Income statement

Parent 2010	Parent 2009	(Amount in NOK 1000)	Note	Group 2010	Group 2009
		Revenue and operating expenses			
942 846	254 084	Profit/loss from private equity investments	3, 6	1 021 597	305 364
942 846	**254 084**	**Profit/loss from private equity investments**		**1 021 597**	**305 364**
5 978	4 670	Other revenues		3 355	4 043
948 824	**258 754**	**Total operating income**		**1 024 952**	**309 407**
(40 645)	(23 061)	Salaries and other personnel expenses	14	(40 645)	(23 061)
(17 883)	(17 585)	Other operating expenses	13, 14	(21 380)	(24 399)
890 296	**218 108**	**Operating result**		**962 927**	**261 946**
		Financial income and financial expenses			
59 630	60 988	Income bank deposits, bonds and commercial paper	7, 18	63 830	61 438
(6 105)	(6 754)	Other financial expenses	18	(15 786)	(7 542)
53 525	**54 234**	**Net finance**		**48 044**	**53 896**
943 821	**272 342**	**Profit before taxes**		**1 010 971**	**315 842**
5 962	18 554	**Income taxes**	17	5 943	18 554
949 783	**290 896**	**Profit for the year**		**1 016 915**	**334 396**
-	-	**Comprehensive income**		-	-
949 783	**290 896**	**Comprehensive income for the year**		**1 016 915**	**334 396**
		Profit attributable to minority interests		65 105	32 152
		Profit attributable to shareholders		951 810	302 244
		Earnings per share for profit attributable to the equity holders of the Company	10	487	155
		Dividend paid per share		60	-
		Diluted earnings per share for profit attributable to the equity holders of the Company	10	487	155
		Allocation of profit			
396 299	254 236	Retained earnings			
553 484	36 661	Revaluation reserve for fair value financial assets			

Balance sheet

Parent 2010	Parent 2009	(Amount in NOK 1000)	Note	Group 2010	Group 2009
		Assets			
		Non-current assets			
		Intangible assets			
38 162	32 218	Deferred taxes	3, 17	38 162	32 218
		Tangible assets			
2 957	2 465	Equipments fittings and fixture a.e.	19	2 957	2 465
		Financial assets			
4 415 401	3 026 797	Private equity investments at fair value option	3, 6	4 637 703	3 155 757
68 988	62 958	Subsidiary	11, 12	-	-
4 484 390	**3 089 755**	Total financial assets		**4 637 703**	**3 155 757**
4 525 508	**3 124 438**	**Total non-current assets**		**4 678 821**	**3 190 440**
		Current assets			
43 382	82 367	Other current assets	8, 20	35 823	69 983
1 631 099	2 227 713	Available for sale bonds and commercial paper	7	1 631 099	2 227 713
136 861	54 921	Cash and cash equivalents	9	206 612	119 529
1 811 343	**2 365 001**	Total current assets		**1 873 534**	**2 417 225**
6 336 851	**5 489 439**	**Total assets**		**6 552 355**	**5 607 665**
		Equity and liabilities			
		Equity			
		Paid-in capital			
1 953 166	1 953 166	Share capital	10	1 953 166	1 953 166
2 696 706	2 696 706	Share premium	10	2 696 706	2 696 706
4 649 872	**4 649 872**	Total paid-in capital		**4 649 872**	**4 649 872**
		Other equity			
590 145	36 661	Value adjustment fund		-	-
1 069 260	790 913	Retained earnings		1 670 827	837 017
1 659 406	**827 574**	Total retained equity		**1 670 827**	**837 017**
-	-	Minority interests		203 535	104 581
6 309 278	**5 477 446**	**Total equity**		**6 524 234**	**5 591 470**
		Liabilities			
		Current liabilities			
-	-	Payable taxes	17	-	-
27 573	11 993	Other liabilities	16	28 121	16 195
27 573	**11 993**	Total current liabilities		**28 121**	**16 195**
27 573	**11 993**	**Total liabilities**		**28 121**	**16 195**
6 336 851	**5 489 439**	**Total equity and liabilities**		**6 552 355**	**5 607 665**

Statement of changes in equity

Group (NOK 1 000)	Share capital	Share premium	Retained earnings	Majority interests in total equity	Minority interests	Total equity
Equity 31.12.2008	**1 200 000**	**1 449 872**	**534 773**	3 184 645	**1 978**	**3 186 623**
Comprehensive income	-	-	302 244	302 244	32 152	334 396
Paid-in capital	753 166	1 246 834	-	2 000 000	-	2 000 000
Minority interests in paid-in capital	-	-	-	-	70 451	70 451
Equity 31.12.2009	**1 953 166**	**2 696 706**	**837 017**	**5 486 889**	**104 581**	**5 591 470**
Comprehensive income	-	-	951 810	951 810	65 105	1 016 915
Minority interests in paid-in capital	-	-	-	-	58 008	58 008
Dividends in subsidiaries paid to minority	-	-	-	-	(24 159)	(24 159)
Dividends paid to shareholders	-	-	(118 000)	(118 000)	-	(118 000)
Equity 31.12.2010	**1 953 166**	**2 696 706**	**1 670 827**	**6 320 699**	**203 535**	**6 524 234**

Parent (NOK 1 000)	Share capital	Share premium	Value adjustment fund	Retained earnings	Total equity
Equity 31.12.2008	**1 200 000**	**1 449 872**	**-**	**536 677**	**3 186 549**
Paid-in capital	753 166	1 246 834	-	-	2 000 000
Comprehensive income	-	-	36 661	254 236	290 897
Equity 31.12.2009	**1 953 166**	**2 696 706**	**36 661**	**790 913**	**5 477 446**
Comprehensive income	-	-	553 484	396 299	949 784
Dividends paid to shareholders	-	-	-	(118 000)	(118 000)
Group contribution 2010	-	-	-	48	48
Equity 31.12.2010	**1 953 166**	**2 696 706**	**590 145**	**1 069 260**	**6 309 278**

Cash flow statement

Parent 2010	Parent 2009	(Amount in NOK 1000)	Note	Group 2010	Group 2009
		Cash flows from operating activities			
943 821	272 342	Profit before tax		1 010 971	334 396
-	-	Taxes paid in the period	17	-	-
388	246	Depreciation	19	388	246
(53 466)	(58 599)	Items classified as investment or financial activities		(53 466)	(61 438)
(553 484)	(159 700)	Unrealised gains/losses from private equity investments		(594 560)	(197 326)
(976 009)	(934 731)	Purchase of private equity investments		(1 128 358)	(1 035 243)
140 969	30 383	Proceeds from realisation of private equity investments		235 798	40 312
54 631	(75 311)	Change in trade payables and other accrual items		51 341	(55 385)
(443 151)	**(925 370)**	**Net cash generated from operating activities**		**(477 886)**	**(974 439)**
		Cash flows from investing activities			
(880)	(900)	Purchase of equipment	19	(880)	(900)
-	-	Proceeds from sale of equipment	19	-	-
(6 030)	(39 348)	Payments of investments in subsidiary		-	-
-	(1 900 000)	Payments to asset management		-	(1 900 000)
650 000	880 000	Proceeds from asset management		650 000	880 000
643 090	**(1 060 248)**	**Net cash used in investing activities**		**649 120**	**(1 020 900)**
		Cash flows from financing activities			
-	2 000 000	Paid-in capital		58 008	2 070 451
(118 000)	-	Dividend payments		(142 159)	-
(118 000)	**2 000 000**	**Net cash used in financing activities**		**(84 151)**	**2 070 451**
81 939	**14 382**	**Net cash flow for the period**		**87 083**	**75 113**
54 127	39 746	Cash and cash equivalents at beginning of year	9	118 735	43 622
81 939	14 382	Net movement in cash and cash equivalents		87 083	75 113
135 876	**54 127**	**Cash and cash equivalents at end of year**	9	**205 627**	**118 735**

Note 1 – Accounting policies

1.1 Basis of preparation

Argentum Fondsinvesteringer as is a private limited company with main office in Bergen and a local office in Oslo. The company's main office has the visiting address Bradbenken 1, 5835 Bergen. The financial statements of 2010 are adopted by the Board of Directors 4 May 2011 to be adopted by the General Meeting 23 June 2011.

