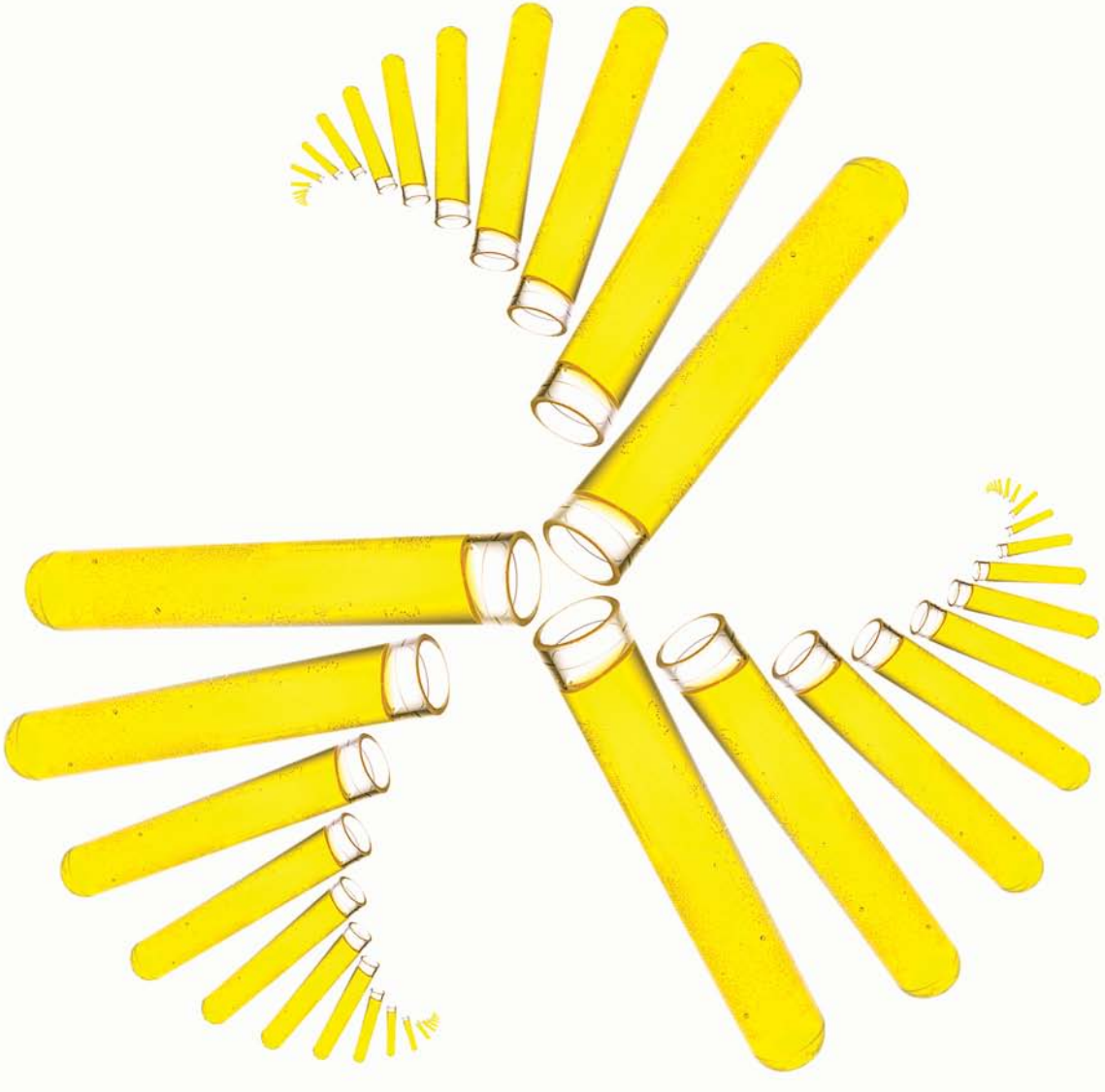
Annual Report 2007

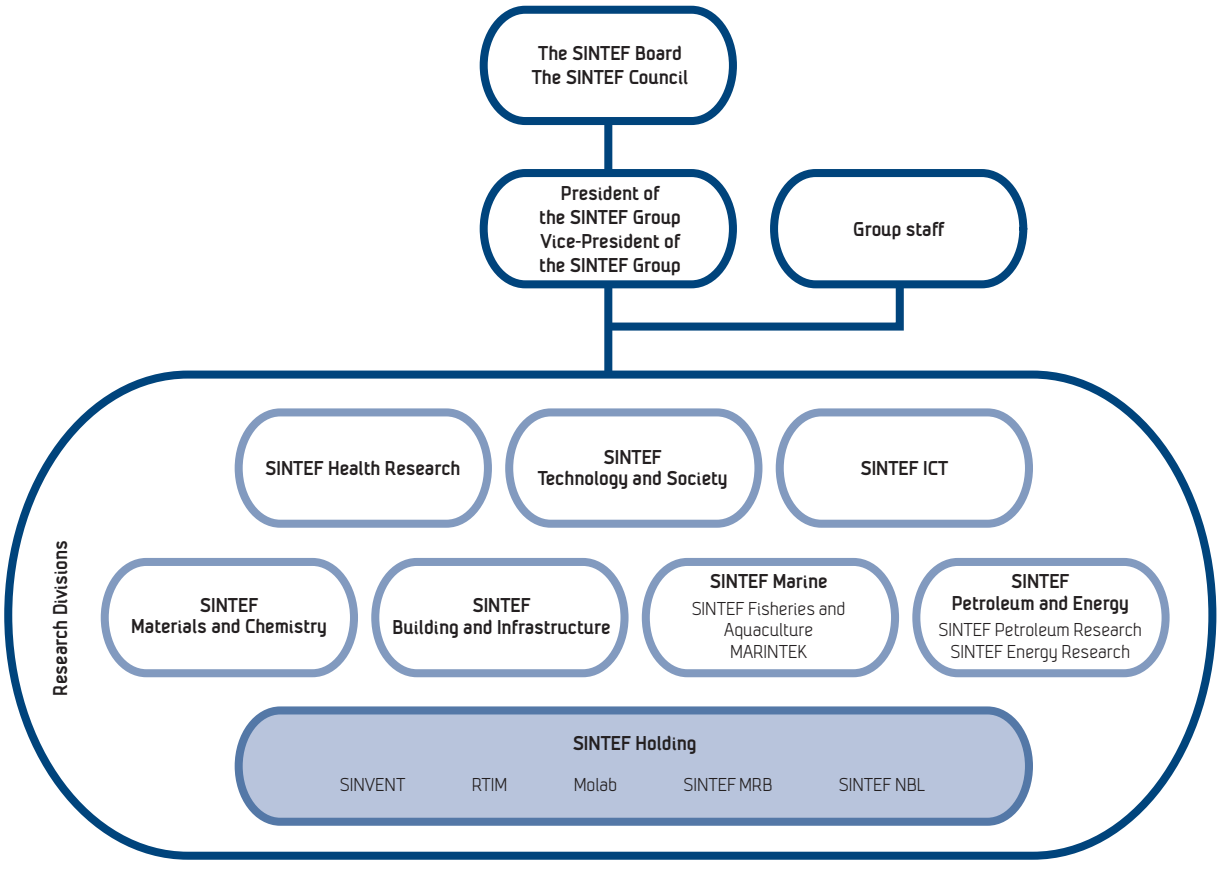


SINTEF

Technology for a better society

Contents

Our organisation



SINTEF Health Research
is one of the largest health research centres in Norway. It possesses wide-ranging and substantial technical knowledge and methodological expertise, and the ability to analyse and solve problems in an integrated manner.

SINTEF Technology and Society
conducts R&D in the fields of technology management, working life and transport The subsidiary company SINTEF MRB is incorporated within this research division.

SINTEF ICT
offers integrated research-based knowledge by means of access to a wide-ranging expertise and technology platform in the field of ICT.

SINTEF Materials and Chemistry
possesses high levels of skills and expertise in the fields of materials technology, applied chemistry and applied biology. The division works closely with the industry in order to develop advanced materials, products, processes and tools. The subsidiary companies RTIM and Molab AS are incorporated within this research division.

SINTEF Building and Infrastructure
is the third largest building research institute in Europe. It was established in 2006 following a merger with the Norwegian Building Research Institute (NBI). The subsidiary company SINTEF NBL is incorporated within this research division.

SINTEF Marine
is made up of Marintek and SINTEF Fisheries and Aquaculture , and conducts research linked to exploitation of the marine environment.

SINTEF Petroleum and Energy
is made up of SINTEF Petroleum Research and SINTEF Energy Research and conducts research linked to all aspects of the value chain involving petroleum-related products and sustainable energy systems.

SINTEF Holding
was established to administer the division of commercial spin-off enterprises from the SINTEF Group's core activities. SINTEF Holding is a taxable entity incorporating strategic ownership interests and interests in newly-established companies.

This is SINTEF

The SINTEF Group is Scandinavia's largest research organisation. Our vision is «Technology for a better society». We generate wealth by means of our knowledge, research activities and innovation, and develop solutions which contribute to increased prosperity, quality of life, and sustainable development.

SINTEF is a broad, multidisciplinary research organisation with global specialist expertise within the fields of technology, the natural sciences, medicine and the social sciences. Our aim is to become Europe's most recognised project-based research institution.

The SINTEF Group comprises the SINTEF Foundation and four limited companies, together with SINTEF Holding. We are a competitive organisation with significant potential to make a positive contribution to societal development on a regional, national and global scale.

SINTEF is a non-commercial enterprise. Our revenues from project-based research are invested in new research activity, scientific and technical equipment, and expertise.

Some key figures

At the turn of the year SINTEF had 2,040 employees drawn from 55 countries, and who in 2007 generated knowledge-based research to the value of NOK 2.3 billion.

Over 90 per cent of SINTEF's revenues are generated from projects for clients in the commercial and public sectors, and from project grants provided by the Research Council of Norway. Basic grants from the Research Council of Norway make up about eight per cent of our income.

Partners

SINTEF has a partnership agreement with the Norwegian University of Science and Technology (NTNU) in Trondheim, and collaborates with the University of Oslo (UiO). NTNU personnel work on SINTEF projects, and some SINTEF employees have teaching assignments at NTNU. The collaboration is characterised by extensive joint use of laboratories and equipment. Over 500 people are employed both at NTNU and SINTEF.

International activity

In 2007, 14 per cent of our turnover was generated by overseas contracts. Approximately one third of our turnover from international activities is generated from the EU's research programmes. We assign high priority to these projects because we regard it as important to participate in multinational knowledge development, and because such projects give us access to rewarding networks.

Our remaining international turnover comes from research project contracts for overseas clients. Our ambition is to continue to grow in the international arena. We are therefore focusing our efforts in those fields where we can exploit our strengths, such as oil and gas, energy and the environment, materials technology and marine technology.

Commercial spin-offs

SINTEF also functions as an incubator for new commercial enterprises. In 2007 there were six examples of commercial spin-offs of SINTEF technologies by means of licensing agreements and the establishment of new companies. We are active stakeholders in our incubator companies and assist them in their ongoing development. The sale of our ownership interests in successful incubator companies releases funds which are invested in new knowledge development. However, the most important part of our work involves the development of the existing commercial sector. Each year SINTEF contributes to the ongoing development of 2,000 Norwegian and overseas companies by means of its research and development activities.

www.sintef.com

The role of research in society

In 2007 the SINTEF Group decided to adopt a new principal strategy describing its ambitions, direction, and role in the coming years.

This strategy gives explicit expression to our role in society. SINTEF aims to be a major player in the Norwegian and global research community. Our goal is to become Europe's most recognised project-based research organisation. We take responsibility for our role in society. Behind this statement lies our intention, among other things, to focus our research on the development of specific solutions linked to the great challenges facing society.

In global terms, the role of the research institutes in society has begun to gain greater recognition. This is expressed, among other things, in the EU's research policy in which a distinction is made between the universities, commercial businesses, and research institutes. For projects linked to the EU's 7th Research and Development Framework Programme, non-commercial research organisations obtain up to 75 per cent of their funding from the EU. SINTEF belongs to this group, and we are a major player in the EU's research programmes.

Whereas our European sister institutes are often subordinate to state ministries and departments, SINTEF functions as an independent research foundation. We are granted significant levels of responsibility, trust and freedom. This gives us both energy and influence in relation to the way we function within society.

2007 was a very good year for the SINTEF Group. We are generating wealth both for our clients and society as a whole, our research scientists are publishing their work to an ever greater extent, and we are reaping the rewards of our increasing focus on HSE issues. In addition we are becoming increasingly successful in fostering and identifying new, commercial spin-off enterprises with their roots in our research groups. In 2007 the sale of our incubator company Nacre was a milestone. It is a source of some satisfaction to see that the profits from this sale will benefit the research groups and inventors involved, and put us in a position to continue to develop new ideas.

On the financial front, we have now enjoyed increasing revenues for the last three years, and all our research divisions are now operating at a profit. This gives us the opportunity to invest in laboratories and scientific equipment, and SINTEF can now use its own funds to finance the ongoing development of our research and laboratories. Norway is currently lagging behind in terms of laboratory development, and it is imperative that the authorities recognise that there is an urgent need for a nationwide initiative. In certain fields it is essential that we have the best equipment and the best research groups in the world. Then we can also attract the best research scientists.

I am proud that SINTEF is successful in recruiting outstanding technical personnel in what is a very competitive global employment market. At SINTEF we have employees from 55 countries. By attracting talented individuals from around the world, we supply Norway with skills and expertise and make an active contribution to the education of research scientists. This is also a component of our role in society.

Unni M. Steinsmo
President of the SINTEF Group

Annual Report 2007

SINTEF's vision is one of «Technology for a better society». By means of leading solution-oriented research and knowledge production, SINTEF generates considerable value for its Norwegian and overseas clients, for the public sector, and for society as a whole.

SINTEF has its headquarters in Trondheim. Under the umbrella of the SINTEF Foundation and its subsidiary companies, SINTEF has operational centres in Trondheim, Oslo and several other locations both in Norway and overseas. With effect from 1.1.2007 the Norwegian Building Research Institute (NBI) was merged with the SINTEF Foundation.

SINTEF has established a partnership and joint strategy with NTNU in Trondheim and collaborates closely with the University of Oslo.

In terms of both technical and financial results, 2007 was one of SINTEF's best ever years. Operational activities were highly satisfactory, resulting in record financial results including an increase in turnover of 16 per cent compared with 2006. This provides SINTEF with the opportunity to invest in laboratories and scientific equipment and to increase levels of self-financing within selected key areas of research.

Technology for a better society

During 2007 SINTEF has participated in several projects which contribute to realising our vision of «Technology for a better society». Here are a few examples:

Both micro- and nanotechnology are exerting an increasing influence in the fields of diagnostics and the treatment of disease. SINTEF Health Research and SINTEF ICT are participating in the development of VECTOR, a robot capsule designed to evaluate the risk of stomach and intestinal cancers. The capsule is the size of a medicinal pill and can be swallowed. On its passage through the oesophagus, stomach and intestinal tract, the capsule transmits video images and readings to a computer. The pill also takes tissue samples. SINTEF is developing the navigation system used to manoeuvre the capsule, together with the capsule's ultrasound sensors. VECTOR is a four-year research project funded via the EU's 6th Framework Program, together with 18 partners drawn from the industrial sector and other research institutes.

SINTEF Energy Research is strongly committed to the development of future energy sources. The institute is a key participant in the EU's energy research programme and a leading player in the field of carbon capture and storage (CO_2 treatment). The most promising technologies for future gas- and coal-fired power stations incorporating CO_2 capture require the combustion of hydrogen or pure oxygen, both under high pressure. SINTEF's research group currently working with combustion techniques is a world leader and works closely with the world's major gas turbine suppliers in order to solve the challenges involved in achieving both controlled and total combustion without the generation of pollutant exhaust gases.

SINTEF Materials and Chemistry is working with the Indian research institute, the Indian Institute of Petroleum, on the development of methods for the production of more environmentally-sound diesel and petrol. The aim is to reduce the volumes of sulphur compounds which, in a densely populated country such as India, constitute a very substantial pollutant. The collaboration has been funded for the last five years by the Norwegian Ministry of Foreign Affairs, and has produced results which are currently being evaluated by the partners as possible patents. In addition to the research conducted in both countries, we are focusing on an extensive transfer of skills and expertise which, among other things, involves Indian research scientists working periodically at SINTEF.

The Government's aim is that the Norwegian petroleum sector shall become a world leader in the combined fields of Health, Safety and the Environment (HSE). In order to draw more attention to the factors which promote good safety practice, SINTEF Technology and Society has published the book "Robust arbeidspraksis – Hvorfor skjer det ikke flere ulykker på sokkelen?" (Robust work practices – Why aren't there more accidents on the continental shelf?). The book's introduction discusses the key organisational and technological changes which influence HSE issues in the petroleum sector, and explores four different topics. The book is financed in part by the Research Council of Norway and is the result of a collaboration between six national research centres.

SINTEF Petroleum Research is currently focusing its activities on the development of expertise and technology directed towards ensuring an optimal socio-economic management of petroleum resources. Within the field of exploration technology, software is being developed to simulate hydrocarbon generation on a geological time-scale. Such technology can contribute in enhancing re-

source exploitation on the Norwegian shelf. In the field of production technology, SINTEF Petroleum Research is involved with two centres for research-driven innovation (CRIs). Integrated operations focus on automisation and remote operations, while FACE focuses on the multiphase transport processes of complex and heavy oils. Within the field of climate change technology, SINTEF Petroleum Research is working to develop adequate and robust subsurface storage solutions for CO_2.

SINTEF Building and Infrastructure is, by means of many of its projects, developing methods and technical solutions for energy efficient buildings, and for buildings and infrastructure adapted to the new climatic changes. During 2007, much of this knowledge was compiled in the book «Klima 2000» (Climate 2000) which has aroused a great deal of interest. SINTEF Building and Infrastructure has also prepared new building regulations governing the fields of energy and the environment, and these will constitute a key initiative towards the reduction of energy consumption in new buildings.

In response to an initiative from SINTEF, the Chinese authorities are currently implementing a major environmental project involving the use of industrial waste as a supplementary fuel in the cement industry. Norway is the world leader in this technology. China produces massive amounts of waste, but waste management processes are often unsatisfactory. This is the cause of significant health risks and is a major source of pollution. By utilising waste as fuel, the consumption of coal in the cement ovens is reduced by 40 per cent. A reduction of CO_2 emissions on this scale corresponds to twice Norway's current total emissions of climate-damaging gases. The major global cement manufacturers are participating in the project, in which SINTEF research scientists provide advice and training while at the same time ensuring that unwanted incidents of pollution are avoided.

The development of floating offshore wind turbines is a major area of focus in Norway. The SINTEF company MARINTEK and SINTEF Energy Research, in collaboration with the Institute for Energy Technology (IFE) and participants from industry, are taking part in a joint project funded by the Research Council of Norway. MARINTEK is currently leading the work to develop modelling tools to simulate the construction of such concepts. The project will continue for a further two years. MARINTEK is also participating in the ongoing development of StatoilHydro's offshore wind turbine concept, Hywind.

