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Curiosity, passion and a desire to win ...

Man has always been driven by the urge to find out what's on «the other side». The urge that once drove us to cross the seas, explore the jungle, cross savannahs and deserts, travel through mountain passes and across the polar ice.

The desire to conquer new land was perhaps the greatest driving force, but not always. For the adventurers and explorers, a craving for fame was perhaps at least as important.

In the 20th century, when almost everything had already been discovered, man turned to the previously unconquerable mountain tops, lying there waiting for us. Earlier generations probably considered this an unthinkable waste of time and resources, until those purely seeking adventure came along, with simple technology to help them conquer the peaks with crampons, bolts and ropes – plus a goodly portion of craziness.

From there on the road to heaven was open – not for everyone, only for the most intrepid among us.

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› This is the Pareto Group

Pareto is a leading and independent player in the Norwegian market for financial services. It has offices in Oslo, Stavanger, Bergen, Kristiansand, Bryne and Singapore and cooperates with a partially owned company, Nordic Partners Inc. in New York. Pareto was founded in 1986 and has developed into a group with a wide product range that has 300 employees. This strong growth was brought about by dedicated, skilled staff, keen focus on developing good products, controlled expansion and not least through the confidence our clients and business associates place in us.

Business Areas

Securities Brokerage

- › Shares
- › Bonds
- › Derivatives

Corporate Finance

- › Listing
- › Mergers and acquisitions
- › Financing
- › Private Banking

Project Financing

- › Limited companies
- › Limited partnerships
- › Private equity funds
- › Unlisted companies

Asset Brokerage

- › Shipping
- › Oil and Offshore
- › Real Estate
- › Chartering

Asset Management

- › Shares
- › Bonds
- › Structured products
- › Real estate, shipping and offshore

Pareto's business areas

Through its subsidiaries Pareto offers a wide range of services in the brokerage of stocks, bonds, partnership interests, new issues of various equity and debt instruments, as well as direct investments.

The company also engages in business management related to direct investments, valuations, re-financing, financial advisory services and commercial properties, and also offers asset management in the share and interest market. In addition Pareto is involved in considerable activities in brokerage and freight contracting of ships and offshore rigs.

In June 2004 Pareto acquired a majority shareholding in PPN AS, an independent manager and distributor of financial products in Norway. It has distribution agreements with a number of independent advisers.

Pareto's strength lies in its diversity and local presence

The breadth of Pareto's product range has enabled the company to grow and develop even in financially troubled times. At the same time this contributed towards our clients acquiring balanced and diversified portfolios generating good, long-term returns.

Through its long-standing presence in local markets and companies Pareto has acquired experience and competence, enabling us to give each client individual treatment and safeguard their interests in the best possible manner.

Pareto prioritises organic growth and development in the company. Acquisitions and mergers are continuously being considered with a view to further completion and expansion of the company. We cooperate with others when that is appropriate and will contribute towards giving our clients the best product.

Pareto's objectives and strategy

Pareto aims to be the preferred Norwegian provider of financial services, on the basis of good, detailed knowledge of Norwegian social conditions and branches of business in which Norway has special advantages. We will create good financial solutions and contribute towards high returns for our clients. Pareto's strategy is based on focus, detailed knowledge, experience and long-term

customer relations. We believe in continuous development and improvement. We invest knowledge and financial resources with a long-term perspective. We expect responsibility, integrity and a high ethical standard from our employees. We are independent and wish to adopt an innovative, creative and different approach.

Pareto in 2006

- › Operating revenues for the Pareto Group amounted to NOK 3,3 billion (2005: 2,1 bn). Equity was NOK 2,0 billion as of 31 December 2006 (2005: NOK 1,4 bn). The Group has 300 employees.
- › Pareto Securities was adviser for and participated in 129 share offerings that brought the companies a total of ca NOK 88 billion. The company was one of the largest brokers in the Norwegian secondary market, with a 15 percent share of the aggregate brokerage income registered by the Norwegian Banking, Insurance and Securities Commission. Pareto Securities was the issuing broker for 74 bond issues to a total value of NOK 30 billion. Cooperating with the partly owned company Nordic Partners Inc., Pareto arranged 96 road shows for Nordic companies in the North American market, besides holding its own oil services seminar in New York and a capital markets day in cooperation with Oslo Stock Exchange.
- › Pareto Private Equity managed property and shipping projects for NOK 18 billion and at year-end was managing a project portfolio of 80 ships and 27 properties to a total value of ca NOK 20 billion.
- › Pareto Eiendom handled real estate sales to a value of NOK 5.5 billion.
- › The total capital under Pareto Forvaltning's management increased to NOK 26.7 billion, of which NOK 14.2 billion is invested in the Norwegian share market.
- › Freight contracting contracts arranged by P. F. Bassøe last year amounted to ca NOK 260 million barrels of crude and refined oil products, or roughly 3 days' world consumption.
- › The market value of ships sold through Pareto Shipbrokers on the second-hand market and new ships for which contracts were placed with shipyards, amounted to ca USD 1 billion in the company's first year of operations.
- › Pareto Dry Cargo focuses on Handymax and Handysize cargoes and ships. In its first operating year it concluded time charters for 16 years and contracts for 1,5 million tons of cargo.
- › Pareto Offshore experienced a great increase in activities in buying, selling, chartering and freight contracting drilling rigs and ships and was broker/adviser in the sale of 10 units in 2006.
- › PPN provided independent financial distributors with financial products equivalent to NOK 5 billion, most of which were fund-related products.
- › Pareto Universal Fonds sold investment products for NOK 920 million, in addition to loans linked with investment products.
- › Johan G. Olsen Shipbrokers AS became a member of the Pareto Group in 2006. JGO holds a very strong position in ship broking and freight contracting of specialised offshore vessels and medium-sized tanker tonnage, serving ship owners, operators and charterers the world over.

A photograph of a snow-capped mountain peak under a blue sky with white clouds. The mountain is the central focus, with its peak reaching towards the top of the frame. The foreground shows a rocky, snow-covered slope. The overall scene is bright and clear.

8848

Teamwork on problem solving provides the groundwork for reaching the peak. Thorough planning, scrupulous care, teamwork and logistics form the key to success.

8611

It may be the peaks that are the attraction, but it is team spirit and cooperation that get us there.



› Pareto Securities ASA

Pareto Securities is a leader in stocks and bonds, and financial advisory services. Activities are focused on branches of business where Norway has special advantages. Research are founded on good, detailed knowledge and long-term interest. This ensures that our research and broker products are held in high esteem by international investors.

Securities broking and financial advisory services

Pareto Securities' services consist mainly in brokerage in shares and bonds and advisory services connected with financing companies. Pareto has held a leading position in both of these fields since 1997.

Focusing on Norwegian securities and branches of business where Norway has special advantages, enables us to provide analyses and advisory services based on detailed knowledge of the businesses and companies with which we are dealing. This is particularly important for international investors, as focus and first-hand knowledge are precisely what they are looking for. In this context Pareto's local presence is especially beneficial, helping to inspire confidence in us.

Pareto Securities' corporate clients use our advisory services in connection with listings, share offerings, bond financing, sales/acquisitions and mergers/demergers.

Proximity to the companies gives international placing power

The combination of local presence and international investor contacts forms the basis for Pareto Securities' placing power in the share and bond market. International clients accounted for more than 50 percent of our revenues in 2006, enabling us to carry out many major, complicated projects.

Our European investors are served mainly from our offices in Oslo and Stavanger. American clients are followed up by a dedicated group of brokers in Norway, but we also have a sales office in New York. In addition we have offices in Bergen and Kristiansand. Therefore we are able to offer a combination of:

- › continuous dialogue with analysts and brokers possessing focused, top competence.
- › investor meetings with analysts

- › local events presenting company managements (road shows and conferences)

Nordic Partners Inc.

Nordic Partners is Pareto's venture in the North American market, cooperating with the Swedish company E. Öhman J:or Fondskommission AB and the Finnish Evli Bank Plc. The company has acquired a strong position as a broker of Nordic shares in the North-American institutional investor community. Through cooperation between offices in the USA and Norway we can combine proximity to the companies with proximity to the investors.

Skilful analysts are the «engine» in the operations.

We have a research team of 20 advisers with special competence in the industries they follow. Our four credit analysts follow the Norwegian and international credit markets and make credit appraisals of selected companies. Credit analysts cooperate with the share analysts who cover the central sectors and most of the larger companies on Oslo Stock Exchange and have in-depth knowledge of them. Interest and credit analysis is an integral part of the research product. Pareto considers that first-hand knowledge of the companies' loan capital potential is a pre-condition for understanding their possibilities in the equity market. Our analysts also cooperate closely with Pareto Bassøe Shipbrokers, Pareto Private Equity and Pareto Offshore in the fields of shipping, real estate and offshore. Our analysts are well-respected in the market and are ranked at the top of several major ranking lists and studies.

