions. Suppliers are expected to document their results and the value that their solutions create for the customer. Norway Post is continuously developing and improving its work in order to meet its customers' new and changed requirements. Norway Post must develop and adapt its channels to suit the changes in its customers' needs and expectations. The implementation of new, varied channel strategies for letter and parcel services in order to reduce costs and adapt to new customer requirements is a prioritised task for all the postal companies in Europe.

LIBERALISATION AND PRIVATISATION

The EU is aiming to wind up the national licence areas for the postal companies in Europe by 2009. This will open up markets, sharpen competition and create an even stronger pressure on prices.

In Germany, full liberalisation is planned from 2008. The UK market was fully liberalised as from 1 January 2006. Britain's Royal Mail is now experiencing stiff competition from subsidiaries of Deutsche Post, Dutch TNT and French La Poste, as well as from British challengers.

Throughout Europe, the licence area has shrunk to letters under 50 grams as from the year-end. At the same time, the privatisation of the postal companies is continuing. Deutsche Post/DHL and TNT are listed companies in which private investors own 50 per cent or more of the shares. Twenty-two per cent of Post Danmark was sold to CVC, a private equity company, while 3 per cent was sold to the employees. Belgium has sold 50 per cent minus one share in the Belgian postal company. Several countries have indicated that they will reduce the stake owned by the state. Among others, Austria's state-owned postal company will be listed in 2006.

CONCENTRATION AND EXPANSION

There was a succession of acquisitions and mergers in the post, logistics and ICT industries in 2005. The changes in the logistics sector were particularly noticeable. The biggest European logistics companies, such as DHL, Schenker, TNT, Kuehne & Nagel and DSV, are buying and consolidating local companies in Europe, the Nordic region, East Europe and Asia, and are constantly expanding. With the acquisition of Exel, a logistics company, Deutsche Post/DHL has become the world's leading logistics company. In 2005, Deutsche Bahn bought BAX, a US logistics company. This acquisition will give Deutsche Bahn and its subsidiary Schenker better access to the markets in the Far East and USA. The acquisition is an example of how the consolidation in the logistics sector has extensive consequences for the industry's agent structures.

POSITIONING THEMSELVES

The major postal companies in Europe are continuing to position themselves for the forthcoming liberalisation by expanding across national boundaries through acquisitions and the creation of alliances. At the same time, America's UPS has warned it is going to become actively involved in this through acquisitions in Europe. A typical strategy is to establish a position in other countries within areas that are not regulated, such as express, freight and printing services. Once the market regulation so allows, this is followed up by investments in advertising distribution, commercial mail and information logistics operations. The large companies build global networks in order to win major international customers and gain control of the huge postal and logistics flows at global, regional and local levels. By establishing these new networks, volumes are removed from the traditional postal joint ventures, posing major strategic challenges for the smaller postal companies. This emphasises the importance of Norway Post being aware of the future market positions it wants to have and how it has to position itself in relation to the large, international companies.

COMPETITION IS BECOMING MORE INTENSE

Globalisation is leading to integrated production, purchasing and information-exchange networks being established across national boundaries. The markets' geographical, national and regional boundaries are being challenged and erased. In large companies, central buying functions which are often located outside Norway are reaching decisions on the purchase of communication and transport services for the company's entire value chain. Norway and the Nordic region are part of the globalisation activities and an attractive market for large, global players. Finland Post has bought transport and logistics companies in Sweden and Denmark. DHL is investing large amounts to develop its network in the Nordic region. Schenker bought Linjegods in 2005. Starting in the Swedish market, Swiss Post International wishes to develop a position within the commercial mail sector in the Nordic region. Swiss Post International cooperates with UPS to offer international letter services to customers in Europe.

NEW REQUIREMENTS

For Norway Post, this means a steadily increasing competitive pressure from the large international players in the Norwegian domestic market. This makes considerable demands on Norway Post to establish good Nordic and international solutions that serve its customers' needs and safeguard Norway Post's competitive ability and profitability.

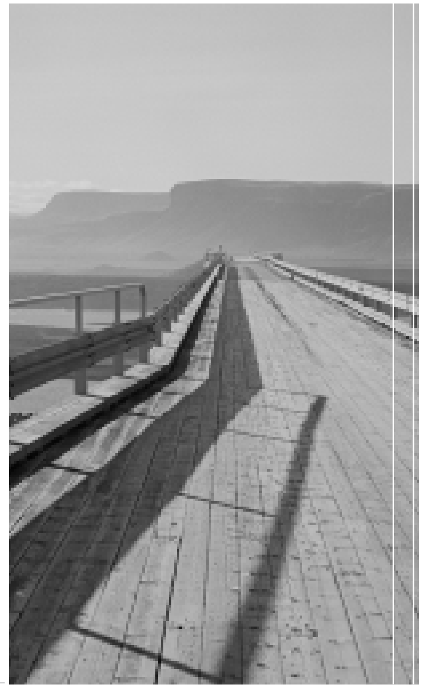
DEVELOPING COMPETITIVE ADVANTAGES

In order to serve its customers' needs even better in a world that is changing and to strengthen Norway Post's market position and profitability in a situation where there is strong international competition, Norway Post strengthened its positions in its domestic market and the Nordic market in 2005 by making several acquisitions. Based on its proximity to its customers and position as a trusted third party, Norway Post is developing customer-adapted solutions that can be efficiently integrated into the customers' value chains and create higher value. One example of this is Norway Post's collaboration with IKEA. This collaboration also helps to further develop and reinforce Norway Post's Nordic position and further develop Norway Post by strengthening its expertise and competitive ability in an international environment. The expansion of Norway Post's express services company, Box group, into Finland is an illustration of this trend. Investments in building strong, integrated Nordic refrigerated-transport logistics operations are another example of how Norway Post can build a unique position in an innovative industry and become a leading logistics partner for foodstuffs, staple products and the health industries.

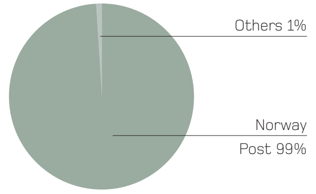
ENSURES PROXIMITY TO CUSTOMERS

Norway Post is continuously working to make its services to the market even clearer and simpler and to simplify its channels aimed at the market and make them even more accessible.

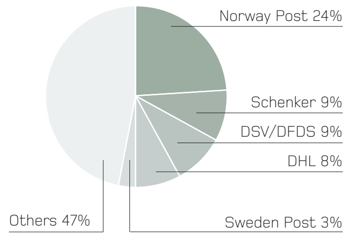
The consolidation in the market has an effect on Norway Post's established global agent and cooperation structures and makes it necessary for Norway Post to establish alliances with other international players. Such alliances can ensure proximity to international customers, access to future networks and cross-border solutions, and an opportunity to provide services to larger parts of its customers' value chains.



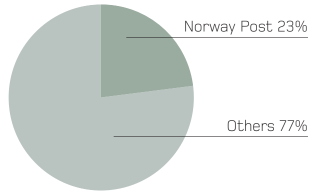
MARKET FOR OFFICE AND PRIVATE LETTERS IN NORWAY



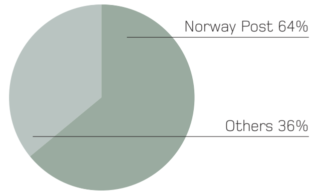
MARKET FOR LOGISTICS IN NORWAY



MARKET FOR NEWSPAPER DISTRIBUTION IN NORWAY



MARKET FOR UNADDRESSED ADVERTISING IN NORWAY



POSTAL SERVICES THROUGHOUT NORWAY

Norway Post takes social responsibilities. It does so by carrying out its tasks – not by being a player on the political scene.

Norway Post is an important part of society's infrastructure that connects the whole of Norway. Norway Post's task is to provide high quality postal services at reasonable prices throughout the country – six days a week. The statutory postal services and basic banking services are available in a nationwide sales network that has at least one post office in each municipality.

As one of Norway's biggest companies and employers, Norway Post accepts responsibility for being a good employer. It pays considerable taxes and other duties to the Norwegian state. Norway Post's operations pollute the external environment and Norway Post must ensure sustainable developments with environmentally efficient operations.

In addition, Norway Post's owner requires the company to be profitable, competitive and provide both a return on capital employed and the greatest possible value creation over time.

Norway Post's social responsibilities and tasks are stipulated in the licence and the Norwegian Postal Services Act. Politicians also make demands on and stipulate requirements as to Norway Post through the owner's report on Norway Post which is submitted to the Norwegian parliament every second year. Norway Post's task is to meet these requirements.

NOT POLITICS

In the past, Norway Post has also had the task of offering very favourable postage prices for newspapers and magazines based on media policy goals of maintaining a wide diversity of newspapers. In the current licence, Norway Post no longer has any opportunity to give newspapers or magazines lower postage rates. Norway Post has therefore drastically changed its newspaper postage prices and introduced new price models over the past three years so that its prices are in proportion to its costs. If newspapers require financial subsidies, this is a matter for the Ministry of Culture and Church Affairs, not for Norway Post.

When Norway Post terminated its contract with the bus company in Birtedalen in Telemark in 2005, there was also a focus on Norway Post's social responsibilities. The bus had driven the post to the village for many years but Norway Post now wanted to take over the driving itself, using one of its own employees. This change was intended to lead to better service and quality in the postal distribution and to postal employees with spare capacity being able to keep their jobs.

The local population, bus company and local shop protested since they were afraid of losing the bus service and they criticised Norway Post for not accepting its social responsibilities.

The issues of cheaper newspaper postage rates and the distribution of post to Birtedalen are examples which show that Norway Post's social responsibilities are not to be a political player that implements regional policies or distribution policies. It is wrong if it is Norway Post that is to be responsible for newspaper diversity, the bus service to the regions or other good, socially beneficial purposes. Norway Post has full confidence in the fact that the politicians in the Norwegian parliament, county councils and local authorities are the best ones to make such political decisions. That leaves Norway Post to be responsible for ensuring good, reasonable postal services throughout Norway.

THE LICENCE REQUIREMENTS HAVE BEEN MET

Norway Post met the licence requirements regarding statutory postal services and basic banking services in 2005. The postal services requirements mainly deal with the range of products, accessibility and delivery times.

Norway Post's delivery quality, measured as the volume of A mail that was delivered overnight, came to 86.7 per cent, while 99.4 per cent was delivered in the space of three days. This is much better than the licence requirements stipulate. Major problems with flights in Norway led to a poorer delivery quality in the 4th quarter 2005, a situation which has continued in 2006.

Access to Norway Post is maintained through 303 post offices, 24 company centres, 1 196 Post in Shops and 1 841 rural postal routes. Together with the Internet channel www.posten.no and the customer service provided by telephone, this ensures good accessibility throughout Norway. In 2005, the opening hours were further extended and nine out of 10 locations are open for more than eight hours a day between Mondays and Fridays. A total of 38 per cent of the shops that have a Post in Shop are open for more than 12 hours a day between Mondays and Fridays. In order to ensure that stamps are easily available, Norway Post has stamp-sales contracts with around 2 100 kiosks and shops.

Norway Post has post boxes centrally placed in business and residential areas, outside its permanent sales outlets and on its rural postal service routes. In addition, large quantities of mail can be handed in to postal terminals or, pursuant to further agreement, be collected from customers. At the end of 2005, Norway Post had around 30 500 points where mail could be handed in, 27 155 of which were post boxes.

Mail is delivered to the addressee's mail box or post office box. Norway Post aims to ensure that as many people as possible receive mail six days a week, and has no plans to reduce distribution to five days a week as, for example, in Sweden. Exceptions from daily mail distribution reflect special geographic conditions which make it impossible or unreasonably expensive to deliver mail every day. In 2005, 866 households, or 0.04 per cent, did not have mail deliveries six days a week. This means that 99.96 per cent of all households in Norway have mail delivered six days a week.

UNPROFITABLE BANKING SERVICES

The requirements regarding basic banking services were met through Norway Post's cooperation agreement with DnBNOR/Postbanken. The bank allows customers to open accounts and make deposits and withdrawals and provides payment services through the post office network. Norway Post is thus a sales channel for Postbanken, while it is DnBNOR/Postbanken that owns the products and determines all the product conditions, including interest rates and charges.

The banking services have been unprofitable for Norway Post for several years now. Customers are now using online banking, ATMs and cash withdrawals in shops instead of manual banking services. The number of banking transactions carried out in the post office network is now at around 20 per cent of the level in 1990 and is at about the same volume as in the 1950s.

In 2005, Norway Post entered into a new banking agreement with DnBNOR/Postbanken which applies from 2006 to 2013. This agreement means that Norway Post fulfils its statutory duty to offer basic banking services and allows the parties to adapt to any removal of the banking services' obligation during the period.

From a commercial viewpoint, there is no basis for Norway Post to maintain its general nationwide obligation to provide basic banking services. Norway Post does not regard banking services as being part of its core activities. However, if the authorities decide that the banking service obligation is to be continued in whole or in part after 2007, the loss made on this must be fully compensated through long-term government procurements.

GOVERNMENT PROCUREMENTS

The licence requirements lead to additional costs for Norway Post in purely commercial terms. These additional costs are covered by any profit from the licence area and by government procurements of unprofitable postal services. In 2005, Norway Post received NOK 326 million in government procurements. The National Budget for 2006 states that the profit from the licence area, which is estimated to be NOK 310 million, is to be used in its entirety to cover the additional costs of the statutory postal services, which are estimated to be NOK 309 million. The additional costs Norway Post incurs from offering nationwide banking services through its sales network have been calculated to be NOK 250 million for 2006, and this amount has not been covered in the National Budget.

SHARE DIVIDEND

Norway Post pays a dividend to its owner when it makes a profit and has distributable reserves. As the owner of Norway Post, the Norwegian state has stipulated a required dividend equal to 30 per cent of the company's net income. These rules will be changed as from 2006.

In 2005, the owner was paid a dividend of NOK 516 million for 2004 and in the National Budget for 2006 the owner has calculated a dividend of NOK 206 million for 2005. Since the company does not have any distributable reserves, Norway Post's Board of Directors has proposed that no dividend be distributed for the 2005 financial year.

There is no contradiction between exercising social responsibility and making money.

NUMBER OF SALES OUTLETS

	2001	2002	2003	2004	2005
Post offices	431	304	328	328	327
Post in Shops	897	1 146	1 175	1 201	1 196
Total	**1 328**	**1 450**	**1 503**	**1 529**	**1 523**

DIVIDEND (PAID FOR THE PREVIOUS FINANCIAL YEAR)

in MNOK	2002	2003	2004	2005	2006
Dividend paid	300	0	241	516	0*

* The Board of Directors' proposal to the Annual General Meeting

TAXES AND DUTIES FOR POSTEN NORGE AS

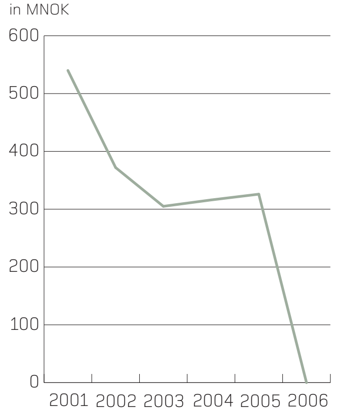
in MNOK	2001	2002	2003	2004	2005
Value added tax	975	1 570	1 545	1 608	1 667
Employers' ins. contr.	896	850	1 023	798	732
Tax	1 795	1 671	1 538	1 498	1 398
Corporation tax	75	0	0	0	181
Total	**3 739**	**4 091**	**4 101**	**3 904**	**3 977**

DELIVERY OF A-PRIORITY MAIL IN 2005

per quarter in %	1.	2.	3.	4.	TOTAL
The next day:					
Requirement: 85%	85,1	88,4	88,2	82,4	**86,7**
Within three days:					
Requirement: 97%	99,6	99,6	99,5	99,2	**99,4**

GOVERNMENT PROCUREMENTS

in MNOK



WORKING FOR THE ENVIRONMENT

Norway Post's environmental work in 2005 has led to a more environmentally efficient group. This work will continue in 2006.

Norway Post strives to achieve more environmentally efficient operations by preventing and reducing the use of resources, emissions and waste. The group's biggest environmental challenges are related to transport, waste and energy consumption in buildings.

THE ENVIRONMENTAL ACCOUNTS FOR 2005

The environmental accounts for 2005 cover the entire group. The group's total transport work and emissions relating to this increased considerably compared to 2004. This was due to an increase in production and the fact that Norway Post's subsidiary, Nor-Cargo, which is a major contributor to the environmental accounts, has been included in Norway Post's accounts since its acquisition in June 2004.

Changes to Norway Post's terminal, logistics and production systems have led to more leased transport using vehicles, trains and aircraft, and less transport by ship.

Norway Post's total CO2 emissions increased by 38 per cent compared to 2004. More than 99 per cent of the emissions are transport-related: 62 per cent from vehicle transport, including 23 per cent from the group's own vehicles. Thirty-six per cent of the CO2 emissions come from air transport, while 1 per cent comes from rail transport and 1 per cent comes from transport by ship.

ENVIRONMENTAL TRAINING AND THE GREEN ALLIANCE

An environmental training programme for managers was developed in 2005 and around 1 600 of the group's managers will undergo this in 2006.

In 2005, Norway Post started to collaborate with GRIP, a foundation working to ensure sustainable production and consumption. This green alliance is intended to give the group greater environmental expertise, especially in the fields of transport, purchasing and management, and contribute to the development of more environmentally efficient solutions in Norway Post.

In 2005, Norway Post prepared a decision-making basis for locating the new south east Norway sorting terminal at Robsrud in Lørenskog, outside Oslo. The Robsrud site is closest to the centre of Norway Post's market and is an optimal location with regard to traffic and environmental considerations. Several environmental reports have been prepared, including an analysis of the traffic, air pollution and noise consequences.

Norway Post's goal is for at least 40 per cent of the work-related trips to the new south east Norway terminal at Robsrud to take place using public transport. The work of paving the way for public transport will continue in 2006. Norway Post will, among other things, work together with GRIP on this issue.

In order to comply with Norway Post's environmental goals throughout the construction process and to make arrangements for environmentally efficient operations, a separate environmental manual was prepared for the project in 2005.

Greater coordination has led to better utilisation of Norway Post's fleet of vehicles. This fleet has been upgraded with 188 new lorries and some vehicles have been replaced by mopeds. New load carriers have been developed and will be implemented in 2006. The mail-sorting boxes weigh less than the old ones and will contribute to a better utilisation of the vehicle capacity due to a reduction in the number of trips made with no loads and return trips.

ENVIRONMENTALLY EFFICIENT DRIVING

In 2005, 400 heavy goods vehicle drivers received training in environmentally efficient driving. This means that 500 out of a total of 880 drivers have now received such training. The "Logger Tool" computer application has been installed in 97 vehicles. No reduction in fuel consumption that is directly related to the training programme has been registered in 2005.

Norway Post held a conference to discuss the use of renewable fuels in 2005. This was attended by customers, fuel and vehicle suppliers, GRIP representatives and researchers and resulted in a joint project on the use of bio-diesel in Norway Post's vehicles with a start-up date in 2006.

Norway Post's Energy Programme, which started in 2002, was ended in 2005 with an extremely good result: total energy savings of 25 per cent and around NOK 11 million in reduced costs. The programme's goal was to achieve a 20 per cent reduction in the energy consumption at 21 terminal buildings. The share of district heating increased from 13 per cent to 18 per cent and the share of energy from oil fell from 11 per cent to 2 per cent. These terminals comprise around 30 per cent of the property area run by Norway Post. Several energy saving measures which were implemented towards the end of 2005 will result in reduced consumption in 2006.

Norway Post improved its waste-handling routines and systems in 2005. The internal transport of waste from small locations to larger terminals was phased out in 2005. The sorting and delivery of waste at the site where it originated is expected to reduce the volume of waste. The effect of an improved waste system will be registered as from 2006. The subsidiaries have improved their waste-reporting routines. The amount of residual waste in the group fell from around 42 per cent in 2004 to some 35 per cent in 2005. The parent company's registered residual waste fell from about 31 per cent in 2004 to approximately 21 per cent in 2005. The work of reducing the amount of waste and improving sorting at source will continue in 2006. The total registered waste volume has increased due to better registration and reporting routines.

At Norway Post's Letter Centre in Oslo, around 120 light fittings containing PCB have been replaced. This means that the authorities' requirements regarding such replacements have been met.

UNADDRESSED ADVERTISEMENTS AND THE ENVIRONMENT

There was a lot of focus on the environmental effect of unaddressed mail advertisements in 2005. This is an important source of income for Norway Post and meets important information and communication requirements for both advertisers and recipients. Norway Post is mainly focusing on three areas to achieve a properly adjusted volume and thus reduce the effect on the environment. Notices stating that the household does not want to receive such advertisements are respected, target groups are chosen, customer data are analysed and there is an advanced way of selecting distribution areas in order to produce the greatest possible effect for advertisers and thus reduce the amount of unwanted advertising that is delivered. Work is continuously carried out with advertisers and printing works in order to minimise the amount of waste. In collaboration with the trade association Nordma, Norway Post also wants to encourage the use of more recyclable paper and environmentally correct conduct on the part of advertisers and printing works.

ENVIRONMENTAL WORK IN THE FUTURE

The following environmental activities will be carried out in 2006:

• Environmentally related measures and solutions for building and operating the new postal terminal at Robsrud will be continued. Conditions will be made suitable for environmentally efficient work-related journeys to the terminal at Robsrud.

• Hamar Post Terminal and Sarpsborg Post Terminal will be certified as Eco Lighthouses.

• There will be weekly follow-up of the buildings in Norway Post's Energy Programme 2002-2005.

• Norway Post's waste systems will be improved. More sorting at source.

• Drivers will continue to receive training in environmentally efficient driving.

• A pilot project involving the use of bio-diesel will be run.