At SINTEF Fisheries and Aquaculture the principal areas of focus are in fishing vessel energy consumption, combined with issues surrounding fishermen's health, safety and working environment. During 2007, industry-oriented projects have been conducted linked to sustainable fleet structures, the optimisation of trawling methods, and the development of the future trawlers. Together with the fish processing industry, the institute has developed robot systems for salmon fillet trimming, bone removal, and the sorting of fish. An automised salmon roe sorting machine has been developed and put into commercial production.

Developments in domestic and global marine aquaculture practices have resulted in the need to exploit more exposed sea areas further offshore. Data acquisition systems for aquaculture facilities have been developed in collaboration with the industry. The project «Hold Oppdretts-Norge Rent» (Keep Norway's Fish Farms Clean) will form the basis for reducing the environmentally-damaging effects of the aquaculture industry.

SINTEF regards the establishment of new companies and jobs based in our own research activities as a key component of our role in society. Sinvent AS is the Group affiliate company that conducts such commercialisations, which are achieved by means of licensing agreements and the establishment of new companies. In 2007 the SINTEF Group invested MNOK 20 in its innovation concept and implemented six commercialisations. The results demonstrate that the model developed for innovation and commercialisation is working very well. In June 2007 the company Nacre AS, in which SINTEF had an ownership interest of six per cent, was sold to Bacou-Dalloz, a world leader in the field of personal protective equipment. The purchase price was MNOK 750, with an additional MNOK 90 million contingent on favourable results in 2007 and 2008. This is the largest sales sum for any of SINTEF's incubator companies. SINTEF's share of the profits have been apportioned to the inventors and the research groups involved, in accordance with the Group's rules for the allocation of such benefits.

Clients

SINTEF creates opportunities for our clients and contributes both to their profitability and to the sound development of society. This is our most important contribution to society as a whole. Our relationships with our clients, and our understanding of their needs, are thus of major importance, and SINTEF conducts systematic assessments of our clients' levels of satisfaction with the services

we provide. In general, the results are positive, but they also reveal areas with opportunities for improvement. At Group level, the 2007 surveys reveal an average score of 4.3 on a scale form 1 to 5.

During 2007 SINTEF worked with approximately 6,000 projects for a total of 2,000 clients. We have maintained excellent relations with our major clients and have increased levels of collaboration with several companies.

Our use of the term client also includes Norwegian society as a whole. During 2007 SINTEF placed great emphasis on communicating our knowledge and assessments linked to key social issues to the political and public administrative authorities. In collaboration with the management at NTNU, we have assigned priority to issues associated with energy, the environment, CO_2 treatment, innovation and health. Similarly, we have also collaborated with NTNU as part of our efforts to strengthen our dialogue with the regional public sector authorities and business communities.

SINTEF has increased the scope of its regional activity in Norway. This is demonstrated by the establishment of regional offices in Bergen and Stavanger, both of which have improved our contact with the local business communities in these regions. By offering our expertise to the industrial sector at a local level through such companies as Raufoss Technology and Industrial Management (RTIM) in Raufoss, and SINTEF MRB in Ålesund, experience has shown that our partnerships with small- and medium-sized enterprises (SME's) are enhanced. Our subsidiary company Molab in Rana has developed an effective laboratory partnership concept for industrial companies, and the aim here is to develop our status from a regional to a national player.

SINTEF possesses expertise which is of value to our international clients and partners and also reaps the benefit of knowledge obtained via our international activities. For this reason, globalisation has become an integral component of SINTEF's business activities. This includes the establishment and reinforcement of our academic network, participation in the EU's research and development Framework Programme, the global marketing of contract research projects and the establishment of a global presence. During 2007 SINTEF signed collaboration agreements with, among others, the Japanese research institute AIST and the PUC university in Brazil.

The international component of SINTEF's turnover during 2007 was 14 per cent – up from 12 per cent in 2006. We will lay the foundation for our future client base through our ability to maintain and develop outstanding and internationally-recognised expertise, and by maintaining our competitiveness in a global market.

An international presence is key to SINTEF's globalisation strategy. In 2007 we established an office in Rio de Janeiro in Brazil. Together with our office in Houston in the USA, this will ensure that we maintain contacts with the major overseas oil and gas companies. In Europe we are continuing to develop our collaboration with other leading research institutes and have signed a cooperative agreement with VTT in Finland.

Research

SINTEF's ambition is to become the most recognised project-based research organisation in Europe, and in so doing attract the most interesting and demanding clients and the most highly qualified employees. In order to achieve this, SINTEF must become a world leader in selected research fields. This demands a process of systematic and long-term development of our research groups and scientists, and demands that our research is published and made accessible to the international research community.

The work to promote SINTEF's profile as a research centre has continued during 2007. Such work has included initiatives to stimulate publication in international media. During 2007 SINTEF produced 1,236 peer-reviewed publications in recognised international journals.

The recognition that human activity is changing the Earth's climate presents us with enormous challenges. Energy production entirely without or with severely reduced levels of CO_2 emissions is a key goal for all industrialised nations. During 2007 SINTEF has increased focus on its efforts to develop alternative energy sources, most notably solar energy and the utilisation of CO_2 treatment. This work is carried out in close collaboration with NTNU, IFE and Norwegian industry. SINTEF and NTNU are leading players in the EU's research program directed at CO_2 treatment.

Strategic collaboration with the universities is crucial for maintaining the technical quality of SINTEF's research. In 2007 our collaboration with NTNU has been continued by means of regular management meetings and joint monitoring of areas of research focus. At the level of the research groups, this is manifested in the Gemini Centres. Today 21 such centres have been established, 18 of these jointly with NTNU, two with the University of Oslo, and one with St. Olav's University Hospital in Trondheim.

People

SINTEF's aim is be an attractive workplace offering unique development opportunities for people with the will and the knowledge. As to whether SINTEF is viewed as such is monitored by means of our working environment survey which is conducted every second year. The survey is used to promote SINTEF's development as an attractive place of work. Thorough analyses are carried out in order to give explicit expression to our qualities, and to identify opportunities for improvement. The role of management is vital in this context. SINTEF works systematically to develop our managers, both as individuals and as a management team.

SINTEF enjoys success in an increasingly competitive global market for competent employees. Great emphasis is placed on taking care of and fostering the development of our current staff, while at the same time working to safeguard future recruitment by means of brand development and promotion within the domestic and global markets. According to the Universum survey among students studying subjects within our fields of research, SINTEF distinguishes itself as one of Norway's most attractive workplaces.

In total, SINTEF had 2,041 employees as of 31.12.2007. Of these, 1,256 were employed within the SINTEF Foundation. 42 per cent of a total of 1,357 research scientists at SINTEF have doctorate degrees. 77 research scientists left, and 145 joined the Foundation during 2007. 218 of our employees hail from a total of 55 countries outside Norway.

Equal opportunity and family policy

The President of the SINTEF Group is a woman. Gender distribution within the SINTEF Foundation is shown in the table.

Men	Women
The Board	
44 %	56 %
Group Management	
73 %	27 %
Managers	
68 %	32 %
Research scientists	
73 %	27 %
The SINTEF Foundation	
65 %	35 %

It is one of SINTEF's aims to have an equal number of men and women among its research scientists and managers. This means that when vacancies arise, SINTEF aims actively to recruit women employees and to advance female managers from its own ranks. SINTEF's working environment survey for 2006 revealed no significant gender differences among employees in terms of how they felt about their work situation at SINTEF.

SINTEF is a diverse organisation made up of people who lead active lives both within and outside SINTEF. Our aim is also to be an attractive workplace for the parents of small children. We have therefore put in place flexible working systems to meet the needs of the individual, and also make financial contributions to the running of kindergartens in both Trondheim and Oslo.

Health, Safety and Environment

At SINTEF, HSE issues are assigned the highest priority – the safety of our employees is paramount to all other considerations. HSE considerations are the responsibility of management at all levels and shall be incorporated in each employee's day-to-day work. SINTEF has as its aim to avoid all incidents of injury, damage and loss resulting from inadequate HSE provision.

We are working continuously to firmly establish the importance of HSE issues across the entire organisation. I 2007 we recorded seven instances of personal injury resulting in sick leave, which gives an H1score of 2.1, compared with 2.4 in 2006. In total, 15 incidences of personal injury were recorded, an H2 score of 4.5, compared with 4.3 in 2006.

In 2007, as an aid to the prevention of accidents, SINTEF introduced a new electronic notification system to improve the reporting and follow-up of unwanted incidents and hazardous situations. Managers place increased emphasis on the importance of reporting and follow-up. In 2007, NTNU and SINTEF have entered into agreements regarding a common set of HSE regulations, and these have been introduced in all joint laboratory facilities.

Absenteeism due to sickness was 3.6 per cent in 2007, compared to 3.5 per cent in 2006. Most SINTEF divisions have entered into inclusive working life (IA) agreements with the public sector authorities. This has lead to increased management focus on the follow-up of absenteeism due to sickness, and of those employees with special support needs.

Every second year SINTEF conducts a comprehensive working environment survey in order to gain an assessment of our employees' experience

of their working environment. The survey provides a solid foundation for organisational development within SINTEF. Major emphasis is placed at all levels on following up the results. The working environment survey conducted in 2006 has also been closely followed up during 2007.

External environment

SINTEF conducts, and is otherwise involved in, activities which impact on the external environment. The aim of SINTEF's environmental policy is to ensure that both our research and the management of our own business activities are conducted with due consideration to the external environment. We are obliged to work systematically to reduce the emission of climate-damaging gases, to reduce energy consumption, and to avoid harmful emissions and discharges to air and water resulting from our own activities. We are working towards the establishment of national and international R&D programmes focusing on the development of environmentally-sound technology, and are making an active contribution through our leading expertise.

SINTEF has not been involved in an accident which has resulted in damage to the external environment during 2007. Due consideration to the external environment is the subject of major emphasis during project planning. An agreement has been entered into with an external firm regarding the treatment of hazardous waste. NTNU is also party to the same agreement.

A decision has been made to introduce in 2008 environmental protection management practices in compliance with the environmental standard ISO 14001. A separate environmental policy has been drawn up. The environmental aspects of SINTEF's activities will be the subject of systematic assessment, and implementation plans will be prepared to ensure ongoing improvement.

Ethics

SINTEF assumes social responsibility for its activities and aims to conduct these activities to the highest ethical standards. The follow-up of our ethical guidelines is the responsibility of management. In addition, SINTEF has established an Ethics Council and appointed an Ethics Ombudsman to reinforce its work in the field of ethical standards. The Ethics Ombudsman acts as secretariat to the Ethics Council and also assists individual employees in matters of ethics. During his first year in office, the Ethics Ombudsman has concentrated on the introduction of dialogue at local level regarding ethical issues, in addition to the development of his advisory role.

Work with ethical issues at SINTEF has aroused interest among others, and the Ethics Ombudsman has been invited to brief external organisations about SINTEF's work. During 2007 SINTEF became a member of Transparency International, an organisation dedicated to the elimination of domestic and global corruption.

In August 2005, the Norwegian National Authority for the Investigation and Prosecution of Economic and Environmental Crime (Økokrim) conducted an investigation into SINTEF Petroleum Research in connection with alleged corruption linked to agreements entered into in relation to an assignment in Iran. On the 7 February 2007 the Authority (Økokrim) issued SINTEF Petroleum Research with a corporate fine for alleged contravention of the Criminal Code. In order to bring the matter to a close, the company's Board decided not to contest the fine. We are pleased that the former President of SINTEF Petroleum Research was in June 2007 acquitted of charges of corruption at Trondheim Municipal Court.

Financial independence

In 2007 SINTEF achieved an operating profit of MNOK 133. This is an improvement of MNOK 98 compared with 2006. The annual profit was MNOK 254, compared with MNOK 92 in 2006. The sale of our ownership interests in Nacre AS and Reslab AS, together with accounting profits linked to pensions, contributed with MNOK 100 to the annual profit.

There was positive growth in revenues in 2007 within a market which continues to be healthy. It is necessary to keep a close watch on maintaining good administrative practices in order to safeguard satisfactory results in a market which may have passed the peak of its growth cycle.

SINTEF has of 31.12.2007 an equity amounting to MNOK 1,258, which constitutes 56 per cent of total capital. The corresponding figures for the SINTEF Foundation are MNOK 1,108, which in turn constitute 63 per cent of total capital.

SINTEF has established a system of financial risk reporting. Risk-reducing initiatives are defined and implemented on a continuous basis. The liquidity situation is satisfactory. SINTEF has established a joint arrangement within the Group for the investment of its liquidity reserves. The portfolio is invested in accordance with «Regler for finansforvaltning i SINTEF» (Rules governing financial management within SINTEF) of June 2007.

SINTEF is susceptible to currency fluctuations in that some project revenues are paid in foreign currencies, while all or parts of its project costs are in Norwegian kroner. In order to mitigate the risk, we operate with future exchange contracts in the currencies concerned.

Our equity and operational factors, combined with the growth in revenues, cost-saving initiatives and a satisfactory order book, provide us with a good basis for declaring the organisation a going concern. The Boards of the subsidiary companies have made similar assessments, and all have concluded that we have the basis of a going concern.

The Board is not aware of any circumstances that have arisen since the close of the accounting year which affect our opinion regarding the financial position of either the Foundation or the Group. The annual profit for the Foundation in 2007 is MNOK 232. Allocation of the profits involves the transfer of MNOK 147 to other equity, and MNOK 85 to a reserve for valuation variances.

In October 2007, SINTEF lost a court case against the State in the Frostating Court of Appeal. SINTEF appealed the judgement, but the appeal was rejected by verdict of the Appeal Committee of the Norwegian Supreme Court in January 2008. SINTEF and other research institutes are concerned as to how this decision may influence its status as a non-commercial organisation and change the institutional sector's key role within the Norwegian research and innovation system. The Board welcomes the decision in Parliament of December 2007 to implement an amendment to the Taxation Act which exempts research foundations from wealth tax, in line with all limited liability companies. In the opinion of the Board further amendment of the Taxation Act is required in order to explicitly exempt research institutes from payment of income tax.

Business administration at SINTEF

SINTEF's central administrative bodies are the Board and the Council. The Board is the Foundation's principal administrative body, for which the Council acts in an advisory function, with authorisations stipulated by the Act relating to Foundations and new Articles of Association.

The Council is made up of 28 members comprising representatives from NTNU, the University of Oslo, the Research Council of Norway, the business sector and other industry organisations.

The Board is made up of nine persons. Two are drawn from NTNU, four from the business sector or public sector administration, and three permanent employees of the SINTEF Foundation.

The Board of the Foundation also acts as Board of the SINTEF Group. The activities of the four limited companies are governed by their Articles of Association, shareholders' agreements and Group agreements. Principles for the Group's administration of coordination with related activity have been established in accordance with SINTEF's overall goals and strategy. In May 2007, SINTEF's Board adopted a new overall strategy for the SINTEF Group.

Group Management is responsible for strategic management of the entire scope of SINTEF's business activities. The Group President presides over day-to-day administration.

Future prospects and challenges

Technology can contribute to solutions linked to the key challenges currently facing society, such as the supply of fresh water, healthy food and clean energy, and the sustainable exploitation of resources from a vulnerable natural environment.

With the assistance of its leading expertise centres, SINTEF will also make an active contribution towards achieving the authorities' goals within fields of key social importance.

The authorities' current focus on the Arctic brings with it many opportunities. With its extensive range of skills and expertise, SINTEF is able to assist in realising these ambitions for the Arctic areas, and to balance the interests of commercial sector development, long-term resource management and environmental protection issues. SINTEF will assign high priority to this work in the years to come.

Energy and the environment are key global issues. On the basis of broad Parliamentary agreement in relation to climate-related issues, increased research funding will be channelled in coming years into fields such as climate-related technology, renewable energy, energy efficiency and CO_2 treatment. SINTEF has built up a significant research resource in the field of CO_2 treatment, renewable energy and building techniques, and will assign high priority to ongoing research efforts in these fields.

The EU's 7th Framework Programme for research and development will be key to SINTEF's work in the years to come. We are competing within the Framework Programme with research institutes that enjoy significantly higher levels of public sector funding than SINTEF.

It is crucial that Norway retains the capability to renew its domestic laboratory and technical equipment infrastructure, so that Norwegian research remains competitive in the international arena. This requires a national technology initiative, and SINTEF wishes to play an active role in its implementation.

It takes many people to produce good results. The Board extends its thanks to all of SINTEF's employees and partners for their efforts during the last year.

Trondheim, March 26, 2008

Kathrine Skretting
Vice Chairman

Jan Erik Korssjøen
Chairman

Elin Grimstad

Elisabeth Wille

Raghild Wahl

Frode Rømo

Jon Kleppe

Terje J. K. Andersen

Ellen Cathrine Rasmussen

Unni M. Steinsmo
President – CEO

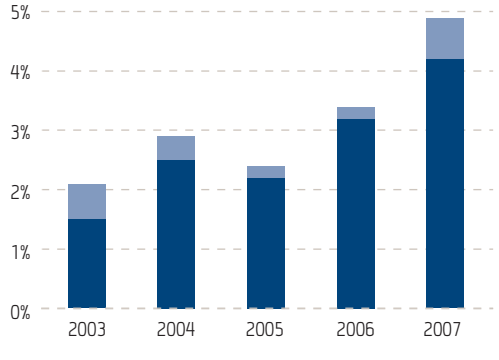
Key financial figures

MNOK	2003	2004	2005	2006	2007
Profit/loss account					
Gross operating revenues	1 690	1 692	1 785	1 959	2 271
Net operating revenues	1 316	1 332	1 448	1 566	1 896
Operating profit/loss	**24**	**-30**	**24**	**35**	**133**
Annual profit/loss	**56**	**-26**	**59**	**92**	**254**
Balance					
Non-current assets	484	463	511	510	654
Current assets	1 070	1 157	1 181	1 426	1 599
Total assets	**1 554**	**1 620**	**1 692**	**1 936**	**2 253**
Equity	855	838	897	988	1 259
Liabilities	699	782	795	948	994
Total equity and liabilities	**1 554**	**1 620**	**1 692**	**1 936**	**2 253**
Profitability					
Operating margin %	1,8	-2,2	1,7	2,2	7,2
Total rate of return %	4	-0,7	4,2	5,2	11,3
Return on equity %	6,8	-3,1	6,9	9,8	19,9
Liquidity					
Cash flow from operations	54	32	-17	141	189
Working capital ratio	1,8	1,6	1,6	1,6	1,7
Capital adequacy					
Equity in %	55	52	53	51	56
Operative working capital	369	353	322	348	444

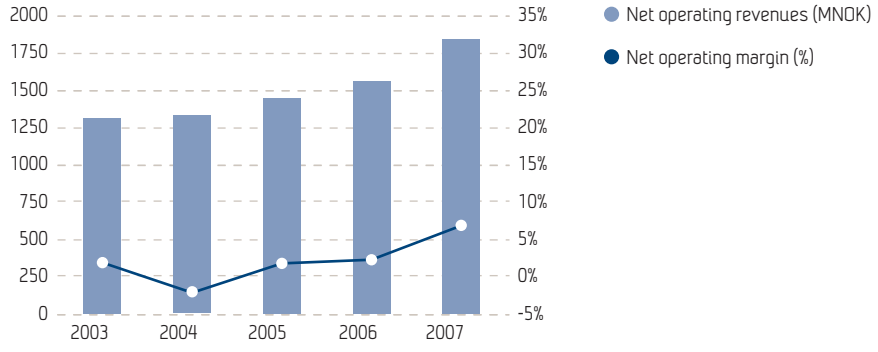
Revenue sources (% of gross operating revenues)

- RCN basic grants 3.2 %
- RCN strategic program 4.4%
- RCN project funding 13 %
- Public sector administration 11.7%
- Industrial and business sector 45%
- International contracts 14.2%
- Other revenues 8.4%

Investments (% of net operating revenues)



Finances



Employees

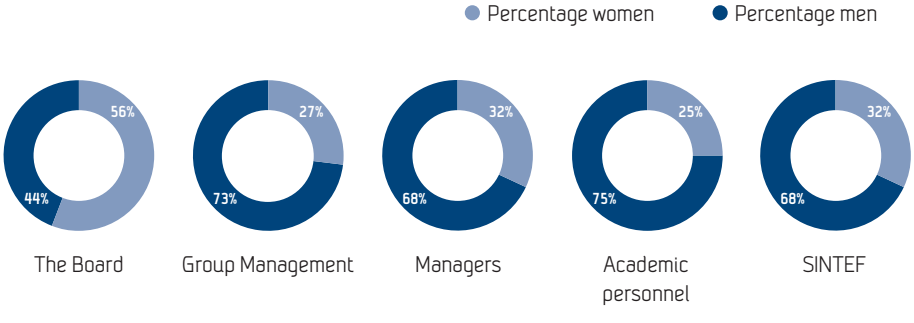
- Administrative (270)
- Engineers (214)
- Technical personnel (167)
- Research scientists (1389)*

* 580 of these hold doctorate degrees

Publication and dissemination

- Scientific journals, articles and peer-reviewed conference contributions (460)
- Reports (1979)
- Scientific presentations/lectures and posters (792)
- Popular scientific articles and presentations (269)
- Textbooks (13)

Equal opportunity



When vacant positions are advertised within research groups where women are under-represented, we actively encourage women to apply. SINTEF conducts systematic working environment surveys throughout the organisation in order to identify gender-related inequalities. The results of the 2006 working environment survey revealed no significant gender-related inequalities.