The consolidated financial statements and the financial statements of the parent Argentum Fondsinvesteringer as for the financial year 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) with interpretations published by the International Accounting Standards Board which is adopted by the EU, as well as other Norwegian disclosure obligations pursuant to the law and regulations.

The consolidated accounts are based on the historic cost principle, with the following exceptions:

- Financial assets at fair value through profit or loss (note 1.8 and 1.13).
- Financial assets at fair value through profit or loss in accordance with the fair value option (note 1.8 and 1.13).

The accounting principles used for the preparation of the consolidated financial statements are applied consistently to similar transactions and to other events under similar circumstances.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group`s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Changes in accounting policy and disclosures

a) New and amended standards adopted by the group

The group has made no changes in the accounting principles applied in 2010, but has implemented the following new standards, amendments and interpretations with effect from 1 January 2010:

- IAS 27 Consolidated and separate financial statements (revised). The revised IAS 27 includes complementary principles regarding the accounting treatment of changes in ownership interests in subsidiaries. IAS 27 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. IAS 27 has had no impact on the current period, as none of the non-controlling interests have a deficit balance; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.

  In addition, the rules relating to the distribution of losses between the majority and minority have been changed, whereby losses are to be charged to the non-controlling interests (minority interests), even if the balance sheet value of the minority interest will thus be negative.

b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the group

IFRIC 17, IFRIC 18, IFRIC 9, IFRIC 16, IAS 38, IAS 1, IAS 36 and IFRS 2 *c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted*

IFRS 9, IAS 24, IAS 32, IFRIC 19, IFRIC 14, IFRS 7.

1.2 Functional and presentation currency

The group's presentation currency and functional currency is the Norwegian krone (NOK).

1.3 Consolidation

The consolidated financial statements combine Argentum Fondsinvesteringer as and companies where Argentum Fondsinvesteringer as has the power to exercise a controlling influence.

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date of which control is transferred to the group. They are de-consolidated from the date that control ceases. The group`s total equity includes minority interests.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

b) Joint ventures

The group's share in joint ventures is accounted for using the gross-deal method. The group aggregates its share of the joint ventures' income, balance sheet and cash flow items with corresponding items in the group's accounts. Profit or losses on the sale of assets to joint ventures are recognized for the part attributable to other owners (outside of the group) in the joint venture. With purchases of assets from a joint venture, the profit or loss will only be recognized when the asset is sold by the group. Losses are recognized immediately if the transaction indicates a reduction in net sales value of current assets or impairment of tangible assets.

Other investments are accounted for in accordance with IAS 39 Financial instruments: Recognition and measurement, where supplementary information is given in note 1.8.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank deposits. Cash and cash equivalents are recognised initially at fair value.

1.5 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.6 Tangible assets

The group's tangible assets are recognised at historical cost reduced by accumulated depreciation and any write-downs. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Equipment, fixtures and fittings	3-5 years
Art	No depreciation

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. This also applies to the disposal value.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

1.7 Leases

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1.8 Financial instruments

In accordance with the provisions set out in IAS 39, the group's financial instruments are classified into one of the following categories:

- Fair value through profit or loss
- Classified at fair value through profit or loss in accordance with the fair value option
- Loans and receivables

The classification depends on the purpose for which the financial assets were required. Management determines the classification of its financial assets at initial recognition.

Financial instruments at fair value through profit or loss

A financial asset is classified at fair value if it is:

- Acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- A part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Bonds and commercial papers as well as listed shares are classified as financial instruments at fair value through profit or loss.

Fair value option

If it provides more relevant information, financial instruments qualified for it are classified at fair value through profit or loss in accordance with the fair value option.

Investment in private equity funds are classified as non-current assets. The group applies the fair value option for investments in private equity funds. As a fund-in-fund investor and pursuant to the International Private Equity and Venture Capital (IPEVC) guidelines the investments in private equity funds are valued based on net asset values as reported by the funds.

Fair value is calculated by using principles of valuation as determined in IAS 39 and International Private Equity and Venture Capital guidelines.. For listed securities the fair value is based on the closing prices on the last trade date of the year. For unlisted securities, where no fair value is observable, the fair value is determined using recent arm’s length transactions, with reference to the current market value of another instrument that is substantially the same or by using the discounted cash flow method. Investments for which fair value cannot be reliably estimated are valued at cost less any permanent impairment losses. The fair value of private equity funds are calculated on the basis of each fund’s fair value at the balance sheet date. The fair value of a fund corresponds to the investment portfolio at fair value in addition to net value of other balance sheet items.

Changes in the fair value of financial instruments classified as at fair value through profit or loss, or classified at fair value through profit or loss in accordance with the fair value option, are allocated and presented as financial income/expense or operational income/expense in accordance with the objective of the instrument (ref. note 1.13).

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as noncurrent assets. The group’s loans and receivables comprise ‘other current assets’, ‘cash and cash equivalents’ and ‘other liabilities’ in the balance sheet. Loans and receivables are carried at amortised cost using the effective interest-method.

Initial recognition of financial instruments and subsequent value measurement
Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value.

Secondary investments in private equity funds through Argentum Secondary are held at cost until the end of the subsequent quarter after the purchase. Thereafter the secondary investments are recognised at fair value through profit or loss. When a secondary investment is held at cost other investments in the same fund are correspondingly valued.

Impairment of financial assets
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor
- The disappearance of an active market for that financial asset because of financial difficulties
- Observable data including that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the portfolio

The group first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the asset`s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset`s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. As a practical expedient, the group may measure impairment on the basis of an instrument`s fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

1.9 Provisions

Provisions are recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

1.10 Equity capital

(i) Share capital

Ordinary shares are classified as equity.

(ii) Cost of equity transactions

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(iii) Retained earnings

Argentum Fondsinvesteringer as are using a portfolio valuation of private equity funds. The value adjustment fund consists of net unrealised gains and losses on financial instruments held for trade or valued at fair value. Unrealised losses are recognised through retained earnings. Proposed dividends are a part of retained earnings until approved by the general meeting.

The value adjustment fund is non-distributable reserves and is not included in the dividend basis.