A wide range of research products

Pareto Securities' research products consist of continuously updated industry and company analyses, issued ad-hoc and regularly on a daily, weekly and monthly basis. These products are made available for our clients

Pareto Securities ASA

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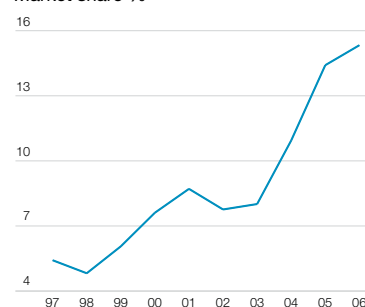
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Revenue 2006 NOK 2,3 billion
Employees 159

Man. dir.

Ole Henrik Bjørge
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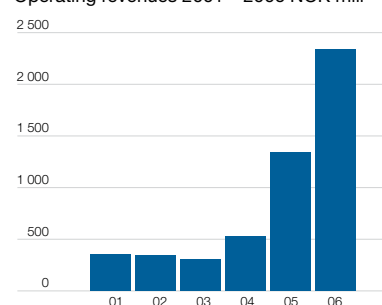
www.pareto.no

Market share %



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

Operating revenues 2001 – 2006 NOK mill



on internet, www.pareto.no. In 2006 the research team produced 700 analyses in addition to the daily morning commentaries.

An important part of research work consists in arranging seminars and visiting our investors. An example is the annual oil and offshore conference arranged by Pareto, an event that is now established as one of Europe's leading investment fora for oil and oil-related companies. More than 1100 private and institutional investors from Norway and abroad attended the conference in 2006. Other major conferences include a seminar for industrial bonds in London, an oil services conference in New York and an energy conference in Oslo.

Financial advisory services rooted in industrial competence and proximity to investors
Pareto Securities, being independent financial advisers, can offer a complete range of financial services, from share and bond offerings, listing and spread trading to mergers/demergers and acquisition/sale of undertakings or companies.

Like our research activities, our advisory services are based on long-term, in-depth knowledge of the industries on which we focus. Through our offices in Oslo, Stavanger, Bergen and Kristiansand we are close to the most important industrial environments in Norway and we have a team of advisers that consists of people with wide management experience from industry, consultancy and the capital market.

Pareto Securities focuses primarily on companies that are listed or have potential for listing within a reasonable space of time. However we also cooperate closely with Pareto Offshore, Pareto Bassøe Shipbrokers, Pareto Private Equity and Pareto Eiendom, so that we are also able to serve companies in an early stage of development and to

utilise the competence and network of the whole Group.

Pareto Securities Asia Pte. Ltd.

In 2006 Pareto Securities Asia Pte. Ltd. was established in Singapore with a staff of five, to offer our advisory service to local companies and emigrated Norwegian companies mostly in shipping and offshore.

Bond market activities - an important part of our product range.

Pareto is a major, independent player in the Norwegian bond market. Through this we can offer our corporate clients debt financing. We can also offer Norwegian and international investors opportunities of investing in fixed-income securities.

As in the case of our equity business, our bond market activities are based on thorough research, ensuring trust on the part of investors and issuers.

Developments in the secondary market were positive in 2006. Price trends were very good and so was liquidity for many high yield bond loans, relatively speaking. In 2006 bond loans were issued in the high yield section of the Norwegian bond market for approximately NOK 35 billion. Pareto was the issuing broker for about 80 percent of these.

An important consequence of the convergence between equity and debt aspects of our operations is that it provides for broad competence in both advisory services and sales. Therefore Pareto is able to undertake not only transactions that concern equity and debt, but also structured products such as convertible loans, share or bond offerings with the pertinent subscription rights, and fully or partly guaranteed equity products.

In September 2006 the Norwegian Ministry of Finance granted Pareto Securities

dispensation to conduct foreign exchange transactions that take place in connection with providing investment services. As a result of the great need for foreign exchange transactions, we have now engaged two employees to handle this.

A high-altitude mountain landscape. A snow-covered path leads up a steep, rocky slope towards a jagged, snow-dusted peak. The sky is a deep, clear blue. The overall scene conveys a sense of adventure and challenge.

8516

What drives people who long to live through their fears? Where every decision may be fateful? Is the reward on reaching the peak, really worth it?



8125

Fear produces endorphins. Endorphins give an intoxicating feeling and sharpen the senses, driving us on and on while we fight the fear within us.

› Pareto Private Equity ASA

Pareto Private Equity (PPE) offers project financing, investment funds and corporate services in shipping, offshore and real estate, besides M&A services and offerings in unlisted companies. In the course of 20 years PPE has built up an extensive client and investor network in Norway and abroad.

Shipping and offshore

PPE has considerable experience and competence in syndicating shipping projects. We have arranged over 200 shipping/offshore projects and now have a large portfolio of active companies. Our projects are designed to give high anticipated returns combined with regular dividends and acceptable risk, and an expected annual return on equity between 15 percent and 30 percent (IRR).

We focus primarily on projects with long-term freight carrying contracts and respected charterers, but can also arrange more high-risk asset play projects. Our projects are established with experienced ship owners/managers who are actively involved in ownership themselves. Investment in shipping/offshore projects is a very good alternative to other forms of investment. Shipping is an international business and developments in the Norwegian economy have little influence on it.

Real estate

PPE has been active on the Norwegian real estate market for more than 20 years. The company advises on major property transactions, including listings, purchasing and syndicating properties in Norway and abroad. PPE offers direct investments in properties with an expected annual return on equity of between 10 percent and 20 percent. In total PPE was involved in buying/selling and syndicating properties for ca NOK 16 billion in 2006. Our syndicating strategy is to focus on modern, centrally located properties with long-term tenancies and sound tenants.

Corporate Finance, M&A and Offerings

PPE's corporate finance team provides services in the following fields:

- › Mergers and acquisitions
- › Offerings and stock exchange introductions (OTC, IPO)
- › Financial advisory services and financial restructuring
- › Acquiring equity for Private Equity Funds

Main focus is on oil and offshore, shipping, mining operations, aqua-farming and real estate. We also engage in acquiring equity for Private Equity investment funds. Our clients are offered access to a substantial national and international investor base, including active venture and private equity investors and strategic and financial investors. We also have our own trading table which keeps liquidity and pricing at proper levels in the companies with which we work.

Pareto Investorservice AS

Pareto Investorservice manages about 100 investment companies that have investments in real estate and shipping/offshore projects to a value of more than NOK 20 billion. Business management involves responsibility for current operations, including accounting, reporting and advisory services. Pareto Investorservice has experienced specialists in accounting, tax and company law, and technical management. Efficient reporting tools are established for distributing information and for management of returns and portfolios.

Pareto Eiendom AS

Pareto Eiendom is engaged in real estate brokerage, focusing on sale of large commercial properties/property companies such as offices, warehouses, manufacturing premises, retailer premises, shopping centres, hotels and residential buildings. The company also offers advisory services connected with appraisal of property projects and strategies. Pareto Eiendom has long and comprehensive experience from the Norwegian property market.

Pareto Private Equity ASA

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Revenue 2006 NOK 456 mill
Employees 47

Man. dir.

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> Pareto Forvaltning ASA

Long-term, fundamental research and consistency are features of our management philosophy. Our investments are based on a cautious and selective investment strategy which over time gives substantially better returns than Norwegian and international stock exchange indices.

Management and strategic advisory services

Pareto Forvaltning offers active asset management and business management for investors in the securities market. In addition to traditional management we offer Business Management where Pareto Forvaltning is a strategic partner cooperating with the investor's management resources. This is a good, flexible concept for major investors who see the value of outsourcing parts of their activities while retaining a high degree of control and influence in the various stages of the investment process. We have also developed a management service for loan capital instruments, liabilities management, where we handle complex debt portfolios for major clients in tendering processes towards financial institutions, interest rate risk management and reporting. The clients are major and medium-sized undertakings in private and public sectors, pension schemes, foundations and private persons. The company has 24 managers/strategic advisers who on average have 15 years' relevant experience.

Limited number of clients – focus on individual solutions

We believe that individual management solutions are a precondition for good risk management. Our management concept is to provide a tailor-made service adapted to the individual client's unique needs and risk profile.

A service concept featuring close, individual following up excludes Pareto Forvaltning from the mass market, but nevertheless favourable management results have given substantial growth in recent years. As of 31/12 06, the company managed NOK 26.7 billion in the Norwegian securities market, NOK 14.2 billion of this in the share market.