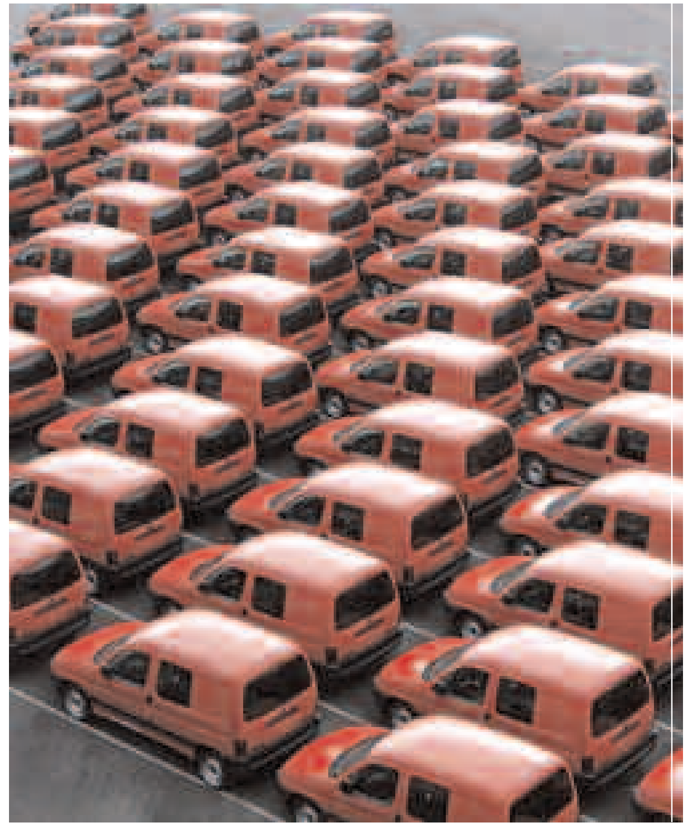
• Around 20 per cent of Norway Post's fleet of vehicles will be renewed. Many of the vehicles will be equipped with particle filters and adapted to take bio-diesel. New electric cars will be bought and three-wheel mopeds, electric mopeds and electric trucks will be tested. More vehicles using renewable fuels will be used.

• Around 30 per cent of the distribution routes will be optimised using GeoRoute, which will reduce the distances driven.

• Around 1 600 managers will receive environmental training (finished in 2007).

• Environmental measures will be implemented according to the divisions' own plans of action.

• The group's common environmental plan and environmental management system will be revised, developed and implemented.



We distribute mail throughout Norway six days a week and make active efforts to reduce the strain on the environment.

FACTS AND FIGURES

ENERGY CONSUMP.	UNIT	2004**	2005**
Electricity	kWh	163 191 762	127 975 726
District heating	kWh	18 051 315	10 368 457
Fuel oil	kWh	5 409 849	3 387 308
Est. energy consump.*	kWh	-	-
Total energy consump.	kWh	187 297 765	141 731 491

NORWAY POST VEHICLES		*	
Vehicles	Number	5984	6164
Lorries ≥ Euro2	%	81	92
Lorries ≥ Euro3	%	56	55
Kilometres travelled	Km	130 196 434	127 388582

* Includes subsidiaries
** The Norway Post group, including subsidiaries

FACTS AND FIGURES

HIRED TRANSPORT SERVICES		2004	2005
Vehicles	Tonkm	469 036 688	1 201 396 019
Aircraft	Tonkm	26 279 775	56 768 977
Trains***	Tonkm	374 389 901	566 219 640
Shipping	Tonkm	228 832 105	67 619 431

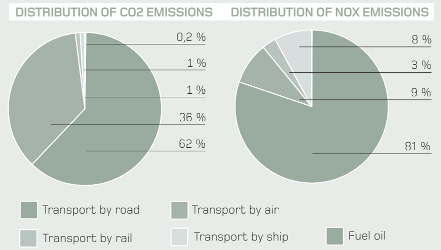
CONSUMPTION OF RAW MATERIALS			
Petrol	Litres	4 942 518	4 765 065
Diesel	Litres	60 321 895	29 275 570
Fuel oil	Litres	535 628	277 592

* Estimated waste from rented buildings
** Waste volume for the entire group
*** By electric trains, approx. 81 per cent in 2003, 79 per cent in 2004 and around 90 per cent in 2005.

EMISSIONS TO AIR IN TONNES

FOSSIL FUELS	CO_2	SO_2	NO_x
TOTAL EMISSIONS 2003	89 910	7	303
TOTAL EMISSIONS 2004*	29 6716	90	1 718
TOTAL EMISSIONS 2005*	409 765	16	1 809

* Figures for 2004 and 2005 include the entire group



WASTE

	UNIT	2004**	2005**
Residual waste	Tonnes	4 892	4596
Paper	Tonnes	1 071	1466
Cardboard	Tonnes	406	560
Cardboard/paper mix	Tonnes	3 339	3 820
Plasti	Tonnes	275	181
Wood	Tonnes	848	2 068
Shredded materials	Tonnes	120	125
Other waste	Tonnes	708	28
TOTAL*	**TONNES**	**11 659**	**13 100**

* Estimated waste from rented buildings
** Waste volume for the entire group

SATISFIED CUSTOMERS AND EMPLOYEES

Satisfied customers and attractive workplaces are two of Norway Post's main goals. The major reorganisations over the past few years have resulted in more satisfied customers and employees.

Following major reorganisations and efficiency enhancements, the service and quality provided to Norway Post's customers have never been better. Longer opening hours, shorter waiting times, improved expertise and better service have contributed to Norway Post's customers being more satisfied now than ever before.

EIGHT OUT OF TEN ARE SATISFIED

Each year, Norway Post conducts two major surveys among its private customers, in which 15 000 postal customers state their views on the service, level of expertise, opening hours, waiting times, locations, complaints handling, knowledge, reputation and overall sales network. In 2005, customers gave Norway Post a total score of 81 points on a scale of 0 to 100. This means that eight out of ten customers are very satisfied with Norway Post's service and waiting times. This is the best result achieved since the customer surveys started in the spring of 2002.

Since the reorganisation of the sales network in 2001 from post offices to Post in Shops, customer satisfaction has increased steadily. This shows, among other things, that the focus on service and accessibility has been correct and that customers appreciate the increased expertise available in Post in Shops.

CUSTOMER SERVICE SCORES HIGHEST

According to customer feedback in 2005, Norway Post's customer service is what has improved the most. Customers especially appreciate the short waiting times on the phone and good service.

Norway Post's customer service is also appreciated in other countries. The Bright Index is the leading benchmarking survey of customer service centres in the Nordic region and rest of Europe. In the Nordic part of the survey, which covers 60 contact centres, Norway Post's customer service came out top for efficiency and quality in 2005. The survey examines telephone inquiries and incoming e-mails, and according to this Norway Post's customer-service employees have the highest level of productivity and the lowest costs per call.

GREAT IMPROVEMENT

In 2005, the Norwegian Post and Telecommunications Authority concluded in its report on the development of Norway Post's service level in 2004 that customer satisfaction had improved strongly. It writes that more than 80 per cent of the sales outlets are open for more than eight hours a day on weekdays. The Authority also writes in its report that the results of the customer satisfaction surveys are the best Norway Post has ever achieved for its post offices, Post in Shops and customer service.

In the same report on the development of Norway Post's service level in 2004, the Authority concludes that Norway Post's delivery frequency is probably one of the best in the world.

The Authority particularly points out the delivery frequency. In 2004, 844 households (0.038 per cent) and 29 companies (0.007 per cent) did not receive deliveries of prioritised letters and notices to pick up post six days a week. The report states that: "The Authority still does not know of any better delivery frequency anywhere else in the world."

NEW EMPLOYEE SURVEY

In 2005, Norway Post developed and started to use a new employee survey, which is a result of the coordination of several previous internal surveys. The objective of the survey is for the management to have an effective tool for following up working environment measures.

The new survey consists of a questionnaire and a physical HSE (health, safety and the environment) inspection. The questionnaire is completed by all the employees of Posten Norge AS and the subsidiaries in which Norway Post is a majority owner. Based on the results of this survey, the entities prepare their own plans of action.

SATISFIED EMPLOYEES

Norway Post's Organisation Survey was conducted for the first time in 2005, so it cannot be compared directly with previous years' results. A total of 89 per cent of the employees replied to this survey. "Customer and result focus" scored the highest. All of 80 per cent of the postal employees say that they know what is required and expected from them in relation to their work. The survey also confirms that the postal employees are working to meet customer requirements. According to the survey, most of Norway Post's employees really enjoy their work. On a scale of 1 to 7, where 7 is best, the statement "I enjoy my work" scored all of 5.6 points.

ATTRACTIVE WORKPLACE

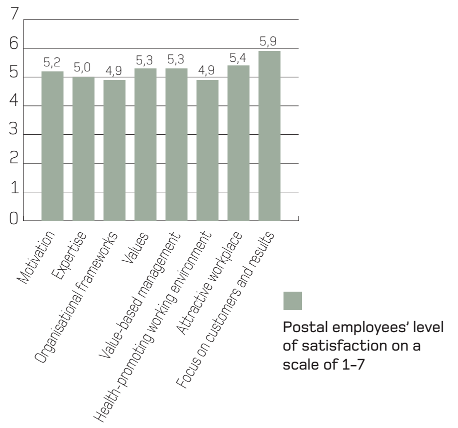
Norway Post is an increasingly attractive workplace for young employees. The Universum survey, which is conducted among those about to qualify from colleges and universities, ranked Norway Post in 32nd place in 2005. This is considerably better than its 95th place in 2000.

Each year, Norway Post recruits new trainees for its two-year trainee programme, which was recently ranked as the 7th most attractive such programme in the market out of a total of 20 assessed programmes.

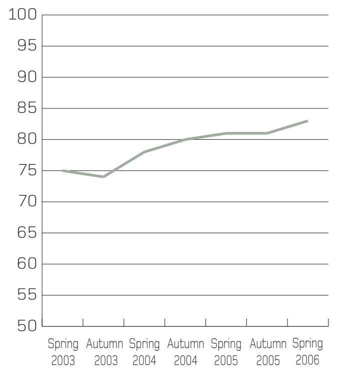
WON THE DIVERSITY PRIZE

Norway Post is Norway's biggest employer and has 20 000 employees from 75 nationalities. Norway Post has had a zero tolerance approach to racism for five years now, and this attitude is supported by specific measures in the workplace. In 2005, Norway Post was awarded the "Diversity Prize for 2005" for its work of promoting ethnic diversity.

EMPLOYEE SATISFACTION INDEX



OVERALL SATISFACTION INDEX FOR NORWAY POST'S CUSTOMERS



Both customers and employees are more satisfied than they have been for a long time.

GOOD CORPORATE GOVERNANCE

Norway Post's vision is to be the world's most future-oriented postal company. Such a vision requires good corporate governance.

Norway Post's four fundamental values are honesty, respect, innovation and interaction and these form the basis of Norway Post's management model.

For Norway Post, corporate governance is the goals and overall policies by which the group is managed and controlled and the structures regulating the interaction between the company's governing bodies and its other interest groups. Norway Post's basic corporate governance principles and the planned future work in this field are to be found in Norway Post's corporate governance policy.

Norway Post's Board of Directors adopted a revised corporate governance policy for Norway Post in 2005.

The Ministry of Transport and Communications, as Norway Post's owner, has agreed to this. The corporate governance policy is published on Norway Post's website at www.posten.no.

The corporate governance principles are evaluated each year by Norway Post's Board of Directors.

SHARE CAPITAL AND OWNERSHIP

As of 31 December 2005, the company had a share capital of NOK 3 120 million divided into 3.12 million shares, each with a nominal value of NOK 1 000. Norway Post is owned by the Norwegian state, represented by the Ministry of Transport and Communications.

The Ministry of Transport and Communications awarded Norway Post a licence for parts of its operations based on the Norwegian Postal Services Act and the supplementary rules stipulated in the Postal Services Regulations. This licence was extended in 2005 and expires on 31 December 2006.

The Board is to submit to the Minister of Transport and Communications any issues that are assumed to be of particular importance to society or of fundamental significance, and Norway Post's articles of association stipulate that the Board is to submit a written report every second year on Norway Post's overall plans for the group's activities (Article 10 Plan), including the economic developments in recent years and a financial forecast for the coming years. Norway Post's Article 10 Plan forms part of the basis for the Government's owner report to the Norwegian Storting (parliament) every second year.

THE MANAGEMENT PRINCIPLES

Norway Post's articles of association, cf the objects provision in §3, state that the company is to carry out postal and logistics operations based on both physical and electronic solutions as well as other operations that are directly related to these.

These management principles are adapted to suit Norway Post's operations.

Norway Post's corporate governance policy is in accordance with the Norwegian corporate governance recommendations dated 7 December 2004 in so far as appropriate. Since the Norwegian state is the sole owner of Norway Post and the shares in Norway Post are not subject to regular trading, parts of the recommendations are not relevant, cf the recommendations' contents regarding the relationship between shareholders and the free negotiability of shares. In some other areas, it is necessary to adapt schemes so they comply with the recommendations, cf that stated regarding general meetings and corporate assemblies.

Norway Post's four fundamental values are honesty, respect, innovation and interaction. These fundamental values are to characterise the corporate culture and form the basis for Norway Post's management model. Together with the fundamental values, Norway Post's vision, business concept, main goals and strategies are what comprise the main elements in the company's management model.

In addition, a value base has been prepared to support and build the group's reputation. The value base states, through ethical business main principles, that Norway Post must: behave with honesty in all contexts, not abuse its strong market position, not tolerate malpractice and be a responsible member of society.

THE BOARD AND ITS WORK

Norway Post's board consists of ten directors. Six of these represent the owner while four represent the employees. The shareholder-elected directors have one deputy while the employee-elected shareholders have personal deputies. The shareholder-elected directors are elected for a period of two years. Continuity in the company's management is ensured by only half of the board's members being up for election at the same time.

In order to ensure satisfactory independence, the directors cannot have significant relationships with the company. Norway Post maintains a register of directors', senior employees' and key personnel's board appointments and ownership interests. The aim is to support Norway Post's values-based management and ensure that key individuals do not take part in processes where their interests may come into conflict with those of the company.

The document "Norway Post's board functions and responsibilities" sets guidelines for the board's and CEO's tasks and responsibilities. This document states rules for the board's work and procedures within the framework of prevailing legislation, the company's articles of association and the general meeting's resolutions. The board's main tasks include strategy, control and organisational tasks.

The board evaluates its working processes each year and assesses the contents of the instructions to the board.

One board committee has been established, cf the reference to the compensation committee below. The board has decided on a mandate for this committee.

The board held 12 meetings in 2005.

THE COMPENSATION COMMITTEE

The directors' fees are determined by the annual general meeting each year. The remuneration to directors for 2005 is stated in note 2.

The board has appointed a compensation committee which consists of four of Norway Post's directors and is chaired by the chairman of the board. This committee is to assess and suggest conditions applicable to the CEO and any adjustment to these conditions, give the CEO feedback on his assessments of the rest of the group management, and prepare issues regarding the principles for bonus schemes in the company that are to be discussed by the board.

Norway Post regards incentive schemes as being important for contributing to the management focusing on increasing the value creation within the company over time, in line with the owner's interests. On this basis, a separate bonus scheme has been created for the group management and individuals with key positions in the group.

INTERNAL CONTROLS

Norway Post has established a number of measures which help to ensure a good control environment in the following areas: ethical values and management philosophy, personnel and competence management, responsibility and authority, quality and standardisation, and information and follow-up.

Corporate governance documents have been prepared to ensure economies of scale, reduce risk and ensure that best practices are followed throughout the group.

It is the board and group management that ensure the necessary control over the company's operations. This is done by such things as internal controls, external audits, legal quality assurance, quarterly strategic and business reviews, continuous risk assessment and an annual assessment of the company's management. These processes are intended to ensure that the operations are sufficiently reviewed and inspected so that the responsibilities which the board and group management have under the prevailing legislation and the principles for good corporate governance are fulfilled.

An investment committee has been appointed by the CEO and consists of the chief financial officer, the group controller and the group treasurer.

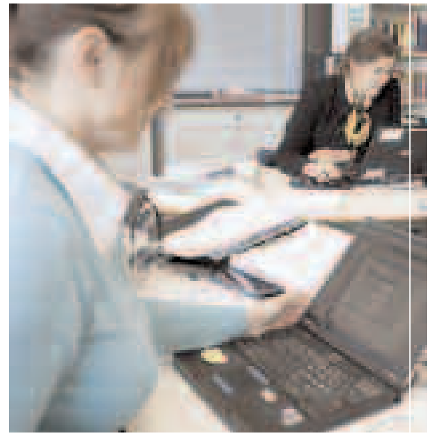
The company's auditor participates in the board meeting that considers the annual financial statements. At this meeting or at a separate meeting, the auditor reviews the audit and gives his view on the group's accounting principles, risks, internal control routines and accounting practice. The auditor's evaluation of these aspects is summarised annually in a letter to the board of directors. In addition to the statutory audit, the auditor is used for natural, audit-related tasks. Norway Post's policy is to use the same firm of auditors for all the group companies.

RISKS

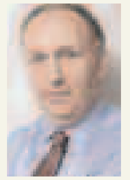
In accordance with Norway Post's corporate governance policy, an overall assessment of the company's risks is carried out each year.

The risk analysis in 2005 was based on the units' strategies, business plans and goals, and was carried out as an extensive, thorough process in which all the group's divisions and companies were involved.

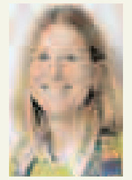
The risk analysis is conducted to chart the risks in the strategic, financial, operational and reputation areas. In addition, the risks are defined as being internal or external.



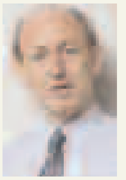
The corporate culture is to be characterised by Norway Post's four fundamental values.



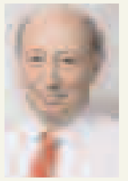
ARVID MOSS (48)
Chairman
President, Hydro Aluminium, Metal Products
Education: Master of Business Economics degree, Norwegian School of Economics and Business Administration (NHH)



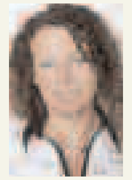
LIV STETTE (48)
Vice Chairman
Human resources manager, Ålesund Municipality
Education: BA in education, psychology and political science.
Offices: Director of Nexus Knowledge Solutions AS and Teatret Vårt as.



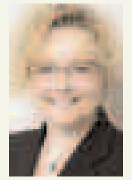
ASBJØRN BIRKELAND (60)
Director
CEO of Data Invest AS
Education: Master of Engineering degree.
Offices: Director of ErgoGroup AS, Axxessit ASA and GIEK.



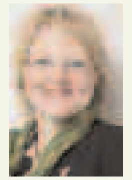
TERJE CHRISTOFFERSEN (53)
Director
Group vice president, executive team of the TeliaSonera Group.
Education: MBA, Cologne University, 1978
Offices: Director of Møller-gruppen AS, vice chairman of Netcom AS.



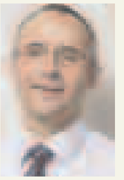
NINA IVERSEN (48)
Director
CEO of Glomma Papp
Education: Master of Business Economics degree, accountancy degree from the Norwegian School of Management (BI)



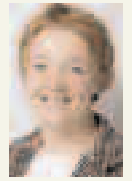
GRY MØLLESKOG (44)
Director
The Royal Palace – Chief of staff for the Crown Prince and Princess
Offices: Vice chairman of OVDS ASA, chairman of Oslo Sporveisdrift AS



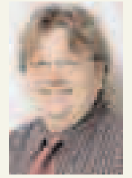
ELISABETH ANGELL (41)
Deputy director
Researcher with Norut NIBR Finnmark AS
Education: Bachelor of Social Science degree (economics) from Oslo University
Offices: director of Norut NIBR Finnmark



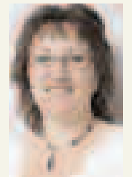
ODD CHRISTIAN ØVERLAND (48)
Employee representative
General Secretary of the Norwegian Postal and Communications Workers' Union (Postkom). Employee of Norway Post since 1979.



INGEBORG ANNE SÆTRE (50)
Employee representative
Deputy General Secretary of the Norwegian Postal and Communications Workers' Union (Postkom). Employee of Norway Post since 1971.



PAUL MAGNUS GAMLEMSHAUG (52)
Employee representative
Distribution Network Division representative in the Postkom union.
Employee of Norway Post since 1974.



JACQUELINE HOPKINSON (42)
Employee representative
Consumer Division representative in the Postkom union.
Employee of Norway Post since 1983.

IN GENERAL
Posten Norge was established as a statutory company, Posten Norge BA, on 1 December 1996 and converted into a limited company, Posten Norge AS, on 1 July 2002, with the Norwegian state, via the Ministry of Transport and Communications, as its sole shareholder. Accounting and taxation continuity was maintained during the transition to a limited company.

HISTORICAL DEVELOPMENT
The formation of the company and of the group
Posten Norge BA was established with an equity of NOK 1 720 million on 1 December 1996. The Norway Post Group was established on the same date, with a subsidiary called Posten SDS (later Ergo Group) and an associated company called Billettservice AS (50%) (divested in 2001).

Posten Norge BA was converted into a limited company on 1 July 2002. It received NOK 2 060 million in contributed capital, of which NOK 400 million was the conversion of a subordinated loan into equity. Severance pay obligations, amounting to NOK 121 million, were charged to other equity, such that the net equity contributed was NOK 1 939 million.

Regulatory factors:
The licence granted to Norway Post in connection with the formation of the company and valid from 1 January 1997 contained the following main provisions:
- Norway Post must ensure efficient nationwide postal deliveries in Norway (basic services)
- The financing of the additional costs of maintaining a statutory service level in excess of that which is profitable from a commercial point of view shall take place through a contribution from the profit on the monopoly (licensed) area and a grant from the Norwegian state through the purchase of postal services.
- Norway Post must present product accounts documenting, among other things, that there is no illegal cross-subsidising between the monopoly products and the products exposed to competition.

Changes in the licence terms:
1999:
- A requirement that 85 per cent of the priority mail be delivered the day after it is handed in.
- The monopoly on delivering sealed, addressed mail of up to 350 grams is restricted in that books, catalogues and magazines are no longer covered by this right.
- A requirement of at least one permanent sales outlet (post office) in each municipality.

2001:
- Unaddressed post is no longer included in the delivery obligation.
- A duty to notify the Norwegian Post and Telecommunications Authority of any changes in the prices of statutory services or of any changes in the sales network, rural postal distribution system or post boxes for mail collection.
- A clearer definition of cross-subsidisation.