Income statement

Figures in NOK thousand

SINTEF				SINTEF Foundation	
2006	**2007**	**Notes**		**2007**	**2006**
			OPERATING INCOME AND EXPENSES		
1 483 936	1 769 896		External project revenues	1 040 236	748 108
350 153	385 964		Projects funded by the Research Council of Norway	249 701	231 965
68 342	64 077		Grants from the Research Council of Norway	40 600	40 600
56 977	51 231		Other revenues	96 280	83 824
1 959 408	**2 271 168**	**4**	**Gross revenue**	**1 426 817**	**1 104 498**
393 734	425 589		Direct project expenses	314 637	258 955
1 565 675	**1 845 579**		**Net operating income**	**1 112 180**	**845 542**
1 133 452	1 241 662	6,7	Salaries and social security	724 917	614 747
61 412	74 376	8	Amortization	44 352	34 089
1 710		8	Depreciation		
334 002	396 924	6	Other operating expenses	235 154	182 331
1 530 576	**1 712 961**		**Operating expenses**	**1 004 422**	**831 166**
35 099	**132 617**		**OPERATING RESULT**	**107 757**	**14 376**
			FINANCIAL INCOME AND EXPENSES		
9 422	22 521		Interest received	12 220	6 880
49 863	81 386		Other financial revenue	15 929	12 801
1 459	2 070		Interest paid	1 089	370
5 347	11 387		Other financial costs	2 425	1 502
52 479	**90 450**	**3**	**Net financial income**	**24 635**	**17 809**
87 578	**223 067**		**Result after financial items**	**132 392**	**32 185**
		9	Share of results of subsidiaries	85 514	40 355
87 578	**223 067**		**Result of the period before tax**	**217 906**	**72 540**
-4 589	-30 560	19	Taxes	-14 590	
92 167	**253 627**		**ANNUAL RESULT**	**232 496**	**72 540**
19 627	21 131		Minority interests' share of annual result		
72 540	232 496		Majority interests' share of annual result	232 496	72 540
			Dispositions:		
			Transferred to reserve for valuation variances	85 514	40 355
			Transferred to other equity	146 982	32 185
			Total dispositions	**232 496**	**72 540**

Balance sheet as of 31. December

Figures in NOK thousand

SINTEF				SINTEF Foundation	
2006	**2007**	**Notes**		**2007**	**2006**
			ASSETS		
			Long-term assets		
8 506	44 505	19	Deferred tax advantage	19 090	
4 023	4 968	8	Goodwill		
12 529	**49 473**		**Intangible assets**	**19 090**	
344 248	397 958	8	Real estate, buildings and other fixed assets	356 573	309 252
71 278	103 241	8	Scientific equipment	54 343	25 290
20 054	30 589	8,14	Other equipment, fixtures, etc.	16 875	11 123
435 580	**531 787**		**Long-term operating assets**	**427 790**	**345 665**
1 870	1 377	9	Investments in subsidiaries	386 658	305 887
33 280	19 015	10	Shares in other companies	48	22
		11	Consolidated long-term receivables	67 448	92 721
22 024	43 300	7	Pension funds	23 615	
4 908	8 593	6, 11	Other long-term receivables	1 980	2 130
62 082	**72 284**		**Financial long-term assets**	**479 748**	**400 759**
510 190	**653 544**		**Total long-term assets**	**926 628**	**746 424**
			Liquid assets		
2 878	6 648		Inventory of finished goods	5 338	1 506
143 649	155 482	5	Work in progress	108 860	93 763
146 527	**162 130**		**Goods**	**114 198**	**95 269**
495 151	510 643		Accounts receivable	256 036	246 532
			Consolidated current receivables	29 567	17 805
91 391	19 532		Other current receivables	12 844	29 056
586 542	**530 175**	**14**	**Receivables**	**298 447**	**293 393**
14 810	11 832	10	Shares		
270 533	278 753	2, 12	Bonds and other securities	122 909	119 214
285 343	**290 585**		**Investments**	**122 909**	**119 214**
407 531	616 596	15	Cash, bank deposits	285 271	169 877
407 531	**616 596**		**Cash, bank deposits**	**285 271**	**169 877**
1 425 943	**1 599 485**		**Total liquid assets**	**820 825**	**677 752**
1 936 133	**2 253 030**		**TOTAL ASSETS**	**1 747 452**	**1 424 176**

Balance sheet as of 31. December

Figures in NOK thousand

SINTEF				SINTEF Foundation	
2006	**2007**	**Notes**		**2007**	**2006**
			EQUITY AND LIABILITIES		
			Equity		
62 300	69 300		Foundation's equity	69 300	62 300
62 300	**69 300**		**Paid-up equity**	**69 300**	**62 300**
			Reserve for valuation variances	341 548	260 778
793 947	1 039 109		Other equity	697 561	533 176
793 947	**1 039 109**		**Total earned equity**	**1 039 109**	**793 954**
131 692	150 293		Minority interests		
987 939	**1 258 702**	**17**	**Total equity**	**1 108 409**	**856 254**
			Liabilities		
60 151	33 661	7	Pension liabilities		32 621
60 151	**33 661**		**Long-term liabilities**		**32 621**
4 220	4 114		Mortgages		
4 654	5 778		Other long-term liabilities	2 478	2 508
8 874	**9 892**	**14**	**Other long-term liabilities**	**2 478**	**2 508**
99 551	126 871		Accounts payable	76 009	57 068
3 306	5 482		Credit line		
	5 198	19	Tax due	4 500	
158 090	168 690		VAT, tax deductions, social security	96 626	90 955
363 013	403 856		Advance payments from customers	275 760	260 567
			Consolidated current liabilities	10 710	6 226
1 087	957		Proposed dividend		
254 122	239 723	18	Other current liabilities	172 961	117 977
879 169	**950 776**		**Current liabilities**	**636 565**	**532 794**
948 194	**994 329**		**Total liabilities**	**639 043**	**567 923**
1 936 133	**2 253 030**		**TOTAL EQUITY AND LIABILITIES**	**1 747 452**	**1 424 176**

Trondheim, March 26, 2008

Kathrine Skretting
Vice Chairman

Jan Erik Korssjøen
Chairman

Elin Grimstad

Elisabeth Wille

Raghild Wahl

Frode Rømo

Jon Kleppe

Terje J. K. Andersen

Ellen Chatrine Rasmussen

Unni M. Steinsmo
President – CEO

Cash flow analysis pr. 31.12.

Figures in NOK thousand

SINTEF Group			SINTEF Foundation	
2006	**2007**		**2007**	**2006**
87 578	223 067	Result before tax	217 906	72 540
		Percentage of profit from subsidiaries/associated companies	-85 514	-40 355
61 412	74 376	Ordinary depreciations/write-downs	44 352	34 089
-356		Profit/loss on sales of fixed assets	3 643	-498
-28 096	-30 873	Profit/loss on sales of shares in fixed assets		
35 454	-5 242	Change in investments (current assets)	-3 695	-6 299
-33 636	-11 832	Changes in work in progress	-8 122	-28 852
-1 004	-3 770	Change in stock holdings	-3 832	-121
-56 025	-15 492	Changes in accounts receivable	5 544	-26 003
-15 139	27 320	Changes in accounts payable	9 095	-20 286
85 078	94 896	Changing in other items in balance sheet	65 833	27 697
1 710		Depreciation of patents		
-88	-4 950	Tax paid	-4 950	
-2 580		Difference between deferred tax advantage as entered in income Statemen and in Balance		
45 097	-47 766	Changes in pension obligations	-45 374	40 012
179 405	**299 734**	**Net cash flow from operations (A)**	**194 886**	**51 923**
-63 922	-102 285	Purchases of long-term operating assets	-57 792	-28 142
-12 819	-11 006	Investments in financial assets		-7 022
5 431	1 048	Sales of long-term operating assets		2 550
39 195	59 087	Sales of other financial assets		50
-1 553		Investments in associated companies		
-33 668	**-53 156**	**Net cash flow from investment activities (B)**	**-57 792**	**-32 564**
	2 176	Change in overdraft facility		
-4 831	-54 393	Liquidation of long-term debt	-41 935	-8 502
-260	-3 040	Dividends paid		
-58	-2 492	Changes charged directly to equity capital		
-5 149	**-57 749**	**Net cash flow from financial activities (C)**	**-41 935**	**-8 502**
140 588	188 829	Net change in cash holdings (A+B+C)	95 159	10 858
266 943	427 767	Cash balance as of 01.01 (incl. acquisitions in connection with the NBI merger of 01.01.07)	190 113	159 019
407 531	**616 596**	**Cash balance as of 31.12.07**	**285 271**	**169 877**

1. Accounting principles

General
The annual accounts have been prepared in compliance with the Norwegian Accounting Act of 17 July 1998, and in accordance with Norwegian accounting standards and guidelines for good accounting practice.

Principles of consolidation
The consolidated accounts indicate the overall financial result and position of the parent organisation defined as the SINTEF Group together with its ownership interests in other companies presented as a single financial unit. The consolidated accounts include the profit and loss accounts of all companies in which SINTEF owns more than 50% of the share capital or in which it has a determining influence. Subsidiary companies whose accounts have no bearing on an assessment of the standing and profit and loss accounts of the Group are not included in the consolidated accounts.

In addition to the SINTEF Foundation, the consolidated accounts include results for:
SINTEF Petroleum Research
SINTEF Energy Research
SINTEF Fisheries and Aquaculture
MARINTEK – Norwegian Marine Technology Research Institute (Group)
SINTEF Holding (Group)
SINTEF Building and Infrastructure
SINTEF Polska SP.Z.O.O.

The SINTEF Group is hereinafter referred to as SINTEF. Please refer also to note 9 concerning subsidiaries

All significant transactions and inter-company accounts which form part of the consolidated accounts, together with unrealised intra-Group earnings, have been eliminated. The minority interests' share of the profit and loss accounts is incorporated in the Group's accounts, and the minority interests' share of equity forms part of the Group's equity.

Shares in subsidiaries affiliated to SINTEF Holding have been eliminated from the consolidated accounts in accordance with the acquisition method. This means that the acquired company's assets and liabilities are entered at their true value on the date of acquisition, and that any value in excess of this is classified as goodwill. In the case of partly-owned subsidiaries, only SINTEF Holding's share of the goodwill is included in the balance sheet.

With effect from 1 January 2007, the Norwegian Building Research Institute (NBI) was merged with the SINTEF Foundation..

Principles employed in entering revenue
Income from projects is entered as current revenue, i.e. on an ongoing basis and as a percentage reflecting the amount of project work completed, such that it is the completed share of the total anticipated earnings from a project which are entered as income. The degree of completion is defined based on what has actually been produced.

Where projects are expected to result in a loss, the entire anticipated loss is entered as costs.

Public sector funding in the form of research council grants etc., is entered in accordance with the basic principles for the accounting of income and costs, i.e. such funding is entered at the same time as the income it is intended to generate or the expenditure it is intended to reduce. Contingent funding is not entered as income until it is considered likely that the relevant terms and conditions have been, or will be, met.

Investments and funding items are entered as net amounts. Investment grants are deducted from the historical cost of the investment item. License revenues are entered pro rata over the term of the licence.

Classification
Current assets are entered as items linked to project activity or receivables due within a one year period, together with other assets not intended for permanent ownership or use by SINTEF. Other assets are classified as non-current assets. The distinction between short-term and long-term liabilities is made based on a due date of one year.

Shares in subsidiaries and other shareholdings of strategic or "non-financial" character are classified as long-term shareholdings. Other shares are classified as current assets.

Asset value evaluation
Current assets are assessed at acquisition cost or actual value, whichever is the lower. Non-current assets are assessed at acquisition cost. If the actual value of non-current assets is less than their book value, and the drop in value is not expected to be temporary, their value is written down to the actual value.

Shares in subsidiary companies
Investments in consolidated subsidiaries are entered in accordance with the equity method in the SINTEF Foundation's accounts. This means that the investment is assessed at the value of the SINTEF Foundation's share in the equity capital of the subsidiary in question, with the financial result of the share entered either as revenue or as costs.

Other long-term shareholdings and ownership interests
Long-term shareholdings in companies in which SINTEF does not have a significant influence are entered in the balance sheet at acquisition cost. Investments are written down to their actual value if their fall in value is not temporary. Dividends and other profit sharing revenues received from the companies are entered as "Other financial income".

Shares in other companies (short-term share investments)
Shares that form part of the business portfolio are assessed at their actual value on balancing day. Other short-term share investments are assessed at their mean acquisition cost or actual value on balancing day, whichever is the lower.

Foreign currency
Foreign currency items are entered according to the exchange rate on balancing day. Incoming and outgoing foreign exchange rate risks are reduced by means of futures contracts linked directly to the projects in question. Unsecured foreign currency revenues are used to cover current expenditure incurred in foreign currencies.

Receivables
Accounts receivable and other receivables are entered at their nominal value, with deductions for anticipated losses. Provision for loss is made on the basis of an individual assessment of the receivable in question.

Work in progress
This item includes work performed, but not invoiced. Accrued hours are assessed at invoiceable rates and relative to the degree of completion of the project in question, with deductions for anticipated losses.

Intangible assets
Expenditure related to intangible assets, including research and development, are entered in their entirety as costs.

Fixed assets
Newly-acquired fixed assets costing more than NOK 15,000, and with an anticipated economic lifetime of three years or more, are capitalised and depreciated. The assets are depreciated linearly at the following rates: 33 % for scientific equipment, office equipment, furniture and vehicles, 2 – 5 % for buildings.

Tax
The SINTEF Foundation and its subsidiaries SINTEF Energy Research, SINTEF Fisheries and Aquaculture, SINTEF Petroleum Research and MARINTEK lost their case against the State, represented by the Sør-Trøndelag County Tax Office, in the Frostating Court of Appeal, regarding the introduction of general tax liability from and including the revenue year 2001. The SINTEF Foundation and the four subsidiaries appealed the decision to the Norwegian Supreme Court on 12 November 2007. The Appeal Committee of the Supreme Court pronounced its decision on 23 January 2008, in which they refused to pass the case to the Supreme Court. This decision is not subject to appeal, and consequently the judgement of the Frostating Court of Appeal stands.

There is broad political support for our position arguing that research institutes should be exempt from general tax liability. Up to now this has resulted in a change in legislation which exempts research foundations from capital and wealth taxation from and including the revenue year 2008. However, the SINTEF Foundation has received no assurances that it will be compensated for wealth tax amounting to approx. MNOK 30 for the period 2001–2007. SINTEF continues to lobby for a change in legislation which specifically exempts research institutions income tax.

The wealth tax claimed from the SINTEF Foundation for the revenue years 2001 – 2006, which total approx. MNOK 25, has been paid as they became due, and have been entered in the accounts as equity. In the 2007 accounts, wealth tax is entered as a cost item amounting to MNOK 4.5.

Since the SINTEF Foundation lost its tax case and is thus liable for income tax, the accounts show that a deferred tax benefit increases the values of the financial result, ownership interests and equity, respectively. On the basis of the accounts as of 31 December 2007, the deferred tax benefit could in theory amount to approx. MNOK 276.7, assuming that the total basis for reversible temporary tax differences can be utilised. Because of the likelihood for changes to the tax legislation, we presume that this benefit will not apply beyond 2008.

Estimated tax expenditure for the SINTEF Foundation for 2007 amounts to MNOK 14.6. Of this amount, the wealth tax payable amounts to approx. MNOK 4.5, while the remainder represents changes in deferred tax.

Pensjoner
The SINTEF Group and all its consolidated companies are legally required to provide a public sector service pension, and have schemes in place that meet the necessary requirements.

Pension expenditure is entered in the accounts in compliance with the provisions of the Norwegian Standard for Pension Cost Accounting (NRS6). Net pension expenditure consists of the present value of pensions accrued during the course of the year plus the cost of interest on pension obligations, less the anticipated yield of the pension funds, and corrected for the distributed effects of changes in the pension plan, estimates and deviations. Net pension expenditure is entered under "Salaries and Social Costs"

The Norwegian Accounting Standard states that a company's pension scheme is to be treated as a compensation plan, as part of which future pension payments are based on the number of years during which contributions were paid and the salary at retirement age. The value of the pension funds is based on an assessment made at the end of each accounting year. This estimated value is adjusted annually in accordance with the statement provided by the life insurance company regarding the transferable value of the pension funds.

Assessments of accumulated pension liabilities are based on estimated liability at the end of the accounting year. This estimated value is adjusted annually in accordance with the statement provided by the life-insurance company regarding accumulated pension liability. Actuarial estimates are made every year by the insurance company on the basis of information provided by SINTEF.

Differences between estimated and actual values that are due to changes in financial or actuarial assumptions are regarded as changes in accounting estimates. The Accounting Standard permits a specific equalising method of dealing with such differences. Differences of up to 10% of the larger of the pension liabilities and pension funds may be excluded from the figures entered in the profit and loss accounts. Differences that exceed the 10% limit must be entered in the profit and loss account over the remaining pension qualification period. Differences that are the result of changes in the pension plan are distributed systematically over the average remaining qualification period.

Early negotiated pension plans (the AFP scheme) are covered by the Standard for Pension Cost Accounting.

The SINTEF Group has established a collective pension plan with an insurance company for all its employees. Liability covers 1256 employees of the SINTEF Foundation and 304 pensioners. In addition, pensions are paid to three former employees as part of our operating expenditure. Contributions made by employees towards the partial financing of the pension scheme are treated as a reduction in salary expenditure and do not affect pension expenditure for the period in question. One of the subsidiary companies affiliated to SINTEF Holding operates with a collective contributory pension scheme agreement. The annual pension expenditure is equivalent to the contributions paid in.