Conservative, consistent and long-term style of asset management

Proximity and a thorough understanding of our investments are at the core of our management philosophy. Management is based on thorough internal analyses. Our investments are concentrated on companies operating well, with sober pricing and a sound balance sheet. The number of investments is kept low, normally around 20 different positions on the share market. In our opinion this number is sufficient to spread risk, while also facilitating thorough and continuous monitoring of each separate investment. Investing in companies that give stable returns, results and yield over time, forms the core of our management philosophy.

20 percent average annual returns

Long-term value-oriented management philosophy gives good results. Our first client, who came to us in August 1995, is still on our client list and is well satisfied with the 20.3 percent annual returns received on average after all costs are paid for the whole of that period. This represents returns well in excess of the 4.7 percent on bank deposits and the Oslo Stock Exchange average of 13.8 percent for that period.

In the past eight years our portfolios generated an aggregate positive return of 478 percent. This is 249 percentage points in excess of Oslo Stock Exchange, which in the same period gave returns of 229 percent. The World Index FT World (ex dividend of about 2 percent p.a.) had an almost flat trend at only 15 percent in the aggregate for the same period, measured in NOK.

Pareto Forvaltning ASA

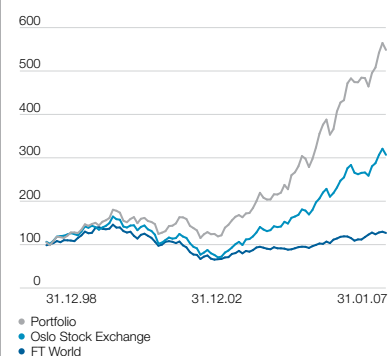
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Revenue 2006 NOK 236 mill
Employees 22

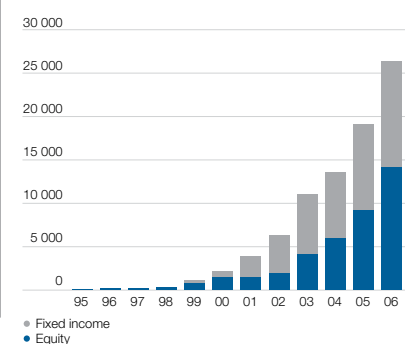
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Time-weighted return vs. indices



Assets under management



A high-altitude mountain range with snow-covered peaks and rocky outcrops under a dark sky. The mountains are rugged and jagged, with patches of snow and ice. The sky is dark, and there are some wispy clouds or mist around the peaks.

6959

Are the adventurers driven by fearlessness and courage? By egotism and self-assertion? Or is it the fellowship and the top competence of the individual?

Jet streams, avalanches and ice-cold running water, 40 degrees below freezing point, frost bite and perhaps edema. Yet we still do it – and believe it is worth doing.

6194



› Pareto Bassøe Shipbrokers AS

Pareto Bassøe Shipbrokers consists of three companies: P.F. Bassøe AS, tanker chartering and research, Pareto Shipbrokers AS, buying and selling tonnage and contracting newbuildings, and Pareto Dry Cargo AS, chartering for dry cargoes.

P. F. Bassøe AS

P. F. Bassøe is a shipbroking company that concentrates on tanker chartering. Our services are founded on sound knowledge of the markets in which we operate and we strive to generate value for our clients through providing the best possible information, high quality service, reliability and creativity. We offer chartering in all segments of tanker trade, from super tankers of 300,000 tons (VLCCs) to product tankers of 20,000 tons. We have an international client base consisting of ship-owning companies, international oil companies and oil traders. Geographically operations are concentrated on the Scandinavian countries, London and the Far East (Korea, Hong Kong, Singapore).

We have clients in all time zones and a substantial part of our work involves ensuring that they are continuously updated on market developments at all times. We also attach great importance to following up transport assignments after the commercial conditions are agreed. Our operations division has a skilled staff with experience from work at sea and in shipping company offices.

Apart from ordinary chartering, we are also involved in project-oriented work on long charter-parties and charters, besides tailor-made solutions for our clients.

Research

Market research is an important support service for clients and our own brokers. This involves continuously monitoring the market, forecasts, in-depth studies of segments and trends in our markets. As a feature of this work we prepare analyses on a regular basis and ad hoc, and also give presentations. We cooperate closely with the other companies in the Pareto system.

Pareto Dry Cargo AS

Pareto Dry Cargo AS is managed by two senior brokers who have long experience in

the dry cargo sector. The company works closely with ship-owners, charterers and operators and offers personal and professional expertise.

The dry cargo division's client portfolio is in most corners of the world. Especially important are our clients in Norway and Denmark and the rest of Europe, the USA, Singapore, Hong Kong and China. Pareto Dry Cargo has a strong foothold in bulk dry cargo contracting, with particular focus on Handymax and Handysize tonnage. This division also works directly with clients in the aluminium, cement, and grain industries. We also work on projects and advisory services, in addition to spot and long-term contracting.

Pareto Shipbrokers AS

Pareto Shipbrokers is a ship-broking firm for buying and selling ships on the second-hand market and contracting new ships from the shipyards. Valuation services for banks and other financial institutions.

Pareto Shipbrokers offer focused brokerage services and financial solutions mainly for tankers and gas, chemicals and bulk carriers. The company employs 6 brokers. Its clients are ship-owning companies, shipyards and financial institutions all over the world.

Pareto Bassøe Shipbrokers AS

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Revenue 2006 NOK 62 mill
Employees 20

Man. dir.

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> Pareto Offshore ASA

Pareto Offshore focuses on the buying, selling, new building and chartering of drilling rigs of all types.

Broking of all types of drilling units

Pareto Offshore offers brokerage of all types of drilling units – jack-ups, semi-submersibles, drill ships and land rigs. We also offer assistance in connection with the contracting, newbuilding and financing of drilling units, besides valuations and market updating. Cooperating with our clients' senior managements, we assess and discuss possibilities for consolidation in the trade and other strategic choices in the rig sector.

Most of our clients are American rig owners who own the majority of all drilling units in the world and consequently are involved in nearly all transactions. In recent years we have provided several Norwegian newcomers and existing clients with newbuilding contracts for both floating and jack-up rigs. Pareto Offshore had contact with shipyards in Asia from an early stage and was involved in the first transactions with well-known shipyards such as Keppel FELS, PPL and Jurong in the «offshore boom» that started in 2003/2004.

We seldom receive purely buy or sell assignments, but usually are required to keep the client updated on potential buyers and the probable value of the client's existing rigs. An important part of our work is to provide clients with information concerning which rigs may be for sale or can possibly be exchanged with other rigs in cases where such an exchange might strategically benefit both parties. We also maintain an overview of which shipyards currently are offering the best prices and delivery times. In recent years we have concentrated more on chartering and have been involved in a number of major transactions.

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Revenues 2006 NOK 45 mill
Employees 7

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6289

More and more mountaineers are attracted to the beautiful and majestic peaks. Beautiful, but oh so incredibly dangerous.



5642

Some say it is never too soon nor too late. He who lives with the driving force and dream within knows for himself when it's time. But when the dream is strong enough, then do something about it.



> PPN ASA

PPN is a provider of financial concepts for financial advisers in Norway. Through our «Plug and Play Concept» clients have access to powerful brand names, functional technical solutions and a unique level of service. PPN represents 12 national and international suppliers and more than 500 active financial advisers. This makes the concept Norway's greatest distribution force outside the banking system.

PPN is alone in offering its concept in Norway

PPN is a securities company that was established in 1998, establishing the foundations for what is today Norway's leading provider of financial concepts for financial advisers. Our offer is unique in this country in being a service organisation designed for financial advisers, providing tailor-made products for our clients. We are also one of the first in the market and are in the lead in regard to technological developments.

PPN's business philosophy is to develop its own product concepts on a free-standing basis, while obtaining products from all over the world that contribute towards making financial advisers competitive in their local markets.

The concept reduces the need for administration and frees time that can be spent on recruiting clients, advising and following up existing clients. Similarly our suppliers make considerable savings through being able to concentrate on product development and the actual investment product or service.

Today PPN represents suppliers such as Aviva, Credit Suisse, Commercial Union Life, East Capital, Holberg, Pareto, Sydbank, Sydinvest, Jyske Bank, Vertikal and BHF Bank, a respected Swiss bank in private banking.

PPN ASA

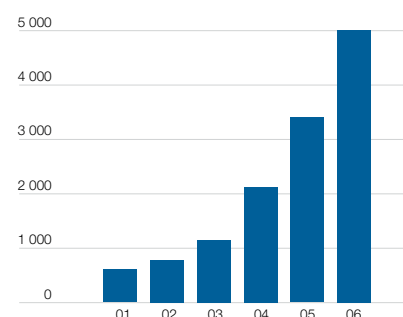
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Revenue 2006 NOK 250 mill
Employees 19

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Sales NOKm



> Pareto Universal Fonds ASA

The company's business consists in acting as an intermediary and marketing investment products and insurance services.