2003:
- The monopoly is restricted by the weight limit being changed from 350 grams to 100 grams/three times the basic price for domestic priority mail.
- Letters to foreign countries are subject to full competition.

2006:
- The monopoly is restricted by the weight limit being changed from 100 grams to 50 grams as of 1 January 2006.

Banking services
1999:
In connection with the conversion of Postbanken BA from a statutory company into a limited company, the Postal Company Act (an Act applicable only to Posten Norge BA) was amended to state that the company is to enter into an agreement with a financial institution that is to have an exclusive right and duty to offer basic banking services throughout Norway Post's sales network.

2002:
In connection with the conversion of Posten Norge BA into a limited company, a separate Act was introduced relating to the provision of basic banking services through Posten Norge AS's sales network. This Act ensures that Norway Post, through an agreement with a financial institution, offers basic banking services throughout its sales network.

The current agreement with DnB NOR is valid from 1 January 2006 to 31 December 2012.

Significant payments to and from the owner
Posten Norge BA was established with an equity of NOK 1 720 million. In addition, the Norwegian state provided a subordinated loan of NOK 400 million.

The Annual General Meeting agreed to pay extraordinary dividends of NOK 120 million in 2003 and NOK 50 million in 2004. The total dividend (ordinary/extraordinary) came to NOK 241 million in 2003 and NOK 516 million in 2004. No funds have been allocated for government procurements in 2006.

In 2003, Posten Norge AS paid NOK 1 475 million to cover the shortfall in the company's pension scheme with the Norwegian Public Service Fund and at the same time received additional equity of NOK 600 million from its owner. The board has decided to withdraw from the group pension scheme with the Norwegian Public Service Fund effective from 31 December 2005, cf note 3.

Divestment of operations
The cleaning services and canteen services were transferred to Posten Servicepartner AS in 1998 and 2000 respectively. Posten Servicepartner AS was sold to ISS Norge AS in 2002. In 1999, the financial services (payroll and accounts) were transferred to Posten Økonomitjenester AS, which was fully owned by SDS (later ErgoGroup). ErgoGroup sold the contents of this company to Adviso AS in 2001. Posten Norge AS transferred its HSE operations to a newly established company, HMS Norge AS, in 2004. Norway Post and Telenor each owned 50 per cent of the shares in this company, which was sold to Hjelp 24 AS in 2005.

Acquisitions and establishment of operations from 1996 to 2003 that have been continued in the group's various segments in 2005:

Post Segment:
2002: Posten Norge AS strengthened its market position in Sweden by acquiring 57 per cent of the shares in CityMail Sweden AB.

Express Segment:
1997: Posten Norge BA acquired 25 per cent of the shares in NordPack AB which changed its name to Pan Nordic Logistics AB (PNL) in 1998.
1999: Posten Norge BA acquired 40 per cent of the shares in Transport Systems International AS (later BoxGroup).
2001: Transport Systems International (later BoxGroup) bought De Grønne Bude AS in Denmark.
2002: Posten Sverige AB (Sweden Post) sold its 33.3 per cent shareholding in Pan Nordic Logistics (PNL) and Post Danmark (Denmark Post) and Posten Norge AS increased their shares in this company to 50 per cent each. PNL bought 99.78 per cent of AB Expressgods dag och natt.
Posten Norge AS increased its stake in Transport Systems International (later BoxGroup AS) from 79.47 per cent to 100 per cent.

Logistics Segment:
2000: Posten Norge BA acquired the following companies: Oslo Container Stevedor AS (100 per cent) (later BoxSolutions AS), Wajens AS (100 per cent), Nettlast AS (100 per cent), and Nettlast Hadeland AS (100 per cent).
2003: Oslo Container Stevedor AS (later BoxSolutions AS) acquired the logistics operations of Fellestransport AS, and Wajens AS bought Arntsen Tungtransport.

ICT Segment:
1999: Parts of the operations of Posten SDS (later ErgoGroup) merged with Ephorma AS, in which SDS had a 50 per cent stake.
2000: Posten SDS AS (later ErgoGroup) acquired 40 per cent of the shares in Transware AB.
2001: Posten SDS AS changed its name to ErgoGroup AS and established ZebSign AS together with Telenor, with each company holding a 50 per cent share. In cooperation with Norsk Tipping AS, ErgoGroup established Buypass AS.
2002: ErgoGroup bought the operations in Runit AS, which were continued in a new company called ErgoRunit AS. ErgoGroup increased its stake in Objectware AB from 40 per cent to 70 per cent.

In 2004 and 2005, the following companies were merged, acquired or divested in the group's various segments:

Post Segment:
2005: In November, Norway Post offered to buy the shares in the Swedish postal company OptiMail through its wholly owned subsidiary Norwegian Mail International AB. By the offer deadline, the company had been allowed to buy 94.5 per cent of the shares in OptiMail and the purchase was finalised in January 2006.
Norway Post sold its internal corporate postal service to ISS with effect from May 2005.
The Group bought the remaining 43 per cent of the shares in Citymail Sweden AB with effect from 31 December 2005.
2006: Norway Post will establish Citymail in Denmark in 2006.

Express Segment:
2005: Box Delivery Norge AS acquired 100 per cent of the shares in Gardermoens Distribusjons Service AS (GDS) with effect from July 2005.
BoxGroup acquired 100 per cent of the shares in the Finnish company Fillarilähetit OY with effect from 1 September 2005. Oslo Container Stevedor AS changed its name to Box Solutions AS in August 2005. Wajens AS merged with Box Solutions AS on 1 January 2006.

Logistics Segment:
2004: Posten Norge AS acquired Nor-Cargo Holding AS with effect from 1 June 2004. On 1 October 2004, Nor-Cargo Holding ASA acquired the remaining 50 per cent of the shares in Nor-Cargo Haugesund AS, which was merged with Nor-Cargo AS. The remaining 50 per cent of the shares in Nor-Cargo Danmark AS were acquired with effect from 1 December 2004. Nettlast Helgeland AS merged with Nettlast Hadeland AS. The shares in KortProsess AS were sold.
2005: Nor-Cargo Holding AS acquired the shares in Nor-Cargo Tromsø AS with effect from 1 January 2005.
In addition, Nor-Cargo Holding AS acquired all of the shares in Eurodynamic AS and HSD Transport AS with effect from July and November 2005 respectively.
In 2005, Nor-Cargo Bedriftspakke AS and Nor-Cargo Airfreight AS merged. In addition, Nor-Cargo Tromsø merged with Nor-Cargo Skjervøy and Nor-Cargo Narvik.
2006: Posten Norge AS acquired all the shares in Frigoscandia (FSD HoldCo AB) with effect from 1 January 2006. From the same date, Nor-Cargo Holding AS and the Johs Lunde Group agreed to merge their thermo-regulated transport operations and form a new company, Nor-Cargo Thermo Holding AS. Nor-Cargo Holding AS and the Johs Lunde Group each own 50 per cent of the new company. In March 2006, Norway Post entered into an agreement to buy all the shares in Holmskau Transport AS.

ICT Segment:
2004: ErgoIntegration AB was established as a fully owned subsidiary to ErgoGroup AS. The ownership shares in Transware AB and Interprice Consulting Norge AS were increased to 100 per cent. Runit Raufoss Industripartner merged with ErgoRunit AS. The shares in Adviso AS and Laycan Solutions AS were sold.
ErgoGroup and Telenor ASA sold their shares in ZebSign AS to Bankenes BetalingsSentral AS (BBS).
2005: ErgoSolutions AS, ErgoIntegration AS, Ergo-Ephorma AS and Electric Farm merged with ErgoGroup AS. In October, ErgoGroup entered into a contract with Ementor ASA to buy Ementor's outsourcing operations in Norway and Sweden. ErgoGroup AS bought all the shares in Serve ASA and Løsningsarkitektene AS in November/December.
2006: ErgoRunit merged with ErgoGroup AS with effect from 1 January 2006. ErgoGroup has purchased all the shares in Fujitsu Services AS with effect from the second quarter of 2006. In May, ErgoGroup entered into a contract to buy 55.7 per cent of the shares in Allianse ASA.

ACCOUNTING PRINCIPLES
The consolidated financial statements and financial statements of Posten Norge AS have been prepared in accordance with prevailing International Financial Reporting Standards (IFRS) as approved by the EU.

The accounts have been prepared on the basis of historical costs. Financial instruments that are classified as "fair value through profit or loss" or "available for sale" are assessed at their fair value.

All the assets relating to the flow of goods, receivables payable within one year and assets not intended for permanent ownership or use in the operations are classified as current assets. Other assets are classified as fixed assets.

All liabilities that are directly related to the flow of goods are regarded as current liabilities, even if some of the liabilities fall due for payment after more than one year. The first year's instalments on long-term liabilities are classified as current liabilities.

The initial application of IFRS
The board of Norway Post has decided to report the consolidated financial statements in accordance with IFRS from 2005. Norway Post has prepared an IFRS opening balance sheet for the date of the transition to IFRS, which is 1 January 2004. In addition, the income statement and balance sheet for 2004 have been restated to comply with IFRS.

The group made use of the opportunity to postpone the implementation of the financial instrument standards (IAS 32 and 39) until 1 January 2005. Comparable figures for financial instruments are thus presented in accordance with Norwegian generally accepted accounting principles (NGAAP).

The most important differences between Norway Post's previously used accounting principles (NGAAP) and IFRS are described in further detail in note 31, which also includes reconciliations of the financial statements presented in accordance with NGAAP and the restated financial statements presented in accordance with IFRS. This note also states the transition alternatives that were chosen on the implementation date.

Adopted standards that have not come into force
Norway Post has made use of the opportunity to apply the IAS 39 Financial Instruments (Fair Value Option) standard at an early stage. This standard came into force on 1 January 2006.

The standards and statements listed below have been issued but have not yet entered into force. Norway Post has not chosen to apply these to this year's financial statements. The company's treatment of issues in the financial statements is not expected to change as a result of these standards and statements coming into force, but the notes related to financial instruments may be changed slightly as a result of IFRS 7.
- IFRS 1 First-time adoption of IFRS (minor changes)
- IFRS 4 Insurance contracts (changes relating to financial guarantee contracts)
- IFRS 7 Financial instruments: disclosures
- IAS 1 Presentation of financial statements (minor changes)
- IAS 19 Employee benefits (actuarial gains and losses, group schemes and notes)
- IAS 21 The effects of changes in foreign exchange rates (minor changes)
- IAS 39 Financial instruments: recognition and measurement (changes)
- IFRIC 4 Determining whether an arrangement contains a lease

IFRS 7 comes into force on 1 January 2007. The other listed standards and statements came into force on 1 January 2006.

Estimates
The financial statements have been prepared in accordance with IFRS. This means that the management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities. This particularly applies to the assessment of pension obligations and reserves relating to the withdrawal from the Norwegian Public Service Fund (see note 3). The financial statements presented are based on Norway Post being repaid pension assets of NOK 1 480 million, in accordance with the statement of account received from the Norwegian Public Service Fund. The final settlement from the Norwegian Public Service Fund has, however, not been determined. There is thus a risk that the final settlement may deviate from that assumed in the financial statements for 2005.
In addition, there is some uncertainty regarding the assessment of the capitalised goodwill value, including the need to write-down this amount (see note 9). This uncertainty is mainly due to the estimates of future cash flows and the choice of discount rate for calculating the net present value of the cash flows. Future events may lead to changes in the estimates. The changes will be recognised when a new estimate is determined.

Presentation currency
The group's presentation currency is NOK, which is also the parent company's functional currency. For consolidation purposes, balance sheet figures for subsidiaries that use a different currency have been translated at the rate applicable on the balance-sheet date and subsidiaries' income statements have been translated at the average exchange rate for each month.

Translation differences have been recognised in equity. Translation differences are included in the translation differences fund in the equity (see note 18). If a foreign subsidiary is sold, the accumulated translation differences related to the subsidiary are recognised in the income statement.

Consolidation principles
The consolidated financial statements show the total financial result and financial position of the parent company, Posten Norge AS, and the companies in which Posten Norge AS has a controlling influence. A controlling influence is normally achieved when the group owns, either directly or indirectly, more than 50 per cent of the shares in the company and is able to exercise actual control over the company. The consolidated financial statements have been prepared using uniform accounting principles for similar transactions and other events provided the circumstances are otherwise the same. Items in the income statement and balance sheet have been classified according to uniform definitions. All significant intercompany transactions and balances, including internal profits and unrealised gains and losses, have been eliminated.

Companies in which the group has a controlling influence (subsidiaries) are fully consolidated line by line in the consolidated financial statements. The acquisition method has been used for recognising acquired enterprises. Companies acquired during the year are incorporated in the financial statements

from their acquisition date, while companies that are sold are included in the financial statements until the date of sale.

Excess value from the purchase of an enterprise is allocated to identifiable assets and liabilities on the acquisition date. Excess value that is not allocated to assets and liabilities is classified as goodwill in the balance sheet. Negative goodwill arising from acquisitions is taken to income. An annual test is performed to determine the need for a write down of goodwill. This involves an evaluation of whether or not the book value can be justified. If the future earnings are lower than the recognised value, the goodwill is written down to its fair value.

The minority interests' share of the equity is shown as a separate line item in the group's equity. The minority interests include the minority's share of the balance sheet value of subsidiaries, including its share of the identified excess values on the date of acquisition. The minority interests' share of the net income is shown in the income statement.

A net loss in a consolidated subsidiary that can be allocated to the minority interests cannot exceed the minority's share of the equity in the consolidated subsidiary.
Losses that exceed this are to be recognised against the majority interests' share of the subsidiary to the extent that the minority is not obligated to and cannot accept its share of the loss. If the subsidiary starts to make a profit, the majority's share of the subsidiary's equity will be increased until the minority interests' share of previous losses has been covered.

A joint venture is defined as a company where the group has an agreement with the other owners regarding joint control. Assets in joint ventures are valued according to the proportionate consolidation method, ie, the shares of income, expenses, assets and liabilities are consolidated line by line in the consolidated financial statements.

An associated company is defined as a company in which the group has a significant influence. A significant influence normally exists when the group owns 20-50 per cent of the voting capital. Shares in associated companies are recognised according to the equity method and the group's share of the associated company's net income for the year is offset against the cost price for the share and included under financial income or financial expenses.
All other financial investments are recognised in accordance with IAS 39, Financial instruments: Recognition and Measurement. For additional information, see note 22.

Segment reporting
The division into segments has been made on the basis of an assessment of the risks and yields relating to the types of products, services, production processes, customer groups, distribution channels and statutory or other requirements.
The segments' accounting principles are the same as those used to prepare and present the consolidated financial statements.

Revenues
Revenues are recognised once they have been earned. This means that there exist transactions or other factors which will give rise to financial benefits that can be measured reliably. Sales revenues are presented minus value added tax and discounts.

Revenues from the sale of goods and services are recognised on the date when the products or services are delivered to the customer, the risk is transferred and an account receivable has been established in relation to the customer. The sale of postage stamps is regarded as pre-payment for the sale of postal services. Service and maintenance agreements are taken to income in a straight line over the period of the agreement. Revenues from long-term projects are taken to income on the basis of the continuous settlement method depending on the level of completion. Government payments for unprofitable operations are taken to income when the amounts granted are received. Remuneration for banking services is taken to income on the basis of the banking transactions that have been carried out, the sales of savings products and the disbursed loans that have been arranged by Norway Post.

Pensions
The net pension expenses for the defined benefit pension schemes comprise the pensions earned during the period, including future salary increases and the interest expense on the estimated pension obligation, minus the contributions from employees and estimated yield on the pension scheme assets. The premium for the defined contribution pension scheme is charged to expenses as it arises.

Prepaid pensions correspond to the difference between the estimated pension scheme assets and the present value of estimated pension obligations, minus changes in estimates and pension schemes not recognised in the income statement. Prepaid pensions are classified as a long-term asset in the balance sheet if it is likely that the excess value can be utilised or repaid. Similarly, when pension obligations exceed pension scheme assets, the difference is classified as a long-term liability. The net pension cost is classified as payroll expenses in the income statement apart from the interest element which is classified as financial income/financial expenses.
Changes in the pension obligations that are due to pension scheme changes are amortised in a straight line over the estimated average remaining service period apart from rights accrued on the change date, which are charged to expenses immediately.
Changes in the pension obligations and pension assets which are due to changes in and deviations from the calculation assumptions (deviations from estimates) and which exceed 10 per cent of whichever is greater of the pension obligations and pension scheme assets at the beginning of the year are amortised in a straight line over the average expected remaining service lives of the current employees ("corridor solution"). Non-amortised deviations in estimates and pension scheme changes are stated in note 3.
Upon the transition to IFRS on 1 January 2004, pension scheme changes and unrecognised deviations from estimates were recognised directly in equity in accordance with the option stated in IFRS 1.

Taxes
Taxes include taxes payable for the period and changes in deferred taxes/tax assets.

Taxes payable are calculated on the basis of the earnings before tax. The net deferred tax/tax asset is calculated on the basis of temporary differences between accounting and tax values and tax losses carried forward at the end of the financial year, with the exception of:
- deferred tax which arises as a result of goodwill amortisations that are not tax deductible
- temporary differences relating to investments in subsidiaries or associated companies because the group management itself decides when the temporary differences will be reversed, and it is assumed that this will not take place in the foreseeable future.
Tax-increasing and tax-reducing temporary differences that are reversed or can be reversed are offset. Taxes are not offset across national borders. A deferred tax asset is recognised when it is probable that the company will have sufficient taxable earnings to utilise the tax asset. Deferred tax and deferred tax assets that can be capitalised are recognised at their nominal value and netted in the balance sheet. Deferred tax and deferred tax assets are measured based on the expected future tax rate of the group companies where temporary differences have arisen. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to factors that have been recognised directly in equity.

Tangible fixed assets
Tangible fixed assets are capitalised at their acquisition cost after deducting accumulated depreciation and write-downs. The cost price for fixed assets is their purchase price, including duties/taxes and direct acquisition costs related to making the fixed asset ready for use. For larger investments involving a long manufacturing period, interest is capitalised as a part of the acquisition cost. The cost price of fixed assets is broken down when the fixed asset consists of components that have different useful lives. Costs relating to normal maintenance and repairs are expensed when incurred. Costs relating to replacements and renewals which significantly increase the useful life of the fixed assets are capitalised.

Tangible assets under construction are classified as fixed assets and recognised at the accrued costs relating to the fixed asset.

Tangible fixed assets are depreciated in a straight line over their estimated useful lives. Depreciation starts from the date when the tangible fixed asset is put into ordinary operations. Depreciation takes the fixed asset's residual value into account. Both the remaining useful life and the residual value are evaluated annually. Assets under construction are not depreciated.

Tangible fixed assets are classified as held for sale when they have been designated for sale, are expected to be sold within a period of one year and an active sales process has begun. Tangible fixed assets held for sale are valued at whichever is the lower of their balance sheet value and their fair value after deducting sales costs.

Intangible assets
Intangible assets are capitalised if probable future economic benefits can be proven and attributed to the asset and the asset's cost price can be estimated reliably. Intangible assets with a finite useful life are capitalised at their acquisition cost after deducting accumulated amortisation and write-down amounts. Intangible assets with an indefinite useful life are not amortised but are evaluated to see if they should be written down each year. Refer to the more detailed description under write-down of assets. Intangible assets that have not been taken into use are also tested to see if they should be written down.

– research expenses
Research expenses are expensed as they are incurred. Research is an internal process which does not give rise to independent intangible assets that generate future economic benefits.

– development costs
The group's development costs mainly relate to the development of IT systems intended for use in the group's services and, to some extent, for sales and licensing. Development costs are capitalised if all of the following criteria are met:
- the product or process is clearly defined and cost elements can be identified and measured reliably
- the product's technical solution has been demonstrated
- the product or process will be sold or used in the operations
- the asset will generate future economic benefits
- sufficient technical, financial and other resources are present for completing the project.
If all of the criteria are met, the expenses relating to development work will be capitalised. Otherwise, the costs will be expensed as they arise.

– trademarks
Costs relating to proprietary intangible assets in the form of trademarks are expensed as they are incurred because they cannot be identified and separated from the total cost relating to the development of the company as a whole. Identified trademarks at the time of the acquisition of a company are capitalised. Trademarks with a finite useful life are amortised over this useful life, while trademarks with an indefinite useful life are not amortised, but are tested to see if they should be written down.

– goodwill
Excess value from the acquisition of an enterprise that cannot be allocated to assets or liabilities on the acquisition date is classified as goodwill in the balance sheet. In the case of investments in associated companies, goodwill is included in the cost price of the investment.

The identifiable assets and liabilities on the transaction date are recognised at their fair value on the transaction date. Should further information regarding the value of the assets and liabilities on the transaction date become available after the acquisition has taken place, changes may be made to the assets' and liabilities' fair value up to 12 months after the transaction date.

Goodwill is not amortised, but it is evaluated each year to determine whether its recognised value is justifiable. The evaluation determines whether the discounted cash flow relating to goodwill exceeds the recognised value of the goodwill. If the discounted cash flow is less than the recognised value, the goodwill is written down to its fair value. In addition, the write-down test is carried out if there are indications of a reduction in value.

Negative goodwill arising from acquisitions is taken to income.

Shares in subsidiaries
Posten Norge AS's annual financial statements apply the cost method to shares in subsidiaries. Transaction costs relating to the acquisition are also included in the cost price.

Financial instruments
The group implemented IAS 39, Financial Instruments: Recognition and Measurement on 1 January 2005. In accordance with this standard, financial instruments are classified in the following categories: fair value through profit or loss, available for sale and loans/receivables.
- Financial assets and liabilities that are held with the intention of making money on short-term fluctuations in price (held for trading purposes) or which are recognised according to the fair value option are classified as fair value through profit or loss.
- All other financial assets apart from loans and receivables originally issued by the company are classified as available for sale.
- All other financial liabilities are classified as other liabilities and recognised at their amortised cost.

Gains and losses resulting from changes in the fair value of financial investments classified as available for sale are recognised directly in equity until the investment has actually been sold. The accumulated gain or loss on the financial instrument that was previously recognised in equity will then be reversed and the gain or loss will be recognised.