2. Financial market risks

SINTEF is vulnerable to exchange rate fluctuations in that some of its project revenues are in other currencies than those utilised for the whole or parts of its expenditure. This vulnerability is primarily related to EUR and USD, and in order to reduce the risks involved foreign exchange futures contracts are employed in the currencies in question.

SINTEF maintains a considerable liquidity reserve which is invested in compliance with the "Guidelines for Financial Management" of August 2007.

SINTEF's portfolio as of 31 December 2007 had a market value of MNOK 278.8. The SINTEF Foundation's share was 44% of this amount.

Virtually the entire portfolio consists of bonds and other securities which, as of 31 December 2007, had a duration of 0.6. A one per cent change in interest rates will produce a positive MNOK 1.1 result for the entire portfolio. The remainder of the portfolio is made up of liquid assets and investments in moderate risk funds. All investments in overseas funds are insured against exchange rate fluctuations.

3. Financial items

Figures in NOK thousand

SINTEF			SINTEF Foundation	
2006	**2007**		**2007**	**2006**
9 422	22 521	Interest received	12 220	6 880
4 494	5 713	Profit on exchange transaction	1 193	1 221
14 207	8 240	Yield from capital placements	3 695	6 299
29 375	62 725	Gains on sales of shares	10 886	4 975
1 787	4 708	Other financial revenues	155	305
59 285	**103 907**	**Total financial revenues**	**28 149**	**19 681**
1 459	2 070	Interest costs	1 089	370
122	86	Interest on late payments	76	95
467	219	Bank costs and fee	181	342
3 473	7 636	Currency exchange losses	1 266	882
754	2 000	Depreciation of financial liquid assets		
532	1 445	Other financial expenses	902	186
6 806	**13 457**	**Total financial expenses**	**3 513**	**1 872**
52 479	**90 450**	**Sum financial items**	**24 635**	**17 809**

4. Sales revenues

Figures in NOK thousand

By division	2007	2006
SINTEF Building and Infrastructure	248 037	
SINTEF Health Research	103 112	122 010
SINTEF ICT	310 761	250 043
SINTEF Materials and Chemistry	458 350	423 724
SINTEF Technology and Society	237 796	219 381
Service exchanges within the Group	68 761	89 340
SINTEF Foundation	**1 426 817**	**1 104 498**
SINTEF Building and Infrastructure		98 843
MARINTEK	270 682	232 113
SINTEF Fisheries and Aquaculture	102 206	87 945
SINTEF Marine	**372 888**	**320 058**
SINTEF Petroleum Research	165 956	143 955
SINTEF Energy Research	261 692	245 621
SINTEF Petroleum and Energy	**427 648**	**389 576**
SINTEF Holding	197 055	155 214
Eliminated internal turnover	-153 240	-108 780
SINTEF	**2 271 168**	**1 959 408**

SINTEF Foundation

Geographical distribution	2007	2006
Norway	1 259 313	992 520
EU	68 955	58 499
Rest of the world	98 549	53 479
Total	**1 426 817**	**1 104 498**

SINTEF

Geographical distribution	2007	2006
Norway	1 947 528	1 714 710
EU	124 272	99 235
Rest of the world	199 368	145 464
Total	**2 271 168**	**1 959 408**

5. Work in progress

In addition to individual assessments, a collective 3 % devaluation of the companies' previous 12-months' production has been made.

6. Salary costs, number of employees, fees, loans to employees, etc.

Figures in NOK thousand

SINTEF			SINTEF Foundation	
2006	**2007**	**Wages and salaries**	**2007**	**2006**
852 778	985 783	Salaries	592 917	459 176
127 774	143 754	Employers' national insurance contributions	84 006	68 458
117 432	92 229	Pension costs	39 671	70 057
35 468	19 895	Other benefits	8 322	17 055
1 133 452	**1 241 662**	**Total salary costs**	**724 917**	**614 747**
1 663	**1 866**	**Years of work**	**1 142**	**900**

SINTEF's Group Management is linked to the collective pension scheme, with a supplementary arrangement designed to provide a cumulative payment of 66% of full salary on reaching 67 years of age. The President of SINTEF is also entitled to an early retirement pension of 66% of full salary from the age of 60 to 67. The President has a period of mutual notice of six months in adition to a scheme that entitles her to 12 months post-employment salary if the board should wish to terminate her employment. This will be reduced by any other income received during this period.

The total salary paid to the President in 2007 came to MNOK 1.89. The value of additional taxable emoluments came to a total of MNOK 0.13.

The Board has established guidelines for a bonus scheme for the President and the group management team. Any payments are made by results and are limited to maximum two months' pay. The accounts for 2007 do not include bonus provisions..

Remuneration to the SINTEF Foundation's Board in 2007 amounted to MNOK 0.97. No payments have been made to the SINTEF Foundation's Council.

Figures in NOK thousand

SINTEF			SINTEF Foundation	
2006	**2007**	**Fees paid to auditors and cooperating companies**	**2007**	**2006**
1 087	1 297	Audit required by law	386	354
562	754	Other certification duties	398	251
1 098	1 540	Legal assistance; tax case	1 524	655
183	814	Other non-audit services	776	171
2 930	**4 405**	**Total**	**3 084**	**1 431**

The law firm Deloitte Advokatfirma DA collaborates with Deloitte AS.

Loans to employees

Total loans to employees of the Group came to MNOK 1.2 of which MNOK 0.88 were within the SINTEF Foundation.

7. Group pensions

Pension costs

Figures in NOK thousand

SINTEF			SINTEF Foundation	
2006	**2007**		**2007**	**2006**
78 788	92 353	Present value of pensions earned in the course of the year	43 847	41 657
55 781	68 714	Cost of interest on pension obligations	45 248	33 105
-50 323	-63 792	Yield on pension funds	-40 046	-28 207
30 235	34 852	Gains/losses on estimates entered in accounts	29 209	23 502
	-40 200	Share of pension plan alterations entered in the profit and loss account	-40 506	
15 860	10 134	Interim employee tax paid	7 513	9 975
130 341	**102 061**	**Net costs of pensions after employer tax**	**45 265**	**80 033**

Pension obligations and funds

Figures in NOK thousand

SINTEF	Insured (group)	Uninsured (AFP)	Other uninsured	Sum
Accrued pension obligations	1 811 895	21 197	18 485	1 851 577
Pension funds (at market value)	-1 245 690			-1 245 690
Non-entered effects of difference from estimates	-634 038	-531	-15 473	-650 042
Accrued employment tax	30 423	1 487	2 606	34 516
Net pension obligations, including	**-37 410**	**22 152**	**5 619**	**-9 639**
Underfinanced pension commitments				33 661
Overfinanced pension commitments				43 300

SINTEF Foundation	Insured (group)	Uninsured (AFP)	Other uninsured	Sum
Accrued pension obligations	1 138 551	3 397	18 485	1 160 433
Pension funds (at market value)	-809 083			-809 083
Non-entered effects of difference from estimates	-382 640	-4 097	-15 473	-402 210
Accrued employment tax	24 160	479	2 606	27 245
Net pension obligations, including	**-29 012**	**-222**	**5 619**	**-23 615**
Underfinanced pension commitments				
Overfinanced pension commitments				23 615

The following parameters have been used in the Group estimates:

Economic assumptions	1)	2)	3)	All 2007
Discounting rate	4,5%	4,4%	4,5 %	4,4–4,5%
Anticipated salary adjustments	4,5%	4,3%	4,2 %	4,2–4,5%
Anticipated pension adjustments	4,2%	2,5%	4,2 %	2,5–4,2%
Anticipated adjustment of national insurance base rate (G)	4,2%	4,3%	4,2 %	4,2–4,3%
Anticipated yield on pension funds	5,4%	5,4%	5,4 %	5,4%
Actuarial assumptions				
Mortality table utilised				K63/ T84/ K2005
Disability tariff utilised				K63/ T84/ K2005
Anticipated outtake frequency AFP	0–10%	40%	5%	0–40%
Voluntary resignation (all ages)				0–15%

1) SINTEF Foundation, SINTEF Petroleum Research, SINTEF Fisheries and Aquaculture
2) SINTEF Energy Research AS (in accordance with new NRS6 recommendations)
3) Marintek

For the accounting year 2007, the SINTEF Foundation has utilised the revised version of NRS 6 as its basis for the accounting of pensions. The SINTEF Foundation has during the accounting year adjusted its pension undertaking within the current agreement. According to NRS 6 such adjustments shall be entered in the profit and loss account for the accounting year. The consequence of this is a reduction in booked pensions expenditures of MNOK 40. In compliance with the guidelines set out in NRS 6, selected assumptions regarding annual growth, discount interest rates, and anticipated rate of return have been used as the basis of the risked assessment calculations of pensions obligations.

8. Tangible fixed assets – scientific equipment, fixtures, fittings and buildings

Figures in NOK thousand

SINTEF 2007	Buildings	Scientific equipment	Office equipment, inventory and vehicles	Sum
Historical cost as of 01.01.	761 605	446 694	148 627	1 356 926
Net additions in connection with merger	74 397	23 652	8 957	107 006
Corrected acquisition cost as of 01.01.	836 002	470 346	157 584	1 463 932
Acquisitions in 2007	21 396	65 849	17 639	104 884
Disposals			-1 049	-1 049
Investment grant		-2 600		-2 600
Historical cost as of 31.12.	857 399	533 595	174 174	1 565 167
Total ordinary depreciation	459 441	430 357	143 584	1 033 382
Book value as of 31.12.	**397 958**	**103 241**	**30 589**	**531 787**
Annual ordinary depreciation	**21 354**	**40 519**	**11 852**	**73 725**
Economic lifetime	10–50 years	3 years	3 years	
Depreciation plan	Linear	Linear	Linear	
Annual rental costs of operating assets not entered in Balance Sheet	45 911			45 911
Purchases in 2007 <15 000		**10 167**	**5 657**	**15 824**

SINTEF 2007	Consessions, patents	Goodwill	Total
Historical cost as of 01.01.	1 800	7 929	9 729
Acquisitions in 2007		1 595	1 595
Historical cost as of 31.12.	1 800	9 524	11 324
Total ordinary depreciation	90	4 557	4 647
Total depreciation	1 710		1 710
Book value as of 31.12.		**4 968**	**4 968**
Annual ordinary depreciation		**651**	**651**
Economic lifetime	20 years	5–10 years	
Depreciation plan	Linear	Linear	

Goodwill written off over 10 years pertains to SINTEF MRB AS. This is justified on the basis of anticipated cash flows. Other goodwill is written off over a five year period.

SINTEF Foundation 2007	Buildings	Scientific equipment	Office equipment, inventory and vehicles	Sum
Historical cost as of 01.01. Net additions in connection with merger	684 660 74 397	245 417 23 652	114 106 8 957	1 044 184 107 006
Corrected acquisition cost as of 01.01.	759 057	269 069	123 063	1 151 190
Acquisitions in 2007	11 345	36 701	9 745	57 792
Historical cost as of 31.12.	770 403	305 771	132 808	1 208 981
Total ordinary depreciation	413 830	251 428	115 933	781 192
Book value as of 31.12.	**356 573**	**54 342**	**16 875**	**427 790**
Annual ordinary depreciation	**17 352**	**18 664**	**8 336**	**44 352**
Economic lifetime Depreciation plan Annual rental costs of operating assets not entered in Balance Sheet	10–50 years Linear 30 815	3 years Linear	3 years Linear	 30 815
Purchases in 2007 ‹15,000		**7 750**	**4 647**	**12 397**

In 2007, the SINTEF Foundation leased 28,452 m² from NTNU. In addition, SINTEF Energy Research leased 3,933 m² and MARINTEK 23,095 m² from NTNU. NTNU leased 11,404 m² from the SINTEF Foundation, and 296 m² of SINTEF Energy Research's premises.

The booked value of acquired fixed assets in connection with the merger amounts to MNOK 72.3

9. Subsidiaries

SINTEF Foundation's subsidiaries	Date of acquisition	Registered office	Voting and ownership share
SINTEF Petroleum Research	01.01.1985	Trondheim	100 %
SINTEF Holding	01.01.1988	Trondheim	100 %
SINTEF Building and Infrastructure	01.12.2005	Oslo	100 %
SINTEF Polska SP.Z.O.O	01.07.2005	Warszaw	100 %
SINTEF Fisheries and Aquaculture	01.01.1999	Trondheim	97 %
SINTEF Energy Research	16.12.1985	Trondheim	61 %
MARINTEK – Norwegian Marine Technology Research Institute	19.12.1984	Trondheim	56 %

Shareholdings and voting rights are identical. The companies' accounting procedures follow the equity method; see the following table.

Figures in NOK thousand	MARINTEK	SINTEF Petroleum Research	SINTEF Energy Research	SINTEF Holding	SINTEF Fisheries and Aquaculture	SINTEF Polska	SINTEF Building and Infrastructure	Sum
Historical cost =equity capital in Balance Sheet at time of purchase	6 500	9 000	4 600	6 670	11 219			26 770
Balance as of 01.01.07	**64 723**	**95 512**	**106 335**	**26 005**	**14 509**	**-3 141**	**1 943**	**305 887**
Share of result for 2006	10 260	50 107	16 652	-795	9 291			85 514
Paid-up share capital								
Disposals subsidiary companies								
Items entered directly against equity capital	-1 374		-3 332		-39			-4 744
Balance as of 31.12.07	**73 609**	**145 620**	**119 654**	**25 210**	**23 761**	**-3 141**	**1 943**	**386 658**

The share of the annual result of MNOK 85.5 less deductions for items transferred directly to equity, MNOK 4.7, is transferred to the reserve for valuation variances.

SINTEF Holding's subsidiaries / associated companies	Date of acquisition	Registered office	Voting and ownership share
SINTEF NBL (Norwegian Fire Research Laboratory)	31.12.2000	Trondheim	100 %
Sinvent	24.11.2004	Trondheim	100 %
SINTEF MRB	01.11.2004	Ålesund	100 %
Link ftr AS	28.11.2007	Trondheim	72 %
SINTEF Venture II	21.08.2006	Trondheim	65 %
SINTEF Venture III	28.11.2006	Trondheim	64 %
Molab	01.01.1990	Mo i Rana	60 %
RTIM – Raufoss Technology & Industrial Management	09.02.2004	Raufoss	50,07 %

Shareholdings and voting rights are identical. The companies' accounting procedures follow the equity capital method; see table next page.

Figures in NOK thousand	SINTEF NBL	Sinvent	SINTEF MRB	Unimed	Link ftr	SINTEF Venture	Molab	RTIM	Sum
Historical cost	1 300	10 000	7 600	120	2 880	16 000	1 000	6 991	45 891
EC in Balance Sheet at time of purchase	1 300	10 000	2 246	120	1 285	16 000	1 500	4 078	36 529
Goodwill			5 354		1 595			2 923	9 872
Balance as of 01.01.07	**2 575**	**32 472**	**7 329**	**123**		**16 126**	**12 576**	**4 174**	**75 375**
Cost of acquisition of share issue					2 880	16 000			18 880
Capital reduction						-4 224			-4 224
Share of result for 2006	-84		1 276		2	-1 469	1 436	1 257	2 418
Depreciation of goodwill			-536		-27			-89	-652
Disposal of subsidiaries				-123					-123
Dividends		-1 000					-1 436		-2 436
Balance as of 31.12.07	**2 491**	**31 472**	**8 069**		**2 855**	**26 433**	**12 576**	**5 342**	**89 238**

SINTEF Holding and its subsidiaries are wholly consolidated in SINTEF.

10. SINTEF's shares and holdings in other companies

Figures in NOK thousand

SINTEF	Owner in SINTEF	Holding	Book value
Long-term assets			
SolSilc AS	SINTEF	20 %	22
Powel ASA	SINTEF Energy Research	1,3 %	244
MonAqua AS. Affiliated company	SINTEF Fisheries and Aquaculture	33,3 %	317
AVS Chile SA. Affiliated company	SINTEF Fisheries and Aquaculture	33,3 %	546
TraceTracker Innovation AS	SINTEF Fisheries and Aquaculture	1,8 %	2 199
Oi! Tøndersk Mat og Drikke AS	SINTEF Fisheries and Aquaculture	1,0 %	20
Design ACE AS	SINTEF Fisheries and Aquaculture	4,9 %	130
Mo Industripark	Molab	2,0 %	3 000
MoTest AS	Molab	49,0 %	201
Leiv Eiriksson AS	SINTEF Holding	3,6 %	960
MedTech AS	SINTEF Holding	19,4 %	19
Forskningsparken AS	SINTEF Holding	0,9 %	30
Spin Out Venture I	SINTEF Holding	25,0 %	5 781
SINTEF Venture III AS	SINTEF Holding	100,0 %	5 520
Mison AS	SINTEF Holding	2,6 %	
Other shares			26
Total long-term assets			**19 015**
Liquid assets			
CFD Norway AS	MARINTEK	30,6 %	293
LogIT Systems AS	MARINTEK	4,8 %	3 920
Lodic AS	MARINTEK	25,0 %	325
Offshore Simulator Center	MARINTEK	25,0 %	910
Alcon Gruppen AS	SINTEF Holding	22,5 %	980
DAT AS	SINTEF Holding	4,9 %	576
Simula Research Lab. AS	SINTEF Holding	10,0 %	150
Såkorninvest Midt-Norge AS	SINTEF Holding	11,9 %	7 508
Spider Solution AS	SINTEF Holding	92,9 %	2 956
Trøndelag Forskning og Utvikling AS	SINTEF Holding	10,0 %	500
ProVenture Speed AS	SINTEF Holding	3,0 %	371
RFID Innovasjonssenter AS	SINTEF Holding	27,5 %	110
AmbieSense AS	SINTEF Holding	37,0 %	145
Other minor shareholdings		<10,0 %	1 335
Write downs/re-evaluations			-8 248
Total liquid assets			**11 832**

SINTEF Foundation	Holding	Book value
Long-term assets		
SolSilc AS		22
Other minor shareholdings		26
Total long-term assets		**48**

11. Receivables with due

Figures in NOK thousand

SINTEF			SINTEF Foundation	
2006	**2007**		**2007**	**2006**
		Long-term receivables from companies within the Group	67 448	92 721
4 908	8 593	Other long-term receivables	1 980	2 130
4 908	**8 593**	**Sum long-term accounts receivable**	**69 428**	**94 851**

12. Bonds and other securities

Figures in NOK thousand	SINTEF				SINTEF Foundation's share 44 %
Portfolio distributed as follows:	**Historical cost**	**Currency**	**Book value**	**Market value**	
Bank deposits and derivates	**29 263**	**NOK**	**29 263**	**29 263**	**12 903**
Interest bearing securities					
State/state guaranteed and municipalities	3 443	NOK	3 499	3 499	
Commercial and saving banks	74 062	NOK	74 818	74 818	
Finance and credit companies	15 113	NOK	14 970	14 970	
Interest-bearing funds	95 887	NOK	100 150	100 150	44 159
Total interest-bearing securities	**188 505**		**193 437**	**193 437**	**85 290**
Other placements					
Indexed bonds	12 796	NOK	13 782	13 782	6 077
Scandinavian unit trusts	2 077	NOK	2 281	2 281	1 006
Foreign unit trusts	21 945	NOK	24 143	24 143	10 645
Foreign high-yield or hedge funds	15 517	NOK	15 848	15 848	6 988
Total other investments	**52 335**		**56 054**	**56 054**	**24 716**
Total investments for distribution	**270 103**		**278 754**	**278 754**	**122 909**

13. Foreign exchange

SINTEF hedges the value of revenues in other currencies by means of future exchange contracts with the bank. These future exchange contracts are entered into either for individual projects, or form part of block guarantees with quarterly maturity dates.