Pareto Universal Fonds

Universal Fonds primarily sells investment products in the personal customer market. The company can see an increase towards the business market and associations. At the beginning of the year the company had 26 employees, consisting of 18 advisers, 5 trainees, 2 back-office workers and a controller. Through 2006 efforts were concentrated on recruiting, which resulted in increasing the adviser staff 50 percent. We sold investment products for NOK 920 million in 2006, in addition to loans linked with investment products and housing loans for ca NOK 100 million. Securities funds, single investments and investments through private bank accounts, structure products and property and shipping funds accounted for ca 85 percent of the turnover. In the aggregate the company has ca NOK 3.5 billion under its management.

Cooperating partners

Our chief supplier is PPN and its cooperating partners in general, particularly Pareto Private Equity and Pareto Securities. As financial advisers importance is attached to adapting the different investment products to the needs of the individual clients, having regard to their economy at present and in future. Particular importance is attached to competence enhancement and development in regard to products and personnel. Product development in cooperation with other Pareto companies is therefore given high priority in order to create a robust platform for our clients.

Working methods

Besides having good products, the challenge in our business is to create good customer relations. Focus on this continued throughout 2006 and will always be a priority. Specifically we adapt to the client's needs by connecting two different advisers to the individual client. This makes better and often complementary competence available to the

client. A joint reporting tool is used and in addition each adapts his own solutions for an individual client when necessary. We attach importance to active use of fundamental portfolio theory for the clients investments. This means that we must have an adequate selection of products to satisfy this requirement. All advisers have in-company certification in most products and we also draw on the competence possessed by the rest of the Pareto Group.

Challenges and priorities

The regulations for our business will make a better climate for and increase expectations to improvements in our operations. The company has adjusted to the new and stricter rules that have been and will be established by the authorities to a greater extent. We consider these a necessary adjustment, an adjustment that we welcome and that will raise the standard for all players in the business.

Competence and focus are central concepts in our operations. Our employees must be known for their competence in their special fields. To ensure this we always focus on what we are providing and the markets from which we do so. We are more concerned with being extremely good in a smaller product range, than in providing investment products from the entire range. Throughout 2006 the company also worked actively to promote closer integration with the rest of the Pareto Group. The company will be moving into new premises in 2007, with the rest of the Pareto companies. The company is aiming at further organic growth and emerging as a sound and significant player in our field, primarily in the Greater Oslo region.

Pareto Universal Fonds ASA

Munkedamsveien 45
N-0115 OSLO
Norway

Telephone +47 23 23 99 00

Revenue 2006 NOK 37 mill

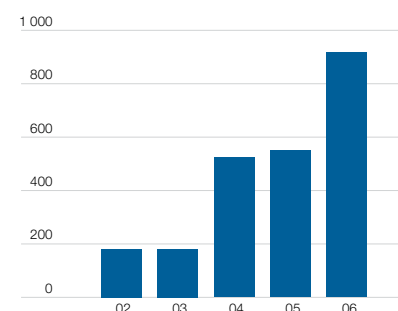
Employees 26

Man. dir

Rune Wassum
rune.wassum@unifonds.no

www.unifonds.no

Sale of investment products NOKm



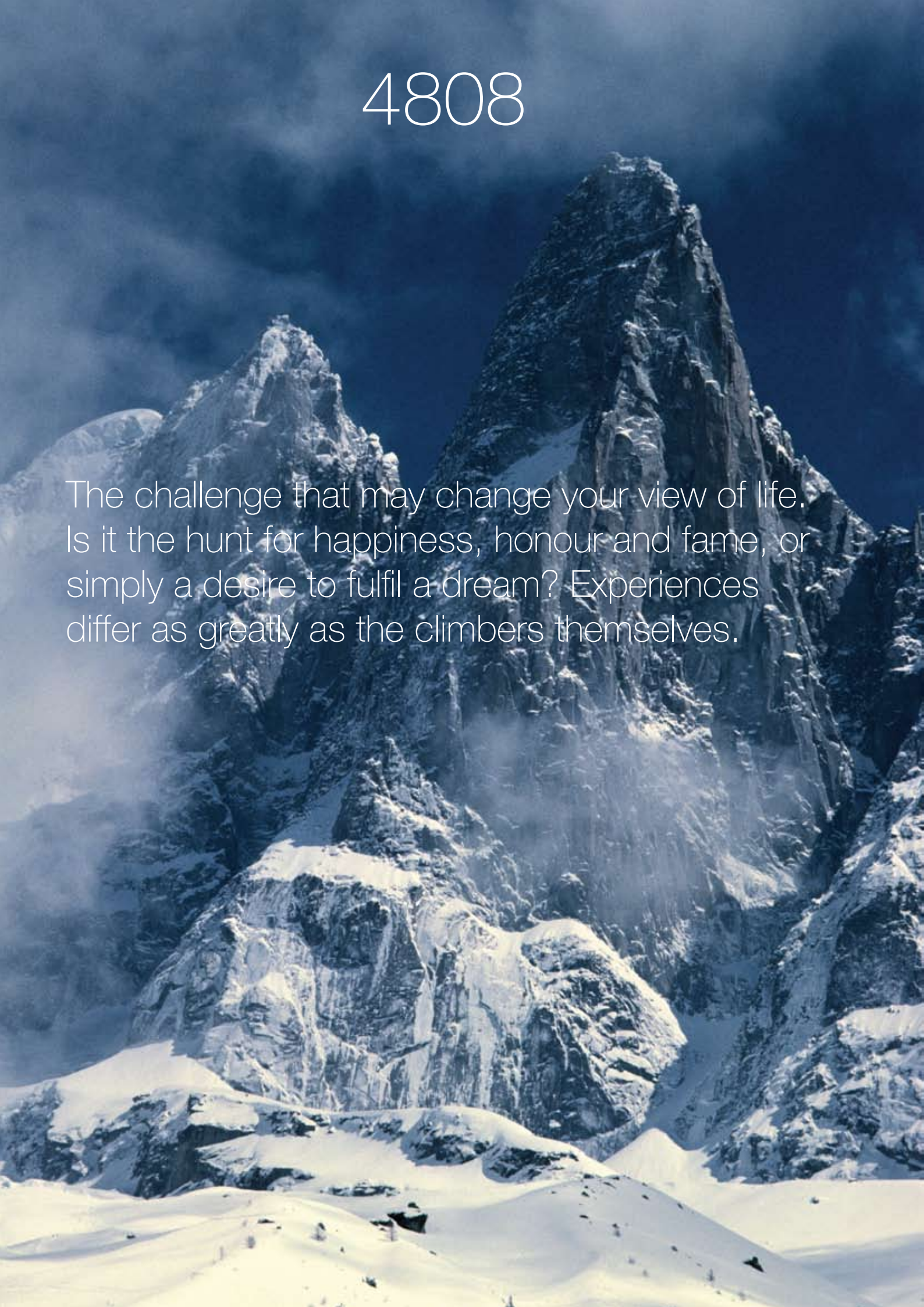


4477

Dare to dream about it – dare to do it. Admittedly some die in the attempt, but most return with a new perspective on life ...

4808

The challenge that may change your view of life. Is it the hunt for happiness, honour and fame, or simply a desire to fulfil a dream? Experiences differ as greatly as the climbers themselves.



> Johan G. Olsen Shipbrokers AS

Johan G. Olsen Shipbrokers AS (JGO) is a leading shipbroker firm based in Kristiansand. The company offers ship-broking services worldwide in both shipping and offshore and it has a staff that represents substantial knowledge and experience in its market segments. JGO joined the Pareto Group in spring 2006.

The ship-broker of the South Country

JGO's history goes back to 1912, when Johan G. Olsen started business as a timber merchant and ship-broker. Johan G. played a central role in establishing and building up many of the shipping companies in southern Norway towards the end of the 1920s and in the 1930s. Right up until about 1980 Johan G. Olsen Shipbrokers was the exclusive broker for a great many of the companies in southern Norway in freight contracting, buying and selling tonnage and contracting new ships. From the 1980s through to the present day the company developed from being a broker primarily for the local ship owners, to being a competitive shipbroker firm serving shipping companies, operators and charterers all over the world.

Today Johan G. Olsen Shipbrokers AS offers brokerage services in two main markets: tank and offshore.

Tanker division

The tanker division primarily arranges contracts for carriage of crude in large tankers. The division is particularly active in the market segment for ships in the 80,000 – 150,000 tdw range, the Aframax and Suezmax tankers. JGO provides ship-broking services for freight contractors and oil companies needing tonnage for carriage of crude and for shipping companies needing freights for their ships. The division is manned by brokers and operational employees who have long, sound experience and enjoy trust for good technical service and following up. The tanker division also has its own statistics and research staff who produce surveys and analyses for the use of the brokers and their clients.