Changes in the fair value of financial instruments classified as fair value through profit or loss (held for trading purposes or fair value option) are recognised and presented as financial income/expenses.

Hedging
Before a hedging transaction is carried out, it is assessed whether a derivative is to be used to a) hedge the fair value of an asset or liability, b) hedge a future cash flow from an investment, debt payment or future identified transaction or c) hedge a net investment abroad.

The group's criterion for classifying a derivative as a hedging instrument is as follows: (1) the hedge is expected to be very effective in that it counteracts changes in the fair value of or cash flows from an identified asset, and a hedging effect that is within a range of 80-125% is expected, (2) the effectiveness of the hedge can be measured reliably, (3) there is adequate documentation at the time when the hedge is entered into showing that the hedge is very effective, (4) for cash flow hedges, the forthcoming transaction must be very likely, (5) the hedge is evaluated regularly and has proven to be effective during the reporting periods when the hedge has been intended to exist.

– fair value hedges
Derivatives that form part of fair value hedges are recorded at their fair value and changes in the
fair value are recognised in the income statement. Changes in the fair value of the hedged object are
similarly recognised in the income statement.
The hedge is no longer recognised when:
(a) the hedging instrument falls due or is sold, terminated or exercised, or
(b) the hedge does not meet the abovementioned requirements for hedges.

Once the hedge is no longer recognised, adjustments to the cost price of the hedge object are amortised over the remaining useful life using the effective interest rate method.

– cash flow hedges
Changes in the fair value of a hedging instrument that meets the requirements for being a very effective cash flow hedge are recognised directly in equity. The ineffective part of the hedge instrument is recognised directly in the income statement.

If the hedged cash flow results in an asset or liability being recognised, all former gains and losses that were directly recognised in equity are transferred from equity and included in the initial measurement of the asset or liability. In the case of other cash flow hedges, gains and losses that were directly recognised in equity are transferred to the income statement in the same period as the cash flow that comprises the hedged object is recognised.
When a hedging instrument ceases to be very effective, the hedge ceases to be recognised prospectively. In such a case, the accumulated gain or loss on a hedging instrument that is directly recognised in equity will not be reversed until the hedged transaction actually takes place.
If the hedged transaction is no longer expected to take place, formerly accumulated gains or losses on the hedging instrument that have been directly recognised in equity will be reversed and recognised in the income statement.

– hedging of a net investment in a foreign entity
The company takes positions in various currencies in order to hedge its net investment in foreign entities. Changes in the currency derivatives that are dedicated for hedging purposes are reported as translation differences in the group's equity until the sale of the investment, after which the accumulated translation differences relating to the investment are recognised in the income statement.

That part of the hedge which is not effective is expensed directly.

Derivatives that are not hedging instruments
Derivatives that are not classified as hedging instruments are classified as held for trading purposes and recorded at their fair value. Changes in the fair value of such derivatives are recognised in the income statement.

A derivative that is built into other contracts will be separated from the original contract and recognised as a derivative if the following conditions are met:
- the underlying financial reality and risk relating to the built-in derivative is not closely related to the financial reality and risk relating to the original contract;
- there is a separate instrument with the

same conditions as the built-in derivative that meets the criteria for a derivative; and
- the combined instrument (main contract and built-in derivative) is not measured at fair value with changes in value recognised in the income statement.

Write-down of assets
– financial instruments
Financial instruments are evaluated for any reduction in value on each balance sheet date.

Financial assets which are recorded at their amortised cost are written down when it is probable that the company will not collect all the amounts due as a result of contractual factors relating to loans and receivables. The write-down amount is recognised in the income statement. A reversal of previous write-downs can be recognised if the decline in the need for a write-down can be related to an event which took place after the write-down was recorded. Such a reversal is presented as an income. However, an increase in the balance sheet value is only recognised to the extent that it does not exceed what the amortised cost would have been if no write-down had taken place.

In the case of financial assets classified as available for sale, the accumulated gain or loss that has previously been recognised directly in equity is recognised in the income statement for the period for which there is objective information on the reduction in value. That part of the debt instrument that can be recovered is assessed at the fair value of the future cash flow discounted at a rate equal to the yield on an equivalent financial asset. A reversal of a previous write-down is recognised when there is new objective information on an event related to the previous write-down. The reversal of a previous write-down is recognised directly in equity if it relates to shares classified as available for sale, but is recognised in the income statement if it relates to other financial assets.

– other assets
The need for a write-down of other assets with a finite useful life is considered when there are indications of a reduction in value. Intangible fixed assets with an indefinite useful life and intangible assets that are currently being developed are subject to an annual write-down test, irrespective of whether or not there are any indications of a reduction in value.

A need to write-down exists if the book value of an assessment entity exceeds its recoverable amount. The recoverable amount is the higher of fair value minus sales costs and value in use, where value in use is the present value of estimated cash flows relating to future use. If the cash flows relating to the individual asset are independent of cash flows relating to other assets, the individual asset comprises the assessment entity. If not, an assessment entity is created at a higher level and called a cash-generating unit. A cash-generating unit can also include goodwill and a share of common assets, and is to be consistently applied over time.

The group calculates future cash flows based on estimated results (budgets and forecasts) over a five-year forecast period adjusted for depreciation, amortisation, investments and changes in working capital. The extrapolation period contains a mechanical extrapolation of the cash flows after the forecast period, using a constant growth rate. The present value of the cash flow is calculated using a weighted required rate of return on the total assets and is calculated before tax.

With the exception of goodwill, write-downs recognised in income statements for previous periods are reversed if there is information stating that the need to write-down no longer exists or is no longer as great. However, reversal will not take place if the reversal leads to the recognised value exceeding what the recognised value would have been if normal depreciation/amortisation periods had been used.

Inventories
Inventories are recognised at the lower of cost price and net sales price. The net sales price is the market price under normal operations minus the costs of completion/sale, marketing and distribution. Costs are determined using the FIFO method. Obsolete inventories are written down to their estimated sales value.

Accounts receivable
Accounts receivable are recognised at their nominal value, which equals their amortised cost due to their short economic life, less deductions for bad debts. Given objective evidence of a reduction in value, the difference between the recognised value and the present value of future cash flows is charged to expenses.

Cash and cash equivalents
Cash includes cash in hand and bank holdings. Cash equivalents are short-term liquid investments that can be converted into cash within three months and at a known amount, and which contain insignificant risk elements.

Other equity
– translation differences
Translation differences arise in connection with exchange-rate differences when foreign entities' accounts are being consolidated. Exchange-rate differences relating to monetary items (debts or receivables) which in reality are part of a company's net investment in a foreign entity are treated as translation differences. Should a foreign entity be sold, the accumulated translation difference related to the entity is reversed and recognised in the income statement in the same period as the gain or loss on the sale is recognised.

– hedging reserve
The hedging reserve includes the total net change in the fair value of the cash-flow hedges until the hedged cash flow arises or is no longer expected to arise. The hedging reserve is restricted equity.

– fair value reserve
The fair value reserve includes the total net changes in the fair value of financial instruments classified as available for sale until the investment is sold or it is ascertained that the investment is of no value. The fair value reserve is restricted equity.

– costs relating to equity transactions
Transaction costs related to an equity

transaction are recognised directly in equity after deductions for tax. Only transaction costs directly related to the equity transaction are recognised directly in equity.

Reserves
Reserves are recognised when the company has a prevailing obligation (legal or assumed) as a result of an event that has taken place, it is likely (more probable than not) that there will be a financial settlement as a result of the obligation, and the amount of the obligation can be measured reliably. Reserves are reviewed on each balance sheet date and their level reflects the best estimate of the obligation. In the case of a considerable time effect, the obligation is recognised at the present value of future obligations.

Uncertain obligations assumed through the purchase of a company are capitalised at their fair value even if the obligation is not a probable one. The evaluation of probability and fair value are carried out continuously. Changes in fair value are recognised in the income statement.

– restructuring
Restructuring is defined as a planned programme that significantly changes the scope of the operations or the way in which the operations are carried out, as well as severance pay in connection with reorganisation. Reserves are expensed when the programme is adopted and announced, and the costs are identifiable, quantifiable and not covered by corresponding revenues. The restructuring costs include costs relating to both personnel measures and vacated premises.

– severance pay
Severance pay is paid to redundant government employees until they get a new job. This applies only to those dismissed prior to 31 December 2005. The severance pay obligation is calculated according to best estimates, based on the rules applicable at 31 December 2005.

Contingent liabilities and assets
Contingent liabilities include:
(1) possible liabilities resulting from previous events where the liability's existence depends on future events
(2) liabilities that have not been recognised because it is not probable that they will lead to payment
(3) liabilities that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the annual financial statements unless they have been acquired in a business acquisition. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the likelihood of the liability arising is remote.

A contingent asset is not recognised in the annual financial statements but it is disclosed if it is probable that a benefit will accrue to the group.

Leasing
Leases are treated as either operational leases or financial leases, based on a review of the actual content of each individual lease.

The Group presents financial leases in the financial statements as assets and liabilities, equal to the cost price of the asset or, if lower, the present value of the cash flow from the lease. When calculating the present value of the lease, the implicit interest rate in the lease is used when this can be determined. Alternatively, the company's marginal borrowing rate in the market is used. The asset is depreciated according to the rules determined for equivalent fixed assets. The monthly rental amount is divided into an interest rate element and a repayment element.

In the case of operational leasing, rental amounts are classified as an operating expense and recognised in the income statement over the term of the lease.

Loans
Loans are initially recognised as the net funds received after deducting transaction costs. The loans are then recognised at their amortised cost using the effective interest rate, with the difference between the net funds and the redemption value being recognised in the income statement over the term of the loan.

Public subsidies
Subsidies from public authorities are not recognised until it is reasonably certain that the company will meet the conditions set for receiving the subsidies and that the subsidies will be received. The recognition of a subsidy is postponed until, and amortised over, the period when the costs relating to that which the subsidies are intended for arise. Subsidies are recognised as a deduction from the cost that the subsidy is meant to cover. Subsidies received for the purchase of fixed assets are capitalised.

Foreign currencies
Transactions in foreign currencies are translated at the exchange rate on the transaction date. On the balance sheet date, assets and liabilities in foreign currencies are translated at the exchange rate applicable on the balance sheet date. The income statement effects of exchange-rate changes are presented as financial income or financial expenses.

Events occurring after the balance sheet date
New information on the company's positions on the balance sheet date is taken into account in the financial statements. Events taking place after the balance sheet date that do not affect the company's position on the balance sheet date but which will affect the company's position in the future are disclosed if significant.

Cash flow statement
The cash flow statement has been prepared on the basis of the indirect model. Cash and cash equivalents consist of liquid assets, including liquid assets related to the sales network.

NOTE 1 SEGMENTS

Norway Post's primary reporting format is based on activity. The various segments are as follows:

Post: letters and communication products, banking services, sale of goods and document management. This segment comprises the activities of the Communication, Consumer and Distribution Network Divisions.

Express: domestic and international parcels, courier services in the Nordic region and logistics solutions. This segment comprises the activities of part of the Logistics Division and includes the parent company's operations within this division as well as the operations of the BoxGroup AS and PNL AB subsidiaries.

Logistics: cargo, thermo transport, air, sea, special and heavy goods transport and third-party logistics. This segment comprises the activities of part of the Logistics Division but also includes the activities of the following Norway Post subsidiaries: Nor-Cargo Holding AS, Nettlast AS, Nettlast Hadeland AS, Box Solutions AS and Wajens AS.

ICT: infrastructure services, administrative and electronic solutions. This segment comprises the operations of the subsidiary group ErgoGroup.

Group administration and common costs that are not defined as owner-function costs are allocated to the segments. Owner-function costs include costs relating to the CEO/Board, accounting and finance, organisational development, contact with the authorities, international alliances and group information.

Norway Post's secondary reporting format is based on geography, with a division between Norway and other countries depending on where the revenue is generated.

FIGURES BY ACTIVITY

2005	Post	Express	Logistics	ICT	Other/ eliminations	Group
External revenues	10 393	3 677	4 023	1 898	3	19 995
Internal revenues	1 896	110	39	901	(2 946)	
Total operating revenue	**12 289**	**3 787**	**4 062**	**2 799**	**(2 942)**	**19 995**
Earnings before interest and taxes (EBIT)	**1 276**	**143**	**134**	**82**	**(385)**	**1 250**
Net financial items	29	(2)	23	(13)	8	45
Income from investments in associated companies			2			2
Taxes						312
Net income						**985**

2004	Post	Express	Logistics	ICT	Other/ eliminations	Group
External revenues	10 443	3 523	2 310	1 673	10	17 959
Internal revenues	1 757	34	23	950	(2 764)	
Total operating revenue	**12 201**	**3 556**	**2 333**	**2 622**	**(2 754)**	**17 959**
Earnings before interest and taxes (EBIT)	**1 187**	**136**	**87**	**(35)**	**(119)**	**1 257**
Net financial items	27	(11)	67	(21)	(65)	(3)
Income from investments in associated companies				(2)		(2)
Taxes						399
Net income						**853**

Internal revenues are revenues from transactions between Norway Post's segments. 'Other' includes group administration costs and common costs that are not defined as owner-function costs, as well as eliminations. Transactions with other segments are priced on the basis of normal commercial factors and as if the segments were independent parties.

NOTE 1 SEGMENTS (CONTD)

BREAKDOWN BY ACTIVITY

2005	Post	Express	Logistics	ICT	Other/ eliminations	Group
Segment assets	9 453	2 741	1 317	1 239	(2 135)	12 616
Unallocated assets						597
Total assets						**13 213**
Segment liabilities	5 499	1 900	911	805	(2 203)	6 912
Unallocated liabilities						1 519
Total liabilities						**8 431**

2004						
Segment assets	8 975	2 335	946	1 252	(3 274)	10 234
Unallocated assets						80
Total assets						**10 314**
Segment liabilities	3 952	1 019	725	544	(2 068)	4 172
Unallocated liabilities						1 779
Total liabilities						**5 951**

Deferred tax assets are included in unallocated assets, and deferred tax and interest-bearing liabilities are included in unallocated liabilities.

INVESTMENTS

2005	Post	Express	Logistics	ICT	Other/ eliminations	Group
Investments in fixed assets	671	94	41	85	66	957
Depreciation	372	73	49	231	20	745
Write-downs	4	18	5	4	25	56

2004						
Investment in fixed assets	111	116	53	223	107	610
Depreciation	373	75	36	301	17	802
Write-downs		1		78	38	117

Investments in fixed assets do not include the acquisition of enterprises or goodwill.

NOTE 1 SEGMENTS (CONT.)

GEOGRAPHICAL FIGURES	NORWAY POST GROUP	
	2005	2004
External revenues		
Norway	17 432	16 165
Abroad*	2 563	1 794
Total revenues	**19 995**	**17 959**
Assets		
Norway	12 751	9 966
Abroad*	462	348
Total assets	**13 213**	**10 314**
Investments during the period		
Norway	843	523
Abroad*	114	87
Total investments	**957**	**610**

*Abroad is comprised mainly of other Nordic countries.

NOTE 2 PAYROLL EXPENSES AND OTHER REMUNERATION

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
5 074	4 960	Salaries	6 600	6 451
719	716	National insurance contributions	1 022	990
372	411	Pension expenses	519	451
142	150	Other benefits	229	226
6 307	**6 237**	**Payroll expenses**	**8 370**	**8 118**
1 293	1 527	Board of Directors' fees	2 544	2 492
1 430	1 513	Auditor's fee for audit of annual financial statements	6 583	6 470
794	200	Auditor's fee for other financial audit work	549	1 608
764	625	Auditor's fee for other attestation services	625	764
464	380	Auditor's fee for tax advisory services	1 565	464
1 501	696	Auditor's fee for other services	2 330	3 813
16 721	15 713	No. of full-time positions/full-time equivalents	20 541	21 373
20 351	19 008	Average no. of employees	23 926	24 471
26 281	26 193	No. in pension scheme at 31 Dec.	30 614	30 336

Remuneration and fees
The board of directors does not have any pension scheme or other schemes apart from fees.
The remuneration to the board shows the amount expensed.

Key Norway Post personnel have received the following remuneration. Key personnel are defined as persons that are authorised and responsible for planning, executing and monitoring the enterprise's operations:

Posten Norge AS	
Short-term remuneration	12 067 000
Bonuses	2 145 000
Norway Post Group	
Short-term remuneration	25 686 000
Bonuses	5 235 000

Key personnel have not received any payments after termination of employment, severance packages, share-based remuneration or any other long-term remuneration.

The Chief Executive Officer's (CEO) salary and other remuneration during the period from 1 January 2005 to 30 September 2005 equalled NOK 2 646 096. No severance package was agreed on for the former CEO. From 1 October 2005 to 31 December 2005, the Acting CEO received salary and other remuneration of NOK 525 000. The pension premium paid in 2005 equalled NOK 2 099 232.

The CEO has an annual salary of NOK 2 450 000.In the case of resignation, the employment agreement includes six months' salary during the period of notice and nine months' salary after leaving the company, which may be reduced after three months if another salary is received. The CEO's pension contract stipulates a retirement age of 65 years, but includes a right to retire at the age of 64 years and receive a supplementary pension so that the total pension is 66 per cent of his salary on the retirement date.

Posten Norge AS had a bonus scheme for the CEO and group management in 2005, making it possible for them to achieve bonuses of up to 25 per cent of their salaries. The primary condition for the payment of a bonus is that a profit is made before tax. If a bonus is payable according to the profit criterion, a bonus may also be paid based on individual goals. The final decision regarding a bonus is determined by the board (the CEO for the group management). If the employee has left the company prior to the payment date, no bonus is paid. For 2005, a total of NOK 3 million has been set aside for group management bonuses.

Audit fees for services other than auditing services consist mainly of due diligence reviews related to acquisitions.

NOTE 3 PENSIONS

POSTEN NORGE AS				NORWAY POST GROUP	
GRS 2004	IFRS 2004	IFRS 2005		2005	2004
			Net pension expenses:		
503	539	575	Present value of pensions earned for the year	660	600
12	12	20	Administration costs	21	12
694	651	650	Interest expenses on the pension obligation	684	676
(768)	(733)	(763)	Estimated return on pension assets	(793)	(755)
48			Recognised estimate changes and deviations	3	
10			Recognised pension scheme changes		
499	**469**	**482**	**Gross pension expenses**	**575**	**533**
(107)	(107)	(103)	Employee contribution 2%	(103)	(107)
	55	77	Interest element reclassified to financial income	77	53
392	**417**	**456**	**Net pension expense**	**549**	**479**
		532	**Cost of transition to new pension scheme**	**532**	

NOTE 3 PENSIONS

POSTEN NORGE AS				NORWAY POST GROUP	
GRS 2004	IFRS 2004	IFRS 2005		2005	2004
			Net pension obligations:		
(12 662)	(13 198)	(1 478)	Estimated accrued insured pension obligations	(2 333)	(13 788)
13 317	13 311	32	Estimated value of pension assets	571	13 801
655	**113**	**(1 446)**	**Net estimated insured pension obligations (-)/ assets (+)**	**(1 762)**	**13**
(20)	(9)	(2)	Estimated accrued uninsured pension obligations	(35)	(78)
635	**104**	**(1 448)**	**Net estimated pension obligations (-)/ assets (+)**	**(1 797)**	**(65)**
115			Unrecognised pension scheme changes		
1 666	751	14	Unrecognised estimate changes and deviations	188	786
2 416	**855**	**(1 434)**	**Net pension assets /(obligations) recognised in the balance sheet**	**(1 609)**	**721**
			Changes in the pension obligations:		
2 254	659	855	Net assets 1 Jan	721	572
(499)	(469)	(482)	Gross pension expenses	(575)	(533)
665	665	190	Premium payments	255	737
		(532)	Cost of transition to new pension scheme	(532)	
		(1 480)	Estimated repayment of previously paid pension premiums	(1 480)	
		15	Accrued salary compensation	15	
(4)			Obligations relating to new/sold companies during the year	(13)	(55)
2 416	**855**	**(1 434)**	**Net pension assets (obligations) as at 31 Dec**	**(1 609)**	**721**
			Defined contribution pension schemes		
			Contributions expensed	18	16
			No. of members	1 630	1 476
			Percentage of salary	1,3 - 8 %	1,3 - 8 %

Pension obligations have been calculated on the basis of the following financial and actuarial assumptions:

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
		Assumptions		
5,0 %	4,0 %	Discount rate in %	4,0 %	5,0 %
3,0 %	3,0 %	Salary increase in %	3,0 %	3,0 %
2,7 %	2,7 %	National Insurance base amount (G) increase in %	2,7 %	2,7 %
2,7 %	2,7 %	Pension indexation in %	2,7 %	2,7 %
5,9 %	5,8 %	Return on scheme assets in %	5 %-5,8%	6 %-6,2%
8,0 %	8,0 %	Voluntary retirement (under 50 years old) in %		
2,5 %	2,5 %	Voluntary retirement (over 50 years old) in %		
300 %	300 %	Disability rate K 1963 increase in %		
50 %	50 %	Use of contractual pension (AFP) in %		

In light of the developments in the government bond interest rates, the discount rate was reduced by 1.0 percentage point in 2005.
Other long-term assumptions remain unchanged apart from a minor adjustment to the estimated return on pension scheme assets.

Posten Norge AS
Pension schemes in 2005
The actual return on pension scheme assets amounted to NOK 637 million in 2004. The actual return on pension scheme assets in 2005 will be determined in June/July 2006.

As described under the accounting principles, the board of Posten Norge AS has decided that IFRS is to be implemented in the company's annual financial statements with effect from 1 January 2004. The overview of the parent company's pension expenses and pension obligations is specified for 2004 in accordance with both NGAAP and IFRS. As of 31 December 2004, the company had recognised net pension assets of NOK 2 461 million before the transition to IFRS. The implementation of IFRS reduces the net pension assets to NOK 855 million as of 31 December 2004. The reduction of NOK 1 561 million is due to:
- Unrecognised pension scheme changes of NOK 126 million and unrecognised deviations from estimates of NOK 1 465 million were recognised directly in equity as of 1 January 2004.
- The net pension expense for 2004 is NOK 30 million less according to IFRS than according to NGAAP.