1.11 Minority interests

The minority interests include the minority’s share of the recognized value of subsidiaries in addition to a proportionate share of excess value at the time of acquisition

Losses in a consolidated subsidiary which is attributable to minority interests are to be charged to the non-controlling interests (minority interests), even if the balance sheet value of the minority interest will thus be negative

1.12 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.13 Revenue recognition

The group’s primary activity is investment in private equity funds. Consequently net profit and losses from this activity are classified as operational income in the income statement. The net income from private equity investments consists of realised and unrealised profit and losses in addition to dividend distributions from the funds. In the income statement, the profit/losses from private equity investments consist of the company’s share of the realised as well as unrealised profit/losses on the funds’ underlying investments.

When calculating the profit/loss from private equity funds due to realisation of underlying investments, recognized partner share and other costs regarding management of the fund are included. Recognised costs are allocated based on the historical cost for the individual underlying portfolio company.

The group's portfolio of private equity investments is managed and profit is measured on the basis of fair value of the underlying portfolio companies. The management model aims to measure the return on the investments on the basis of estimated fair values supplemented by qualitative analysis of value -and risk development in the portfolio. This approach is preferred since it is assumed to give more relevant information. Internal reporting to the Board of Directors and the management is based on fair value of the private equity investments. Based on this, Argentum Fondsinvesteringer is using the option in IAS 39, paragraph 9b, to estimate private equity investments at fair value through profit and loss.

Further information is stated in note 1.8 financial instruments.

Interest income is recognised on a time-proportion basis using the effective interest method. Dividend income is recognised when the right to receive payment is established.

1.14 Foreign currency

Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Cash holdings in foreign currency are translated into the functional currency at the balance date. Non-monetary assets and liabilities measured at historical cost denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Non-monetary assets and liabilities measured at fair value denominated in foreign currencies are translated at the initial drawdown rate.

1.15 Employee benefits

Defined contribution pension scheme

The group has established a defined contribution pension scheme in accordance with the provisions set out in the law"obligatorisk tjenestepensjon" ("mandatory occupational pension"). The contribution to the pension scheme is set to an amount of 0-8 % of the salary.

The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

1.16 Current and deferred income tax

The tax charges in the profit and loss account consist of tax payable for the accounting year and changes in deferred tax. Deferred tax and deferred tax payable are calculated on the basis of differences between accounting and tax values of assets and liabilities with the exception of:

- Temporary differences related to investments in subsidiaries

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and previously not recognised deferred tax assets are recognised to the extent it is considered likely that the companies in the group will have sufficient taxable profit in the future to make use of the tax asset.

Deferred tax assets and deferred taxes are measured based on the expected tax rate in the future for the companies in the group where temporary differences has occurred.

Deferred tax assets and deferred taxes are recognised at nominal values and are respectively classified as intangible assets and noncurrent liabilities.

Payable and deferred taxes are recognized to equity if the taxes refer to items recognised to equity during the same or in previous periods.

1.17 Segments

The group's primary activity comprises investments in private equity funds. Based on the group's financial risk-, return- and investment profile, together with circumstances related to market and financial products, the group is considered to operate within one segment.

1.18 Post balance-sheet events

New information after the balance sheet date regarding the group's financial position is taken into consideration in the financial statement. Events after the balance sheet date which have no impact on the financial position at the balance sheet date but are believed to make an impact on the financial position in the future are disclosed if the impact is material.

1.19 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management has used estimates and assumptions that have affected assets, liabilities, income, expenses and information on potential liabilities. This is particularly affecting the valuation of investments in private equity funds and the estimation of deferred tax assets. For further description see note 3.

Note 2 – Financial risk management

The group`s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group`s objective regarding capital management is to ensure a going concern and to secure return of investment for the shareholders of the group.

Argentum Fondsinvesteringer is a professional fund of funds manager which through minority investments in private equity funds is aiming to generate return on investments above 15 percent p.a. and in line with the best performing private equity fund of funds in Europe.

The return on investments within the private equity business is substantially driven by the manager's capability and competence, and there are considerable differences in profitability among comparable private equity funds. Argentum is aiming to invest among the 25 % best private equity funds (upper quartile of return on investments). The investment process starts with a screening phase, in which private equity funds are evaluated against Argentum's investment strategy, existing portfolio and other funds in the same sector. Then a detailed evaluation is undertaken, that involves assessing the fund's management, investment strategy, financial results, formal set-up and agreement. The Board of Directors is making the final investment resolution.

Risk diversification is achieved through developing a balanced portfolio with regard to vintage, industry, stage, geography and manager.

After the investment has been made, Argentum participates by following up the investment all the way through the fund's lifetime. This is made by representation in the Board of Directors or in Investment Limited Partnership Committees. Argentum has also established a thorough system for monitoring the private equity portfolio.

Capital committed to private equity funds, but not yet invested, is in the intervening period invested in the Norwegian money market in accordance with general terms for the liquidity management set out by the Board of Directors. The group's objectives when managing this capital is to maximise the risk adjusted return, and in compliance with high liquidity and low interest-and credit risk.

Through its investments in private equity funds and placement of liquidity in interest bearing instruments in the Norwegian money market, the group is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk and currency risk). Argentum has no interest bearing debt per 31.12.2010.

Credit risk
For investments in interest bearing instruments particular attention is paid to ensuring diversification of credit exposure to avoid concentrating credit exposure to any particular debtors or sectors. Investments in money market instruments are restricted to the following sectors; state, municipal/county and financial institutions (note 7).

Liquidity risk
The group's liquidity risk is first and foremost that the group will be unable to meet its payment obligation concerning current capital calls (when due) within committed capital to the private equity funds. This matter is incorporated in the group's investment plans and forecasts. The liquidity risk is considered low. For further information, see note 6 regarding committed capital in the private equity portfolio.

Liquidity risk concerning capital managed in the money market is related to whether invested capital could be transformed into cash within reasonable time. This risk is managed through terms of risk diversification and requirements regarding portfolio composition including requirements regarding investments in securities with good liquidity.

Currency risk
Foreign exchange risk exposure mainly relates to investments in private equity funds which are denominated in a foreign currency, particularly Euro. Capital calls made to private equity funds denominated in foreign currencies are influenced by exchange rate fluctuations, and these fluctuations would also influence the group's realised and unrealised return on investments.

If a (prospective) portfolio company has a different functional currency than the private equity fund, the exchange rate risk exposure towards the fund currency will only persist in a short period of time until the investment has been made. It is Argentum`s policy not to hedge exchange rate risks concerning investments in private equity funds denominated in foreign currencies.

Sensitivity analyses have been performed based on the fair market value of the underlying portfolio companies in the group`s portfolio of private equity funds, calculated in the underlying portfolio companies' local currency.

At 31 December 2010, had the exchange rate between NOK and EUR increased or decreased by 5 % with all other variables held constant, post-tax profit for the year would have been NOK 29,4 million lower/higher (NOK 22,9 million in 2009), correspondingly NOK 30,5 million (NOK 23,7 million in 2009) for the group.

At 31 December 2010, had the exchange rate between NOK and USD increased or decreased by 5 % with all other variables held constant, post-tax profit for the year would have been NOK 10,4 million lower/higher (NOK 10,5 million in 2009), correspondingly NOK 10,9 million (NOK 11,1 million in 2009) for the group.