The offshore division

Johan G. Olsen Shipbrokers' offshore division is one of the leaders in Norway. JGO established its offshore division towards the end of the 1970s, when the supply ship

companies started to grow up. Since then the division has become a dominant broker in most segments of the offshore market. Offshore brokers provide long-term contracts between supply ship owners and the operator/oil companies, securing rights of disposal over the ships for long periods, from a few months to several years. In the spot market brokers arrange short assignments for supply ships to carry cargo and supplies to drilling, anchor-handling, production and other offshore installations. They also contract anchor-handling vessels and tugs for moving and towing rigs and similar operations. JGO also undertakes the chartering, purchase and sale of oil rigs.

Over time this division has acquired great competence in demand analyses and the design of future supply ships for special units for offshore activities. Cooperating with naval architects, constructors and ship owners, Johan G. Olsen Shipbrokers has developed many new ship projects and handled the contracting of a number of new ships. Johan G. Olsen's offshore division has developed a comprehensive data base covering the world fleet of supply ships which is a sophisticated and useful tool for both the division and its clients.

When Johan G. Olsen Shipbrokers AS joined the Pareto Group in 2006, it broadened the range of services that can be offered to clients. Cooperating with Pareto Securities, Pareto Private Equity and others, JGO can offer package solutions that include full financing solutions, both equity and loan capital.

Johan G. Olsen Shipbrokers AS
Vestre Strandgate 19 A
P.O.Box 234
N-4663 Kristiansand
Norway

Telephone +47 38 12 31 11
Revenue 2006 NOK 47 mill
Employees 18

Man. dir.
Knut Dannevig
knutd@jgoship.no

www.jgoship.no

› The Directors' Report

Business Objectives

Our aim is that Pareto shall be further developed into a focused and profitable company. The Directors and management wish to build up operations based on respect and confidence on the part of the company's employees, clients, competitors and public authorities.

Operations

The companies operate in the fields of financial advisory services, brokerage business in securities, real estate and shipping, project development and asset management.

Pareto's head office is in Oslo. Group activities are conducted mainly through its subsidiaries Pareto Securities ASA, Pareto Private Equity ASA, Pareto Forvaltning ASA, Pareto Bassøe Shipbrokers AS, Johan G. Olsen Shipbrokers AS, PPN ASA and Pareto Universal Fonds ASA. Pareto AS is the Group's parent company.

Earnings

Earnings and profit improved considerable for both the Company and the Group compared with the preceding year and the Company strengthened its position in several priority areas.

The Group's operating revenues amounted to NOK 3,276.5 million in 2006, compared with NOK 2,126.4 million in 2005. Operating profit was NOK 2,324.2 million as against NOK 1,429.9 million in 2005. Profit after tax was NOK 1,098.7 million, compared with NOK 681.1 million in 2005.

The Directors are highly satisfied with the results achieved in 2006.

Market framework

The continuing relatively low interest rate and the high commodity prices served to make 2006 another good year for the Norwegian economy. Economic growth is fairly robust internationally as well. Growth is strong in China and India and there is a widely based upturn in the Euro area. So far the downturn in the American housing market has not had any major negative ripple effects.

In consequence of the high economic growth we are nearing the limit of our capacity in several countries. High primary producer prices, and in particular high oil prices, have resulted in inflationary pressures, which led to interest rates being increased by central banks around the world and further increases are expected in 2007. However there are signs that interest rates are reaching or have already reached a peak in the USA. Inflation rates are still low in a number of countries,

so that it is expected that the rise in interest rates will be limited and only represent a minor threat to global economic growth.

Development in the Norwegian stock market was extremely positive in 2006. Oslo Stock Exchange recorded an upswing of more than 32.4% (OSEBX) for the year as a whole. The world index for shares (MSCI World) rose 16.1%.

Pareto Securities ASA

Pareto Securities ASA showed a good improvement in profit for 2006.

In our opinion Pareto Securities ASA continued to strengthen its position relative to its competitors throughout 2006. The company's revenues from brokerage services increased 39%, while according to figures from the Norwegian Banking, Insurance and Securities Commission the upswing from 2005 for the market as a whole was 31% .

2006 was a good year for the company's corporate operations. In total Pareto Securities ASA participated in about 64% of all new issues and listings on Oslo Stock Exchange (calculated in NOK). The company earned 20% of the corporate revenues for securities trading that were reported to the Norwegian Banking, Insurance and Securities Commission.

Pareto's bonds department also had a good year in 2006 and the company's position in the bonds market was maintained at a very high level. During the past three years Pareto arranged bond loans for a total of approximately NOK 80 billion.

Pareto Private Equity ASA

2006 was also a good year for Pareto Private Equity, with substantial growth in both sales and profit. The number of employees increased steadily through the year and the company successfully cultivated the three priority areas shipping/offshore, real estate and corporate finance. In 2006 the company placed a large number of shipping and real estate projects and also carried out a number of major corporate assignments.

Pareto Eiendom AS had a good year and consolidated its position as a major player in estate agent services for large commercial properties.

Pareto Investorservice AS is business manager for companies and projects arranged and syndicated by Pareto Private Equity ASA, and is developing steadily and well.

Pareto Forvaltning ASA

Pareto Forvaltning ASA obtained good returns on its portfolios relative to the reference indices and 25% growth in total assets in 2006. The company won a number of new mandates in the Norwegian interest and share markets and the client portfolio is considered stable.

In total at the turn of the year the company was managing ca NOK 14.2 billion in shares and NOK 12.5 billion in fixed-income securities. In addition the company is business manager and strategic collaborating partner for clients with portfolios for an additional NOK 3 billion.

Pareto Bassøe Shipbrokers AS

Shipbroking services are provided by the wholly-owned subsidiaries P.F.Bassøe AS, Pareto Shipbrokers AS and Pareto Dry Cargo AS.

P. F. Bassøe AS' turnover was lower in 2006, mainly due to a reduction in volume related to reduced manning and lower rates for large tankers (VLCCs). The derivatives section was discontinued at the end of the first half-year, when central employees chose to seek new challenges. Activity increased in the market for long charter-parties. The research section expanded its activities to include the product tanker market to a greater extent. The operations section has continued to be an important contributor to the total service concept.

Pareto Shipbrokers AS is engaged in buying and selling tonnage and contracts for building new ships. Pareto Dry Cargo AS provides chartering agency services for dry bulk. Both companies commenced operations in 2006 and developed positively throughout the year.

Johan G. Olsen Shipbrokers AS

This shipbroking company joined the Pareto Group from 1 July 2006. It operates in the offshore and tanker markets and its result in 2006 was the best on record in its many years of operations. Improvement was greatest in the offshore section. The tanker section concluded roughly the same number of charters as in 2005, but commission revenues were somewhat lower as tanker rates were lower than the year before.

PPN ASA

Through its distribution network PPN ASA sold financial products to a value of NOK 5 billion during 2006. Of this, structured products accounted for 26% and securities-related products 74%. At the turn of the year the product portfolio totalled NOK 8.8 billion

and the loan portfolio NOK 4.6 billion.

Today the company represents 11 national and international suppliers through Aviva, Credit Suisse, Commercial Union Life, East Capital, Holberg, Sydbank, Sydinvest, Jyske Bank, BHFBank, Vertikal and Pareto. PPN has distribution agreements with 55 contracting parties having more than 650 active financial advisers.

Pareto Universal Fonds ASA

The company cooperates with other Pareto companies that arrange the marketing and sale of investment products. Through a distribution agreement with PPN ASA, the company has access to other international and national players besides the Pareto companies.

In 2006 the company sold investment products on the retail market for ca NOK 920 million, an increase of 67% over 2005.

Pareto's strategy

The company has a fixed strategy – Pareto shall be a leading, independent and focused Norwegian investment company. It prioritises organic growth and competence development within the company, but may undertake acquisitions or mergers if that will further complete and develop the company. Pareto will cooperate with other players when that is natural and will provide the best products for our clients. An example would be transactions that require greater international competence and distribution than Pareto represents alone. Pareto aims at being the preferred Norwegian supplier of financial services on the basis of sound, detailed

knowledge of Norwegian social conditions and businesses where Norway offers special advantages. Energy and maritime services serve as examples of this.

The Directors believe that Pareto still has considerable potential for improvement and growth. Pareto is experiencing an increasing degree of acceptance for its research and advisory services, based on operations in brokering, syndicating and management services.

In the course of the last few years the company has invested substantial sums in upgrading and developing IT systems and internet solutions. Internet services were developed as an integral part of ordinary operations. Communication, reporting and trading via internet offers great opportunities for Pareto, combined with the company's traditional and personal broking and advisory services.