In the table below the line «Revenues 2008–2012» represents the summed value of currency-hedged project contracts covered by future exchange contracts entered in the line below.

Figures in NOK thousand

SINTEF

Currencies	**EUR**	**USD**	**GBP**	**DKK**	**SEK**	**Other**	**Total**
Bank deposits	-6 146	9 733	592	275	384	22	4 860
Customer receivables	7 072	12 569	135		182	308	20 266
Accounts payable	-11 571	-1 279	-847	-232	-222		-14 151
Income 2008 – 2012	93 697	2 262	611		1 243		97 813
Futures contracts	-86 332	1 624	-541		-1 037	-669	-86 955
Net exposure	**-3 280**	**24 909**	**-50**	**43**	**550**	**-340**	**21 832**

SINTEF Foundation

Currencies	**EUR**	**USD**	**GBP**	**DKK**	**SEK**	**Other**	**Total**
Bank deposits	-18 001	1 652	592	275	384	22	-15 076
Customer receivables	3 915	1 392	88		182		5 577
Accounts payable	-9 527	-789	-847	-232	-222		-11 617
Income 2008 – 2012	94 090	2 262	611		1 243		98 206
Futures contracts	-82 390	-5 272	-541		-1 037		-89 240
Net exposure	**-11 913**	**-756**	**-97**	**43**	**550**	**22**	**-12 150**

14. Other long-term debt

Figures in NOK thousand

SINTEF	**2007**	**2006**
Mortgages	4 114	4 220
Other long-term debts owed to credit institutions	2 478	2 508
Other long-term debt	3 300	2 146
Total long-term debt	**9 892**	**8 874**
None of the debt has a due date longer that five years.		
Book value of assets posted as collateral for reported debt:		
Machinery etc.	8 830	6 655
Customer receivables	24 964	25 867
Other debts	5 537	4 024
Sum book value of assets posted as collateral for reported debt	**39 331**	**36 546**

15. Mortgages and guarantees, etc.

SINTEF has entered into an agreement with Fokus Bank to establish a joint technical account system for the administration of its current accounts. Fokus Bank is entitled to carry out offsets between accounts which SINTEF has both within and outside the Group's account system, independent of account type and currency, for any demand which the bank may have against the Group account holder and /or participant. This also includes obligations to the bank which are the result of agreements regarding currency and interest hedging instruments.

Grants from the EU, together with tax withholdings, are kept in separate accounts outside the Group account system.

The SINTEF Foundation undertakes to provide adequate security in the form of real property for the investment of funds from capital accounts under joint, active management.

SINTEF Energy Research holds a guarantee obligation of MNOK 8.9 in relation to two EU projects.

The SINTEF Foundation is involved in individual litigations resulting from its ordinary business activities. The SINTEF Foundation judges that any obligations in this regard will not greatly affect the profit and loss account of the SINTEF Foundation, its liquidity or financial standing.

16. Offsets between companies within the Group

Internal transactions within the group amonted to MNOK 133 ex. VAT.
Intra-group receivables and debts are shown as a line on the Balance Sheet.

17. Equity capital

Figures in NOK thousand

SINTEF	Paid-up equity	Earned Equity		Total equity
			Other equity incl. minority	
Equity capital as of 01.01.	62 300		925 639	987 939
Annual result of group			253 627	253 627
Dividend			-957	-957
Equity-related adjustments:				
Tax paid in previous years			-25 498	-25 498
Changes in accounting principles (pension)			-7 203	-7 203
Structural changes	7 000		43 794	50 794
Equity capital as of 31.12.	**69 300**		**1 189 402**	**1 258 702**

SINTEF Foundation	Paid-up equity	Earned Equity		Total equity
		Valuation variances	Other equity	
Equity capital as of 01.01.	62 300	260 778	533 176	856 254
Annual result of Foundation		85 514	146 982	232 496
Items entered directly against EC:				
Tax paid in previous years			-25 498	-25 498
Structural changes	7 000	-4 744	42 901	45 157
Equity capital as of 31.12.	**69 300**	**341 548**	**697 561**	**1 108 409**

18. Other current liabilities

The item "Other current liabilities" in the account for SINTEF includes provisions for accrued vacations, holiday pay and overtime, provisions for early retirement, bonuses and restructuring, investments in IT systems, obligations regarding invoices entered but unpaid and transiting E U funds.

19. Taxes

Figures in NOK thousand

SINTEF

The annual tax expenditure is presented as follows:	**2007**	**2006**
Tax due	5 236	16
Changes in deferred tax	-35 796	-4 605
Tax cost of ordinary result	**-30 560**	**-4 589**
Current tax obligations in the balance sheet are presented as follows:	**2007**	**2006**
Tax payable for the year	5 198	
Tax payable on Balance Sheet	**5 198**	
Adjustment from nominal to actual tax rate :	**2007**	**2006**
Annual result before tax	223 067	87 578
Anticipated income tax according to nominal tax rate (28 %)	62 459	24 522
Tax effect of following items:		
Non-deductible costs	4 229	4 214
Non-taxable income	-20 229	-15 206
Financial gains/losses within the exemption method	322	-2 036
Changes in the valuation of deferred tax benefit	-81 958	-17 599
Other items	117	1 517
Calculated wealth tax	4 500	
Tax costs	**-30 560**	**-4 589**
Effective tax rate	-14%	-5%

Specification of the tax effect of temporary differences and losses to be carried forward.

	2007		2006	
	Advantage	**Obligation**	**Advantage**	**Obligation**
Operating assets	1 149 185		1 258 995	
Goods	62	193	264	130
Receivables	47 450		26 512	
Gains and losses account		1 706		2 133
Financial allocations	53 259		51 476	
Pension commitments	29 970		62 354	
Pension funds		41 889		23 668
Unutilised allowances	1 220		1 233	
Loss to be carried forward	302 044		250 713	
Total	**1 583 190**	**43 789**	**1 651 547**	**25 930**
Deferred tax benefit	509 634		447 346	
Non-balanced deferred tax advantage	465 130		528 256	
Net advantage/obligations on deferred tax in Balance Sheet	**44 505**		**-80 910**	

Deferred tax advantage is entered on the basis of future revenue.

SINTEF Foundation

The annual tax expenditure is presented as follows:	**2007**	**2006**
Wealth tax payable	4 500	
Changes in deferred tax	-19 090	
Tax cost of ordinary result	**-14 590**	
Current tax obligations in the balance sheet are presented as follows:	**2007**	**2006**
Annual payable wealth tax	4 500	
Tax payable on Balance Sheet	**4 500**	
Adjustment from nominal to actual tax rate:	**2007**	**2006**
Annual result before tax	217 906	72 540
Anticipated income tax according to nominal tax rate (28 %)	61 014	20 311
Tax effect of following items:		
Non-deductible costs	1 505	1 056
Non-taxable income	-1 035	-2 482
Debt cancellation	-253	
Share of result derived from subsidiary companies	-23 944	-11 300
Re-evaluation of deferred tax benefit	-56 377	-7 585
Calculated wealth tax	4 500	
Tax costs	**-14 590**	
Effective tax rate	-7 %	

Specification of the tax effect of temporary differences and losses to be carried forward

	2007		2006	
	Advantage	**Obligation**	**Advantage**	**Obligation**
Operating assets	828 974		921 084	
Goods			64	
Receivables	32 081		21 866	
Gains and losses account		886		1 108
Financial allocations	50 360		47 738	
Pension commitments			36 331	
Pension funds		23 615		3 710
Unutilised allowances	386		386	
Loss to be carried forward	217 870		131 979	
Total	**1 129 671**	**24 501**	**1 159 448**	**4 818**
Deferred tax benefit	309 448		323 297	
Non-balanced deferred tax advantage	290 358		323 297	
Net advantage/obligations on deferred tax in Balance Sheet	**19 090**			

Deferred tax advantage is entered on the basis of future revenue.

Auditor's report

Deloitte.

Deloitte AS
7485 Trondheim

Besøksadresse:
TMV-kaia 23

Telefon: 73 87 69 00
Telefax: 73 87 69 01
www.deloitte.no

Translation from the original Norwegian version

To the Board of Directors of SINTEF Foundation

AUDITOR'S REPORT FOR 2007

We have audited the annual financial statements of SINTEF Foundation as of 31 December 2007, showing a profit of NOK 232.496.000,- for the parent company and a profit of NOK 253.627.000,- for the group. We have also audited the information in the Board of Directors' report concerning the financial statements and the going concern assumption, and the proposal in the financial statements 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.

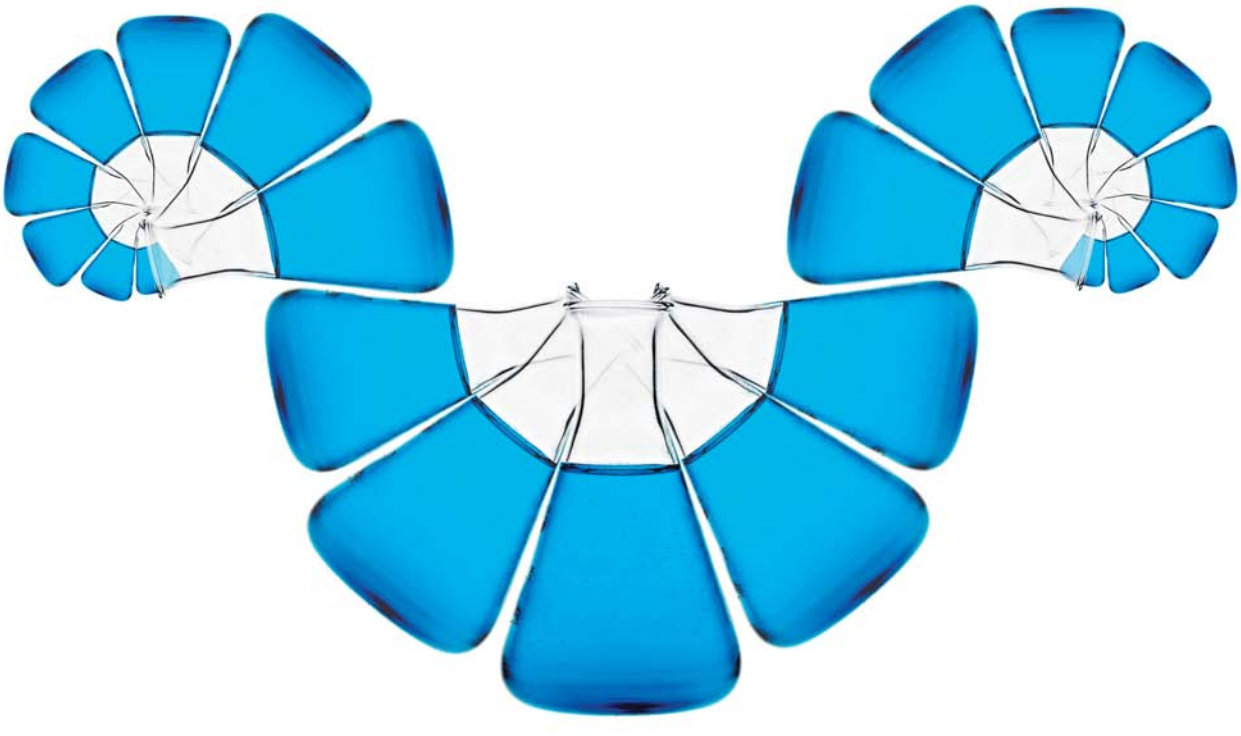
We have conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and generally accepted auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards require that we plan and perform the audit to obtain reasonable 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 31.12.2007, 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 and the going concern assumption, and the proposal in the financial statements for the allocation of the profit is consistent with the financial statements and complies with law and regulations.

Trondheim, March 28, 2008
Deloitte AS

Mette Estenstad (signed)
State Authorised Public Accountant (Norway)



The courage to change things – the knowledge needed to do so.

SINTEF
Building and Infrastructure

Executive Vice President Bjørn Svensvik with some staff members of SINTEF Building and Infrastructure.

Solutions for the building industry of tomorrow

The future of the building and construction industry will be characterised by the challenges presented by climate change. The need for new energy solutions will demand a massive effort on our part if we are to guarantee sustainable development. The coming generations will have to live with the solutions which we choose today. The key thing here is to find solutions which are cost and energy efficient, and environmentally sound. Other important domestic and global challenges are linked to productivity and quality.

A recent study by BI (the Norwegian School of Management) revealed that one in every eight kroner that contributes to Norwegian economic growth is generated in the building sector, but that levels of research are disproportionately low in relation to the industry's importance to society. In partnership with the industry and the public sector authorities, SINTEF Building and Infrastructure intends to become a driving force for research and innovation within the building industry.

The dissemination of research results has been a central theme in all our research activities, and ensures that our results are put into practice. We want to make our knowledge accessible to society as a whole, and we make great efforts to disseminate our research results. This dissemination is carried out via our publications, by means of our approvals and certification procedures, and in SINTEF Building and Infrastructure's knowledge systems such as the Building Research Design Guides and the "Building Industry's Wet Room Standards" (Byggebransjens våtromsnorm).

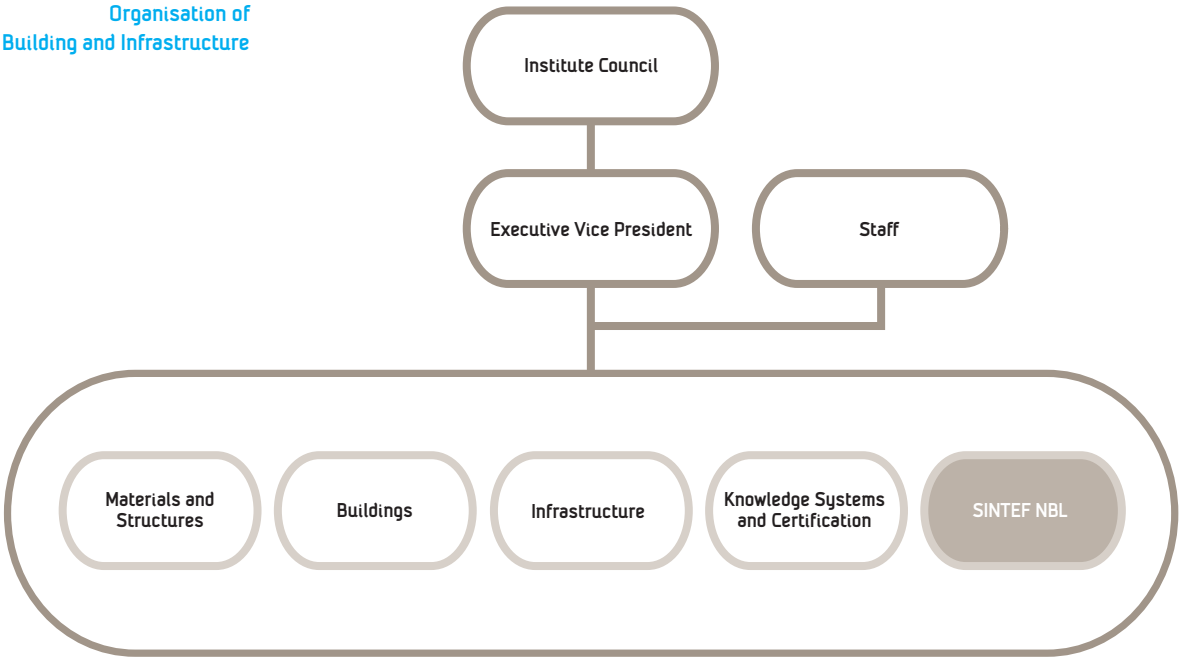
Over a 50-year period, the Building Research Design Guides have developed into a national knowledge system. We believe that knowledge presented in the employees' own language is important for the inclusion of a multinational workforce into the Norwegian corporate culture. A lack of well-presented knowledge, combined with poor communication, can create problems during the building process and may in the worst case constitute a safety hazard. This is why we translate the key elements of the Building Research Design Guides into Polish. The Norwegian building industry also faces major challenges linked to preserving its good name. We are making a contribution to improving this situation by transforming our research results into practical solutions.

In the international arena we are currently assisting American cities with the management of billions of dollars worth of water and sewage pipes. This is carried out using our specially developed software which indicates where and when these pipes should be replaced. Better maintenance prevents leakages and reduces the costs of supplying water for society as a whole. As part of a contract from the Ministry of Foreign Affairs, we are assisting China to rid itself of massive quantities of toxic waste. Norway possesses the world's leading experts in a technology which converts toxic waste into a valuable resource in the form of fuel for cement ovens.

On the domestic front we are proud to have contributed to the construction of the new Oslo Opera House, which is one of the most important public cultural buildings in Norway since the building of Trondheim Cathedral (Nidarosdomen).

By means of our research and development activities, our client-oriented outlook and our close dialogue with the industry, we will realise our vision of "Technology for a better society".

Organisation of SINTEF Building and Infrastructure



This is SINTEF Building and Infrastructure

SINTEF Building and Infrastructure is a leading international research institute.

We solve challenges linked to the entire construction process. The institute offers specialist expertise in technical fields ranging from architecture and construction physics to the management, operation and the maintenance of buildings, water supply, and other forms of infrastructure. We generate wealth both for our clients and society as a whole by means of research and development, research-based expert consultancy, certification and knowledge dissemination. One of our key goals is to make a contribution to the sustainable development of the industry.

SINTEF Building and Infrastructure is the leading disseminator of research-based knowledge in Norway. By means of our knowledge systems, pub-lishing house and the SINTEF Certification system, we have established a unique knowledge dissemination platform which serves the greater part of the construction sector. Close dialogue with the industry gives us a deep understanding of our clients' current and future needs. Extensive collaboration with NTNU, leading companies and other research partners participating in both the domestic and global markets, together with optimal utilisation of our laboratories, all provide an important foundation for our activities.

Through our centre for research-driven innovation, COIN (Concrete Innovation Centre), we are developing new types of concrete, construction techniques and building solutions for this adaptable material. Concrete can be used both for latent heat and cold storage, and can thus bring us ever closer to our vision of the zero-energy house. By means of a broad spectrum of other projects, we have developed methods and technical solutions for energy efficient buildings, together with buildings and infrastructure which are adapted to the challenges presented by future climate change. In collaboration with Enova (a governmental body) and the commercial sector we have conducted several demonstration projects designed to achieve the goal of energy efficient and environmentally sound buildings. Today, we can build houses which are energy self-sufficient.

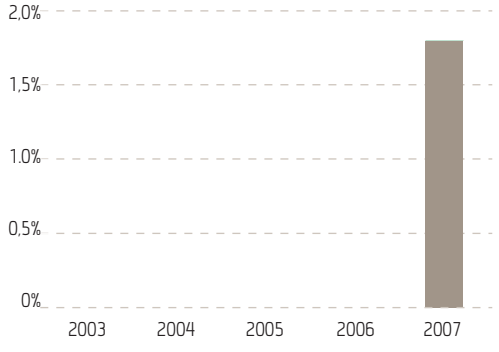
From 1.1. 2007, the Norwegian Building Research Institute (NBI) merged with the SINTEF Foundation and our joint activities are now integrated within the research division SINTEF Building and Infrastructure.