Up to 31 December 2005, Posten Norge AS had a company pension scheme for its employees with the Norwegian Public Service Fund (SPK). This scheme included the following benefits pursuant to the Norwegian Public Service Fund Act:

Retirement pension
- 66 per cent of the employee's final salary as of 70 years of age, with a right to retire as of 67 years of age

Disability pension
- 66 per cent of the employee's salary on the disability date

Spouse pension
- 9 per cent of the final salary

Child pension
- 15 per cent of the final salary

The pension scheme with the Norwegian Public Service Fund also included a contractually agreed early retirement pension that was financed from the date of employment.

The pension obligations also include pension schemes with Storebrand for senior employees.

Termination of the Norwegian Public Service Fund pension scheme
The board of Posten Norge AS decided to terminate the company pension scheme with the Norwegian Public Service Fund as of 31 December 2005. The non-recurring cost of terminating the scheme is estimated to be NOK 532 million. This cost is arrived at on the following basis:
- Recognised pension assets of NOK 560 million prior to withdrawal from the Norwegian Public Service Fund.
- Pension obligations relating to a new contractually agreed early retirement (AFP) scheme with Navo of NOK 1 353 million.
- Reserves of NOK 99 million for payroll compensation, etc, in connection with the transition to a new pension scheme.
- The repayment of NOK 1 480 million in previously paid-in pension assets from the Norwegian Public Service Fund.

The recognised pension assets and the reserves for a new contractually agreed early retirement (AFP) scheme with Navo are based on the abovementioned financial assumptions. The repayment of NOK 1 480 million in pension assets is based on a statement of account received from the Norwegian Public Service Fund. However, no final settlement with the Norwegian Public Service Fund has been reached. There is thus a risk that the final settlement may deviate from that assumed in the 2005 financial statements.

The net pension obligation of NOK 1 434 million as of 31 December 2005 mainly applies to the AFP scheme, in addition to payroll compensation and a pension scheme with Storebrand for senior employees. AFP rights are accrued from the date of employment.

As of 1 January 2006, Posten Norge AS has introduced a defined contribution pension scheme for all employees to replace the previous pension scheme with the Norwegian Public Service Fund. The contribution rates are 4.5 per cent for salaries that are 2-6 times the National Insurance Scheme's base amount (G), and 8 per cent for salaries that are 6-12 times this amount. In addition, the company has established a new private disability pension scheme which provides a pension of 66 per cent of the employee's salary with no paid-up policy accrual. The children and dependant supplements to Norway Post's group life insurance scheme replace the former spouse and child pensions with the Norwegian Public Service Fund. Norway Post's other personnel insurance coverages are on the whole unchanged compared to 2005.

The costs of the new pension and insurance schemes are expected to be at around the same level as for previous years.

The new scheme has been introduced in agreement with the employees' organisations, and it has been agreed that the new pension and insurance schemes will be covered by the collective agreement.

Group
Most of the subsidiaries have pension schemes. Some companies have defined benefit pension schemes which entitle their employees to specific future pension benefits. Other subsidiaries have defined contribution pension schemes where the premium is expensed as it is paid.

The group companies mainly apply the same long-term financial assumptions as Posten Norge AS.
The returns on the group companies' pension schemes deviate from that of the Posten Norge AS scheme due to the different composition of the pension-asset portfolios.

CityMail Sweden AB has a defined benefit pension scheme. However, this pension scheme is recognised in the accounts as a defined contribution pension scheme since there are no adequate professionally qualified calculations of the pension scheme, pension assets and pension obligations available.

NOTE 4 OTHER OPERATING EXPENSES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
850	814	Cost of premises	1 084	1 072
131	139	Other rental expenses	189	181
78	59	Tools, fixtures, fittings, operating materials	88	106
72	66	Repair and maintenance of equipment	127	128
277	254	Accounting and payroll services	287	286
922	825	IT services	180	59
210	302	Other external services	430	341
68	51	Telephone expenses	53	56
85	88	Travel expenses	160	143
171	164	Marketing	212	214
72	50	Insurance, guarantee and service costs	66	89
121	85	Other expenses	83	182
3 057	2 897	Operating expenses	2 959	2 857

NOTE 5 RESTRUCTURING EXPENSES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
138	67	Restructuring	170	230
26	(12)	Severance pay	(12)	26
164	55	Total restructuring expenses	158	256

Restructuring and severance pay
Restructuring expenses apply to this year's provision, while the reduction in the severance pay expenses relates to the reversal of previous years' provsions. Refer also to note 19.

NOTE 6 GAIN/LOSS ON THE SALE OF FIXED ASSETS

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
	65	Gain on the sale of subsidiaries/operations, etc	71	24
12	5	Gain on the sale of fixed assets	9	19
12	70	Total gain on the sale of fixed assets/subsidiaries	80	43
		Loss on the sale of subsidiaries/operations, etc		
17	32	Loss on the sale of fixed assets	33	22
17	32	Total loss on the sale of fixed assets/subsidiaries	33	22

Sale of subsidiaries/operations, etc
In 2005, Norway Post sold its business unit for internal corporate postal services at a gain of NOK 65 million. See note 11. In addition, the shares in HMS Norge AS were sold at a gain of NOK 6 million. See note 12.

NOTE 7 FINANCIAL INCOME AND FINANCIAL EXPENSES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
30	24	Interest income from group companies		
73	114	Other interest income	125	77
	5	Gains on sale of subsidiaries/operations, etc		
19	38	Exchange rate gains on financial investments	53	24
84	3	Group contribution and dividend received	16	4
	4	Gains on ineffective hedging instruments	4	
4	30	Gains on derivatives	31	4
	17	Gains on "fair value through profit or loss" objects	17	
56	3	Other financial income	19	61
266	238	Financial income	265	170
6	9	Intercompany interest expenses		
3	3	Interest expenses on financial leases	3	3
53	97	Other interest expenses	105	58
12	32	Exchange rate losses on financial investments	49	14
	17	Loss on derivatives	17	
	17	Loss on "fair value through profit or loss" objects	17	
94	25	Other financial expenses	29	98
168	200	Financial expenses	220	173

Other interest income includes interest income on net pension assets that have been reclassified from payroll expenses to financial income as of 2004. For 2005, this amounts to NOK 77 million for both Posten Norge AS (NOK 55 million for 2004) and the Norway Post Group (NOK 53 million for 2004). Other interest expenses are primarily related to long-term financing.

NOTE 8 TAXES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
180	590	Taxes payable	615	225
218	(302)	Change in deferred taxes (tax assets)	(303)	174
398	**288**	**Taxes**	**312**	**399**
	590	Tax payable for the year	625	8
180		Correction tax payable		180
		Too much/little paid in previous years	1	
180	**590**	**Taxes payable**	**626**	**188**
218	(302)	Deferred tax due to changes in temporary differences	(296)	174
		Losses carried forward, not included previous years	(7)	
218	**(302)**	**Deferred taxes**	**(303)**	**174**
32 %	**29 %**	**Effective tax rate**		
		Reconciliation of the effective tax rate with the Norwegian tax rate:		
1 229	1 006	Earnings before tax		
344	282	28 per cent tax		
56	5	Other non-deductible costs 28 per cent		
(2)	(2)	Non-taxable income 28 per cent		
	3	Other		
398	**288**	**Taxes**		
(72)	(107)	Tangible fixed assets	(91)	(69)
(2)	(1)	Receivables	(5)	(13)
(3)		Foreign exchange	(1)	(1)
(3)	(2)	Inventories	(2)	(3)
	(402)	Pensions	(450)	
(95)	(63)	Provisions	(99)	(112)
	(16)	Group contributions	(16)	
	(12)	Other	(15)	(15)
(198)		Loss carried forward	(41)	(267)
(373)	**(603)**	**Deferred tax assets – gross**	**(720)**	**(480)**
70	56	Gains and losses account	79	99
239		Pensions		206
10	3	Other	17	30
319	**59**	**Deferred taxes – gross**	**96**	**335**
(54)	**(545)**	**Net deferred tax asset**	**(624)**	**(145)**
		Deferred tax asset not recognised in the balance sheet	27	65
(54)	**(545)**	**Net recognised deferred tax assets**	**(597)**	**(80)**

NOTE 8 TAXES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
		Deferred taxes recognised directly in equity		
13	13	The effect of introducing IAS 16	13	13
445	456	The effect of introducing IAS 19	456	456
	11	The effect of introducing IAS 39	11	
		Translation differences on the hedging of investments in foreign entities	(3)	
	(3)	Cash flow hedging	(3)	
458	**477**	**Total**	**474**	**469**

Gross temporary differences that are not capitalised relate to losses carried forward. The group had a total of NOK 151 million in losses carried forward as of 31 December 2005, of which NOK 5 million are limited in time to 2014. The loss carried forward that falls due prior to 2014 is expected to be utilised based on expectations of future profits.

NOTE 8 TAXES

POSTEN NORGE AS Changes in temporary differences	31.12.04	New companies acquired	Recognised in income statement	Recognised in equity	31.12.05
Tangible fixed assets	(256)		(125)		(381)
Gains and losses account	251		(51)		200
Receivables	(8)		5		(3)
Foreign exchange	(14)		14		
Inventories	(10)		4		(6)
Pensions	855		(2 289)		(1 434)
Provisions	(337)		113		(224)
Group contributions			(58)	(8)	(58)
Other	32		(63)		(39)
Loss carried forward	(705)		705	(8)	
Total	**(192)**		**(1 745)**		**(1 945)**

NORWAY POST GROUP Changes in temporary differences	31.12.04	New companies acquired	Recognised in income statement	Recognised in equity	31.12.05
Tangible fixed assets	(246)	1	(105)	24	(326)
Gains and losses account	355		(73)		282
Receivables	(48)		29		(19)
Foreign exchange			(6)	3	(3)
Inventories	(10)		4		(6)
Pensions	735		(2 340)		(1 605)
Provisions	(400)	(39)	86		(353)
Group contributions			(58)		(58)
Other	55		(41)	(8)	6
Loss carried forward	(959)	(12)	824		(147)
Total	**(518)**	**(50)**	**(1 680)**	**19**	**(2 229)**

NOTE 9 INTANGIBLE ASSETS

NORWAY POST GROUP	Internally generated intangible assets			Acquired intangible assets					
	IT development	Facilities under con-struction	Total	IT development, trademarks, etc	Facilities under con-struction	Goodwill	Total	Total 2005	Total 2004
Acquisition cost:									
At 1 January	570	27	597	493	24	1 945	2 462	3 059	2 044
Additions	37	4	41	25	215	1	241	282	366
Disposals	(98)		(98)	(39)			(39)	(137)	(62)
Additions through acquisitions (Note 28)				5		411	416	416	713
Adjustments to cost price						(10)	(10)	(10)	
Translation differences	(1)		(1)	(3)		(12)	(15)	(16)	(2)
Transfers from facilities under construction	27	(27)		7	(7)				
At 31 December	**535**	**4**	**539**	**488**	**232**	**2 335**	**3 055**	**3 594**	**3 059**
Accumulated amortisation and write-downs:									
Amortisation method	Straight-line								
Useful life	2-6 years								
At 1 January	(432)		(432)	(183)		(429)	(612)	(1 044)	(754)
Amortisation for the year	(84)		(84)	(61)			(61)	(145)	(175)
Write-downs for the year	(5)		(5)	(25)		(20)	(45)	(50)	(115)
Disposals	95		95	37			37	132	
Translation differences	1		1	1		7	8	9	
At 31 December	**(425)**		**(425)**	**(231)**		**(442)**	**(673)**	**(1 098)**	**(1 044)**
Book value	**110**	**4**	**114**	**257**	**232**	**1 893**	**2 382**	**2 496**	**2 015**

POSTEN NORGE AS	IT development	Facilities under con-struction	Total	IT development, trademarks, etc	Facilities under con-struction	Goodwill	Total	Total 2005	Total 2004
Acquisition cost:									
At 1 January				172	24	15	210	210	113
Additions				9	218		227	227	97
Disposals				(29)			(29)	(29)	
Transfers from facilities under construction				7	(7)				
At 31 December				**158**	**235**	**15**	**408**	**408**	**210**
Accumulated amortisation and write-downs:									
Amortisation method				Straight-line					
Useful life				2-6 years					
At 1 January				(94)		(5)	(99)	(99)	(80)
Amortisation for the year				(25)			(25)	(25)	(19)
Write-downs for the year				(27)			(27)	(27)	
Disposals				29			29	29	
At 31 December				**(118)**		**(5)**	**(122)**	**(122)**	**(99)**
Book value				**41**	**235**	**10**	**285**	**285**	**111**

NOTE 9 INTANGIBLE ASSETS CONT.

IT development, trademarks, etc
For intangible assets that have a finite useful life, the amortisation period is 2-6 years, depending on the useful life of each individual component based on an individual assessment. The amortisation for the year is presented in the income statement in the line for amortisation.

Trademarks amounting to NOK 107 million have been capitalised as a result of the acquisition of companies. Based on an assessment of factors such as the products, markets, economy and competitors, the period during which there are expected to be net positive cash flows from the acquired companies is regarded as being indefinite and the capitalised trademarks are therefore not amortised. An annual write-down test is conducted.

Research and development
The Norway Post Group charged a total of NOK 32 million to expenses in relation to development projects that are not expected to generate any future financial benefits.

Facilities under construction
Facilities under construction mainly comprise a new IT system for Norway Post's sales network which is expected to be completed in 2006.

See note 27 for purchase obligations related to intangible and tangible assets.

NORWAY POST GROUP

	Acquisition cost 01.01	Book value 01.01	Translation differences	Additions 2005	Adjustments cost price 2005	Write-downs 2005	Book value 31.12
Goodwill in the group:							
Box Group AS	133	93					93
Wajens AS	28	17					17
Box Solutions AS	95	58					58
CityMail Sweden AB	69	57	(4)	113			166
Nor-Cargo-Holding AS	568	568			(2)		566
Group adjustments	(8)						(1)
Goodwill in the companies:							
Posten Norge AS	14	10					10
ErgoGroup	648	421	3	147			571
Box Group	236	187	(1)	9	(8)	(18)	169
Wajens AS	6	6					6
CityMail Sweden AB	93	37	(2)				35
Box Solutions AS	3	2					2
Nor-Cargo-Holding AS	60	60		143		(2)	201
Total goodwill in the group	**1 945**	**1 516**	**(4)**	**412**	**(10)**	**(20)**	**1 893**

Adjustment of cost price
Box Group has revised the purchase price for Skakmat in Denmark, which was based on an earn-out contract. The adjustment of the cost price has been recognised in goodwill in 2005.

In 2005, the cost price of goodwill related to the purchase of NorCargo was adjusted to take account of the result of a dispute, in accordance with the purchase contract.

Write-downs
Intangible assets that have an indefinite useful life, such as goodwill, are subjected to an annual write-down test.
Write-down tests are conducted more frequently if there are indications of a reduction in value.

Goodwill is allocated to cash-generating units in order to assess the need for a write down. Allocation takes place based on an evaluation of the cash flows related to the operations to which the goodwill pertains. If the cash flows are independent of cash flows related to other entities, the individual operations comprise the assessment entity. If not, goodwill is allocated to an assessment entity at a higher level.

A need to write-down exists if the book value of an assessment entity including goodwill exceeds the recoverable amount.

The recoverable amount is the higher of fair value minus sales costs and value in use, where the value in use is the present value of estimated cash flows related to future usage.

Norway Post has calculated the future cash flows based on the estimated results (budgets and forecasts) over a five-year forecast period adjusted to take account of depreciation, amortisation, investments and changes in the working capital. The extrapolation period contains a mechanical extrapolation of cash flows after the forecast period at a constant growth rate. The net present value of the cash flow is calculated using a weighted required rate of return on the total assets and is calculated before tax.

In 2005, goodwill related to the following entities was written down:

De grønne Bude
Goodwill recognised in De grønne Bude has been allocated to the De Grønne Bude cash generating unit. The book value of the entity including goodwill exceeds the estimated recoverable amount by NOK 18 million, and accordingly the goodwill has been written down by this amount. The recoverable amount of NOK 77 million has been calculated on the basis of the company's estimated results for 2006-2011 and a weighted required rate of return on the total assets before tax of 8.7 per cent. De grønne Bude is a subsidiary of Box Group AS and is part of the Express Segment.

Nor-Cargo
The book values of the Nor-Cargo Svolvær, Nor-Cargo Rana and Data and Nor-Cargo Narvik entities exceed the estimated recoverable amounts by NOK 1 million, NOK 0.7 million and NOK 0.7 million respectively. In these cases, the recoverable amount for the associated cash-generating entities has been calculated to be zero. The entities belong to Nor-Cargo AS and the Logistics Segment.

The write-down amounts are presented in a separate line in the income statement.

NOTE 10 TANGIBLE FIXED ASSETS

NORWAY POST GROUP

Acquisition cost:	Machinery	Vehicles, fixtures and fitting	Buildings and property	Machinery under construction	Buildings under construction	2005 Total	2004 Total
At 1 January	1 893	2 411	2 873	33	1	7 211	7 024
Additions	114	138	38	42	344	676	412
Disposals	(95)	(122)	(1)			(218)	(397)
Additions due to acquisition (Note 28)	19	26	9			54	178
Translation differences		(6)				(6)	(1)
Transfers to/from held for sale			(51)			(51)	(5)
Transfers from under construction	4	40	1	(44)	(1)	0	
At 31 December	**1 935**	**2 487**	**2 869**	**31**	**344**	**7 666**	**7 211**
Accumulated depreciation and write-downs:							
Depreciation method	Straight-line	Straight-line	Straight-line				
Useful life	4-8 years	3-10 years	15-40 years				
At 1 January	(1 346)	(1 494)	(989)			(3 829)	(3 464)
Depreciation for the year	(194)	(293)	(113)			(600)	(627)
Write-downs for the year		(5)	(1)			(6)	(2)
Disposals	72	132	1			205	264
Translation differences		3				3	
Transfers to/from held for sale			36			36	
At 31 December	**(1 468)**	**(1 657)**	**(1 066)**			**(4 191)**	**(3 829)**
Book value	**467**	**830**	**1 803**	**31**	**344**	**3 475**	**3 382**

NOTE 10 TANGIBLE FIXED ASSETS

POSTEN NORGE AS

Acquisition cost:	Machinery	Vehicles, fixtures and fitting	Buildings and property	Machinery under construction	Buildings under construction	2005 Total	2004 Total
At 1 January	995	2 075	2 627	33	2	5 732	5 897
Additions	53	73	38	42	343	550	151
Disposals	(14)	(219)	(1)			(234)	(316)
Transfers to/from held for sale			(51)			(51)	
Transfers from machinery/buildings under construction	4	40	1	(44)	(1)		
At 31 December	**1 038**	**1 970**	**2 615**	**31**	**344**	**5 997**	**5 732**
Accumulated depreciation and write-downs:							
Depreciation method	Straight-line	Straight-line	Straight-line				
Useful life	4-8 years	4-8 years	15-40 years				
At 1 January	(683)	(1 323)	(949)			(2 955)	(2 826)
Depreciation for the year	(73)	(231)	(99)			(403)	(408)
Write-downs for the year		(3)	(1)			(4)	(2)
Disposals due to the sale of companies	10	214	1			225	282
Transfers to/from held for sale			36			36	
At 31 December	**(746)**	**(1 343)**	**(1 013)**			**(3 102)**	**(2 955)**
Book value	**292**	**627**	**1 602**	**31**	**344**	**2 895**	**2 777**

Some fixed assets that were previously classified as machinery were reclassified as vehicles, fixtures and fittings, and vice versa, in 2005. The classification in the balance sheet at 1 January has been amended correspondingly.

Construction loan interest
Tangible fixed assets include construction loan interest relating to the building of certain assets. The capitalised construction loan interest amounted to NOK 20 million in 2005 and NOK 21 million in 2004.

Residual values
Residual values are taken into consideration in relation to depreciation.

Removal obligations
Due to the implementation of IFRS, the gross cost price for a plot of land has been increased by NOK 13 million and a corresponding provision for liabilities is recognised relating to restoration costs for polluted land.

Depreciation
Tangible fixed assets with a finite useful life are depreciated in a straight line over the useful life of each individual asset, based on an individual assessment. The depreciation for the year is presented in the income statement in the line for depreciation. The depreciation period is 4-8 years for machinery, 3-10 years for vehicles/fixtures and fittings, etc, and 15-40 years for buildings.

Information on assets held for sale and financially leased equipment is provided in notes 11 and 25 respectively.

See also note 27 regarding purchase obligations relating to intangible and tangible assets.

NOTE 11 HELD FOR SALE

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
	16	Held for sale buildings	21	5
	16	**Total assets held for sale**	**21**	**5**

The following assets were classified as held for sale at 31 December 2005:

Narvik Postgård property
Since Norway Post is no longer to own post office premises, it was decided to sell the Narvik Postgård property in March 2005. A sales contract was signed in January 2006 and the sales price is equal to the property's book value. The property is included in the Post Segment in note 1.

Sortland sorting terminal
In connection with the fact that Nor-Cargo AS no longer has a maritime forwarding agent in the Sortland area, it was decided to sell the Sortland Terminal property in June 2004. The sale is expected to be finalised in September 2006, once the floor space has been made ready. The property forms part of the Logistics Segment in note 1.

The following assets were classified as held for sale and sold during the year:

Internal corporate postal services
In March 2005, Norway Post decided to sell its internal corporate postal services since it did not regard these as being part of its core activity. This business unit had assets with a book value of NOK 4 million, which were classified as held for sale during the period from March to May 2005. The business unit was sold to ISS with effect from May 2005 and the transaction resulted in an accounting gain of NOK 65 million. See also note 6.