At 31 December 2010, had the exchange rate between NOK and SEK increased or decreased by 5 % with all other variables held constant, post-tax profit for the year would have been NOK 48,4 million lower/higher (NOK 36,1 million in 2009), correspondingly NOK 50,5 million (NOK 38,2 million in 2009) for the group.

At 31 December 2010, had the exchange rate between NOK and DKK increased or decreased by 5 % with all other variables held constant, post-tax profit for the year would have been NOK 28,4 million lower/higher (NOK 13,0 million in 2009), correspondingly NOK 29,6 million (NOK 13,7 million in 2009) for the group.

Interest rate risk

Capital under management in the Norwegian money market is exposed to interest rate risk. The interest rate risk concerning the money market instruments is managed through terms of duration for the total portfolio. Maximum duration for the portfolio is set to 1 year and by 31.12.10 the actual duration, market value weighted, is 0,64 years (0,66 years in 2009).

An increase/decrease by 1 % in the market interest rate would result in a decrease/increase of NOK 10,2 million (NOK 14,4 million in 2009) in the market value of the money market portfolio. Post tax profit would have been NOK 7, 4 million lower/higher (NOK 10,3 million lower/higher in 2009).

Other market risk

Market risk relates to the risk that the group’s assets might be reduced by unexpected and unfavorable movements in the market. The group invests in unquoted shares through venture- and buyout funds. Particularly within the venture segment there could be substantial risk related to each individual investment. There are possibilities of high rates of return but also high risk for considerable losses.

Through diversification on funds, managers and through a balanced vintage year portfolio composition, Argentum seeks to reduce the risk concentration in the portfolio. In addition Argentum invests in funds with different investment focus related to industry, stage and geography.

Fund investments valuated in accordance with International Private Equity & Venture Capital (IPEVC) Valuation Guidelines are exposed to interest rate risk. The fair value of the underlying portfolio companies is influenced by changes in the interest rate.

Note 3 Critical accounting estimates and judgments

Estimates and assumptions

The key assumptions concerning future events and other important sources of uncertainty in the estimates at the balance sheet date, which is not carrying a negligible risk to cause significant changes in the recognized amounts of assets and liabilities within the next financial year are discussed below:

Asset (NOK 1 000)	Note	Estimate/assumption	Carrying value parent	Carrying value group
Private equity funds	6	Fair value option	4 415 401	4 613 686
Deferred tax asset	17	Estimate of future exploitation of the tax position	38 162	38 162

Fair value option private equity funds
Investments in private equity funds are valued based on the values reported by the funds. As mentioned in note 1.8 Financial instruments, the group are using the fair value option for investments in private equity funds. The fair value is calculated based on the valuation principles in IAS 39 and in accordance with the International Private Equity and Venture Capital (IPEVC) Valuation Guidelines.

The management has based its assessments on information available in the market, combined with the best estimates. It has not appeared new information about significant matters that had occurred or already existed on the balance sheet date per 31 December 2010 and up to the Board of Directors approval of the financial statements 4 May 2011. See note 6 for the valuation of the private equity portfolio.

Deferred tax asset
Deferred tax assets are recognised for carry-forwards and other tax reducing differences to the extent it is considered likely that there will be a sufficient taxable profit in the future to make use of the tax asset. Considerable discretion from the management is required to determine the size of the deferred tax assets in the balance sheet based on the timing and size of taxable income in the future and future strategies for tax planning.

Note 4 Financial instruments at fair value

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1:
Financial instruments that are valued using quoted prices in active markets for identical assets and liabilities.

This category includes the group’s portfolio of market-based bonds and commercial paper and listed shares.

Level 2:
Financial instruments that are valued using other information than quoted prices, but where prices are directly or indirectly observable for the asset or liability, including quoted prices in inactive markets for identical assets or liabilities.

The group has no financial instruments at this level.

Level 3:
Financial instruments that are valued using non-observable market data. Financial instruments are considered to be valued using non-observable market data if the fair value is determined without being based on quoted prices in active markets or based on observable market data.

The group's private equity portfolio is placed on level 3. The valuation principles for the private equity portfolio are described further in note 1.8 Financial instruments.

The following table presents the group`s assets that are measured at fair value at 31 December 2010

Group at 31.12.2010 (NOK 1 000)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Private equity funds	-	-	4 613 686	4 613 686
Listed shares	24 017	-	-	24 017
Bonds and commercial paper	1 631 099	-	-	1 631 099
Total assets	**1 655 117**	**-**	**4 613 686**	**6 268 802**

Group at 31.12.2009 (NOK 1 000)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Private equity funds	-	-	3 155 757	3 155 757
Listed shares	-	-	-	-
Bonds and commercial paper	2 227 713	-	-	2 227 713
Total assets	**2 227 713**	**-**	**3 155 757**	**5 383 470**

The following table presents the changes in level 3 instruments for the year ended 31 December 2010.

Level 3 **(**NOK 1 000)	**Parent**	**Group**
Opening balance	3 026 797	3 155 757
Investments in the period	976 089	1 128 358
Realisation in the period	-140 969	-235 798
Transfers into level 1	-	-28 456
Unrealised profit in the period	553 484	593 825
Closing balance	**4 415 401**	**4 613 686**

The following table presents total gains and losses in level 3 instruments for the year ended 31 December 2010.

Total gains level 3 **(**NOK 1 000)	**Parent**	**Group**
Realised gains level 3	389 362	415 650
Unrealised gains level 3	553 484	593 825
Total gains for the period	**942 846**	**1 009 476**

Note 5 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Group at 31.12.2010 (NOK 1 000)	**Loans and receivables**	**Available for sale**	**Fair value**	**Total**
Assets				
Private equity funds	-	-	4 613 686	4 613 686
Listed shares	-	-	24 017	24 017
Other receivables	35 823	-	-	35 823
Bonds and commercial paper		-	1 631 099	1 631 099
Cash and cash equivalents	206 612	-	-	206 612
Total assets	**242 435**	**-**	**6 268 802**	**6 511 237**
Liabilities				
Other current liabilities	28 121	-	-	28 121
Total liabilities	**28 121**	**-**	**-**	**28 121**

Group at 31.12.2009 (NOK 1 000)	**Loans and receivables**	**Available for sale**	**Fair value**	**Total**
Eiendeler				
Private equity funds	-	-	3 155 757	3 155 757
Other receivables	69 983	-	-	69 983
Bonds and commercial paper	-	-	2 227 713	2 227 713
Cash and cash equivalents	119 529	-	-	119 529
Total assets	**189 512**	**-**	**5 383 470**	**5 572 982**
Liabilities				
Other current liabilities	16 195	-	-	16 195
Total liabilities	**16 195**	**-**	**-**	**16 195**