At the turn of the year we had 270 employees. In 2007 these produced knowledge-based research to the value of MNOK 280.

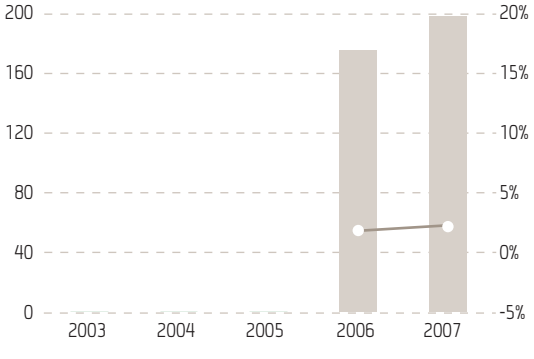
Sources of finance (% of gross operating revenues)

- RCN basic grants 3.6%
- RCN strategic programmes 2.1%
- RCN project support 8%
- Public sector 13.6%
- Industry and commerce 38%
- International contracts 13.4%
- Other sources of income 21.4%

Investments (% of net operating revenues)



Economy



Employees

- Administration (39)
- Technical personnel (12)
- Engineers (29)
- Research scientists (156)*

* Of whom 57 hold doctorates

Publishing and communication

- Refereed scientific journals, articles and conference papers (33)
- Scientific talks and posters (272)
- Reports (1169)
- Popular scientific articles and talks (146)
- Textbooks (6)

SINTEF ICT

Executive Vice President Aage Jostein Thunem with some members of SINTEF ICT staff.

Commercialisation of research results

The commercialisation of research results is an important part of SINTEF's role in society. The commercialisation process enables us to create new solutions, new companies and new jobs based on our research.

Commercialisation is often based on the results of our research by customers and partners who participate in our projects. In other cases, SINTEF itself brings its R & D results to market by setting up new companies via Sinvent, our commercialisation company, and its partners.

Its strategic project portfolio has enabled SINTEF ICT to develop new technology and innovative solutions that are capable of being established as separate businesses and product concepts suitable for commercialisation. In recent years, six such concepts have been commercialised by establishing new companies, five of which have won national and international awards. The best known of these involves technology and solutions for natural communication in noisy environments (Nacre).

One of the highlights of 2007 was the recognition won by SINTEF ICT when Nacre AS was bought up by the French-American company Bacou-Dalloz. This purchase put the company into a global leadership position in "intelligent earplugs" via Nacre's "QUIETPRO" product.

Nacre's business and product concept was completely established and developed by SINTEF ICT. The commercialisation process has demonstrated SINTEF's ability to attract interesting venture partners and, in close collaboratoin with these, to turn Nacre AS into a core player in its field. QUIETPRO has been sold in large quantities to the US Marine Corps, which has publicly stated that the product has already saved lives.

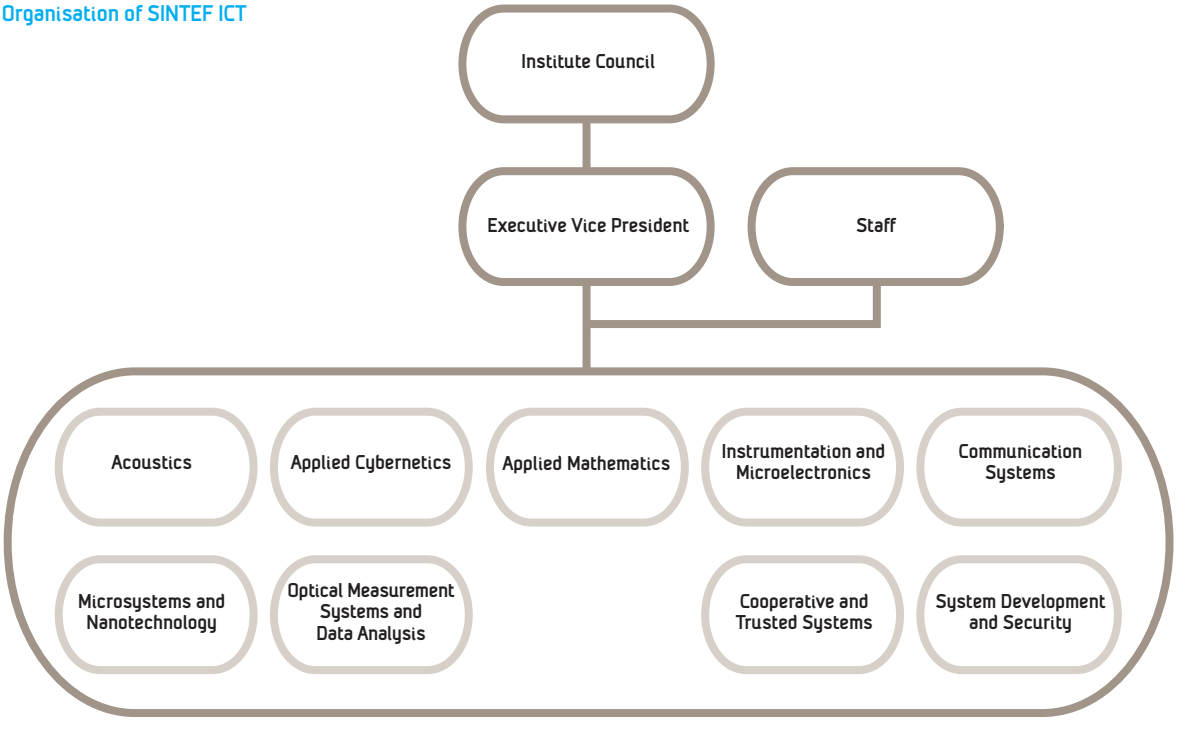
Our strategic collaboration with Nacre has continued since the company acquired new owners, and we are now cooperating in the development of a range of versions of QUIETPRO for industry and the offshore sector, as well as for medical purposes. This serves to confirm our general policy, whereby SINTEF follows up strategic collaboration with its new companies.

SINTEF ICT is currently involved in three major initiatives to commercialise very promising technologies, all of which are protected by patents and other intellectual property (IP) schemes. All of these initiatives are of great commercial value, although they also involve significant technological risks.

SINTEF ICT has a large project portfolio aimed at high-tech start-ups and small and medium-sized enterprises, in most cases based on new technology and innovative solutions derived from our own research. In the course of time, we have accumulated a great deal of know-how and experience of what is needed and how best to commercialise project results along the whole route from original idea to estabished market product. In order to deal with the many challenges involved, besides the technology on which we ourselves are experts, we enjoy close collaboration with Sinvent and its partners in the fields of commercialisation and finance.

www.sintef.com/ict

Organisation of SINTEF ICT



This is SINTEF ICT

SINTEF ICT delivers research-based expertise and technology in the following three areas of technology: Micro- and sensor systems; Monitoring and information systems; and Calculation-oriented software.

In close cooperation with our partners and customers, we develop integrated solutions, products and services for a wide range of applications in a number of different national and international market segments.

SINTEF ICT collaborates at strategic level with several departments in NTNU and the University of Oslo.

SINTEF ICT operates an ultra-modern micro/nano laboratory (MiNaLab), which is a world leader in the development and small-scale manufacture of radiation sensors. MiNaLab was established with the particular aim of carrying out research and development of complex products and processes, while offering its customers the possibility of small-scale production. MiNaLab is ISO certified.

In the field of safety-critical systems, SINTEF ICT has been appointed as technical control body for railway certification, and its certification programmes are carried out in accordance with the relevant EU directives.

It SINTEF ICT, we focus on creating value for our customers and for SINTEF by delivering innovative solutions and results within agreed deadlines and budgets. We do this by putting conscious efforts into developing competence and technology that are capable of forming the basis of value creation in existing industry, and the establishement of new companies.

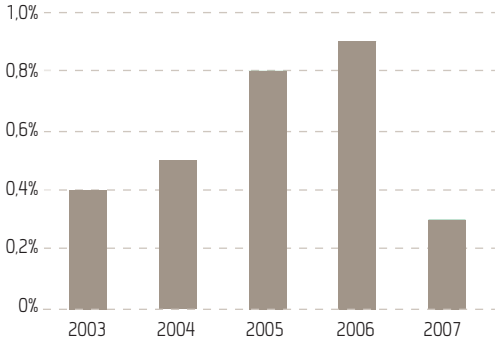
Technology, patents and intellectual property from SINTEF ICT have formed the basis of a number of Norwegian innovations and spin-off companies during the past few years; these include Nacre AS and Ocas AS. It is worth mentioning, for example, that advanced optical solutions from SINTEF ICT have played a decisive role in the development of Tomra's packaging recycling products, while our efforts in micro-optics are currently offering similar possibilities.

SINTEF ICT is a major participant in the EU's Framework Programme. We have gained this position by making conscious efforts vis-à-vis the EU in the course of several years. Participation in EU Technology Platforms (ETP) in the field of ICT means that we are playing an active role in the design of the Strategic Research Agenda (SRA) which is used as a baseline for the design of a wide range of working programmes.

Sources of finance (% of gross operating revenue)

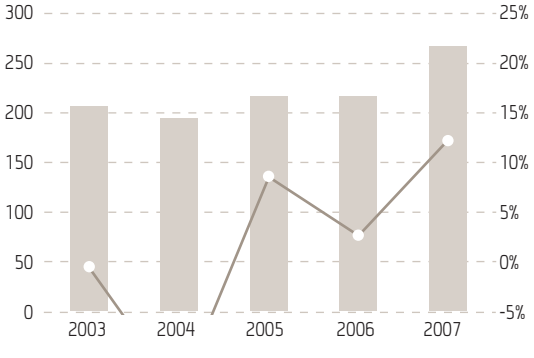
- RCN basic grant 3.5%
- RCN strategic programmes 10.6%
- RCN project support 18.8%
- Public sector 6.8%
- Industry and commerce 32.7%
- International contracts 19.5%
- Other sources of income 8.1%

Investments (% of net operating revenues)



- Scientific equipment
- Buildings

Economy



- Net operating revenue (MNOK)
- Net operating margin (%)

Employees

- Administration (20)
- Technical personnel (4)
- Engineers (18)
- Researchers (224)*

* Of whom 84 hold doctorates

Publishing and communication

- Refereed scientific journals, articles and conference papers (104)
- Scientific talks and posters (86)
- Reports (88)
- Popular science articles and talks (39)
- Textbooks (3)

SINTEF
Materials and Chemistry

Executive Vice President Torstein Haarberg
together with employees at SINTEF Materials and Chemistry.

The Norwegian solar cell success story – our contribution

We are in the starting phase of a global energy and environmental revolution. Renewable energy will play a significant role in energy supply and industrialisation in the near future. In a global context, solar cells and wind-power are the most rapidly growing energy technologies, with installed capacity increasing annually by 30 – 50 percent.

SINTEF Materials and Chemistry is participating in development projects in many links on the solar cell supply chain. Industrially relevant innovation and materials science are core elements in the development of new solar cell technology, and it is characteristic that the Research Council of Norway's programmes for User-Guided Innovation (BIA) and Nanotechnology and New Materials (NANOMAT) release significant amounts of funds into solar cell research.

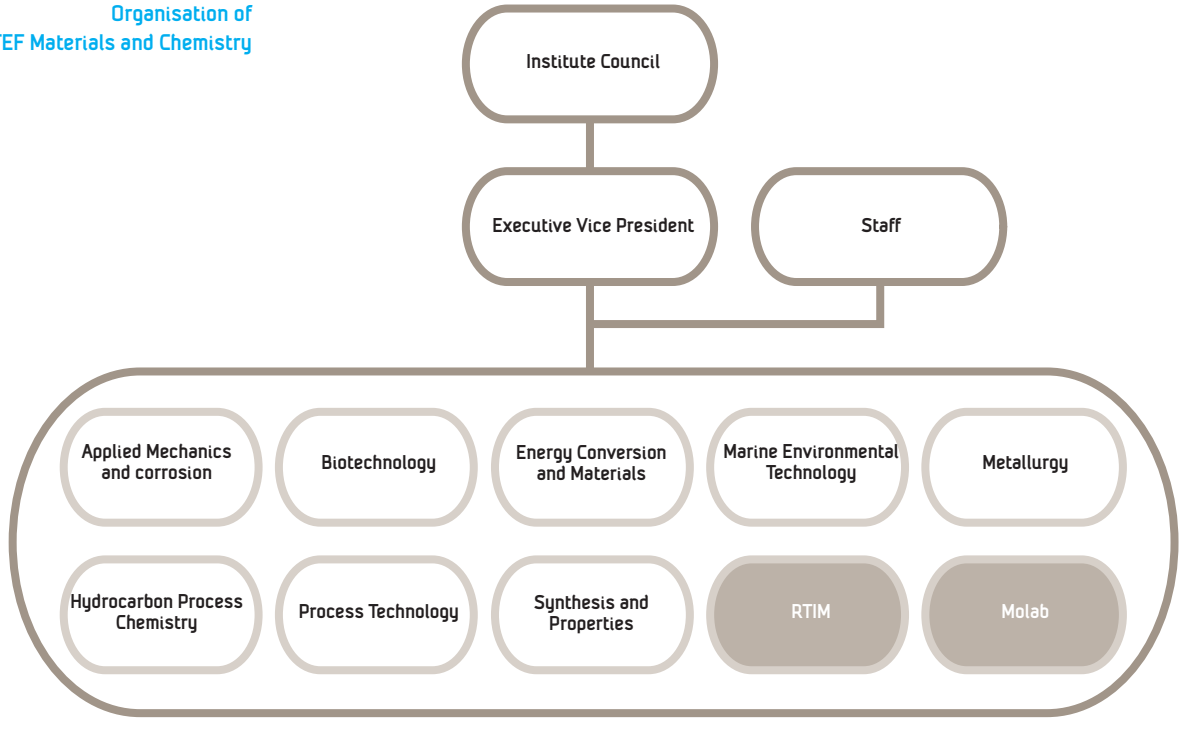
The success of REC, one of the pioneers of the solar industry, is a good example of how it is possible to transform Norwegian industrial companies into competitive and world-leading players in this sector. Elkem Solar and NorSun are making intense efforts to finish their new plants in Kristiansand and Årdalstangen respectively. A number of small companies have also been set up, many of them on the basis of SINTEF technology, and SINTEF is making valuable contributions to a wide range of technological developments. The Norwegian solar cell success story is based on exports, and it would not have been possible without an advantageous and predictable framework in central markets such as Japan and Germany.

The foundations for Norway's strong position in this field were laid when Norway went in for hydropower-based value creation via the development of our metallurgical industry. Silicon-based solar cell manufacture is a natural development of this industry, based on high technology and a value chain that stretches from raw materials to complete solar cell panels. We are currently masters of state-of-the-art technology in this area, and thanks to significant improvements in industrial processes the cost of solar power is already competitive in certain markets. These developments mean that solar cells will come on the market both sooner and more strongly than expected until recently. However, a great deal of effort in research is still needed to improve efficiency and lower prices if solar power is to become accessible to a larger proportion of the world population.

The ambition of SINTEF Materials and Chemistry is to be an internationally leading research centre in the most rapidly growing industry in Norway and the rest of the world. This will involve making serious efforts, and together with NTNU we are about to undertake a major upgrading of our laboratory infrastructure for solar cell research. We are also in the process of establishing a SOLFORSK association for the whole of Norway's solar cell sector, in which NTNU, the University of Oslo and the Institute for Energy Technology will be partners.

www.sintef.com/materials_chem

Organisation of SINTEF Materials and Chemistry



This is SINTEF Materials and Chemistry

SINTEF Materials and Chemistry is a contract research institute with top-level expertise in materials technology, applied chemistry and applied biology. Our most important customers include process- and materials industry, petroleum and energy companies, manufacturing industries, biotechnology companies, the Research Council of Norway, the EU and international industrial companies. SINTEF Materials and Chemistry comprises a research institute with a staff of around 375, plus our two subsidiary companies Molab and RTIM. The research institute itself consists of eight scientific departments, which cover the following core areas of research:

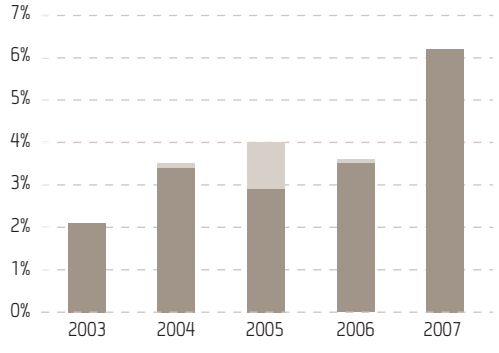
- Advanced characterisation and analysis
- Biotechnology
- Chemical technology and process chemistry
- Energy conversion
- Environmental technology
- Flow technology
- Functional materials and nanotechnology
- Materials properties
- Production and recycling of materials
- Modelling and simulation
- Processing and manufacture
- Synthesis and testing

The institute is in a phase of significant growth, and employs a significant number of highly competent new staff with overseas backgrounds. The proportion of our research staff who hold doctorates is rising, and currently lies at around 60 percent. We concentrate on four main business areas: materials, energy, oil and gas, and life- and biosciences. We work closely with industry in the development of advanced materials, products, processes and tools. New, renewable energy sources, gas-power with CO_2 capture and storage, biotechnology, marine environmental engineering, and hydrogen technology are among the future-oriented topics on which we are working, and which are making sustainable development one of the main aspects of everyday life for our staff.

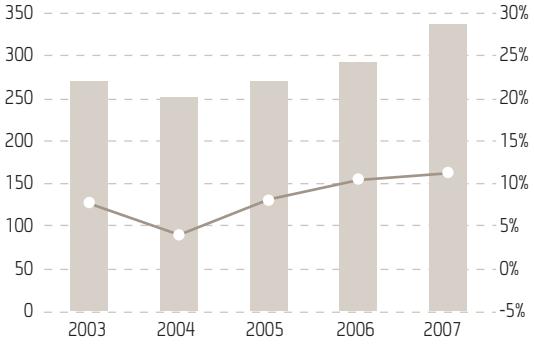
Sources of finance (% of gross operating revenue)

- RCN basic grant 2.5%
- RCN strategic programmes 1.4%
- RCN project support 16.7%
- Public sector 3.1%
- Industry and commerce 63.8%
- International contracts 10.6%
- Other sources of income 2.0%

Investments (% of net operating revenues)



Economy



Employees

- Administration (32)
- Technical personnel (20)
- Engineers (55)
- Researchers (259)*

* Of whom 162 hold doctorates

Publishing and communication

- Refereed scientific journals, articles and conference papers (60)
- Scientific talks and posters (31)
- Reports (46)
- Popular science articles and talks (3)

SINTEF Technology and Society

Executive Vice President Tonje Hamar with members of staff of SINTEF Technology and Society.

A creative force for society

Our aim is that SINTEF Technology and Society should be a creative force for industry and society in general; a leading source of know-how for the development of industrial and public-sector activities.

One of our government's objectives is that the petroleum sector should be a world leader in health, safety and environment (HSE) issues. In order to raise the level of awareness of conditions that create safety, SINTEF Technology and Society has published the book "Robust work practice – Why are there not more accidents in the Norwegian petroleum industry?" The book takes as its starting point the organisational and technological changes that are of importance for HSE in the petroleum industry. It deals with topics ranging from new technology to changing organisations and operational conditions for the employees' influence on safety. The book, which has been partially financed by the Research Council of Norway, is a result of the cooperative efforts of six Norwegian research groups.

