NOTE 3 SEGMENT REPORTING

Ferd's segment reporting complies with IFRS 8. Ferd is an investment company, and the Company's management makes decisions, monitors and evaluates these decisions based on the development in value and fair value of the Company's investments.

Ferd has four commercial business areas:

Ferd Capital is a long-term investor working actively with the companies during the period of ownership to secure the development in value to be the best possible. Ferd Capital comprises three mandates: Non-listed companies, listed companies and Special Investment.

Ferd Capital's largest investments as of 31 December 2016 are:

- Elopak (100.0 percent stake) is one of the world's leading manufacturers of packaging systems for fluid food articles. With an organisation and cooperating partners in more than 40 countries, the company's products are sold and marketed in more than 100 countries.
- Aibel (49.4 percent stake) is a leading supplier to the international upstream oil and gas industry concentrating on the Norwegian shelf. The company is engaged in operating, maintaining and modifying offshore and land based plants, and is also supplying complete production and processing installations
- Interwell (58.1 percent stake) is a preeminent Norwegian supplier of high-tech well tools to the international oil and gas industry. The company's most important market is the Norwegian shelf, but it has in recent years also gained access to several significant markets internationally.
- Swix Sport (100.0 percent stake) is developing, manufacturing and marketing ski wax, ski sticks, accessories and textiles for sporting and active leasure time use. The company has extensive operations in Norway and abroad.
- Mestergruppen (78.4 percent stake) is a prominent actor in the Norwegian building materials market concentrating on the professional part of the market. The company's operations include the sale of building materials and developing land and projects, housing and cottage chains.
- Servi (99.5 percent stake) develops and manufactures customer specific hydraulics systems, cylinders and vents to the offshore, maritime and land based industries.
- Fjord Line (44.6 percent stake) is a modern shipping company offering sea transport between Norway, Denmark and Sweden. In addition to passenger traffic, Fjord Line has adequate capacity for freight of all types of utility vehicles and goods handled by the shipping company's cargo departments in Norway and Denmark.
- Petroleum Geo-Services (10.6 percent stake) supplies seismology, electro-magnetic services and reservoir analyses to oil companies engaged in offshore operations all over the world.
- Scatec Solar (12.5 percent stake) develops, builds, owns and operates solar energy plants all over the world.
- Benchmark Holdings (11.1 percent stake) contributes to improving fish health within fish farming by manufacturing special meal, roe and vaccines.

Ferd Invest mainly invests in listed Nordic limited companies. The ambition is to beat a Nordic share index (the MSCI Nordic Mid Cap Index). The investment team is not focusing on the reference index in the management of the portfolio, but concentrates on the companies in which they invest and their development.

Ferd Hedge Fund has two mandates. Hedge funds investing in various types of hedge funds managed by external hedge fund environments. The aim is to achieve an attractive risk-adjusted return, both in absolute terms and relatively to the hedge fund index (HFRI FoF: Conservative Index). In the Global Fund Opportunities mandate (GFO), Ferd Hedge Fund can invest in externally managed opportunities not suitable for the hedge funds portfolio.

Ferd Real Estate is an active property investor responsible for the Group's efforts concerning property. Developments mainly take place within housing projects, new office buildings and warehouse/combined buildings. The projects are partly carried out in-house, partly together with selected external cooperating partners. Investments concerning financial property only are also made.

Other areas mainly comprises investments in externally managed private equity funds and hedge funds acquired in the second-hand market. Other areas also comprise some financial instruments to be utilised by management to adjust the total risk exposure.
Costs to the company's management, staff and in-house bank are also included.

NOK 1 000	Ferd AS	Ferd Capital	Ferd Invest	Ferd Hedge Fund	Ferd Real Estate	Other areas
Result 2016						
Sales income	2 390 182	1 859 955	- 523	-59 429	678 084	-87 904
Operating expenses	-177 674	-72 307	-11 302	-13 833	-22 002	-58 231
Operating result	**2 212 508**	**1 787 648**	**-11 825**	**-73 262**	**656 081**	**-146 135**

Balance sheet 31 December

2016						
Investments in subsidiaries	12 845 826	9 712 096	-	-	3 037 765	95 965
Investments classified as current assets	14 783 920	3 197 231	5 262 505	3 630 412	130	2 693 642
Bank deposits/drawings on group account	482 949	488 315	12 031	-67 344	-422 745	472 692
Other assets	462 080	117 714	8 424	220 104	17 364	98 474
Total assets	**28 574 775**	**13 515 356**	**5 282 960**	**3 783 172**	**2 632 514**	**3 360 774**

NOK 1 000	**Ferd AS**	**Ferd Capital**	**Ferd Invest**	**Ferd Hedge Fund**	**Ferd Real Estate**	**Other areas**
Result 2015						
Sales income	2 684 932	319 149	1 419 496	144 630	336 008	465 648
Operating expenses	-120 681	-33 006	-9 181	-11 570	-20 298	-46 626
Operating result	**2 564 250**	**286 143**	**1 410 315**	**133 060**	**315 710**	**419 022**
Balance sheet 31 December 2015						
Investments in subsidiaries	11 440 623	8 919 426	-	-	2 423 019	98 178
Investments classified as current assets	14 740 904	1 573 941	6 218 513	3 887 560	130	3 060 760
Bank deposits/drawings on group account	3 285	18 240	53 061	41 352	-439 971	330 603
Other assets	515 463	104 811	27 132	95 173	63 399	224 948
Total assets	**26 700 276**	**10 616 418**	**6 298 707**	**4 024 085**	**2 046 577**	**3 714 489**