Note 6 Private equity investments

Parent at 31.12.2010 (NOK 1 000)	Jurisdiction	Registered office	Ownership interest	Currency	Remaining commitment(local currency)	Acquisition cost 2010	Acquisition cost 2009
Teknoinvest VIII KS	Norge	Oslo	32,11 %	EUR	159	112 613	130 637
Teknoinvest VIII B DIS	Norge	Oslo	32,11 %	EUR	546	32 102	27 194
Northzone IV K/S	Danmark	Oslo	25,05 %	EUR	-	130 104	145 405
Energy Ventures IS	Norge	Stavanger	22,09 %	NOK	2 014	20 207	27 926
CapMan Equity VII LP	Guernsey	Helsinki	22,11 %	EUR	508	172 675	194 366
Sector Speculare AS	Norge	Oslo	10,00 %	NOK	-	1 091	1 692
Convexa Capital IV AS	Norge	Oslo	16,19 %	NOK	-	17 325	17 325
Viking Venture II AS	Norge	Trondheim	13,75 %	NOK	3 391	34 892	40 419
Viking Venture II B IS	Norge	Trondheim	66,91 %	NOK	21 285	18 315	3 564
Norvestor IV LP	Guernsey	Oslo	14,20 %	EUR	3 491	73 563	98 747
NeoMed Innovation IV LP	Jersey	Oslo	11,46 %	EUR	2 138	65 028	70 706
FSN Capital LP II	Jersey	Oslo	11,46 %	EUR	1 191	123 252	123 792
Energy Ventures II KS	Norge	Stavanger	20,18 %	NOK	2 849	115 951	111 713
Energy Ventures II B IS	Norge	Stavanger	45,90 %	NOK	26 715	35 835	3 411
Verdane Capital V B K/S	Danmark	Oslo	28,29 %	SEK	21 138	73 851	69 486
CapMan Buyout VIII LP	Guernsey	Helsinki	9,63 %	EUR	6 699	223 352	218 594
HitecVision Private Equity IV LP	Guernsey	Stavanger	20,13 %	USD	11 719	263 554	244 803
Eqvitec Technology Fund III K/S	Danmark	Helsinki	14,05 %	EUR	6 057	103 550	96 817
Axcel III K/S	Danmark	København	2,46 %	DKK	8 492	67 845	69 194
Northzone V K/S	Danmark	Oslo	11,31 %	EUR	4 172	121 287	104 694
EQT V LP	Guernsey	Stockholm	0,58 %	EUR	4 756	164 738	120 939
Borea Opportunity II AS	Norge	Bergen	9,59 %	NOK	60 926	45 128	40 772
Verdane Capital VI K/S	Danmark	Oslo	9,90 %	SEK	33 450	53 095	49 188
Creandum II LP	Guernsey	Stockholm	12,07 %	SEK	89 496	41 663	32 050
Intera Fund I KY	Finland	Helsinki	11,88 %	EUR	6 776	65 563	40 139
Litorina Kapital III LP	Jersey	Stockholm	8,61 %	SEK	18 338	85 659	57 145
Norvestor V LP	Guernsey	Oslo	13,52 %	EUR	16 863	112 176	83 391
HitecVision V LP	Guernsey	Stavanger	9,40 %	USD	34 140	250 257	119 746
Viking Venture III IS	Norge	Trondheim	13,17 %	NOK	38 350	35 900	10 878
Nordic Capital VII LP	Jersey	Stockholm	0,81 %	EUR	18 841	128 946	76 985
Procuritas Capital Investors IV LP	Guernsey	Stockholm	22,46 %	EUR	18 137	96 214	35 732
Herkules III LP (via N PEP HC IS)	Jersey	Oslo	4,56 %	NOK	159 451	114 616	50 808
Altor III LP (via N PEP 1 IS)	Jersey	Stockholm	0,99 %	EUR	16 909	29 708	18 238
CapMan Buyout IX LP	Guernsey	Helsinki	8,40 %	EUR	16 064	70 959	11 224
Verdane Capital VII K/S	Danmark	Oslo	11,55 %	SEK	132 916	37 123	19 410
Argentum Secondary I IS	Norge	Bergen	97,02 %	NOK	97 634	134 225	138 358
Argentum Secondary II IS	Norge	Bergen	79,37 %	NOK	781 136	417 625	259 950
Argentum Investment Partner IS	Norge	Bergen	47,05 %	NOK	209 954	36 079	24 701
Northzone VI LP	Jersey	Oslo	17,11 %	EUR	12 615	24 570	-
HitecVision Asset Solutions LP	Guernsey	Stavanger	14,10 %	USD	48 892	65 668	-
Energy Ventures IV LP	Guernsey	Stavanger	11,73 %	USD	24 660	8 251	-
Energy Growth Holding AS - earn out	Norge		-	NOK	-	701	-
Total cost of acquisition						**3 825 256**	**2 990 136**
Total fair value						**4 415 401**	**3 026 797**
Remaining commitment					**3 430 958**		

*Argentum Fondsinvesteringer as has a direct ownership interest of 29,186 % in Teknoinvest VIII KS and also an indirect ownership interest of 2,919 % through the general partner Teknoinvest VIII (GP) KS.

Remaining commitment is paid in as the private equity funds make investments.

Group at 31.12.2010 (NOK 1 000)	**Jurisdiction**	**Registered office**	**Ownership interest**	**Currency**	**Remaining commitment(local currency)**	**Acquisition cost 2010**	**Acquisition cost 2009**
Teknoinvest VIII KS	Norge	Oslo	32,43 %	EUR	161	113 751	131 956
Teknoinvest VIII B DIS	Norge	Oslo	32,43 %	EUR	551	32 426	27 469
Northzone IV K/S	Danmark	Oslo	25,30 %	EUR	-	131 419	146 874
Energy Ventures IS	Norge	Stavanger	28,29 %	NOK	2 580	24 442	33 653
CapMan Equity VII LP	Guernsey	Helsinki	22,33 %	EUR	513	174 419	196 329
Sector Speculare AS	Norge	Oslo	10,10 %	NOK	-	1 102	1 710
Sector Speculare III Fund Class A	Norge	Oslo	1,90 %	USD	-	20 380	20 380
Convexa Capital IV AS	Norge	Oslo	16,36 %	NOK	-	17 500	17 500
Viking Venture I AS	Norge	Trondheim	24,35 %	NOK	-	22 380	22 380
Viking Venture II AS	Norge	Trondheim	28,17 %	NOK	6 946	54 243	58 107
Viking Venture II B IS	Norge	Trondheim	67,59 %	NOK	21 500	18 500	3 600
Norvestor IV LP	Guernsey	Oslo	36,03 %	EUR	8 855	177 966	227 246
NeoMed Innovation III LP	Jersey	Oslo	26,11 %	USD	-	11 901	21 778
NeoMed Innovation IV LP	Jersey	Oslo	18,34 %	EUR	3 420	89 824	94 915
FSN Capital LP II	Jersey	Oslo	14,88 %	EUR	1 547	148 609	149 284
FSN Capital LP III	Jersey	Oslo	1,32 %	EUR	3 330	8 767	7 373
Energy Ventures II KS	Norge	Stavanger	23,78 %	NOK	3 358	130 668	125 675
Energy Ventures II B IS	Norge	Stavanger	46,36 %	NOK	26 985	36 196	3 445
Energy Ventures III LP	Guernsey	Stavanger	5,97 %	NOK	31 126	34 740	21 988
Verdane Capital V B K/S	Danmark	Oslo	28,57 %	SEK	21 352	74 591	70 182
CapMan Buyout VIII LP	Guernsey	Helsinki	9,72 %	EUR	6 767	225 608	220 802
HitecVision Private Equity IV LP	Guernsey	Stavanger	21,83 %	USD	12 710	281 523	260 965
Eqvitec Technology Fund III K/S	Danmark	Helsinki	14,19 %	EUR	6 118	104 596	97 795
Axcel III K/S	Danmark	København	2,49 %	DKK	8 578	68 531	69 893
Northzone V K/S	Danmark	Oslo	11,43 %	EUR	4 214	122 512	105 751
EQT III LP	Guernsey	Stockholm	0,25 %	EUR	152	2 952	3 299
EQT IV LP	Guernsey	Stockholm	0,40 %	EUR	575	31 121	28 498
EQT V LP	Guernsey	Stockholm	0,82 %	EUR	6 734	215 475	184 081
Borea Opportunity II AS	Norge	Bergen	12,95 %	NOK	82 242	53 960	46 274
Verdane Capital VI K/S	Danmark	Oslo	11,00 %	SEK	37 008	55 740	49 685
Creandum II LP	Guernsey	Stockholm	12,20 %	SEK	89 900	42 084	32 374
Intera Fund I KY	Finland	Helsinki	12,00 %	EUR	6 844	66 225	40 544
Litorina Kapital III LP	Jersey	Stockholm	8,70 %	SEK	18 524	86 525	57 723
Norvestor V LP	Guernsey	Oslo	15,78 %	EUR	19 685	120 300	86 723
HitecVision V LP	Guernsey	Stavanger	10,72 %	USD	38 934	286 724	120 955
Viking Venture III IS	Norge	Trondheim	13,31 %	NOK	38 738	36 263	10 988
Nordic Capital VII LP	Jersey	Stockholm	0,81 %	EUR	19 031	130 248	77 762
Procuritas Capital Investors IV LP	Guernsey	Stockholm	23,73 %	EUR	19 167	101 700	37 777
Herkules Private Equity II LP	Jersey	Oslo	2,59 %	NOK	17 879	36 732	35 696
SPV Herkules II LP	Jersey	Oslo	1,45 %	NOK	2 133	518	502
Herkules Private Equity III LP	Jersey	Oslo	4,99 %	NOK	174 647	125 353	51 321
Altor Fund II LP	Jersey	Stockholm	0,42 %	EUR	386	23 174	20 355
Altor Fund III LP	Jersey	Stockholm	1,41 %	EUR	24 103	41 464	21 262
CapMan Buyout IX LP	Guernsey	Helsinki	8,84 %	EUR	16 901	74 615	11 337
Verdane Capital VII K/S	Danmark	Oslo	12,36 %	SEK	142 215	39 700	19 606