Last year, the research project entitled "Environmental consequences of better roads" made some interesting findings. By use of traffic simulation we found that we can achieve significant reductions in emissions from car traffic if the technical standard of roads is substantially improved and they provide enough capacity for the existing traffic to move continually. The highest levels of emissions were measured when queues developed and speeds became low and unstable. However, in large cities where transport demand often is larger than the supply of road capacity, we found that increase of capacity tends to generate new car traffic. This will reduce or eliminate the previous reduction of emissions. Based on the results from the project we concluded that when there is a need for reducing transport demand, limiting road capacity will lead to increased emissions and thus is not an environmental friendly measure. We therefore recommended other measures for demand management.

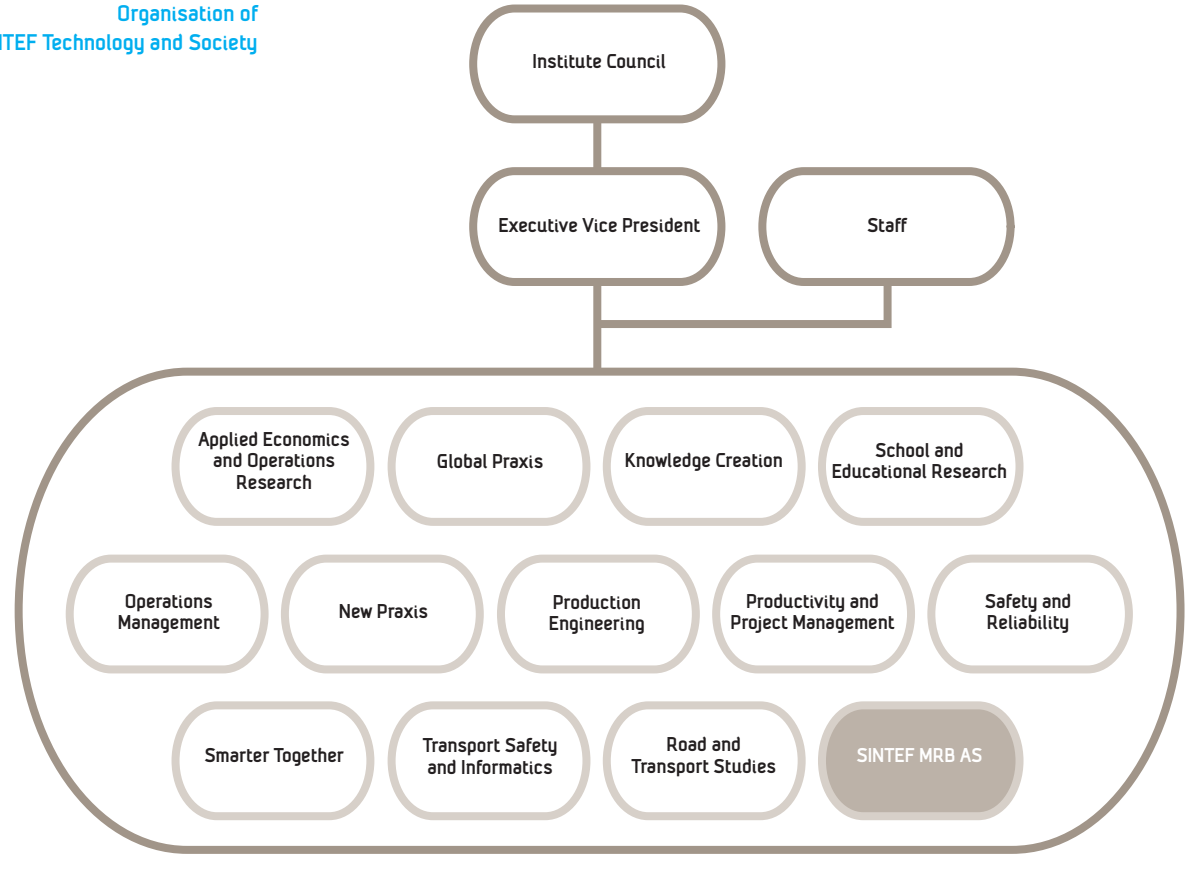
www.sintef.com/ts

As the host institution for the Norwegian Manufacturing Future (NORMAN) Centre for User-Guided Innovation (SFI), we contribute to the growth and improved productivity of Norwegian manufacturing industry, particularly for the companies that comprise the consortium, but also for companies that are not members. SFI NORMAN will focus on the importance of R & D as a competitive factor for manufacturing industry.

We are proud of the fact that our experts have maintained their high level of quality and activity in 2007, with respect to publishing, obtaining doctorates, conferences, teaching, project supervision, participation in social debates and carrying out a large number of exciting projects that are of benefit to society.

We wish SINTEF to be an attractive workplace for colleagues in all age-groups. It is important for us to demonstrate the exciting possibilities that we can offer, and to make room for professional development that will be of great value for our customers and for society as a whole.

Organisation of SINTEF Technology and Society



This is SINTEF Technology and Society

SINTEF Technology and Society performs R & D and offers research-based consulting for industry and the public sector with the aim of promoting value creation, safety and environmental considerations. Our holistic understanding of technology, economics, organisation and society provides us with generic competence in all branches of manufacturing and service industry. At the same time, we have particular expertise in the transportation sector..

At the turn of the year, SINTEF Technology and Society had 207 employees. The institute consists of ten departments, two scientific groups and the SINTEF MRB AS consulting company.

SINTEF Technology and Society carries out integrated interdisciplinary research in the following fields:

- Industrial value creation
- Organisation and management
- Transport and traffic
- Safety
- Industrial development.

Our clients often face complex challenges – both large- and small-scale – and our scientists have the training that enables them to function in interdisciplinary teams together with colleagues from other SINTEF divisions or from external partners. We utilise our understanding of technology to tackle complex challenges, and our aim is that new, integrated solutions will be implemented by our clients.

Cooperation with NTNU is important for all areas of our scientific activity; among other things, we own and operate a behavioural analysis laboratory that includes a driving simulator and an instrumented car. These facilities enable us to carry out experimental studies of driving behaviour under controlled conditions. We also perform studies of patients' abilities in traffic with regard to their vision and reaction times in the wake of injury.

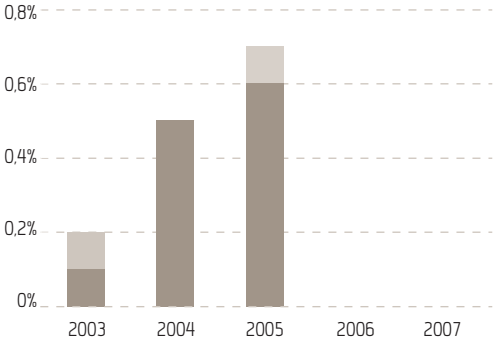
The institute has access to NTNU's robotics laboratory, automation laboratory and a mechanical engineering laboratory. These are actively employed in connection with our production technology projects.

SINTEF Technology and Society is engaged in a wide range of international activities. We are currently working on projects in Botswana, Serbia, Macedonia, Bosnia Herzegovina, Moldova and Poland.

Sources of finance (% of gross operating revenue)

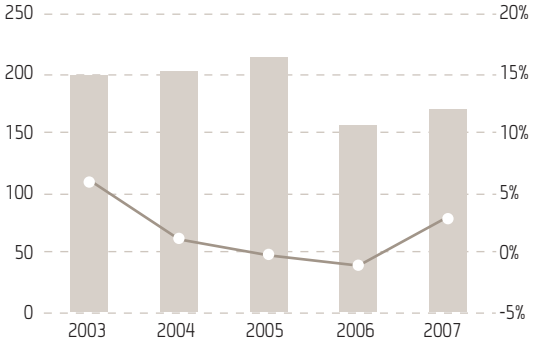
- RCN basic grant 4.9%
- RCN strategic programmes 4.7%
- RCN project support 6%
- Public sector 38.9%
- Industry and commerce 34.7%
- International contracts 8.3%
- Other sources of income 2.5%

Investments (% of net operating revenues)



- Scientific equipment
- Buildings

Economy



- Net operating revenue (MNOK)
- Net operating margin (%)

Employees

- Administration (21)
- Technical personnel (2)
- Engineers (1)
- Researchers (183)*

* Of whom 53 hold doctorates

Publishing and communication

- Refereed scientific journals, articles and conference papers (54)
- Scientific talks and posters (163)
- Reports (98)
- Popular science articles and talks (37)
- Textbooks (1)

SINTEF Health Research

Executive Vice President Tonje Hamar
with some staff members of SINTEF Health Research.

Preventive health research

Treatment is expensive, thus it makes economic sense to adopt measures that will prevent illnesses and reduce the need for treatment and exclusion from working life. The White Paper on "Prescription for a healthier Norway" states that our health policies should be preventive rather than reactive.

The challenge is that we often lack research-based knowledge on the effect of policies and measures. However, we know that prevention cannot be the sole responsibility of health services, but must occur in different sectors of society. Therefore, research in this area should be interdisciplinary in nature.

SINTEF Health Research invests strategically in preventive health care research, with special emphasis in two areas: physical activity and work.

Physical activity has well-documented effects on the prevention of major lifestyle diseases such as cardiovascular diseases, cancer, diabetes and obesity. Physical activity is also important in the prevention of work-related illnesses and as a means of encouraging good health and quality of life. In spite of this, a large proportion of the population is still inactive. A major challenge is to identify factors that will encourage physical activity. The motives for engaging in physical activity differ from one person to another, and are also socially and culturally dependent. Therefore, research done by SINTEF Health Research involves experts in different fields that work cooperatively to develop new knowledge on causal factors and on intervention implementation.

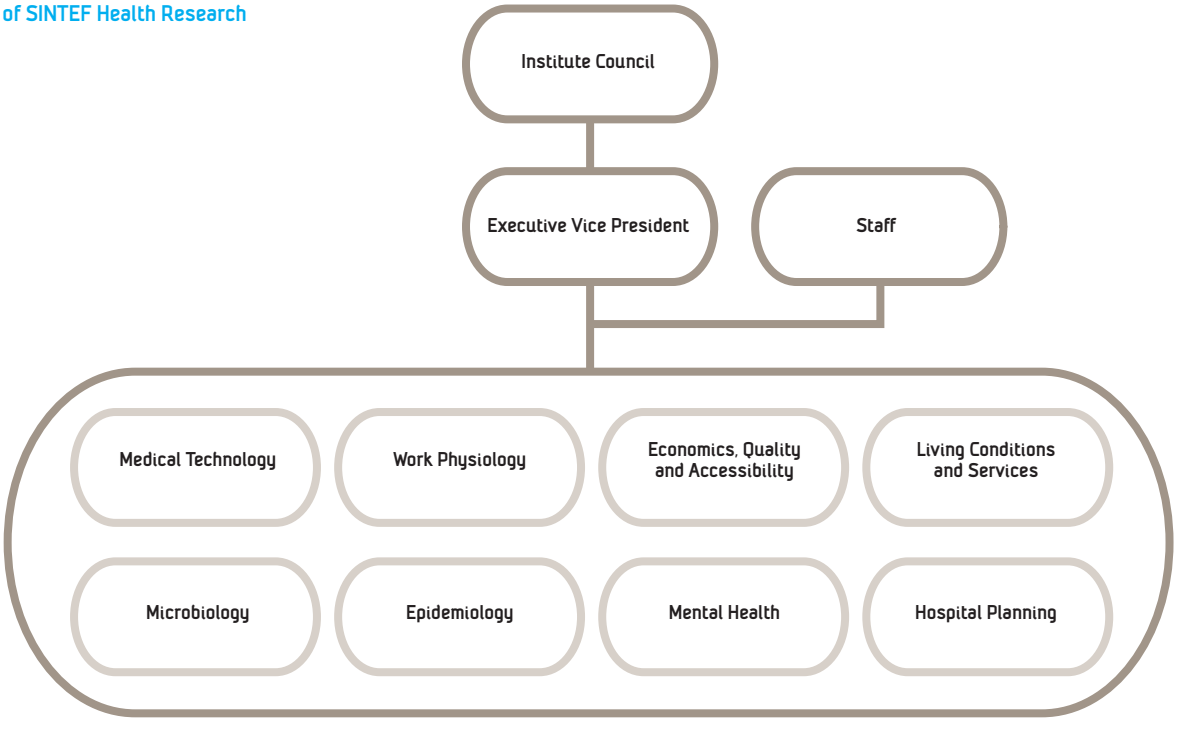
We know that there is a positive relationship between good health and being employed. Adult life is closely linked to work and involves factors that can affect health such as the need for recognition, of using one's skills and knowledge, of social inclusion and of feeling useful. The IA Agreement (Inclusive Working Life Agreement) between the authorities, employees and employers is intended to reduce sick leave, raise the pension age and facilitate working environments for persons with need for facilitation. SINTEF Health Research has been contracted by the Ministry of Labour and Social Inclusion to evaluate the IA Agreement.

SINTEF Health Research also contributes to an inclusive working life by generating new knowledge about the extent and causes of sick-leave, the organisation, design and adaptation of workplaces and the development of technical aids for persons with activity limitations. Our participation in the project "Workplaces for people with disabilities" in Skien, and our study of Telenor's Handicap Programme, are examples of such contributions.

Society is in a phase in which the proportion of elderly in the general population is rising, while at the same time it is experiencing a shortage of manpower. The great challenge for the future will be to balance supply and demand in this area. This means that we will have to think in quite new ways regarding organisation, working methods and the use of manpower in the health sector. SINTEF Health Research will contribute to this by increasing knowledge on the development of health promoting and health preventive measures. This will lead to improved quality of life and less need for health care.

www.sintef.com/health

Organisation of SINTEF Health Research



This is SINTEF Health Research

With its 110 employees, SINTEF Health Research is among the largest centres of health research in Norway. Our strength lies in our broadly based, solid knowledge of the health sciences, our research methods and our ability to analyse and solve problems in an integrated way. This forms the basis of our efforts to contribute to better health and improved quality of life for everyone.

The aim of SINTEF Health Research is to develop medical technology and better methods of diagnosis and treatment. Scientists with technological competence in image-guided treatment, nanotechnology and ICT work closely with innovation consultants and medical personnel at NTNU, St. Olav's Hospital in Trondheim and industry. The Competence Centre for 3D Ultrasound and the Operating Rom of the Future are important cooperative environments. We participate actively in international cooperative research efforts on innovation and clinical research.

For many years, SINTEF has been an important advisor for Norway's health authorities. We have a multidisciplinary social science research environment that includes researchers with expertise in analyses of health economics, analyses of range and availability of health and rehabilitation services, analyses of medical practice and quality, planning and management models of health institutions, analyses and evaluations of organisation and management, and user oriented health services research. SINTEF publishes the annual SAMDATA reports, which include decision support data, comparative statistics and analyses of the specialist health service in general medicine, mental health care and treatment of addiction.

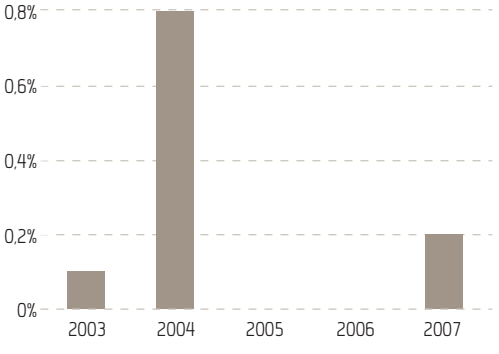
SINTEF intends to help to realise the important social benefits of implementing preventive health care. Our research covers surveys, analyses, development and implementation of measures and evaluation of their effects. One of the major challenges facing the work sector in Norway is that of recruiting sufficient manpower, while at the same time striving to include those who are excluded from working life. Our research includes studies of how marginalised groups can be integrated into working life through a range of different measures. We cooperate at strategic level with Innomed on need-driven innovation in the health sector.

SINTEF Health Research is involved in a wide range of international research projects via the EU's Framework Programme and other professional networks in Europe and other parts of the world. In the EU's research programmes we coordinate MEDIATE, which deals with access to transport services. We participate in the development of "SmartWear", which uses nanotechnology in textiles and clothing. The EU programme also finances a project on access to and quality of health services for disabled people and other vulnerable groups in Sudan, Malawi, Namibia and South Africa. We also participate in several of the Research Council of Norway's international research programmes.

Sources of finance (% of gross operating revenue)

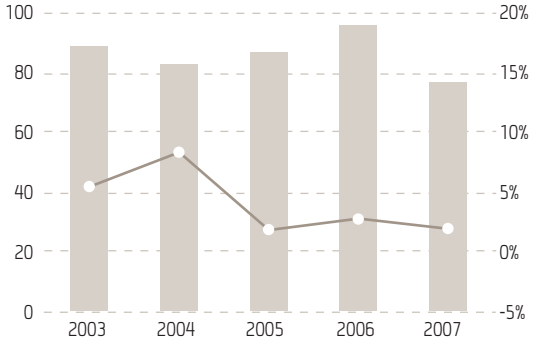
- RCN basic grant 3.9%
- RCN strategic programmes 0%
- RCN project support 11.6%
- Public sector 64.4%
- Industry and commerce 14.3%
- International contracts 5.4%
- Other sources of income 0.3%

Investments (% of net operating revenues)



- Scientific equipment
- Buildings

Economy



- Net operating revenue (MNOK)
- Net operating margin (%)

Employees

- Administration (13)
- Researchers (86)*
- Engineers (5)

* Of whom 30 hold doctorates

Publishing and communication

- Refereed scientific journals, articles and conference papers (56)
- Scientific talks and posters (65)
- Reports (67)
- Popular science articles and talks (13)

SINTEF Energy Research

President Sverre Aam
with members of staff of SINTEF Energy Research.

A climate agreement that we can be pleased with

The UK economist Nicholas Stern chaired a British commission that published a report in the autumn of 2006: The Stern Review on the Economics of Climate Change. The report attracted a great deal of international attention and it recommended that global public-sector efforts on energy research should be doubled and that incentives for technology transfer should be multiplied by a factor of between two and five over current levels. This would be much cheaper than the consequences of not implementing such measures. The Norwegian Low Emissions Commission also recommended an increase in research funding.

We can welcome the fact that the Norwegian parliament's climate agreement means that the authorities will follow up the recommendations of the Stern Review and the Low Emissions Commission. Expenditure on energy research will rise by NOK 70 million in 2008, MNOK 300 in 2009 and at least MNOK 600 in 2010.

Some people doubt whether our research institutes are capable of dealing with such a large increase. SINTEF has already drawn up plans for raising our annual research effort by MNOK 300 above current levels.

Our plans include building the new laboratories that will be needed to carry out research of high international quality. In combination with other research institutes and universities, we have the capacity to implement the authorities' desired increase in high-level research.

SINTEF, which collaborates closely with NTNU, is capable of making its mark at international level in such important topics as CO_2 capture and storage, solar cells, offshore wind-power, bio-energy, efficient energy consumption, energy planning and energy markets. We already enjoy a strong position in the EU's research programmes on CO_2 capture and storage and bioenergy, where SINTEF Energy Research is coordinating major research projects that involve participants from all over Europe.