NOTE 12 INVESTMENTS IN SHARES

POSTEN NORGE AS	Acquired/ established	Address	Main activity	Ownership share at 31.12.2005	Voting share at 31.12.2005	Book value at 31.12.2005
Subsidiaries						
ErgoGroup AS	01-12-96	Oslo	ICT	100 %	100 %	781
Box Solutions AS	12-04-00	Oslo	3P Logistics	100 %	100 %	107
Box Group AS	01-01-99	Oslo	Express	100 %	100 %	198
Wajens AS	12-04-00	Oslo	Transport	100 %	100 %	36
Nettlast AS	15-11-00	Oslo	Transport	100 %	100 %	46
Nettlast Hadeland AS	15-11-00	Jaren	Transport	100 %	100 %	8
Posten Forbrukerkontakt AS	01-10-97	Oslo	None	100 %	100 %	3
CityMail Sweden AB	01-05-02	Sweden	Post	100 %	100 %	298
Nor-Cargo Holding AS	10-06-04	Oslo	Transport	100 %	100 %	884
Oss mennesker imellom AS	08-03-05	Oslo	None	100 %	100 %	-
Norwegian Mail International AB	04-07-05	Sweden	Holding	100 %	100 %	-
Joint ventures						
Pan Nordic Logistics AB (PNL)	1999/2000	Sweden	Logistics	50 %	50 %	28
Other interests						
Optimail AB	2004	Sweden	Post	8 %	8 %	17
Minor shareholdings owned directly by Posten Norge AS						3
TOTAL						2 409
NORWAY POST GROUP						
Group investments in shares						
Atento AS	2001	Oslo			33 %	4
Gecko AS	2000	Kristiansand			34 %	1
Interprice Consulting AS	2002	Denmark			34 %	1
Materiallagret AS	2005	Longyearbyen			34 %	8
Nor-Cargo Vestfinnmark AS	2005	Hammerfest			50 %	2
Nor-Lines Kirkenes AS	2005	Kirkenes			33 %	1
Box Delivery Halmstad AB	2005	Sverige			25 %	1
OptiMail AB	2002/2004	Sweden			20 %	43
Other shares in companies						8
TOTAL						69

Posten Norge AS has an obligation to purchase the remaining 43 per cent of the shares in CityMail Sweden AB for NOK 160 million by the end of the first quarter 2006. This share purchase is recorded in the accounts at 31 December 2005.

The share capitals of ErgoGroup AS and Box Group AS were increased by NOK 350 million and NOK 31 million respectively in 2005.

Posten Norge AS established a subsidiary called Norwegian Mail International AB in 2005. This company has a share capital of NOK 0.1 million and had no activity in 2005.

In order to protect the name Oss Mennesker Imellom, Posten Norge AS has established a subsidiary with the same name. This company

has a share capital of NOK 0.1 million and had no activity in 2005.

Posten Norge AS sold its shares in HMS Norge AS in September 2005 resulting in a gain of NOK 5 million.

The group's investments in Optimail AB and Fagernes Skysstasjon AS are categorized as "available for sale", cf IAS 39, and valued at their fair value. See also note 22.

The group has made the following investments after the balance sheet date:

Frigoscandia
Posten Norge AS has acquired all of the shares in FrigoScandia (FSD HoldCo AB), a Swedish third-party logistics and transport company. This purchase was completed in January 2006 and is an important contribution to Norway Post's further development of its logistics operations in the Nordic region.

OptiMail
Through its wholly owned subsidiary Norwegian Mail International AB, Norway Post has acquired all of the shares in Optimail AB, a Swedish postal company. This purchase was completed in January 2006 and Optimail was removed from the Stockholm Stock Exchange on 24 January 2006.

Johs Lunde
Norway Post's subsidiary Nor-Cargo AS and the Johs Lunde Group merged their thermo-regulated transport operations and established a new company called Nor-Cargo Thermo Holding in January 2006. This merger covers Nor-Cargo Thermo AS and the Johs Lunde Group's seven thermo-regulated transport companies. Nor-Cargo and the Johs Lunde Group will each own 50 per cent of the new company.

CityMail Danmark
CityMail Danmark will be established in 2006 to distribute post over 50 grams in the Copenhagen area. This company will be operational from the 1st quarter 2007.

JOINT VENTURES

Entity	Country	Activity	Ownership share
Pan Nordic Logistics (PNL)	Sweden	Logistics	50 %
Buypass	Norway	ICT	45 %

The group's total share of the assets, liabilities, revenues and expenses relating to joint-venture investments that have been incurred together with the other participants are as follows:

	PNL		BUYPASS	
	2005	2004	2005	2004
Assets				
Current assets	105	99	40	26
Fixed assets	16	26	18	22
Liabilities				
Current liabilities	98	99	25	16
Long-term liabilities	28	32	29	29
Net Assets	**(5)**	**(6)**	**4**	**3**
Revenues	506	499	40	34
Expenses	501	498	39	34
Cash flow from:				
Operational activities	6	4	15	6
Investment activities	(3)	(5)	(3)	(6)

INVESTMENTS IN ASSOCIATES

Entity	Country	Acquired	Ownership share	Book value 31.12.04	Book value 31.12.05	Share of net income 2005
Atento AS	Norway	2001	33 %	4	4	-1
Gecko AS	Norway	2000	34 %	1	1	2
Interprice Consulting	Denmark	2002	34 %	2	1	
Box Delivery Halmstad AB	Sweden	2005	25 %		1	
Materiallagret AS	Norway	2005	34 %		8	1
Nor-Cargo Vestfinnmark AS	Norway	2005	50 %		2	1
Other	Norway	2004/2005	17% - 50%	1	1	
HMS Norge AS	Norway	2004	50 %	3	-	
Total				11	18	2

A summary of the financial information for the individual associated companies:

Entity	Assets	Liabilities	Equity	Revenue	Net income for the year
Atento AS	15	2	13	19	(2)
Gecko AS	18	13	5	17	5
Interprice Consulting	8	4	4	16	
Box Delivery Halmstad AB	9	8	1	31	
Materiallagret AS	28	17	11	5	2
Nor-Cargo Vestfinnmark AS	9	5	4	18	2
Other	16	11	5	15	(1)
Total	103	60	43	121	6

Other associated companies comprise Nor-Lines Kirkenes AS (33%), Myre Fryseterminal AS (17%), Nor Logistics Services AS (50%), Norske Godslinjer Sogn og Fjordane AS (20%) and Eiendomsverdi Næring AS (50.5%).

Norway Post sold its shares in HMS Norge AS in 2005.

NOTE 13 INTEREST-BEARING LONG-TERM AND SHORT-TERM RECEIVABLES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
86	63	Other long-term receivables	91	106
637	493	Loans to group companies		
722	557	Interest-bearing long-term receivables	91	106
	100	Repayments 2007		
	100	Repayments 2008		
	95	Repayments 2009		
	120	Repayments 2010		
	141	Thereafter	91	106
	557	Interest-bearing long-term receivables	91	106
	3	Other short-term receivables	13	12
538	319	Loans to group companies		
538	323	Interest-bearing short-term receivables	13	12

In 2005, receivables from subsidiaries related to the group account system were reclassified from interest-free receivables to interest-bearing receivables. Comparable figures for 2004 have been restated accordingly.

The first year's repayment of interest-bearing long-term receivables has been reclassified as an interest-bearing short-term receivable.

Norway Post's insurance account accounts for NOK 57 million (NOK 74 million in 2004) of other long-term receivables. See note 23.

NOTE 14 OTHER LONG-TERM RECEIVABLES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
855		Pension assets		722
7	6	Receivables from employees	6	12
	2	Long-term derivatives	2	
54	8	Other long-term receivables	12	61
916	15	Interest free long-term receivables	20	795

Receivables from employees include loans to employees of NOK 6 million with a repayment period of more than 12 months. These loans are interest-free and the employees' interest benefit on this is reported to the tax authorities.

The change in pension assets is explained in greater detail in note 3.

NOTE 15 INVENTORIES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
70	64	Acquisition cost	69	77
(10)	(6)	Write-downs	(6)	(10)
60	**58**	**Inventories**	**63**	**67**

The inventories mainly consist of postage stamps and other goods sold through the sales network.

The cost of goods sold during the period amounted to NOK 182 million (NOK 157 million in 2004), while the write-downs for the period amounted to NOK 0 million (NOK 6 million in 2004). The cost of goods sold for the group's subsidiaries amounted to NOK 17 million during the period.

NOTE 16 INTEREST-FREE SHORT-TERM RECEIVABLES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
879	889	Accounts receivable	2 048	1 855
1	2	Receivables from employees	3	1
184	54	Receivables from group companies		
42	22	Prepaid expenses	140	115
	13	Short-term derivatives	13	
386	1 955	Other receivables	2 124	504
1 493	**2 935**	**Interest-free short-term receivables**	**4 328**	**2 475**
20	12	Provision for bad debts	30	40
17	7	Bad debts	5	36

In 2005, receivables from subsidiaries related to the group account system were reclassified from interest-free receivables to interest-bearing receivables. Comparable figures for 2004 have been restated accordingly.

Accounts receivable have been reduced by provisions for bad debts.

The group has no major credit risk related to one individual contracting party or several contracting parties that can be viewed as a group due to similarities in the credit risk. The group has guidelines to ensure that sales are only made to customers that have not had any previous significant payment problems and that outstanding amounts do not exceed stipulated credit limits.

Other receivables include NOK 1 480 million relating to the repayment by the Norwegian Public Service Fund of previously paid pension assets. See also note 3.

The book value of interest-free short-term receivables is approximately equal to their fair value due to the short periods left until maturity.

NOTE 17 LIQUID ASSETS

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
1 024	1 390	Cash and cash equivalents	1 530	1 276
	510	Short-term investments	510	
1 024	**1 899**	**Liquid assets in the balance sheet and cash flow**	**2 040**	**1 276**

Liquid assets are defined as cash and cash equivalents.

A considerable share of the cash and cash equivalents is related to the need for liquid assets in the sales network. The remuneration for these services is included in the operating revenues, while interest on the cash holding is recognised as financial income.

Posten Norge AS has obtained a bank guarantee as security for advance tax payments of NOK 360 million for the employees.

In 2004, the group changed its main bank to Nordea and established a group account system with Posten Norge AS as the group account holder. The banks can offset withdrawals and balances against each other so that the net position represents the outstanding balance between the bank and the group account holder.

NOTE 18 EQUITY

POSTEN NORGE AS	Share capital	Share premium account	Hedging reserve	Fair value reserve	Translation differences	Other equity	Total
Equity at 1 January 2004	**3 120**	**1 560**				**(739)**	**3 941**
Net income for the year						831	831
Extraordinary dividend						(120)	(120)
Ordinary dividend						(121)	(121)
Equity at 31 December 2004	**3 120**	**1 560**				**(149)**	**4 531**
Effect of implementing IAS 39 (see note 31)			6	8		(27)	(13)
Equity at 1 January 2005	**3 120**	**1 560**	**6**	**8**		**(176)**	**4 518**
Cash-flow hedging:							
- Changes in value/transferred to income			4				4
- Tax on changes in value			(1)				(1)
Available for sale investments:							
- Change in fair value				(4)			(4)
Dividend distributed						(516)	(516)
Net income for the year Posten Norge AS						718	718
Other changes in equity						7	7
Equity at 31 December 2005	**3 120**	**1 560**	**9**	**4**		**33**	**4 726**

Distributable reserves:	
Other equity	33
Restricted reserves	(13)
Capitalised goodwill	(10)
Deferred tax asset	(545)
Distributable reserves after dividend	**(535)**

NOTE 18 EQUITY

NORWAY POST GROUP	Share capital	Share premium account	Hedging reserve	Fair value reserve	Translation differences	Other equity	Minority interests	Total
Equity at 1 January 2004	**3 120**	**1 560**				**(932)**	**18**	**3 766**
Translation differences for the year					3			3
Net income for the year (Group)						853	4	857
Extraordinary dividend						(120)		(120)
Ordinary dividend						(122)		(122)
Other changes in equity						(23)	2	(21)
Equity at 31 December 2004	**3 120**	**1 560**			**3**	**(344)**	**24**	**4 363**
Effect of implementing IAS 39 (see note 31)			6	28		(29)		5
Equity at 1 January 2005	**3 120**	**1 560**	**6**	**28**	**3**	**(373)**	**24**	**4 368**
Translation differences for the year					(2)			(2)
Cash-flow hedging:								
- Changes in value/transferred to income			4					4
- Tax on changes in value			(1)					(1)
Available for sale investments:								
- Change in fair value				(9)				(9)
Net income for the year (Group)						949	36	985
Dividend distributed						(517)		(517)
Other changes in equity							(47)	(47)
Equity at 31 December 2005	**3 120**	**1 560**	**9**	**19**	**1**	**60**	**13**	**4 782**

The minority's share of the equity at 31 December amounted to NOK 13 million (2005) and NOK 24 million (2004). In connection with the acquisition of the remaining 43 per cent of CityMail at 31 December 2005, the minority share has been reclassified from equity to a short-term liability. See also note 12. For more information on taxes and tax effects, see note 8.

At 31 December 2005, the share capital consisted of 3 120 000 shares each with a nominal value of NOK 1 000. The company's shares are owned entirely by the Norwegian state, represented by the Ministry of Transport and Communications.

The Norwegian Private Limited Companies Act requirements that dividend must not lead to an equity ratio of less than 10 per cent and that the company must not distribute more than that which is compatible with prudent and generally accepted business practices have been complied with.

In 2005, a total of NOK 516 million was paid in dividend to the Ministry of Transport and Communications, including an extraordinary dividend of NOK 50 million. In 2004, a total of NOK 241 million was paid in dividend to the Ministry of Transport and Communications, including an extraordinary dividend of NOK 120 million.

NOTE 19 PROVISIONS FOR LIABILITIES AND CHARGES

POSTEN NORGE AS

	Restructuring	Severance pay	Pensions	Other	Total
Balance sheet at 31 Dec 2004	**122**	**216**		**13**	**351**
Provisions allocated during the year	70			88	158
Reversal of provisions made in previous years	(3)	(12)			(15)
Provisions utilised during the year	(113)	(36)			(149)
Change in the pension obligations during the year			1 434		1 434
Balance sheet at 31 Dec 2005	**76**	**168**	**1 434**	**101**	**1 779**
Short-term part of the provisions	50	30			80
Long-term part of the provisions	26	138	1 434	101	1 699

NORWAY POST GROUP

	Restructuring	Severance pay	Pensions	Other	Total
Balance sheet at 31 Dec 2004	**145**	**216**		**122**	**483**
Provisions allocated during the year	173			108	281
Reversal of provisions made in previous years	(10)	(12)		(4)	(26)
Provisions utilised during the year	(143)	(36)		(85)	(264)
Change in the pension obligations during the year			1 609		1 609
Balance sheet at 31 Dec 2005	**165**	**168**	**1 609**	**141**	**2 083**
Short-term part of the provisions	109	30		3	142
Long-term part of the provisions	56	138	1 609	139	1 942

Restructuring
The parent-company provisions of NOK 70 million for 2005 are related to:
Personnel measures NOK 55 million
Rent for vacated premises NOK 15 million

The total provisions in the parent company at 31 December 2005 were NOK 76 million and are expected to be used as follows:
Personnel measures NOK 43 million
Rent for vacated premises NOK 33 million

Most of the payments will take place in 2006-2007. The provisions relating to personnel measures refer to costs for staff reductions decided upon in 2005 in connection with the closure of four terminals, as well as staff reductions at post offices and distribution units.

Other provisions for restructuring costs in the group at 31 December 2005 refer to ErgoGroup and Nor-Cargo and are expected to be used as follows:
Personnel measures NOK 63 million
Rent of vacated premises NOK 16 million
Other measures NOK 10 million
The provisions correspond to the estimated obligations and have been discounted.

The provisions relate mainly to specific projects where the number of redundancies has been clarified, as well as to rent for vacated premises. No major deviations between the amounts provided for and the actual payments are therefore expected.

Severance pay
Severance pay is paid to redundant state employees for a period until they get new jobs. For employees of Posten Norge AS, the arrangement applies to dismissals made up to and including 31 December 2004. When Posten Norge AS was established on 1 July 2002, the Norwegian state decided that the company itself would have to pay the severance pay costs relating to dismissals made between 1 July 2002 and 31 December 2004. Payments in 2005 amounted to NOK 36 million. Provisions at 31 December 2005 are NOK 168 million.

Severance payments will take place up to 17 years into the future and are dependant on the extent to which those receiving severance pay get new permanent or temporary jobs. There is therefore an uncertainty related to the size of the provision, which has been determined on the basis of our experience in making such payments from 2003-2005. The provision is discounted.

Pensions
Pensions are described in further detail in note 3.

Other
Other provisions for liabilities include NOK 13 million for restoration obligations related to a plot of land (see note 10).

NOTE 20 INTEREST-BEARING LONG-TERM AND SHORT-TERM LIABILITIES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
		Secured debt		
400	400	Debt to credit institutions	400	400
400	**400**	**Total secured debt**	**400**	**400**
		Unsecured debt		
692	810	Debt to credit institutions	837	720
223		Foreign currency loan SEK		237
11		Foreign currency loan DKK		11
81	126	Other long-term liabilities	195	145
		Subordinated loan	14	14
1 007	**936**	**Total unsecured long-term liabilities**	**1 046**	**1 127**
1 407	**1 336**	**Interest-bearing long-term liabilities**	**1 446**	**1 527**
	3	Repayments 2007	11	
	3	Repayments 2008	8	
	3	Repayments 2009	8	
	3	Repayments 2010	8	
	1 324	Thereafter	1 411	
	1 336	**Long-term liabilities**	**1 446**	
	1 209	Debt to credit institutions	1 209	
	114	Other long-term liabilities	202	
	1 323	**Liabilities maturing after five years**	**1 411**	
238	57	First-year's repayment on long-term liabilities	73	238
304	507	Debt to group companies		
		Other short-term liabilities		14
542	**564**	**Interest-bearing short-term liabilities**	**73**	**252**

In 2005, debt to subsidiaries related to the group account system has been reclassified from interest-free liabilities to interest-bearing liabilities. Comparable figures for 2004 have been restated accordingly.

The effective interest rate on Norway Post's loans from credit institutions is 3.1 per cent. The effective interest rate is a calculated, weighted average. At 31 December 2005, fixed interest rate agreements had been entered into for loans of NOK 400 million at an interest rate of 3.8 per cent, valid until 24 February 2012. The effective interest rate on Nor Cargo's loans from credit institutions is 5.4 per cent.

Other long-term liabilities comprise liabilities relating to Norway Post's and ErgoGroup's financial leases of NOK 20 million and NOK 69 million respectively and interest/currency swaps related to a private placement loan of NOK 106 million.

Liabilities related to financial leases are reduced by regular payments of loan instalments. The weighted average effective interest rate on these loans is 3.2 per cent for Posten Norge AS and 3.1 per cent for the group. See also note 26.

Norway Post had three private placement loans totalling NOK 809 million at 31 December 2005. The value of the long-term private placement loans and associated interest/currency swaps is the estimated market value of the instruments. Norway Post has an obligation to pay a fixed interest rate in JPY on the loans and, through the swaps, receives a fixed interest rate in JPY and pays a floating interest rate (3 months NIBOR) in NOK. The market values are calculated by the fixed cash flows in JPY being discounted by the current JPY interest-rate level and converted into NOK at the current exchange rate (JPY/NOK). Norway Post utilises the fair value option when recording loans - see also note 22.

In October 2005, Norway Post obtained a new Euro 500 million overdraft facility as a way of refinancing its existing facilities, obtained in 1998 and 2003. The objective of this was to achieve better conditions in the form of a longer term to maturity, lower costs and greater freedom of action. At 31 December 2005, the total unused drawing rights amounted to NOK 550 million in continuous drawing rights and Euro 500 million which are available until 19 October 2012.

NOTE 21 INTEREST-FREE LONG-TERM AND SHORT-TERM LIABILITIES

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
1 517	1 512	Provisions for payroll expenses and public charges	1 942	1 929
247	411	Provisions for accrued expenses	690	435
332	258	Prepaid income	303	393
320	309	Accounts payable	776	765
252	241	Debts to group companies		
123	80	Restructuring and severance pay, short-term	139	175
	6	Short-term derivatives	6	
66	197	Other liabilities	468	130
2 857	**3 014**	**Interest-free short-term liabilities**	**4 324**	**3 827**
	7	Long-term derivatives	7	
	1	Other interest-free long-term liabilities	13	7
	8	**Interest-free long-term liabilities**	**20**	**7**

In 2005, debt to subsidiaries related to the group account system has been reclassified from interest-free liabilities to interest-bearing liabilities. Comparable figures for 2004 have been restated accordingly.

Posten Norge AS's other liabilities at 31 December 2005 include an obligation to pay NOK 160 million related to the purchase of the remaining 43 per cent of the shares in the CityMail Sweden AB subsidiary. See note 12.

NOTE 22 FINANCIAL INSTRUMENTS

1. 'Available for sale' financial assets

Norway Post has a total of NOK 51 million in investments in shares classified as "available for sale" at 31 December 2005. In the parent company, these investments amount to NOK 20 million. Financial assets classified as "available for sale" have been assessed at their fair value. See also note 12.

The group owns a total of 20 per cent of the shares in OptiMail AB, of which Posten Norge AS owns 8 per cent and CityMail Sweden AB owns 12 per cent. These shares were bought in 2004 and 2002 respectively, with the intention of establishing a long-term business relationship. At 31 December 2005, the group's wholly owned subsidiary, Norwegian Mail International AB, had offered to buy shares from Optimail AB's shareholders at SEK 18.75 per share, so the fair value of these shares in Posten Norge AS (NOK 17 million) and CityMail Sweden AB (NOK 26 million) are assessed at the shares' sales price. The change in the value of these shares in 2005 came to a total of NOK 9 million (NOK 4 million for Posten Norge AS) and has been recognised in equity.

Posten Norge AS owns 25 per cent of the shares in Fagernes Skysstasjon AS, a property company. These shares are assessed at their fair value based on a valuation of the company.

For the other NOK 5 million in shares that are classified as "available for sale", their fair value has been assessed to be their cost price.

2. 'Fair value through profit or loss' financial obligations:

Norway Post has made use of the opportunity to utilise the "fair value option" (FVO) in the revised IAS 39 for loans with associated derivatives that have previously been recognised as a fair value hedge. In line with the transitional provision stated in IAS 39, the loans were stated to be FVO by 1 September 2005 so the change can be implemented with effect from 1 January 2005. This change has no net accounting effect on the income statement or balance sheet.