Group at 31.12.2010 (NOK 1 000)	Jurisdiction	Registered office	Ownership interest	Currency	Remaining commitment(local currency)	Acquisition cost 2010	Acquisition cost 2009
Northzone VI LP	Jersey	Oslo	18,20 %	EUR	13 420	26 150	-
HitecVision Asset Solutions LP	Guernsey	Stavanger	14,98 %	USD	51 934	69 753	-
Energy Ventures IV LP	Guernsey	Stavanger	12,83 %	USD	26 979	9 030	-
IK 2000 Fund LP	Jersey	London	0,48 %	EUR	-	24 675	-
Odin Equity Partners K/S	Danmark	København	5,78 %	DKK	1 830	33 466	-
Procuritas Capital Investors III LP	Guernsey	Stockholm	13,21 %	EUR	4 764	39 249	-
Nexit InfoCom II L.P.	Guernsey	Helsinki	5,88 %	EUR	2 466	9 225	-
Verdane Capital IV AS	Norge	Oslo	3,38 %	NOK	186	3 092	-
Verdane Capital IV Twin AS	Norge	Oslo	3,38 %	NOK	169	2 210	-
Progressus AS	Norge	Stavanger	10,59 %	NOK	23 362	29 203	-
Energy Growth Holding AS - earn out	Norge		0,00 %	NOK		701	-
Total cost of acquisition						**3 944 222**	**3 073 813**
Total fair value						**4 613 686**	**3 155 757**
Remaining commitment					**2 802 413**		

Listed shares, group (NOK 1 000)	Number of shares	Aquisition cost	Unrealised gain for the period	Carrying value
Clavis Pharma ASA	597 448	23 283	735	24 017

As a part of the liquidation process in NeoMed Innovation III LP due to end of terms, the investors in the fund received shares in Clavis Pharma ASA.

Changes in fair value and realised gains through profit and loss account

The group’s realised profit on private equity fund investments are recognized through profit and loss as profit/loss on private equity investments.

Changes in unrealised excess value and reversals of previously recognised unrealised excess value on underlying portfolio companies sold during the fiscal year are recognised through profit and loss as profit/loss on private equity investments.

The table below summarizes realised gains and changes in fair value through profit and loss account for the parent company and the group:

	Parent		Group	
(NOK 1 000)	**2010**	**2009**	**2010**	**2009**
Realised gains	389 362	94 384	427 037	114 166
Reversal of unrealised excess value sold companies during this year(previously recognised)	-271 090	-82 536	-413 308	-83 369
Changes in unrealised value current portfolio	824 575	242 236	1 007 868	274 567
Net profit/loss private equity investments	**942 846**	**254 084**	**1 021 597**	**305 364**
Excess value portfolio	**590 145**	36 661	**669 464**	81 944

Fair value estimation of private equity

Fair value of an investment in a private equity fund is estimated on the basis of the fund’s fair value as per balance sheet date. Fair value of the fund corresponds to fair value of the investment portfolio in addition to net value of other balance sheet items.

For further information, see note 3 for estimates and judgments associated with the private equity portfolio.

Note 7 Bonds and commercial paper

The company's portfolio of bonds and commercial paper are managed by professional asset managers. The portfolio can be split up as listed below:

	2010		2009	
(NOK 1 000)	Carrying value	Acquisition cost	Carrying value	Acquisition cost
Accrued interest	22 839	22 839	26 926	26 926
Bank deposit	3 446	3 446	4 671	4 671
Commercial paper	337 033	336 508	324 078	323 752
Bonds	1 267 782	1 277 608	1 872 038	1 870 418
Sum	**1 631 099**	**1 640 401**	**2 227 713**	**2 225 766**

	2010		2009	
(NOK 1 000)	Carrying value	Acquisition cost	Carrying value	Acquisition cost
Commercial paper				
State	319 029	318 508	238 859	238 757
County	2 999	3 000	-	-
Financial institutions	15 005	15 000	85 219	84 994
Total	**337 033**	**336 508**	**324 078**	**323 752**
Bonds				
State	-	-	104 880	105 368
County	-	-	-	-
Financial institutions	1 267 782	1 277 608	1 767 158	1 765 050
Total	**1 267 782**	**1 277 608**	**1 872 038**	**1 870 418**

Unrealised loss for parent and the group in 2010 was NOK 11,2 million (loss of NOK 2,7 million in 2009), and are recognized through profit/loss as income bank deposits, bonds and commercial paper, see note 18.