Future prospects

Pareto's earnings are affected by the general activity in the financial markets, besides the company's own efforts and development. Activity in the securities market is high and therefore the Directors are optimistic with regard to the company's development and profits.

Distribution of profit etc.

Pareto AS' operations, other than acting as parent company for the Group, consist in investing in various securities.

The company is exposed to market risks linked with its own holdings of financial

instruments. In addition the subsidiaries have risks linked with their own trading, market making and payments from clients.

The working environment in the Group companies is good and it has not been necessary to effect any special measures. Absenteeism is low in the Group and no injuries or accidents were reported during the year. There is no discriminatory treatment of men and women.

The company's operations are of such a nature that they do not pollute the external environment.

Consolidated profit after tax cost amounts to NOK 1,098.7 million. The parent company's post-tax profit is NOK 523.8 million. The Directors propose that NOK 55.3 million be set aside for dividends and that NOK 468.5 be transferred to retained earnings. Owner's equity in the parent company at year-end is increased to NOK 1,162.8 million, of which NOK 703.8 million is distributable capital in accordance with the Norwegian Companies Act. Consolidated book equity has increased to NOK 2,049.1 million.

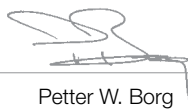
The annual report and accounts are based on the going-concern assumption. The Directors believe that the accounts give a fair portrayal of the Pareto Group's assets, liabilities, financial position and profits.

The Directors wish to thank the company's clients for the confidence they have placed in us and to thank the employees for their excellent work in the past year.

Oslo, 20. April 2007



Erik Bartnes (Chairman)



Petter W. Borg



Ole-Rikard Hammer



Anders Endreson



Kristen S. Jakobsen



Svein Støle
(Director and CEO)

8091

Cold, unpredictable and inconceivably hard. Yet they return every year, the climbers. Like flies stick to the fly paper. To convince themselves and others in the community of their capabilities. Obsession or passion?



> Profit & Loss Statement

Parent Company				Consolidated	
(In 1000s of NOK)				(In 1000s of NOK)	
2005	2006		Notes	2006	2005
Operating revenues					
0	0	Operating revenues	2	3 276 494	2 126 400
0	0	Total operating revenues		3 276 494	2 126 400
Operating expenses					
-376	-14 908	Personnel costs	3	-752 224	-469 628
-1 793	-1 833	Other operating expenses		-177 352	-211 617
-40	-40	Ordinary depreciation	4	-22 703	-15 223
-2 209	-16 781	Total operating expenses		-952 279	-696 468
-2 209	-16 781	Operating profit		2 324 215	1 429 932
Financial revenue/expenses					
14 084	44 664	Financial revenues		68 393	44 148
184 386	499 951	Share dividends		22 248	11 105
2 150	-5 245	Adjustments, securities	10	-5 084	4 147
3 097	1 455	Profit share associated companies	5	234	3 097
0	0	Interest expenses		-4 043	-851
-204	-61	Other financial expenses		-883 818	-556 444
203 513	540 764	Total financial revenue/expenses		-802 070	-494 798
201 304	523 983	Pre-tax profit		1 522 145	935 134
-851	-165	Tax cost	13	-423 429	-254 071
200 453	523 818	Year's profit		1 098 716	681 063
Allocations:					
0	0	-Minorities share of profit		-676	-149 946
0	-55 298	-Reserve for dividends		-322 385	0
-200 453	-468 520	-Transferred to other equity		-775 655	-531 117
-200 453	-523 818	Net profit		-1 098 716	-681 063

› Balance sheet Assets

Parent Company				Consolidated	
(In 1000s of NOK)				(In 1000s of NOK)	
31.12.2005	31.12.2006		Notes	31.12.2006	31.12.2005
Fixed assets					
Intangible assets					
0	0	Acquired goodwill	4	43 393	16 315
910	745	Deferred tax benefit	13	12 979	15 246
910	745	Total intangible assets		56 372	31 561
Tangible assets					
348	308	Fittings, machinery etc.	4	16 728	14 242
Fixed assets investments					
132 859	230 642	Shares in subsidiaries	5	0	0
11 314	7 822	Shares in associated companies	5	9 804	11 314
149 265	149 265	Other securities	6	170 717	149 304
18 622	13 688	Other long-term receivables	7	23 920	18 981
0	0	Pension funds	8	17 194	15 013
312 060	401 417	Total fixed assets investments		221 635	194 612
313 318	402 470	Total fixed assets		294 735	240 415
Current assets					
Receivables					
0	0	Accounts receivable	9	1 287 895	822 409
16 677	9 473	Other receivables		0	0
16 677	9 473	Total receivables		1 287 895	822 409
Investments					
356 548	774 272	Securities	10	3 101 016	1 075 352
356 548	774 272	Total investments		3 101 016	1 075 352
8 447	44 576	Bank deposits	11	393 358	485 680
381 672	828 321	Total current assets		4 782 269	2 383 441
694 990	1 230 791	Total assets		5 077 004	2 623 856

› Balance sheet Equity and liabilities

Parent Company			Consolidated	
(In 1000s of NOK)			(In 1000s of NOK)	
31.12.2005	31.12.2006	Notes	31.12.2006	31.12.2005
Equity				
Share capital called and paid				
18 800	18 800	Share capital	18 800	18,800
439 427	439 427	Premium fund	0	0
458 227	458 227	Total called and paid share capital	18 800	18 800
Retained earnings				
236 065	704 585	Other reserves	1 984 769	1 209 114
236 065	704 585	Total retained earnings	1 984 769	1 209 114
Minority interests				
694 292	1 162 812	Total equity	2 049 075	1 411 708
Liabilities				
Provision for liabilities				
0	0	Pension liabilities	2 041	1 853
0	0	Deferred tax	1 816	383
0	0	Total provisions for liabilities	3 857	2 236
Long-term liabilities				
0	0	Capital furnished by silent partners	82 305	33 690
0	0	Total long-term liabilities	82 305	33 690
Current liabilities				
487	12 505	Other current liabilities	2 183 124	871 081
0	0	Tax payable	417 567	245 373
0	55 298	Dividends	322 386	0
211	176	Outstanding government charges	18 690	59 768
698	67 979	Total current liabilities	2 941 767	1 176 222
698	67 979	Total liabilities	3 027 929	1 212 148
694 990	1 230 791	Total equity & liabilities	5 077 004	2 623 856

Oslo, 31 December 2006
20 April 2007

Erik Bartnes (Chairman)

Petter W. Borg

Ole-Rikard Hammer

Anders Endreson

Kristen S. Jakobsen

Svein Støle (Director and CEO)

› Cash flow statement

Parent Company			Consolidated	
(In 1000s of NOK)			(In 1000s of NOK)	
2005	2006		2006	2005
Cash flow from operational activities				
201 304	523 983	Ordinary pre-tax profit	1 522 145	935 134
0	0	Tax paid during period	-247 535	-100 144
40	40	Ordinary depreciation	22 703	15 223
-2 150	5 245	Securities adjustments	5 084	-4 147
0	0	Net change pensions without cash effect	-1 993	583
-3 097	-1 455	Share of profits associated companies	-234	-3 097
10 511	7 204	Change in receivables	-465 486	-347 508
-2 478	11 983	Change in other debt items	1 270 965	276 063
204 130	547 000	Net cash flow from operational activities	2 105 649	772 107
Cash flow from investment activities				
0	0	Payment for purchases of tangible assets	-52 186	-10 780
-59 835	-422 969	Net cash flow short-term investments	-2 030 748	-575 544
-143 795	-97 783	Payment for purchases of tangible assets	-26 352	-117 029
2 123	9 881	Received from investments in financial assets	1 664	2 123
-201 507	-510 871	Net cash flow from investment activities	-2 107 622	-701 230
Cash flow from financial activities				
-444 127	0	Dividend paid out	-140 552	-497 453
444 127	0	Payment received on new issues	0	444 127
0	0	Change in long-term debt	48 615	6 294
0	0	Equity payments to/from minority interests	1 588	4 377
0	0	Net cash flow from financial activities	-90 349	-42 655
2 623	36 129	Net change in bank deposits	-92 322	28 222
5 824	8 447	Bank deposits as of 1/1	485 680	457 458
8 447	44 576	Bank deposits as of 31/12	393 358	485 680

› Notes to accounts

Note 1 Group Structure

Pareto AS owns 75.0% of Pareto Securities ASA, 79.45% of Pareto Private Equity ASA, 82.14% of Pareto Forvaltning AS, 100% of Pareto Bassøe Shipbrokers AS, 100% of Pareto Commodity AS, 75.0% of PPN ASA, 100% of Pareto Universal Fonds ASA, 100% of Johan G. Olsen Shipbrokers AS and 100% of Gazza Eiendom AS.