Norway Post has three loans which are classified as fair value through profit or loss under the fair value option at 31 December 2005. In 2003 and 2004, Norway Post entered into three long-term loans with three different Japanese annuity companies for JPY 6.4 billion, JPY 5.0 billion and JPY 3.0 billion. These loans have fixed interest rates, so their value in NOK depends on exchange rate developments and changes to the Japanese and Norwegian long-term interest-rate levels. At the same time as these loan agreements were entered into, combined currency and interest-rate swap agreements were also entered into which, combined with the loans, effectively provide loans in NOK with the interest rates set every third month.

The value of the loans in NOK when the agreements were entered into was NOK 400 million, NOK 330 million and NOK 185 million - a total of NOK 915 million. At 31 December 2005, these loans are recognised at a total value of NOK 809 million and the interest-rate and currency swap agreements are recognised at NOK 106 million. The change in the swap agreements' fair value in 2005 totalled NOK 17 million.

Changes in interest rates or exchange rates that lead to changes in the value of the JPY loans measured in NOK are counteracted by changes in the value of the combined currency and interest-rate swaps.

3. Derivatives
Derivatives are capitalised at their fair value at 31 December 2005:

POSTEN NORGE AS			NORWAY POST GROUP	
2005			2005	
Assets	Liabilities		Assets	Liabilities
		Cash flow hedging		
	1	Interest-rate swaps		1
	7	Forward exchange contracts SEK		7
7		Forward exchange contracts EURO	7	
6		Forward contracts electricity purchases	6	
		Fair value hedging		
2		Currency swaps	2	
		Derivatives that are not hedging instruments		
	106	Interest-rate/currency swaps 1)		106
	6	Forward exchange contracts 2)		6
15	120	Total	15	120

The total contractual amount (MNOK) for interest-rate swaps and forward contracts capitalised at 31 December 2005:

	Remaining period			Total contractual amount
	Less than 1 year	1-5 years	More than 5 years	2005
Interest-rate swaps – cash flow hedging			400	400
Forward exchange contracts – cash flow hedging	191			191
Forward contracts electricity purchases - cash flow hedging	8	36		44
Currency swaps – fair value hedging	120	155		275
Forward exchange contracts – hedging of investments in foreign entities	334			334
Interest-rate/currency swaps 1)		29	915	944
Forward exchange contracts 2)	1 612			1 612
Total	2 265	220	1 315	3 800

1) Interest-rate/currency swaps related to long-term loan agreements in which both the loans and derivatives are classified as fair value through profit or loss - see the more detailed description in item 2.
2) Forward exchange contracts classified as fair value through profit or loss and entered into in order to control the exchange-rate exposure related to the future purchase of shares in subsidiaries in foreign currencies.

Cash-flow hedging
– interest-rate hedging – long-term loans
Norway Post has a loan of NOK 400 million with Nordiska Investeringsbanken on which the interest is determined every six months. In order to ensure fixed interest-rate conditions, interest-rate swaps for NOK 400 million have been entered into so that Norway Post pays a fixed net interest rate on the hedged loan. The hedged loan and interest-rate swap have the same main terms.

– currency hedging – EURO revenues
Norway Post expects revenues of Euro 55 million for distributing post from abroad in 2006, and some of the exchange-rate risk related to these is hedged by selling forward exchange contracts in Euro. The change in value of forward exchange contracts that are effective hedging instruments is recognised in equity. The cash flows in the form of Euro revenues earned are credited the income statement each month.

– electricity price hedging
Norway Post buys the equivalent of 130 million kWh of electricity each year. The electricity price is hedged by buying forward contracts. The change in value of forward contracts that are effective hedging instruments is recognised in equity.
The cash flows in the form of incurred electricity costs are charged to the income statement each month.

Fair value hedging
– national logistics project
Norway Post has decided to buy machinery for Euro 35 million for the National Logistics project during the period 2006-2008. The exchange-rate risk related to these investments is hedged by Euro forward exchange contracts for equivalent amounts.
The changes in the value of the forward exchange contracts and corresponding gains/losses on the purchase contracts are capitalised until the investments are recognised in the accounts.

4. Hedging of investments in foreign entities:

	2005	2004
Foreign currency loans		123
Forward exchange contracts	334	
Total	334	123

In 2004, Norway Post used foreign currency loans in Swedish krone (SEK) to hedge investments in foreign subsidiaries. These loans were settled as of 31 December 2005 and forward exchange contracts have been entered into for the same purpose.

Norway Post has invested SEK 335 million in CityMail Sweden AB and SEK 65 million in Box Delivery Sverige.
The exchange-rate risk on these investments is hedged by selling SEK 400 million in revolving forward exchange contracts. The changes in the value of these contracts are offset against the translation differences from the investments recognised in equity until the investments are sold. Should the hedges be ineffective, the change in value is recognised in the income statement.

5 Hedging reserve in equity:
Movements in the hedging reserves fund in equity (See note 18) divided between interest-rate swaps and forward contracts:

	Interest-rate swaps	Forward contracts	Total hedging reserves
Introduction of IAS 39 on 1 January 2005:			
Gain/loss on measuring at fair value	2	6	8
Deferred taxes	(1)	(2)	(2)
Balance sheet at 1 January 2005	**1**	**4**	**6**
Movements during the period:			
Changes in value/transfers to income statement	(3)	7	4
Associated deferred taxes	1	(2)	(1)
Balance sheet at 31 December 2005	**(1)**	**9**	**9**

NOTE 23 FINANCIAL RISK

Financial instruments
Posten Norge AS employs financial instruments to manage its exposure to changes in foreign exchange rates, interest rates and electricity prices.

Agreements regarding financial instruments are entered into to reduce the risk of financial exposure and are therefore mainly recognised as hedges when there is a clear link with underlying assets or liabilities.

Risk management routines have been agreed on by the board and are implemented by the head office finance department in cooperation with the individual divisions and subsidiaries.

(a) Credit risk
The group has no significant credit risk relating to one individual contracting party or several contracting parties that can be regarded as one group due to similarities in the credit risk.

The group has guidelines to ensure that sales are only made to customers that have not had any serious problems making payments previously, and that outstanding amounts do not exceed the stipulated credit limits.

The group has not guaranteed for any third party's debts.

The maximum risk exposure is represented by the book value of the financial assets, including derivatives, in the balance sheet. Since the contracting party in a derivative trade is normally a bank, the credit risk relating to derivatives is considered to be remote. The group therefore regards its maximum risk exposure to be the book value of its accounts receivable and other current assets (See note 16).

(b) Interest-rate risk
The interest-bearing debt has been borrowed at floating interest rates, which means that Posten Norge AS is exposed to an interest-rate risk as of 31 December 2005. Posten Norge AS has fixed interest-rate agreements for NOK 400 million which are valid until 24 August 2011 and make up 26 per cent of the company's total interest-bearing liabilities as of 31 December 2005 (See note 18).

The group makes use of several types of interest-rate derivatives to hedge against fluctuations in its income due to changes in the interest-rate level. It makes use of interest-rate swaps both to hedge against fair value exposure and as cash-flow hedges for loans (See note 22).

In connection with the introduction of IAS 39, the group has appointed some of its interest-rate swaps as cash-flow hedging instruments. All interest-rate swaps are recognised at their fair value.

Due to Norway Post's favourable financial position with net interest-bearing assets as of 31 December 2005, a general increase of 1 per cent in the interest-rate level will increase the group's income by MNOK 10 (2004: MNOK -2).

(c) Liquidity risk
In order to ensure that the group has financial freedom, liquidity reserve and loan reserve targets have been defined. The liquidity reserve, which consists of bank deposits and unused drawing rights, must equal at least 15 per cent of the group's operating revenues. The loan reserve, which consists of unused drawing rights minus loans that fall due within 360 days, must equal at least 10 per cent of the group's operating revenues.

Unused credit opportunities are discussed in note 20.

(d) Exchange-rate risk
The group is exposed to an exchange-rate risk in that it makes purchases and sales in several different countries. The group enters into forward exchange contracts in order to reduce the exchange-rate risk in cash flows nominated in foreign currencies. The exchange-rate risk is calculated for each foreign currency and takes into account assets, liabilities, obligations not recognised in the balance sheet and very probable future purchases and sales in the currency in question.

The effect of forward exchange contracts that are effective hedging instruments is recognised together with the transaction the contract is intended to hedge, while any ineffectiveness in the hedge is recognised as a financial expense (See note 7).

As of 31 December 2005, forward exchange contracts to hedge the exchange-rate risk relating to revenues that will be settled in foreign currencies have been entered into for around 75 per cent of the budgeted foreign revenues. Forward exchange contracts have also been entered into in connection with large, future purchases from foreign suppliers.

As a result of the group implementing IAS 39 in 2005, all forward exchange contracts are recognised at their fair value (See note 22).

The group has also entered into forward exchange contracts to hedge net investments in foreign subsidiaries.

(e) Market risk
Norway Post has little financial exposure to market risks due to its considerable hedging of foreign currency revenues, fixed-interest-rate agreements and fixed electricity prices.

Forward contracts are used to manage the price risk relating to the future consumption of electricity. Forward contracts have been entered into to cover parts of the electricity consumption. As of 31 December 2005, contracts have been entered into covering 85 per cent of the estimated consumption in 2006 and 2007.

Fair value
The fair value of financial assets classified as "available for sale" is set at the stock-exchange price on the balance sheet date provided the asset is listed. For unlisted assets, the fair value is not considered to be significantly different from the historical cost.

The fair value of forward exchange contracts is determined by using the forward exchange rate on the balance sheet date. The fair value of currency swaps is calculated by taking the present value of future cash flows. The fair value of all derivatives is confirmed by the financial institution with which the company has entered into the agreements. The following of the company's financial instruments have not been valued at their fair value: cash and cash equivalents, accounts receivable, other short-term receivables, other interest-bearing long-term receivables, overdraft facilities, parts of long-term liabilities, accounts payable and other short-term liabilities.

The book value of cash, cash equivalents and overdrafts is approximately equivalent to their fair value since these instruments fall due within a short period. Correspondingly, the book value of accounts receivable and accounts payable is as approximately equivalent to their fair value since they are entered into on commercial terms.

The fair value of long-term liabilities is calculated by using listed market prices or the interest-rates for liabilities with similar terms to maturity and credit risks.

The fair value of financial assets and liabilities recognised at their amortised cost is calculated as the present value of estimated cash flows discounted using the interest rate applicable to corresponding liabilities and assets on the balance sheet date. Regarding the fair value of long-term liabilities recognised at their amortised cost, see note 18.

No financial assets have been reclassified in such a way that the valuation method has been changed from amortised cost to fair value or vice versa.

The fair value of derivatives selected as hedging instruments is recognised as other short-term receivables/liabilities or other long-term receivables/liabilities depending on the date for when the associated hedged object falls due.

Insurance schemes
The company has insured a significant part of its operations and tangible assets under traditional insurance schemes. The company has only taken out statutory third-party insurance for its vehicles. The company itself covers any accidental damage to its own vehicles.

As a policyholder, the company is entitled to manage agreed parts of its risk exposure under the insurance companies' insurance licence. The financial and risk aspects of this insurance activity are handled separately from the insurance company's remaining activity by the company using a separate account to handle these risks.
Since 1 December 1996, Posten Norge AS has made use of an accounts solution for certain selected insurance coverages.

The loss ratio for the insurance policies covered by the accounts system has been positive, with no payments being made in 2005. The balance of the account at 31 December 2005 was NOK 57 million.
See also note 14.

NOTE 24 FOREIGN EXCHANGE RATES

	Exchange rates 1 January 2005	Average exchange rate 2005	Exchange rate 31 December 2005
SEK	0,9132	0,8640	0,8505
DKK	1,1075	1,0753	1,0703
EURO	8,2385	8,0125	7,9850

NOTE 25 GUARANTEES/COLLATERALS

Posten Norge AS and its subsidiaries have provided various forms of guarantees, including contract guarantees, loan guarantees and other payment guarantees.

Guarantees (not capitalised as of 31 December 2005):

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
99	173	Guarantees for group companies' liabilities	231	173
150	150	Commercial guarantees	230	150
	1	Other guarantees	1	1
249	**324**	**Total guarantees**	**462**	**324**

Some of Norway Post's loans contain negative pledge clauses and commit the group to maintain defined levels for key financial ratios. At the end of 2005, the group was well within the defined limits.
In addition, a group guarantee has been provided to Nordea for withholding tax. As of 31 December 2005, this guarantee amounted to NOK 360 million.

NOTE 26 RENTAL COMMITMENTS

1. Lessee

1.1 Financial leases

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
164	164	Buildings	249	249
		Machinery and equipment	41	
164	**164**	**Gross book value**	**290**	**249**
56	58	Accumulated depreciation 1 January	90	60
2	5	Depreciation during the year	19	30
106	**101**	**Net book value**	**181**	**159**
84	77	Commitments, buildings	133	144
		Commitments, computer equipment	39	
11	11	Annual rent	20	16

NOTE 26 RENTAL COMMITMENTS CONT.

An overview of future minimum rents:

POSTEN NORGE AS		NORWAY POST GROUP
2005		2005
7	Next 12 months	29
13	1-5 years	45
8	After 5 years	49
28	**Future minimum rents**	**123**
3,2 %	Interest rate	3,1 %
24	**Present value of future minimum rents**	**106**
	Of which:	
7	- short-term liabilities	29
17	- long-term liabilities	77

Properties are classified as buildings and other property, while associated obligations are classified as interest-bearing long-term liabilities. The first year's repayments have been reclassified as interest-bearing short-term liabilities. See note 20.

Posten Norge AS has entered into financial leases for Skien Post Terminal, Tromsø Post Terminal and the Odda Postgård building. The lease for Odda Postgård expires in June 2006, but Norway Post is entitled to extend this lease or to buy the section leased during the contractual period. An agreement has been entered into to buy Tromsø Post Terminal, with a takeover date in June 2006. The lease for Skien Post Terminal expires in June 2013. Norway Post is entitled to buy the building during the lease period, or to extend the lease period when the lease expires.

ErgoGroup has entered into a financial lease for Fjellhallen at Gjøvik. The company is entitled to take over this building at any time at a price equal to the nominal value of the residual debt, or for no charge at all in 2023.

ErgoGroup has entered into leases for computer equipment. The longest lease expires on 31 December 2008.
The company is entitled to buy the equipment at a price equal to 1-2 months' rent at the expiry of the lease.

1.2 Operational leases

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
106	112	Annual rent, vehicles	150	177
503	527	Annual rent, buildings	750	704
		Annual rent, computer equipment	18	67
		Annual rent, other	13	0
609	639	Total rents paid	931	948

The future minimum rents relating to non-cancellable leases fall due as follows:

POSTEN NORGE AS		NORWAY POST GROUP
2005		2005
548	Within 1 year	737
408	1-5 years	809
79	After 5 years	416
1 035	Total	1 962

Posten Norge AS has entered into around 1 400 leases for various types of property, including offices and sorting premises, terminals, post offices, parking facilities, etc. These leases expire in 2006-2026. According to most of these leases, Norway Post is entitled to extend the lease period when the lease expires.

The most significant lease is the one entered into with Entra Eiendom regarding the head office, Posthuset, at Biskop Gunnerusgate 14. This lease is for 15 years from 1 March 2003, with specific extension clauses. Costs relating to common areas and energy costs are variable and are divided according to a formula based on the floor space rented.

In June 2004, an agreement with LeasePlan Norge AS to lease and operate all types of vehicles was extended. Under this lease, new individual contracts may be entered into until 26 June 2006. Normally, the contract period for each vehicle will be two to five years. Norway Post is not entitled or obligated to extend the lease period or to buy the vehicle when the lease expires. A total of 4 510 vehicles were leased at the end of 2005.

A provision of NOK 15 million has been made for vacated premises. This amount has been recognised under restructuring costs. See note 19.

2. Lessor

The group has a number of operational leases related to parts of buildings which it rents out. The group's rental income from leased buildings came to a total of NOK 13 million in 2005.

NOTE 27 PURCHASING OBLIGATIONS

The parent company and group have the following obligations resulting from contracts relating to the purchase of intangible assets and tangible fixed assets:

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
42	357	2006	358	42
	66	2007	68	
		2008	2	
		2009	4	
		2010	7	
		Thereafter	4	
42	423	Total purchasing obligations	443	42

Norway Post's purchasing obligations are mainly related to contracts entered into for sorting machinery and IT equipment in connection with the creation of Norway Post's new sorting process structure. The groups' purchasing obligations are also related to the purchase of PKI (Public Key Infrastructure) services in accordance with an agreement.

NOTE 28 CHANGES IN THE GROUP STRUCTURE

Acquisitions/mergers
Acquisitions in 2005 comprise the following companies:

Company	Acquisition date	No. of shares	Activity	Contribution to net income in 2005
NorCargo Tromsø AS	January	100%	Logistics	4
Eurodynamic AS	July	100%	Logistics	2
Gardermoens Distribusjons		100%		
Service AS	July	100%	Express	2
Fillarilähetit OY	September		Express	0.5
Ementor (operations)	October	100%	ICT	(0.3
Serve ASA	November	100%	ICT	1
HSD Transport AS	November	100%	Logistics	(34)
Løsningsarkitektene AS	December	remaining 43%	ICT	
CityMail Sweden AB	December		Post	

The total fair values of the identifiable assets and liabilities for the acquired companies are as follows:

	Acquisitions/ mergers 2005
Intangible assets	5
Goodwill	61
Deferred tax assets	17
Tangible fixed assets	54
Financial assets	14
Receivables	189
Liquid assets	30
Total assets	370
Provisions for obligations	23
Interest-bearing liabilities	93
Interest-free liabilities	168
Total liabilities	284
Net identifiable assets	**86**
Goodwill at time of acquisition	351
Buy-out of minority share	47
Total purchase price	**484**
Cash paid	320
Provisions made at 31 December 2005	164
Total purchase price	**484**
Cash paid	320
Cash received upon acquisition	(30)
Net cash paid at time of acquisition	**290**

NOTE 29 TRANSACTIONS WITH RELATED PARTIES

Transactions with associated companies:
The group has had a number of transactions with associated companies. All transactions were made as a part of the ordinary operations and at arm's length prices. The most significant transactions were as follows:

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
		Purchase of goods and services from		
953	887	Subsidiaries		
		Associated companies	5	6
82	108	Others	291	164
		Sale of goods and services to		
203	299	Subsidiaries		
		Associated companies	8	
258	313	Others	314	259
		Lease of property from		
	2	Subsidiaries		

The balance sheet includes the following amounts as a result of transactions with related parties (associated companies and others):

POSTEN NORGE AS			NORWAY POST GROUP	
2004	2005		2005	2004
72	85	Accounts receivable	85	72
130	165	Accounts payable	172	149
(58)	**(80)**	**Net**	**(87)**	**(77)**
		Loans to related parties:		
		Book value as of 1 January 2005:	4	5
		Repayments during the year	(1)	(1)
		Book value as of 31 December 2005	**3**	**4**

Remuneration to the board and management
Regarding the remuneration paid to the board and management, see note 2.

Loans to employees
Regarding loans to employees see notes 14 and 16.

NOTE 30 OTHER INFORMATION

Significant transactions

The acquisition and sale of operations in 2005/2006
The group has strengthened its position by making acquisitions in all segments, cf the history section.

New south eastern terminal at Robsrud
On 8 February 2006, Lørenskog municipal council agreed to the development plan for building a new south eastern terminal at Robsrud. However, the Oslo Municipality has raised objections to this plan. The formal decision on the development plan will therefore be made by the Ministry of the Environment.

Termination of the pension scheme with the Norwegian Public Service Fund
Posten Norge AS has terminated its company pension scheme with the Norwegian Public Service Fund as of 31 December 2005. As of 1 January 2006, a new defined contribution scheme has been established with Vital. A provision of NOK 532 million was made in the 2005 accounts to cover non-recurring costs related to the termination of the defined benefit scheme with the Norwegian Public Service Fund. This provision is based on a statement of account from the Norwegian Public Service Fund showing a balance of NOK 1 480 million. However, the final settlement with the Norwegian Public Service Fund has not yet been concluded. There is thus a risk that the final settlement may deviate from that which has been assumed in the 2005 accounts.

The Norwegian state
Posten Norge AS is wholly owned by the Norwegian state. As regulator, the state, via the Ministry of Transport and Communications, has granted Posten Norge AS a licence for a defined monopoly area. The prevailing licence is valid until 31 December 2006 at the latest.

In accordance with this licence, Posten Norge AS is to ensure that statutory postal services and basic banking services are available to the population throughout Norway via a nationwide postal network. The licence requirements lead to additional expenses for Norway Post compared to purely commercial operations. These additional expenses are covered by any profit made on the monopoly (licensed) area and by government procurements of commercially unprofitable postal and banking services. In 2006, no funds have been granted for government procurements. In 2005, the amount granted for government procurements was NOK 326 million. The monopoly area was reduced to 50 grams from 1 January 2006.

The Ministry of Transport and Communications is preparing an evaluation of whether Norway Post's statutory and licence duty to offer basic banking services should be changed or possibly terminated.

The licence stipulates that Posten Norge AS must document that there are no illegal cross subsidies between the monopoly area and the services that are subject to competition. This documentation is to be submitted to the Norwegian Post and Telecommunications Authority in the form of separate product accounts. The auditor conducts annual account reviews in accordance with the licence.
The product accounts for 2005 will be presented at the latest three months after the financial statements for 2005 have been approved.

DnB NOR
Under a separate Act (Act relating to the provision of basic banking services via Posten Norge AS's sales network), Posten Norge AS is obligated to provide basic banking services throughout its sales network. The postal network is owned and operated by Posten Norge AS. Norway Post's obligation is fulfilled through a cooperation agreement with DnB NOR. According to this agreement, the bank has the sole right and duty to offer basic banking services through Norway Post's sales network. In addition, the agreement covers the sale of other products/services and the development of the network. Norway Post has entered into a new agreement with Den norske Bank ASA/Postbanken BA, which is valid from 1 January 2006 to 31 December 2012.

The new agreement has a variable price structure, and revenues will depend on the sales volume.