Regarding investments in bonds and commercial paper by financial institutions the issuer must have a minimum equity capital of NOK 250 million or be classified as an Investment grade company, which corresponds to at least Baa3 from Moody's or BBB from Standard & Poor's

Note 8 Trade and other receivables

Fair value and carrying value of trade and other receivables are listed in the table below:

	Parent		Group	
(NOK 1 000)	2010	2009	2010	2009
Trade receivables	1	2 396	1	2 396
Prepaid rent	169	81	169	72
Other pre-payments	1 192	904	1 192	1 246
Other receivables	42 021	78 986	34 462	66 269
Total	**43 382**	**82 367**	**35 823**	**69 983**

Note 9 Cash and cash equivalents

	Parent		Group	
(NOK 1 000)	**2010**	**2009**	**2010**	**2009**
Bank deposits	135 876	54 127	205 627	118 735
Tax deduction deposits	985	794	985	794
Total	**136 861**	**54 921**	**206 612**	**119 529**
Cash and cash equivalents in the cash flow statement	**135 876**	**54 127**	**205 627**	**118 735**

Credit quality of bank deposits (Moody`s)	**2010**	**2009**	**2010**	**2009**
Aa3	136 861	54 921	206 612	119 529

Note 10 Share capital and premium

	2010	**2009**
Ordinary shares, par value NOK 1 000	**1 953 166**	**1 953 166**

Changes in share capital and premium:

Parent	**Share capital** (NOK 1 000)		**Share premium** (NOK 1 000)	
	2010	**2009**	**2010**	**2009**
At 1 January	1 953 166	1 200 000	2 696 706	1 449 872
At 31 December	**1 953 166**	**1 953 166**	**2 696 706**	**2 696 706**

Argentum Fondsinvesteringer is wholly-owned by the Ministry of Trade and Industry.

Note 11 Subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Domicile	Business	Ownership	Voting share
Bradbenken Partner AS	Norway	Investments	90 %	90 %
Argentum Nordic PEP 1 AS	Norway	Investments	100 %	100 %
Argentum Secondary AS	Norway	Investments	100 %	100 %
Argentum Nordic PEP HC AS	Norway	Investments	100 %	100 %
Argentum Investment Partner AS	Norway	Investments	100 %	100 %

The shares in subsidiaries are recorded at historical cost. Carrying value per 31.12.2010 is listed below:

Company (alle tall i NOK 1.000)	**Carrying value**
Bradbenken Partner AS	24 096
Argentum Nordic PEP 1 AS	4 030
Argentum Secondary AS	24 297
Argentum Nordic PEP HC AS	6 030
Argentum Investment Partner AS	10 535
Total	**68 988**

The shares are eliminated in the consolidated accounts.

Bradbenken Partner AS has the right and duty to make a parallel investment of 1 % of Argentum Fondsinvesteringer`s investments. Argentum Fondsinvesteringer holds 90 % of Bradbenken Partner through dividend-preferred preference share capital. This class of shares has the preference to dividend equal to risk-free return in addition to a risk margin. The remaining 10 % of shares in Bradbenken Partner is owned by the employees of Argentum Fondsinvesteringer.

Note 12 Investment in joint ventures

Argentum Investment Partner AS is the principal in the internal partnership Argentum Investment Partner IS. The underlying operations are carried out in Argentum Investment Partner IS, where the parent and the group control respectively 47, 05 % and 49, 52 % of the voting share capital.

The parent`s investment in Argentum Investment Partner IS is treated as a private equity investment and is presented in note 6 Private Equity Investments.

As the basis for the consolidation, the following gross numbers from the income statement and balance sheet are used:

Argentum Investment Partner AS (NOK 1 000)	**2010**	**2009**
Private equity investments	59 668	21 670
Other receivables	10 952	-
Bank deposits	23 836	57 717
Total assets	**94 455**	**79 387**
Equity	94 389	65 888
Current liabilities	67	13 499
Total equity and liabilities	**94 455**	**79 387**
Profit/loss private equity investments	6 918	6 509
Operating costs	-1 508	-2 803
Operating result	5 410	3 706
Net finance	502	232
Income taxes	19	-
Profit for the year	**5 893**	**3 938**

Note 13 Operating expenses

Operating expenses (NOK 1 000)	Parent 2010	Parent 2009	Group 2010	Group 2009
Depreciation fixed assets	388	246	388	246
Remuneration statutory auditor	268	352	416	420
Rent expenses	3 809	3 381	3 809	3 381
Other operating expenses	13 418	13 606	16 767	20 352
Total operating expenses	**17 883**	**17 585**	**21 380**	**24 399**

Note 14 Remunerations etc.

Salaries (NOK 1 000)	Parent 2010	Parent 2009	Group 2010	Group 2009
Ordinary salaries	15 514	12 373	15 514	12 373
Variable compensation	18 054	5 867	18 054	5 867
Payroll tax	5 052	2 881	5 052	2 881
Pension expenses	940	905	940	905
Other personnel expenses	1 085	1 035	1 085	1 035
Total	**40 645**	**23 061**	**40 645**	**23 061**

Average number of employees calculated on a full-time basis was 17,6 in 2010 and 14,4 in 2009.

Remunerations of senior employees 2010 (NOK 1 000)	**Fixed annual salary**	**Varaible compensation**	**Annuity and other insurance**	**Other benefits**	**Diretcor`s fee**
CEO	3 020	1 747	309	253	
CFO	1 224	625	54	134	
Director Business Development and Market Research	1 338	625	54	16	
Board of Directors					673
Total	**5 583**	**2 997**	**417**	**403**	**673**

Remunerations of senior employees 2009 (NOK 1 000)	**Fixed annual salary**	**Varaible compensation**	**Annuity and other insurance**	**Other benefits**	**Diretcor`s fee**
CEO	2 806	-	307	253	
CFO	1 041	-	51	14	
Director Business Development and Market Research	1 338	-	51	16	
Board of Directors					594
Total	**5 185**	**-**	**410**	**283**	**594**

No loan financing/guarantees are granted to CEO, other employees, Chairman of the Board or other related parties.

Variable compensation

A part of the compensation system in Argentum Fondsinvesteringer is attached to the company's profit and other objectives. The variable compensation is calculated on the basis of 2 % of net profit from private equity investments with a deduction of a minimum rate of return that equals 3 months NIBOR plus 75 basis points calculated on average invested capital during the year. CEO is entitled 35 % of the variable compensation. The variable compensation agreement is of limited duration and will be terminated at the end of 2012. The annual variable compensation disbursement cannot exceed 6 months' pay. For the fiscal year 2010 total accrued variable compensation is NOK 18,078 million. CEO was in 2010 paid NOK 1,747 million in variable compensation.

Termination payment agreement

If the Norwegian Parliament or other public authorities decide to windup the company, the CEO is entitled an amount equal to 2 years annual salary, annuity insurance and other benefits. If, during this period, the CEO receives income from other employment, the termination payment will be reduced by an amount corresponding to the salary received from this employment.

Pensions

Argentum Fondsinvesteringer has established a defined contribution pension scheme for its employees. The company makes annual contributions based on each employee's annual salary.

The contribution to the pension scheme is set to an amount of 5 % of salaries between 1,5-6 G and 8 % between 6-12 G. For salaries over 12 G there is made no contribution.

The group`s defined contribution pension scheme is in accordance with the provisions set out in the law"obligatorisk tjenestepensjon" ("mandatory occupational pension").

In addition to the defined contribution pension scheme, the CEO also has an annuity insurance, where the contribution in 2010 amounted to NOK 246 673, compared to NOK 248 646 in 2009.