Pareto Securities ASA owns 100% of Pareto Offshore ASA and 51.0% of Pareto Securities Asia Pte Ltd.
Pareto Private Equity ASA owns 100% of the shares in Pareto Eiendom AS, Pareto Investorservice AS and Pareto Consulting AS.
Pareto Bassøe Shipbrokers AS owns 100% of the shares in P.F. Bassøe AS, Pareto Shipbrokers AS and Pareto Dry Cargo AS.
Pareto Commodity AS owns 100% of the shares in Pareto Commodity Consulting AS.

Consolidation principles

Investments in subsidiaries are valued at acquisition cost. In the consolidated accounts the cost price of the shares in subsidiaries is eliminated against the equity in the subsidiaries as of the acquisition date. Inter-company transactions, receivables and liabilities as of 31 December are eliminated in the consolidated accounts.

Accounting principles

The annual accounts are drawn up in accordance with the Accounting Act provisions for large enterprises.

Income is entered to the accounts as it is earned and when the claim to payment arises. Income is entered at the value of the payment at the time of the transaction.

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables to be repaid within one year are classified as current assets. Similar criteria are applied for classifying current and long-term liabilities.

Fixed assets are valued at procurement cost, but are written down to real value unless a drop in value is expected to be temporary. Fixed assets that have a limited economic life are depreciated systematically. Long-term loans are entered in the balance sheet at the nominal amount received as of the time of establishment.

Investments in companies in which the company owns from 20 to 50% and has material influence, are handled according to the equity method.

Current assets are entered at whichever is lower of procurement cost and real value. Current liabilities are not written up to real value as a result of changes in interest rates.

Some items are valued according to different principles, as explained below.

The operative subsidiaries are the principals of the respective internal partnerships. Accounts for the internal partnerships are incorporated in the principals' accounts based on the gross values. Silent partners' shares of the internal partnerships' profits are debited as personnel costs and other financial expenses, respectively. Debt to silent partners is included under other current liabilities.

Provisions for bad debts are based on individual assessments of each receivable. In addition a general provision is made to cover anticipated loss on other receivables.

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

Pensions are entered according to a straight-line earning profile with the anticipated leaving salary as a contribution base. Estimate deviations are amortised over the anticipated remaining earning period when they exceed 10% of either the pension commitments or the pension assets, whichever is highest.

The group companies have established a contribution-based scheme which includes new employees engaged in 2006. Contributions for the accounting period are planned according to the matching principle.

Tax cost is matched to the pre-tax book result. Tax related to equity transactions is set off against equity. Tax cost consists of payable tax, changes in deferred tax and reimbursements pursuant to the Tax Act.

Monetary items in foreign currencies are translated at the rate of exchange as of the balance sheet date.

Note 2 Operating revenues, consolidated

	2006	2005
Brokerage	1 164 583	1 079 008
Corporate Finance	1 845 171	840 791
Management/Business management	242 187	190 169
Other project revenues	24 553	16 432
Total operating revenues	3 276 494	2 126 400

Note 3 Wages & salaries, number of employees, remuneration etc.

	Parent Company		Consolidated	
	2006	2005	2006	2005
Wages & salaries, holiday pay, nat.ins.	3 992	346	159 665	116 625
Result-related remuneration	10 000	0	573 615	341 517
Pension and other personnel expenses	916	30	18 944	11 486
Total	14 908	376	752 224	469 628
Number of man-years	2	1	283	210

The general manager was paid NOK 10.5 million. No provision is made for remuneration to the directors of the parent company. A provision of NOK 140,000 is made for remuneration for directors of the subsidiaries.

Deloitte AS was paid NOK 110,000 for auditing the parent company and NOK 1,088,000 for the Group. Payment for other verification services amounted to NOK 365,000 for the Group.

Remuneration paid to Deloitte Advokatfirma DA amounted to NOK 744,000 for the parent company and NOK 2,392,000 for the Group. Remuneration paid to other auditors in the Group was NOK 534,000. These sums of remuneration are exclusive of VAT.

Note 4 Tangible fixed assets

	Parent Company	Consolidated	
	FF&E, IT	FF&E, IT	Goodwill
Procurement cost 1/1	553	75 741	32 318
Additions in year	0	10 448	41 825
Disposals/sale	0	0	0
Procurement cost 31/12	553	86 189	74 143
Accumulated depreciation 1/1	205	61 499	16 009
Year's depreciation	40	7 962	14 741
Accumulated depreciation 31/12	245	69 461	30 750
Book value 31/12	308	16 728	43 393
Economic life	3–10 yrs	3–10 yrs	3–3.5 yrs
Depreciation plan	Straight line	Straight line	Straight line

Note 5 Shares in subsidiaries:

Company	Office	% owned and voted	Book value 31/12
Pareto Securities ASA	Oslo	75.00%	50 728
Pareto Private Equity ASA	Oslo	79.45%	6 880
Pareto Forvaltning ASA	Oslo	82.14%	14 941
Pareto Bassøe Shipbrokers AS	Oslo	100.00%	40 600
Johan G. Olsen Shipbrokers AS	Kristiansand	100.00%	41 500
Gazza Eiendom AS	Oslo	100.00%	23 906
Pareto Commodity AS	Oslo	100.00%	7 205
Pareto Universal Fonds ASA	Oslo	100.00%	7 957
PPN ASA	Bryne	75.00%	36 925
			230 642

The shares in Johan G. Olsen Shipbrokers AS were acquired on 30 June 2006. Goodwill in the sum of NOK 38,237,000 arose in that connection. The shares in Gazza Eiendom AS were acquired on 31 July 2006. Goodwill in the sum of NOK 3,588,000 arose in that connection.

Shares in associated companies

Company: Office municipality: Pareto's interests:	Fondsforv. Oslo 35.0%	Nordic Partners New York 33.3%	Total Group Assoc. Companies
Acquisition cost	40 001	3 283	
Equity at time of purchase	23 939	3 043	
Goodwill from purchase	16 062	240	
Opening balance 1/1	8 031	3 283	11 314
Purchased in year	0	0	0
Share of year's profit/loss	1 455	-1 221	234
Write-down goodwill	0	-80	-80
Dividends received	-1 664	0	-1 664
Closing balance 31/12	7 822	1 982	9 804

Note 6 Other shares/bonds

	Quantity	Cost price	Book value
Other securities held by parent company:			
International Maritim Exchange ASA	61 490	4 551	4 551
Oslo Børs Holding ASA	163 100	37,149	37 149
VPS Holding ASA	494 600	103,003	103 003
Norsk Tillitsmann ASA	5 925	4 562	4 562
Total other securities held by parent company		149 265	149 265
Oslo Børs Holding ASA	100 028	10 021	10 021
Other securities held by subsidiaries		11 431	11 431
Total other securities held by Group		170 717	170 717

The value of the shares is believed to equal at least the book value.

Note 7

The parent company's contribution to the Pareto Group's Pension scheme amounts to NOK 2 490 000.

The parent company has granted the employees in PPN ASA an interest-bearing loan on which the outstanding balance as of 31/12-2006 is NOK 11 197 868.

The Group has given Nordic Partners Inc. an interest-bearing loan which translated amounted to NOK 9 526 000 as of 31/12-2006.

Note 8 Pensions

The Group has a collective pension scheme covering 125 persons, plus a pension agreement for one person who is not covered by the scheme. The actuarial assumptions for demographic factors and exits are based on those normally applied in insurance. The collective pension scheme was closed for admissions in connection with establishing a contributions-based scheme in 2006 in accordance with the Act relating to mandatory occupational pensions.