Post in Shops
At the year-end 2000, agreements were entered into between NorgesGruppen ASA/Norske Shell AS, Coop NKL BA and ICA Norge AS regarding Post in Shops. The agreement with NorgesGruppen ASA/Norske Shell AS was renegotiated in May 2003. A new framework agreement was entered into with Coop NKL in May 2005. These agreements continue to run with a two-year mutual period of notice. Norway Post and ICA Norge AS have agreed to negotiate a new cooperation agreement by 1 July 2006. Shell Norge AS terminated its agreement in December 2004, and this agreement will expire on 1 January 2007. The owners of the Shell stations in question will be offered operating agreements to run independent Post in Shops. At the end of 2005, there were 1 196 Post in Shops. Customer satisfaction surveys show that the Post in Shops concept has established a good operating standard which helps to make postal services more accessible to customers.

Disputes
The European Supervisory Authority (ESA) and Norwegian Competition Authority are dealing with complaints relating to both the prices of Norway Post's logistics products and Norway Post's Post in Shops network. Posten Norge AS has stated its views on these complaints and rejected the claims made. The complaints do not specify any amounts, so no provisions have been made for them in the financial statements.

NOTE 31 TRANSITION TO IFRS

General information
Norway Post's board has decided to report the consolidated financial statements and parent company accounts according to IFRS (International Financial Reporting Standards) as of 2005. Norway Post has prepared an IFRS opening balance sheet as at the date for the transition to IFRS, which is 1 January 2004. In addition, an income statement and balance sheet for 2004 have been prepared in accordance with IFRS.

The transition to IFRS affects the following areas:

Intangible assets
According to both Norwegian accounting principles (NGAAP) and IFRS, excess value from the acquisition of enterprises is to be allocated to identifiable assets or liabilities on the date of the acquisition. Excess value that is not allocated to assets or liabilities is to be classified as goodwill in the balance sheet.
According to IFRS, however, negative goodwill relating to the acquisition of business operations is to be taken directly to income.

Due to the transition to IFRS, goodwill will no longer be amortised but will be evaluated each year as to whether or not the recognised value can be justified by future earnings. If the future earnings are lower than the recognised value, the goodwill will be written down to its fair value.

Tangible fixed assets
According to both NGAAP and IFRS, tangible fixed assets are recognised at their cost price minus any accumulated depreciation and write-downs.

IFRS has more stringent rules regarding the decomposition of fixed assets than NGAAP, and these have been followed in connection with the implementation of IFRS. This has led to higher depreciation according to IFRS. Tangible fixed assets designated for sale are classified as held for sale and valued at whichever is the lower of their book value and fair value after deducting sales costs.

Pensions
In accordance with NGAAP, unrecognised estimate deviations and pension scheme changes have not been recognised in the balance sheet but have instead been added to the 'corridor'. The introduction of IFRS means that unrecognised estimate deviations and pension scheme changes have been recognised in equity.

In connection with the transition to IFRS, Norway Post has re-evaluated its financial assumptions and has reduced its discount rate. The effect of this change has been recognised in equity as of 1 January 2004.

According to NGAAP, pension expenses and interest are recognised together as operating expenses. According to IFRS, interest may be reclassified as a financial item, an alternative which Norway Post has chosen.

Financial instruments
The group has availed itself of the opportunity to defer implementation of the financial instrument standards (IAS 32 and IAS 39) until 1 January 2005.

The group's hedging instruments are documented and have been tested for their effectiveness according to the rules stipulated in IFRS. Derivatives used as hedging instruments have been capitalised at their fair value. Other financial instruments have been classified and valued according to IFRS rules.

Under IFRS, it is not possible to defer the recognition of gains arising from financial obligations or losses arising from financial assets. Previously exercised hedges which are still capitalised in accordance with NGAAP are thus adjusted against equity in the opening balance at 1 January 2005.

Dividend
According to NGAAP, provisions for proposed dividends are classified as short-term liabilities. According to IFRS, a dividend is only to be capitalised as a liability when it has been approved by the Annual General Meeting held the subsequent year. Provisions for dividends have been reclassified as equity in the opening balance sheet at 1 January 2004.

Deferred tax
No differences have been identified relating to the treatment of deferred tax in the accounts according to NGAAP and IFRS. Some of the identified differences between NGAAP and IFRS result in changes to the temporary differences and thus affect the deferred tax.

Presentation
Annual financial statements presented in accordance with IFRS contain the following components:
- Income statement
- Balance sheet
- Statement of changes in equity
- Cash flow statement
- Notes to the financial statements, including accounting principles.

IFRS requires comparison figures for the previous period only.

Transition alternatives
Norway Post has made use of the following optional exceptions in IFRS 1:
- no retroactive application of IFRS 3, Business Combinations
- IAS 32 and 39 for financial instruments will be implemented from 1 January 2005 without any effect on the comparison figures
- Tangible fixed assets will not be remeasured to fair value on the transition date
- Unrecognized estimate deviations on defined benefit pension schemes will be recorded against equity on the transition date
- Accumulated translation differences relating to foreign subsidiaries will be reclassified to other equity on the transition date

NOTE 31 TRANSITION TO IFRS CONT.

Reconciliation of the income statement for 2004		POSTEN NORGE AS			NORWAY POST GROUP		
	Note	NGAAP 2004	IFRS Adjust.	IFRS 2004	NGAAP 2004	IFRS Adjust.	IFRS 2004
Operating revenues		12 648		12 648	17 959		17 959
Cost of goods and services		1 555		1 555	4 573		4 573
Payroll and social expenses	4	6 282	25	6 307	8 094	24	8 118
Other operating expenses		3 057		3 057	2 857		2 857
Operating expenses		10 894	25	10 919	15 524	24	15 549
EBITDA		1 754	(25)	1 729	2 434	(24)	2 410
Depreciation and write-downs	1,2	415	14	429	1 063	(144)	919
EBIT – Income before non-recurring costs		1 339	(39)	1 300	1 371	121	1 491
Restructuring expenses		164		164	256		256
(Gains) losses on the sale of fixed assets/subsidiaries		5		5	(21)		(21)
EBIT – Income before interest and taxes		1 170	(39)	1 131	1 136	121	1 257
Financial income	4	212	55	266	115	53	168
Financial expenses		168		168	173		173
Net financial items		44	55	99	(58)	53	(5)
Income before taxes		1 213	16	1 229	1 078	174	1 252
Taxes		394	4	398	375	24	399
Net income for the year		819	12	831	703	150	853

Reconciliation of the balance sheet and equity as of 1 January 2004		POSTEN NORGE AS			NORWAY POST GROUP		
	Note	NGAAP 01.01.2004	IFRS Adjust.	IFRS 01.01.2004	NGAAP 01.01.2004	IFRS Adjust.	IFRS 01.01.2004
Assets							
Intangible assets	1, 8	33	458	491	1 282	471	1 753
Tangible fixed assets	2	3 104	(39)	3 065	3 516	(41)	3 475
Financial assets	3,4	3 807	(1 517)	2 290	2 423	(1 556)	867
Total fixed assets		6 944	(1 098)	5 846	7 221	(1 126)	6 095
Current assets		2 818		2 818	2 831		2 831
Assets held for sale	2		6	6		8	8
Total assets		9 762	(1 092)	8 670	10 052	(1 118)	8 934
Equity and liabilities							
Equity	9	4 925	(984)	3 941	4 776	(1 010)	3 766
Provisions for liabilities and charges	2,8	217	13	230	263	13	276
Interest-bearing long-term liabilities		1 133		1 133	1 233		1 233
Interest-bearing short-term liabilities		114		114	134		134
Interest-free short-term liabilities	5	3 373	(121)	3 252	3 646	(121)	3 525
Total equity and liabilities		9 762	(1 092)	8 670	10 052	(1 118)	8 934

Reconciliation of the balance sheet and equity as of 31 December 2004		POSTEN NORGE AS			NORWAY POST GROUP		
	Note	NGAAP 31.12.2004	IFRS Adjust.	IFRS 31.12.2004	NGAAP 31.12.2004	IFRS Adjust.	IFRS 31.12.2004
Assets							
Intangible assets	1, 8	109	57	165	1 852	242	2 095
Tangible fixed assets	2	2 826	(49)	2 777	3 436	(54)	3 382
Financial assets	3,4	4 995	(1 488)	3 508	2 530	(1 526)	1 002
Total fixed assets		7 930	(1 480)	6 450	7 818	(1 338)	6 479
Current assets		3 115		3 115	3 830		3 830
Assets held for sale	2					5	5
Total assets		11 045	(1 480)	9 565	11 648	(1 333)	10 314
Equity and liabilities							
Equity	9	5 158	(627)	4 531	4 879	(516)	4 363
Provisions for liabilities and charges	2,8	615	(387)	228	681	(351)	330
Interest-bearing long-term liabilities		1 407		1 407	1 527		1 527
Interest-bearing short-term liabilities		542		542	252		252
Interest-free short-term liabilities	5	3 323	(466)	2 857	4 309	(466)	3 842
Total equity and liabilities		11 045	(1 480)	9 565	11 648	(1 333)	10 314

In 2005, debts to subsidiaries relating to the group account system have been reclassified in the parent company's accounts from interest-free liabilities to interest-bearing liabilities. Comparable NGAAP and IFRS figures for 2004 have been restated accordingly.

Reconciliation of the balance sheets as of 31 December 2004 and 1 January 2005 for IAS 32 and 39		POSTEN NORGE AS			NORWAY POST GROUP		
	Note	IFRS 31.12.2004	IFRS Adjust.	IFRS 01.01.2005	IFRS 31.12.2004	IFRS Adjust.	IFRS 01.01.2005
Assets							
Intangible assets	6	165	9	174	2 095	9	2 104
Tangible fixed assets		2 777		2 777	3 382		3 382
Financial assets	6	3 508	(22)	3 486	1 002	(4)	998
Total fixed assets		6 450	(13)	6 437	6 479	5	6 484
Current assets	6	3 115		3 115	3 830		3 830
Assets held for sale					5		5
Total assets		9 565	(13)	9 552	10 314	5	10 319
Equity and liabilities							
Equity	6	4 531	(13)	4 518	4 363	5	4 368
Provisions for liabilities and charges		228		228	330		330
Interest-bearing long-term liabilities	6	1 407		1 407	1 527		1 527
Interest-bearing short-term liabilities		542		542	252		252
Interest-free short-term liabilities		2 857		2 857	3 842		3 842
Total equity and liabilities		9 565	(13)	9 552	10 314	5	10 319

Reconciliation of the cash flow statement	POSTEN NORGE AS			NORWAY POST GROUP		
	NGAAP 31.12.2004	IFRS Adjust.	IFRS 31.12.2004	NGAAP 31.12.2004	IFRS Adjust.	IFRS 31.12.2004
Cash flows from operational activities						
Provided by operations	1 631	30	1 661	2141	30	2 171
Changes in working capital	(285)		(285)	267		267
Changes in other accruals	(185)	(30)	(215)	(191)	(30)	(221)
Net cash flow from operations	**1 161**		**1 161**	**2 217**		**2 217**
Cash flows from investing activities						
Investments in subsidiaries	(920)		(920)	(879)		(879)
Investments in tangible fixed assets, IT development, etc	(248)		(248)	(610)		(610)
Sale of tangible fixed assets	28		28	85		85
Changes in other fixed assets	81		81	(355)		(355)
Net cash flow from investing activities	**(1 059)**		**(1 059)**	**(1 759)**		**(1 759)**
Cash flows from financing activities						
Changes in loans and other financial items	398		398	368		368
Group contribution/dividend paid	207		207			
Group contribution/dividend received	(242)		(242)	(242)		(242)
Net cash flow from financing activities	**363**		**363**	**126**		**126**
Total change in liquid assets	**465**		**465**	**584**		**584**
Cash and cash equivalents at start of period	**559**		**559**	**692**		**692**
Cash and cash equivalents at end of period	**1 024**		**1 024**	**1 276**		**1 276**

Reconciliation of key figures		NORWAY POST GROUP	
		NGAAP 31.12.04	IFRS 31.12.04
Equity ratio	%	41,9	42,3
EBIT margin	%	6,3	7,0
Profit margin	%	6,0	7,0
EBITDA	MNOK	2 434	2 410
Return on capital employed	%	19,5	23,2
Return on equity after tax	%	14,6	21,0
Net debt ratio		0,1	0,1
Liquidity reserve	MNOK	5 260	5 260
Investments in tangible fixed assets, IT development, etc	MNOK	610	610

ADDITIONAL INFORMATION CONCERNING THE RECONCILIATIONS

Note 1 Intangible assets

Adjustments have been made for the following differences in intangible assets:
a) A total of NOK 162 million in goodwill amortisation has been reversed (NOK 3 million relates to the parent company) in 2004.
b) Unrecognised estimate deviations and unrecognised pension scheme changes recorded in equity have affected the temporary differences and resulted in an increase of NOK 456 million in the deferred tax asset (NOK 437 million relates to the parent company).
c) NOK 5 million has been transferred from goodwill and allocated to other intangible assets in connection with an acquisition in the first quarter of 2004.

Note 2 Tangible fixed assets

In connection with the transition to IFRS, the need for decomposition and adjustment of the depreciation period for certain tangible assets was identified. The opening balance as of 1 January 2004 was adjusted by a total of NOK 53 million (NOK 52 million relates to the parent company) to take account of the deviation between the accumulated recalculated depreciation amounts and the actual depreciation amounts according to NGAAP. In 2004, the depreciation expenses in both the parent company and group increased by a total of NOK 16 million.

In connection with the opening balance sheet as of 1 January 2004, NOK 13 million in restoration obligations related to a plot of land were capitalised in the parent company. The cost price of the plot of land has been adjusted accordingly.

Tangible fixed assets designated for sale have been reclassified as held for sale in the balance sheet. Depreciation ceases as from the reclassification date. In 2004, a gain of NOK 0.3 million was recognised on the sale of assets classified as held for sale. One of Nor-Cargo AS's terminals is classified as held for sale as of 31 December 2004, with a book value of NOK 5 million.

Note 3 Fixed asset investments

In connection with the transition to IFRS, all assets and liabilities that meet the IFRS capitalisation criteria are to be capitalised in the opening balance sheet. The parent company's insurance account met the IFRS capitalisation criteria on the transition date and the amount of NOK 74 million was recognised as a long-term receivable in the opening balance sheet.
The subsidiary ZebSign AS has been designated as held for sale as of 31 December 2004, without this leading to a discrepancy between the book values according to NGAAP and those according to IFRS.

Note 4 Pensions

A total of NOK 1 290 million in unrecognised estimate deviations and unrecognised pension scheme changes has been recognised as a reduction in the group's net pension assets in the opening balance sheet. In addition, the financial assumptions used to calculate the pension obligations according to IFRS deviate from those used to calculate the pension obligations according to NGAAP. This particularly applies to the discount rate, which has been reduced as a result of the discount rate according to NGAAP taking long-term debenture rates into account while the discount rate according to IFRS takes long-term government bond rates into account. This has led to a reduction of NOK 340 million in the net pension assets as of 1 January 2004 and of NOK 29 million in the net pension assets as of 31 December 2004.

Interest income and expenses that have formed part of the pension expenses have been reclassified as financial items. In 2004, net financial income of NOK 55 million has been reclassified in the parent company, while net financial income of NOK 53 million has been reclassified in the group.

Note 5 Dividend

Dividends approved by the Annual General Meeting after the balance sheet date are not to be capitalised as liabilities on the balance sheet date.
As of 31 December 2004, the amount of NOK 466 million set aside for dividend according to NGAAP has been reclassified as equity in the parent company.

Note 6 Financial instruments

IAS 32 and 39 were implemented on 1 January 2005 and the effects of their implementation have been recognised in equity. The most important changes relate to the following factors:
a) Investments in shares are classified as "available for sale" and recognised at their fair value. Changes in value are recognised in equity until the investments are sold or written down. As of 1 January 2005, the amount of NOK 28 million (NOK 9 million in the parent company) has been recognised in equity, which comprises the difference between the fair value according to IFRS and the book value according to NGAAP, based on the lowest value principle.
b) Deferred gain and losses from exercised interest-rate swaps and forward exchange contracts have been recognised in equity as of 1 January 2005. The net effect on equity as of 1 January 2005 is a reduction of NOK 39 million in the parent company and group.
c) The group employs hedging instruments for foreign currency hedging, hedging of electricity prices, interest-rate hedging and the hedging of investments in foreign entities. These hedging instruments are documented and tested for effectiveness in accordance with IFRS rules. Derivatives used as hedging instruments were capitalised at their fair value at 1 January 2005, which resulted in a net increase in equity of NOK 7 million.

Note 7 Foreign currency

The accumulated translation differences relating to foreign subsidiaries and capitalised as part of equity have transferred to other equity at 1 January 2004. The calculation of the gains or losses on subsequent sales will only include translation differences that arise after the transition to IFRS. The amount reclassified from translation differences to other equity as of 1 January 2004 was NOK 5 million.

Note 8 Tax

No differences related to the treatment of deferred tax in the financial statements according to NGAAP and IFRS have been identified. Some of the differences identified between NGAAP and IFRS affect the temporary differences and thus have an impact on deferred taxes. In connection with the opening balance sheet, this applies to pensions (NOK 456 million in the group/ NOK 445 million in the parent company) and decomposition (NOK 13 million for both the parent company and the group).

In addition, the deferred taxes in accordance with NGAAP as of 31 December 2004 have been netted against a larger deferred tax asset in the IFRS financial statements for both the parent company and group.

Note 9 Equity
The reconciliation of reported equity in the annual financial statements prepared in accordance with NGAAP and the balance sheet prepared in accordance with IFRS as of 1 January 2004 and 31 December 2004 can be summarised as follows:

POSTEN NORGE AS	Share capital	Share premium account	Translation differences	Other equity	Other reserves	Minority interests	Total
Equity as of 1 January 2004	3 120	1 560		245			4 925
Effect of IFRS implementation (excl. IAS 39)							
Revaluation of property				(46)			(46)
Recognition of pension 'corridor' after tax				(1 146)			(1 146)
Reclassification of dividends				121			121
Recognition of insurance account				74			74
Adjustment to tax calculations				13			13
Adjusted equity as of 1 January 2004	3 120	1 560		(739)			3 941
Net income for the year				831			831
Dividend				(242)			(242)
Other equity transactions in 2004				1			1
Equity as of 31 December 2004	3 120	1 560		(149)			4 531
Effect of implementing IAS 39				(27)	14		(13)
Adjusted equity as of 1 January 2005	3 120	1 560		(176)	14		4 518

GROUP	Share capital	Share premium account	Translation differences	Other equity	Other reserves	Minority interests	Total
Equity as of 1 January 2004	3 120	1 560	5	73		18	4 776
Effect of IFRS implementation (excl. IAS 39)							
Revaluation of property				(46)			(46)
Reclassification of negative goodwill				2			2
Recognition of the pension 'corridor'				(1 173)			(1 173)
Reclassification of translation differences			(5)	5			
Reclassification of dividend				121			121
Recognition of insurance account				74			74
Adjustment to tax calculations				13			13
Adjusted equity as of 1 January 2004	3 120	1 560		(932)		18	3 766
Net income for the year				853		4	857
Dividend				(242)			(242)
Other equity transactions in 2004			3	(23)		2	(18)
Equity as of 31 December 2004	3 120	1 560	3	(344)		24	4 363
Effect of implementing IAS 39				(29)	34		5
Adjusted equity as of 1 January 2005	3 120	1 560	3	(373)	34	24	4 368

ERNST & YOUNG

Statsautoriserte revisorer
Ernst & Young AS
Oslo Atrium
Postboks 20
NO-0051 Oslo
Medlemmer av Den norske Revisorforening

Foretaksregisteret:
NO 976 389 387 MVA
Tel. +47 24 00 24 00
Fax +47 24 00 24 01
www.ey.no

Til generalforsamlingen i
Posten Norge AS

Revisjonsberetning for 2005

Vi har revidert årsregnskapet for Posten Norge AS for regnskapsåret 2005, som viser et overskudd på kr 718 millioner for morselskapet og et overskudd på kr 985 millioner for konsernet. Vi har også revidert opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til disponering av overskuddet. Årsregnskapet består av selskapsregnskap og konsernregnskap. Selskapsregnskapet og konsernregnskapet består av resultatregnskap, balanse, kontantstrømoppstilling, oppstilling over endringer i egenkapitalen og noteopplysninger. Selskapsregnskapet og konsernregnskapet er utarbeidet i samsvar med International Financial Reporting Standards som fastsatt av EU. Årsregnskapet og årsberetningen er avgitt av selskapets styre og konsernsjef. Vår oppgave er å uttale oss om årsregnskapet og øvrige forhold i henho

Byttes til engelsk

Vi har utført revisjonen i … runder
revisjonsstandarder vedta … ver at vi planlegger
og utfører revisjonen for … holder vesentlig
feilinformasjon. Revisjon … ygger informasjonen
i årsregnskapet, vurdering … sestimater, samt
vurdering av innholdet i … god revisjonsskikk,
omfatter revisjon også en … ps- og interne
kontrollsystemer. Vi mener at vår revisjon gir et forsvarlig grunnlag for vår uttalelse.

Vi mener at

- årsregnskapet er avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av selskapets og konsernets økonomiske stilling 31. desember 2005 og av resultatet, kontantstrømmene og endringer i egenkapitalen i regnskapsåret i overensstemmelse med International Financial Reporting Standards som fastsatt av EU
- ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge
- opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til disponering av overskuddet er konsistente med årsregnskapet og er i samsvar med lov og forskrifter.

Oslo, 18. mai 2006
ERNST & YOUNG AS

Jan Wellum Svensen
statsautorisert revisor

Besøksadresse:
Oslo Atrium
Christian Frederiks plass 6
0154 Oslo

Arendal, Bergen, Bø, Drammen, Fornebu, Fredrikstad, Holmestrand, Horten, Hønefoss, Kongsberg, Kragerø, Kristiansand, Larvik, Levanger, Lillehammer, Moss, Mo i Rana, Notodden, Oslo, Otta, Porsgrunn/Skien, Sandefjord, Sortland, Stavanger, Steinkjer, Tromsø, Trondheim, Tønsberg, Vikersund, Ålesund

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NORWAY POST, NO-0001 OSLO, TEL: +47 23 14 90 00, FAX: +47 23 14 90 01
CUSTOMER INQUIRIES: 810 00 710, INTERNET: WWW.POSTEN.NO

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