Remuneration statutory auditor (ex. VAT)

(NOK 1 000)	2010	2009	2010	2009
Statutory audit	186	135	296	160
Other certification services	-	4	9	4
Tax-related advice	27	83	27	96
Other services	9	41	9	53
Total	**222**	**263**	**341**	**313**

Note 15 Lease agreements

The group leases its offices in Bergen, Oslo and Stockholm.

The lease agreement in Bergen is a 5 year agreement from 1 September 2010 to 1 September 2015. Annual lease expenses amounted to NOK 1 140 422 for 2010 (NOK 911 943 in 2009). The increased rent is mainly due to an increase in area.

The lease agreement in Oslo expires 31 March 2011 Annual lease expenses amounted to NOK 1 076 250 for 2010 (NOK 1 050 000 in 2009). The company has entered into a new lease agreement for new office premises in Oslo from 1 April 2011 to 30 June 2015.

The lease agreement in Stockholm expires 30 September 2011 with an option on an additional 1 year agreement. Annual lease expenses amounted to NOK 289 223 for 2010 (NOK 279 106 in 2009).

Note 16 Current liabilities

(NOK 1 000)	Parent 2010	Parent 2009	Group 2010	Group 2009
Accounts payable	2 257	2 010	2 805	4 738
Public duties	4 254	1 377	4 254	1 377
Provisions	2 141	6 829	2 141	6 829
Other current liabilities	18 921	1 777	18 921	3 251
Total	**27 573**	**11 993**	**28 121**	**16 195**

Note 17 Taxes

(NOK 1 000)	Parent		Group	
Taxes	**2010**	**2009**	**2010**	**2009**
Payable taxes	-	-	19	-
Changes in deferred tax assets	-5 962	-18 554	-5 962	-18 554
Total taxes	**-5 962**	**-18 554**	**-5 943**	**-18 554**
Tax basis				
Operating profit before taxes	943 822	272 342	1 010 971	315 842
Permanent differences	-949 250	-350 600	-1 026 519	-406 565
Change in temporary differences	-187	-191	-187	-191
Tax basis before group contribution	-5 615	-78 449	-15 735	-90 914
Group contribution	67	-	-	-
Losses carried forward	-	-	-	-
Taxable income	-5 548	-78 449	-15 735	-90 914
Payable taxes 28 %	**-**	**-**	**-**	**-**

	Parent		Group	
Deferred tax assets and deferred taxes in the balance sheet affect the following temporary differences	**2010**	**2009**	**2010**	**2009**
Fixed assets	-12	-65	-12	-65
Financial instruments	3 463	7 905	3 463	7 905
Losses carried forward	-41 612	-40 058	-48 597	-44 157
Losses carried forward -not recognised [1)]	-	-	6 985	4 099
Total deferred tax assets	**-38 162**	**-32 218**	**-38 162**	**-32 218**
Reconciliation tax charges				
Estimated income tax-nominal tax rate 28 %	264 270	76 256	283 072	88 436
Tax effect on permanent differences	-265 790	-98 168	-287 425	-113 838
Tax effect changes in temporary differences regarding bonds and commmercial paper	-4 442	3 358	-4 442	3 358
Tax effect changes in losses carried forward-not recognised [1)]	-	-	2 853	3 490
Estimated total taxes	**-5 962**	**-18 554**	**-5 942**	**-18 554**
Effective tax rate	-0,63 %	-6,81 %	-0,59 %	-5,90 %

1) Deferred tax assets for tax-deductible differences (mainly losses carried forward) in subsidiaries are not recognised in the balance sheet unless the group can prove that these tax positions will be utilised in the future.

Note 18 Financial income and expenses

	Parent		Group	
(NOK 1 000)	**2010**	**2009**	**2010**	**2009**
Financial income				
Interest income	1 864	1 073	3 002	1 451
Currency gains	2 561	904	5 623	904
Other financial income	758	193	758	265
Gross return bonds and commercial paper	54 447	58 818	54 447	58 818
Total	**59 630**	**60 988**	**63 830**	**61 438**
Financial expenses				
Currency losses	-4 740	-5 957	-14 417	-6 244
Other financial expenses	-1 365	-797	-1 369	-1 298
Total	**-6 105**	**-6 754**	**-15 786**	**-7 542**
Total finance	**53 525**	**54 234**	**48 044**	**53 896**

Realised profit and unrealised change in value of financial assets at fair value through profit/loss is included in gross return bonds and commercial paper.

Note 19 Tangible assets (parent and group)

Tangible assets (NOK 1 000)	**Art**	**Equipments, fittings and fixture**	**Sum**
Recorded value as at 31 December 2008	1 326	484	1 810
Additions	252	648	900
Depreciation	-	-246	-246
Impairment	-	-	-
Disposals	-	-	-
Recorded value as at 31 December 2009	1 578	886	2 464
Original cost	1 578	3 521	5 099
Total depreciation and impairment	-	-2 635	-2 635
Recorded value as at 31 December 2009	1 578	886	2 465
Additions	-	880	880
Depreciation	-	-388	-388
Impairment	-	-	-
Disposals	-	-	-
Recorded value as at 31 December 2010	**1 578**	**1 378**	**2 957**
Original cost	1 578	4 401	5 979
Total depreciation and impairment	-	-3 023	-3 023
Recorded value as at 31 December 2010	**1 578**	**1 378**	**2 957**

Note 20 Intercompany balances

In connection with the establishment of Argentum Secondary II IS, Argentum Fondsinvesteringer as had on behalf of the investors paid for all the procurements in the period up to 31.12.2009 in anticipation of capitalization of the company. The outstanding amount was equivalent to NOK 77 817 482 at the end of 2009 and was settled at the end of January 2010.

Argentum Fondsinvesteringer as has an outstanding amount towards Bradbenken Partner AS per 31.12.2010 of NOK 8 757 072 (NOK 1 168 518 in 2009), and the outstanding account is subject to ordinary commercial interest rate. The outstanding amount is included in other receivables, note 8.

Note 21 Related-party transactions

For transactions between related parties and group companies, the group are applying the basic principles of the Limited Liability Companies Act §§ 3-8 and 3-9. Such transactions are thus primed on regular commercial terms in accordance with the arms-length principle.

Argentum Fondsinvesteringer as has participated in an emission in the subsidiary Argentum Nordic PEP HC AS with a capital injection of NOK 6 030 000

Argentum Fondsinvesteringer as, as an adviser, has entered into management agreements with the following companies in the group: Argentum Secondary AS and Argentum Investment Partner AS. Argentum Secondary AS is the principal in the investment companies Argentum Secondary II IS and Secondary Co-Invest I IS, and Argentum Investment Partner AS is the principal in the investment company Argentum Investment Partner IS. The principal in each company makes the investment decisions, while Argentum Fondsinvesteringer as performs investment advisory services and related services for the principal. Annual fee in 2010 was NOK 4 060 877 (NOK 3 757 143 in 2009).

Beyond these transactions there has been none other transactions between related parties or group companies in the accounting period.

Note 23 Events after the reporting period

It has not appeared new information about significant matters that had occurred or already existed on the balance sheet date 31 December 2010 and up until the Board of Directors` approval of the financial statements on 4 May 2011.