	2006	2005
Present value of year's pension earnings	5 344	2 961
Interest cost on pensions commitments	2 822	1 889
Estimate adjustment entered in P/L a/c	1 295	215
Return on pension funds	-5 249	-3 887
Net pension cost before employer's nat.ins. contribution	4 212	1 178
Accrued employer's nat.ins. contribution	-233	105
Net pension cost after employer's nat.ins. contribution	3 979	1 283
Estimated pension commitments	-56 662	-35 659
Pension funds (at market value)	77 936	59 121
Effect of estimate adjustments not entered in P/L a/c	-4 058	-8 446
Accrued employer's nat.ins. contribution	-22	-3
Pension funds entered in balance sheet (incl. employer's nat.ins. contributions)	17 194	15 013
Unsecured pension commitments (incl. employer's nat.ins. contributions)	-2 041	-1 853
Financial assumptions:		
Expected return on funds	7.0%	7.0%
Discount rate	5.0%	5.0%
Anticipated wage increase	3.0%	3.0%
Anticipated adjustment of basic nat.ins. amount	3.0%	3.0%

Note 9 Accounts receivable, subsidiaries

	2006	2005
Specified bad debt provision as of 1/1	719	325
Write-offs for which provision was made	0	-224
Change in specified bad debt provision	240	618
Specified bad debt provision at 31/12	959	719

Note 10 Securities

	Quantity	Cost price	Book value
Securities held by parent company:			
Pareto Høyrente	13 073	13 146	13 359
Pareto Likviditet	176 528	177 058	177 035
Pareto Kreditt	25 535	25 539	25 680
Pareto World Wide Shipping AS	50 000	10 000	10 000
Pareto Eiendomsinvest Nordic AS	50 000	10 000	10 000
Pareto Aksje Norge	130 421	248 748	248 748
Pareto Aktiv Global	93 400	100 000	100 000
		584 491	584 822
Other securities held by parent company:			
Kommunalbanken AIO	10 000	10 000	10,000
Crew Gold Corporation bonds	3 000	3 000	3 001
Shares (Norwegian)		108 052	102 590
Shares (US)		73 509	73 222
Other shares/securities		637	637
		195 198	189 450
Total securities held by parent company			774 272
		Market value	
Shares		21 540	
Norwegian Govt. bonds		1 786 320	
Bonds and certificates		444 127	
Securities		74 757	
Total securities held by subsidiaries			2 326 744
Total securities held by Group			3 101 016

Note 11 Bank deposits

The parent company has a non-disposable sum of NOK 111 340 on a restricted account for withheld taxes. The Group's bank deposits include NOK 79 626 000 on restricted accounts, of which NOK 9 716 000 is on tax withholding accounts.

Balances on client accounts belong to clients and are not entered in the companies' balance sheets.

Note 12 Equity

Parent company	Share capital	Premium fund	Other equity	Total
Equity as of 1/1	18 800	439 427	236 065	694 292
Provision for dividends			-55 298	-55 298
Year's profit			523 818	523 818
Total equity as of 31/12	18 800	439 427	704 585	1 162 812
The Group	Share Capital		Other Equity	Total
Equity as of 1/1	18 800		1 392 908	1 411 708
Dividends paid on minority interests 2006			-140 552	-140 552
Provision for dividends			-322 385	-322 385
Received from minority interests			1 588	1 588
Year's post-tax profit			1 098 716	1 098 716
Total equity as of 31/12	18 800		2 030 275	2 049 075

Share capital as of 31/12, NOK 18,800,000.-, is divided among 47,000 shares of NOK 400.- each.

	Number of shares	Owner and voting %
Svein Støle	35 000	74.5%
Castel AS / Erik Bartnes	3 000	6.4%
Skoghøy Invest AS / Anders Endreson	6 000	12.8%
Svele AS / Svein Støle	3 000	6.4%
	47 000	100.0%

There are two classes of shares. Shares owned by Svele AS are classified as B shares and carry a preference right to dividend when so decided by the General Meeting.

Note 13 Taxes

Parent Company			Consolidated	
2005	2006		2006	2005
201 304	523 983	Pre-tax profit	1 522 145	935 134
-198 253	-523 394	Permanent differences	2 252	-58 248
-5 503	30	Change in temporary differences	3 558	-2 886
0	-619	Loss brought forward from earlier years	-25 701	0
-2 452	0	Year's tax base	1 502 254	874 000
0	0	Tax payable	416 914	244 720
0	0	Tax supplement payable	653	653
0	0	Total tax payable	417 567	245 373
Specification of temporary differences				
-159	-287	Current assets	-587	-159
-50	-69	Fixed assets	1 654	-2 644
-589	-471	Intangible assets	-31 251	-29 582
-2 452	-1 833	Remaining loss for carrying forward	-9 685	-20 698
-3 250	-2 660	Basis for deferred tax benefit/ tax	-39 869	-53 083
-910	-745	28% deferred tax benefit/ tax	-11 163	-14 863
The year's tax cost				
0	0	Tax payable	416 914	244 720
0	0	Tax benefit acquired this year	2 153	17 247
0	0	Tax correction for earlier years	663	0
851	165	Change in deferred tax benefit / tax	3 699	-7 896
851	165	Tax cost	423 429	254 071
0.4%	0.0%	Effective tax rate	27.8%	27.2%
Reconciliation from nominal to actual tax cost				
56 363	146 715	Anticipated tax cost at nominal rate	422 479	261 835
-55 512	-146 550	Permanent differences	631	-16 309
0	0	Other items	319	8 545
851	165	Tax cost	423 429	254 071

Note 14

DnBNOR has furnished guarantees for Pareto Securities ASA and its security settlements with Norges Bank in the sum of NOK 600 million, and with VPS Clearing ASA in the sum of NOK 12 million. These guarantees are secured by a first priority factoring lien on trading receivables and a lien on short-term securities.

Pareto Securities ASA has given the Monetary Authority of Singapore an undertaking to cover any commitments for its subsidiary Pareto Securities Asia Pte Ltd. for a sum limited upwards to NOK 41 million.

Note 15

The parent company is exposed to the risk of price fluctuations on its own securities. In addition its subsidiaries are exposed to risks linked with their own trading, market-making and payments from clients.

The financial market risk for subsidiaries are managed according to the rules of the Public Limited Companies Act and the internal control regulations issued by KreditTilsynet (the Financial Supervisory Authority of Norway).

Note 16

Transactions with close companies take place at market prices and conditions.

› Auditor's report for 2006

To the Annual Shareholders' Meeting of Pareto AS

We have audited the annual financial statements of Pareto AS as of 31 December 2006, showing a profit of NOK 523.818.000 for the parent company and a profit of NOK 1.098.716.000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows, and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, and the accompanying notes. The rules of the Norwegian Accounting Act and generally accepted accounting practice in Norway have been applied to prepare the financial statements. These financial statements are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We have conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and generally accepted auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- › the financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company and of the Group as of 31 December 2006, and the results of its operations and its cash flows for the year then ended, in accordance with generally accepted accounting practice in Norway
- › the Company's management has fulfilled its duty to see to proper and well arranged recording and documentation of accounting information in accordance with law and generally accepted bookkeeping practice in Norway
- › the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with law and regulations.

Oslo, 20 April 2007
Deloitte AS



Jørn Borchgrevink (signed)
State Authorised Public Accountant (Norway)



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It is the mind that sets the limitations, but also that keeps us going. You just do it, even if you don't dare. Some say that mountain climbing is like life itself. Appealing, challenging and changeable. Until it's over ...

› Facts

Page 2 [Gasherbrum I, Pakistan](#)

The highest of the six Gasherbrum peaks in the Karakoram region of the Himalayas. Also known as K5.

Page 7 [Mount Everest, Nepal/Tibet](#)

The world's highest peak, called the mother of the universe. The summit was first reached by Sir Edmund Hilary and Tenzing Norgay in 1953 and they have since been followed by nearly 3,000 other climbers.

Page 8 [K2, Pakistan/China](#)

Second highest in the world and one of the most difficult. Ascended by only 250 climbers, of whom 60 lost their lives in the attempt.

Page 11 [Lhotse, Nepal/Tibet](#)

Fourth highest in the world, located close beside Mt. Everest. First ascended in 1956.

Page 12 [Nanga Parbat, Pakistan](#)

«The Naked Mountain». The south face, the Rupal Face, is the world's highest, with a free fall of 4,600 metres. First ascended in 1953.

Page 15 [Aconcagua, Argentina](#)

South America's highest mountain and the highest outside Asia.

Page 16 [McKinley, USA](#)

North-America's highest summit, named after USA's 25th president, but called Denali locally in Alaska.

Page 19 [Trango Towers, Pakistan](#)

First ascended in 1977. The east face is the world's tallest vertical rock face, first ascended in 1984 by the Norwegians Doseth and Dæhlie, both of whom died in the descent.

Page 20 [Elbrus, Russia](#)

Europe's highest summit. First ascended in 1874.

Page 23 [Matterhorn, Switzerland/Italy](#)

First ascended in 1865. This mountain is also known as being the model for the pieces of the «Toblerone» chocolate bar.

Page 24 [Mont Blanc, France/Italy](#)

Highest summit in Western Europe and the highest in Europe until the dissolution of the Soviet Union.

Page 28 [Annapurna, Nepal](#)

First summit over 8,000 meters ever ascended. Regarded as difficult owing to avalanches. Only 130 have succeeded, and 56 died in the attempt.

Page 41 [Kilimajaro, Tanzania](#)

Africa's highest mountain and the tallest in the world that rises free-standing from the surrounding plains. No mountaineering experience is needed and the mountain is visited by 15,000 climbers every year, but only 40% reach the summit.

Page 43 [Mount Vinson, Antarctica](#)

Antarctica's highest summit. Chile claims sovereignty over the region.

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