Companies in the Norwegian solar cell sector are among the best in the world, and SINTEF is an important partner for their research on new technologies. Offshore wind-power in deep water is a new area of special interest, in which Norwegian research groups are capable of being noticed in international competition.

Now that the authorities have signalled a rise in public-sector funding in the energy and environmental sectors, it is vital for Norwegian industry, energy utilities and investors to actively involve themselves in creating new industry based on the environmentally friendly energy technologies of the future.

SINTEF is ready to play its part as a research partner in such a development. We look forward to contributing to the sustainable development of society by developing new technology for the world market.

www.sintef.com/energy

This is SINTEF Energy Research

SINTEF Energy Research develops solutions related to power generation and conversion, transmission and distribution, and end use of energy both onshore and offshore/subsea. We deal with everything from indoor climate and energy use in buildings to gas technology, combustion, bioenergy, environmental impacts, refrigeration technology and thermal processing of foodstuffs. The institute has three research departments: Electric Power Technology, Energy Processes and Energy Systems.

Electric Power Technology works on tasks related to the testing and development of electric power equipment, in collaboration with NTNU's Department of Electric Power Technology.

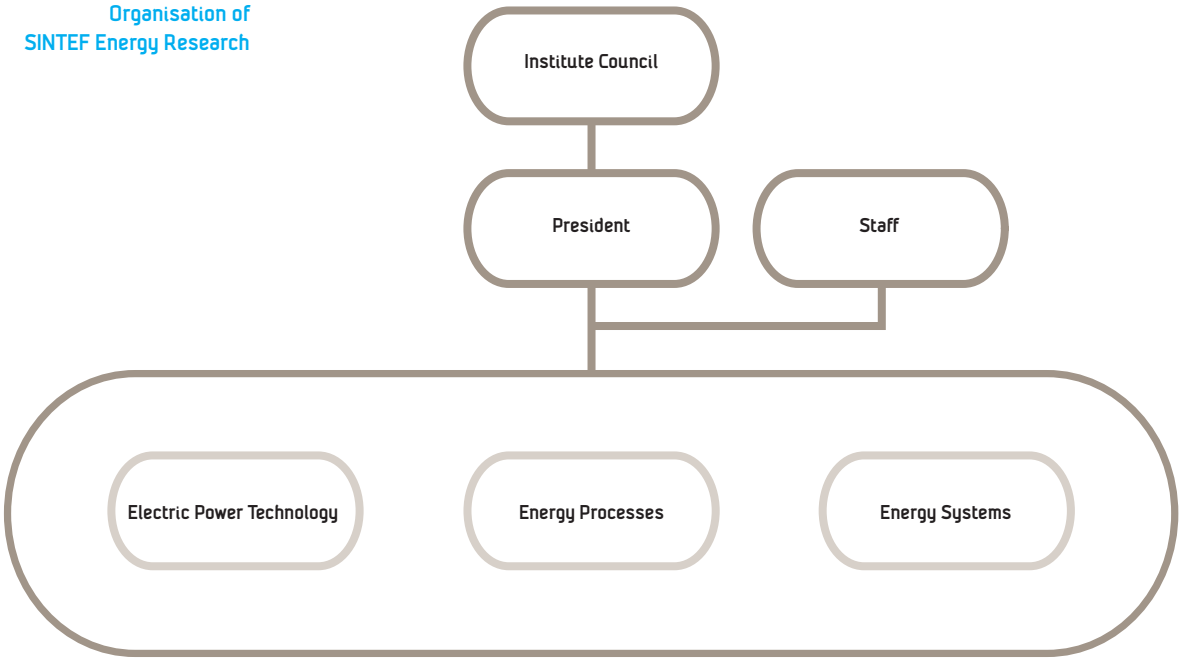
Energy Processes performs contract research on topics that range from the handling and use of hydrogen, natural gas and CO_2 to energy and heat supply, combustion, climate control of buildings, food technology and applied refrigeration engineering.

Energy Systems can boast of a unique combination of broad but in-depth expertise in energy system analysis. Formerly limited to a focus on electricity, all classes of energy carriers, as well as environmental considerations, can now be included in this department's analyses. Its expertise ranges from strategic energy analyses at European level to local interactions among various energy carriers.

In cooperation with NTNU, we have 7000 square metres of modern laboratories available for research, development and education.

The Thermal Engineering Laboratory is the largest laboratory in Norway for research work within the technologies of refrigeration, low temperature, combustion, thermal engineering, dewatering, food engineering, indoor energy and environment.

Organisation of SINTEF Energy Research



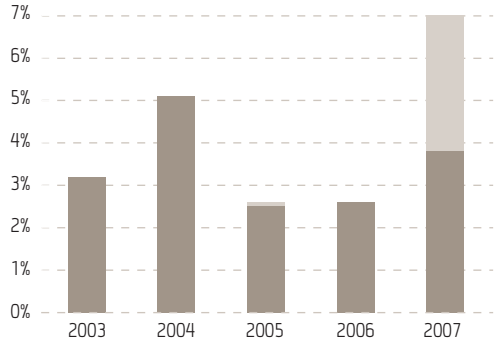
Main financial figures for SINTEF Energy Research

MNOK	2003	2004	2005	2006	2007
Result					
Gross operating revenue	194	203	211	246	262
Net operating revenue	148	158	165	186	195
Operating result	**8**	**6**	**4**	**13**	**15**
Annual result	**11**	**9**	**17**	**28**	**27**
Balance					
Fixed assets	36	39	56	50	61
Liquid assets	144	148	169	237	255
Sum assets	**179**	**187**	**225**	**287**	**316**
Equity capital	116	129	146	174	196
Debt	63	58	79	113	120
Sum equity capital and debt	**179**	**187**	**225**	**287**	**316**
Profitability					
Operating margin %	5,6	3,8	2,6	7,0	7,5
Total profitability %	8,0	4,9	8,3	11,0	7,8
Profit on equity %	10,4	7,6	12,3	17,5	14,7
Liquidity					
Cash flow from operations	19,3	2,0	-13,2	48,6	21,0
Degree of liquidity	2,8	2,6	2,8	2,5	2,6
Solidity					
Equity capital in %	65	69	65	61	62
Operating working capital	79	88	89	123	148

Sources of finance (% of gross operating revenue)

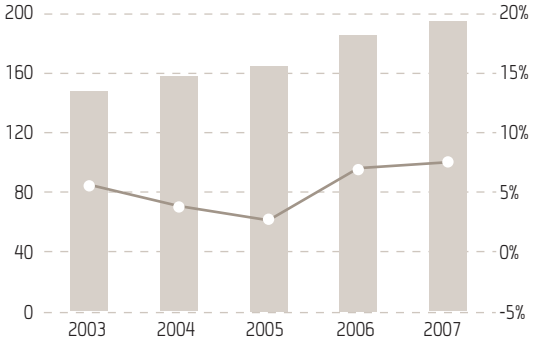
- RCN basic grant 2.8%
- RCN strategic programmes 2.6%
- RCN project support 23.9%
- Public sector 5.7%
- Industry and commerce 51.7%
- International contracts 10.4%
- Other sources of income 3.0%

Investments (% of net operating revenue)



- Scientific equipment
- Buildings

Economy



- Net operating revenue (MNOK)
- Net operating margin (%)

Employees

- Administration (27)
- Technical personnel (10)
- Engineers (8)
- Researchers (150)*

* Of whom 64 hold doctorates

Publishing and communication

- Refereed scientific journals, articles and conference papers (64)
- Scientific talks and posters (60)
- Reports (128)
- Popular science articles and talks (14)

SINTEF Petroleum Research

May Britt Myhr, President of SINTEF Petroleum Research, with members of staff of the institute.

New solutions for the petroleum sector

World demand for energy is growing, and fossil materials will be the most important source of energy for many years to come.

Our task is to help industry by providing know-how and technology that will enable it to locate and exploit existing oil and gas resources as well as possible. We also contribute research that will make the petroleum sector more environmentally friendly. Among other things, this means that we work towards recovering as much as possible from existing oil and gas fields.

Our work becomes particularly exciting when we manage to address two challenges at the same time, such as pumping CO_2 into reservoirs in order to encourage them to release more oil in the same time as we get rid of some surplus CO_2 in the atmosphere.

Our research is in growing demand at international level. An example of this is our growing collaboration with Brazil, where in 2007 we signed cooperative agreements with new partners and extended our project portfolio with our client Petrobras.

Much of our research is performed in close collaboration with NTNU. This is particularly obvious in the two Centres for Research-based Innovation (SFIs), in which we are partners with NTNU and the Institute for Energy Technology (IFE). The field of one of these long-term programmes is integrated operations, in which our contribution lies mainly in monitoring and remote control of drilling operations. Our participation in the SFI in "Flow Assurance", comprises experiments and concept testing in the field of heavy oil transport in pipelines.

In 2007, a very important decision in strategic terms was taken to expand the multiphase facility at Tiller outside Trondheim, and construction started in January 2008. One of the multiphase loops will be built into a hall, so that tests can be run under constant temperature conditions. "Safety cells" will also be built to house tests at high pressure, high temperature and using hazardous gases under controlled conditions. Other improvements will also be made, and a new office block will be built. These investments will create a solid foundation for the further development of multiphase and flow assurance research at SINTEF in the future.

www.sintef.com/petroleum

We are also keen to see that our research and development activities lead to innovation, and 2007 saw the formation of the company Ecowat AS. The company is based on technology developed in connection with our research on hydrates, and it will focus of purification of water from the offshore sector and other branches of industry.

In a tight labour market, SINTEF Petroleum Research has been successful in recruiting new members of staff, and our goal for new appointments in 2007 was reached with room to spare. More than 50 percent of our new colleagues come from abroad. Colleagues with experience of other countries and environments are important in an international sector, in which our customers and partners come from all parts of the world.

In 2007, we continued to expand our offices in Stavanger and Bergen. SINTEF Petroleum Research has concrete plans for further growth in both cities.

This is SINTEF Petroleum Research

SINTEF Petroleum Research aims to improve the mapping and recovery of national and international oil and gas reserves in a profitable, environmentally friendly and safe manner.

Almost 40 years of experience of petroleum research have enabled us to make significant contributions to Norwegian exploration and production technology. We currently have customers and partners from all over the world.

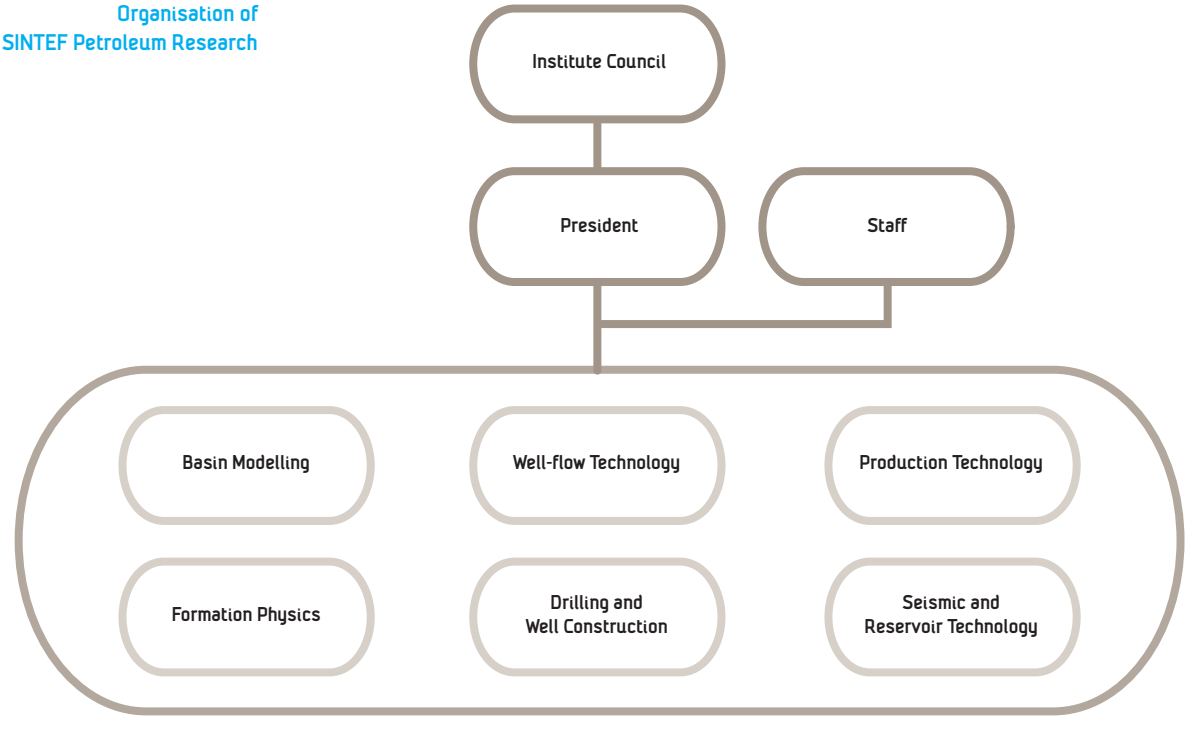
The institute collaborates with other research institutes and several universities, and enjoys particularly close collaboration with NTNU. We are located in Trondheim, Stavanger and Bergen, and also have a sales office in the USA.

Our laboratories provide an important foundation for much of our research and development activity. One example of this is the Multiphase Flow Laboratory, which is currently being extended to enable it to carry out tests under constant temperature conditions throughout the year.

The Formation Physics Laboratory is another of the institute's important facilities. It performs a wide range of rock mechanics tests and makes an active contribution to the development of methodology in this field. The Reservoir Technology Laboratory develops methods and equipment for tests performed at high temperatures and pressures.

The Organic Geochemistry Laboratory puts most of its efforts into pyrolysis techniques and the kinetics of oil and gas formation. Our laboratories are also active in the area "scale", where they carry out research on blockages of production equipment caused by the deposition of chemical compounds.

Organisation of SINTEF Petroleum Research



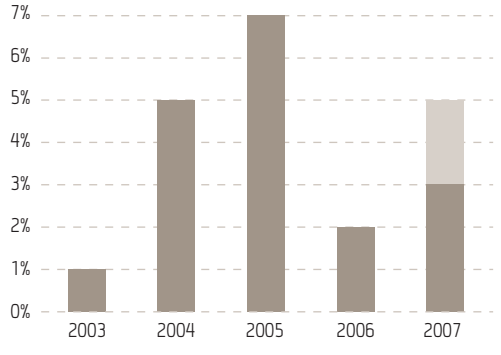
Main financial figures for SINTEF Petroleum Research

MNOK	2003	2004	2005	2006	2007
Result					
Gross operating revenue	114	115	130	144	166
Net operating revenue	87	89	100	108	123
Operating result	**8**	**0**	**-7**	**8**	**13**
Annual result	**14**	**2**	**-4**	**10**	**50**
Balance					
Fixed assets	6	9	33	33	26
Liquid assets	128	125	114	139	193
Sum assets	**135**	**134**	**147**	**171**	**219**
Equity capital	87	89	85	96	146
Debt	48	45	62	76	73
Sum equity capital and debt	**134**	**134**	**147**	**171**	**219**
Profitability					
Operating margin %	9,6	-0,4	-7,3	7,5	10,3
Total profitability %	11,9	2,2	-2,6	7,9	24,4
Profit on equity %	18,0	2,8	-4,5	11,5	41,6
Liquidity					
Cash flow from operations	27	-12	-28	8	79
Degree of liquidity	2,8	2,8	1,9	1,8	2,6
Solidity					
Equity capital in %	64	66	58	56	67
Operating working capital		74	47	62	118

Sources of finance (% of gross operating revenue)

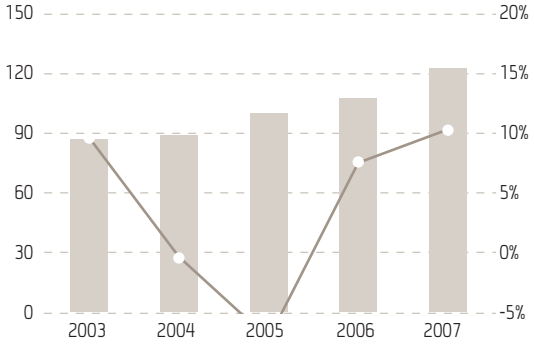
- RCN basic grant 3.3%
- RCN strategic programmes 4.7%
- RCN project support 10.1%
- Public sector 2.4%
- Industry and commerce 63.8%
- International contracts 14.4%
- Other sources of income 1.3%

Investments (% of net operating revenue)



- Scientific equipment
- Buildings

Economy



- Net operating revenue (MNOK)
- Net operating margin (%)

Employees

- Administration (10)
- Technical personnel (4)
- Engineers (9)
- Researchers (86)*

* Of whom 54 hold doctorates

Publishing and communication

- Refereed scientific journals, articles and conference papers (23)
- Scientific talks and posters (57)
- Reports (67)
- Popular science articles and talks (5)

SINTEF
Fisheries and Aquaculture

Karl A. Almås, President of SINTEF Fisheries and Aquaculture, with members of staff of the institute.

Energy is food

We do not need to travel far back in time to see when food and energy were regarded as two independent resources. Energy was regarded as no more than an input factor in food production, whether as fuel in catching wild fish stocks or as the electric power needed to operate fish farms. This perception has been drastically modified in the course of the past few years. As oil prices have risen, interest in bioenergy production has gained momentum. Today, we need to make direct choices concerning agricultural products such as maize; whether they should be used for fuel production or for animal feed. Together with the growing demand for meat, for example in China, this has caused the prices of soya and wheat in the world market to treble in the course of the past two to three years.

At the same time as world market prices for agricultural products are rising, global demand for fish is also on the increase. If everyone on this planet is to be able to eat 15 – 16 kilos of fish a year in the future, global fish production will need to rise from its current level of 130 million tonnes to 180 million tonnes by 2030, and the proportion of farmed fish will have to double from 35 to 70 million tonnes. Such a rise in production will have to take place via increased production of marine species as we know it in Norway today, since freshwater and brackish water areas are already fully exploited. If we are to realise such an increase in production, the most challenging task will undoubtedly be to obtain enough fish feed. Fish oil and fish meal will no longer be sufficient, as the pelagic fish resources that are used to produce these will be increasingly used for human food. Now that direct energy production is being treated as an alternative to the use of biological raw materials for food production, this task becomes especially challenging.

www.sintef.com/fish

Expertise that ranges over a number of different sectors will be of decisive importance when energy and food production become even more highly integrated. SINTEF and NTNU bring together a unique range of high-level expertise which identifies them as important contributors, particularly in the marine area. Via the infrastructure that has been established at SINTEF/NTNU's Sealab at Brattøra in Trondheim, SINTEF's fishing gear laboratory in Hirtshals in Denmark and the planned establishment of Aquaculture Engineering at Valsneset in Bjugn, our research groups have made a solid position for themselves in Europe.

If we are to achieve the desired global development in the fisheries and aquaculture sector, a number of technological development issues will have to be resolved. SINTEF Fisheries and Aquaculture has a well-defined ambition to become an important player in this international knowledge market. Our business plan "Global supplier of knowledge in the marine sector, 2007 – 2010" set out our strategies for development in such a direction. Our aim is to be the leading technological contract research institute in Europe in the field of global utilisation of renewable marine resources.

This is SINTEF Fisheries and Aquaculture

SINTEF Fisheries and Aquaculture performs technological research and development in all parts of the marine value chain. Our most important clients come from the Norwegian fisheries and aquaculture industry

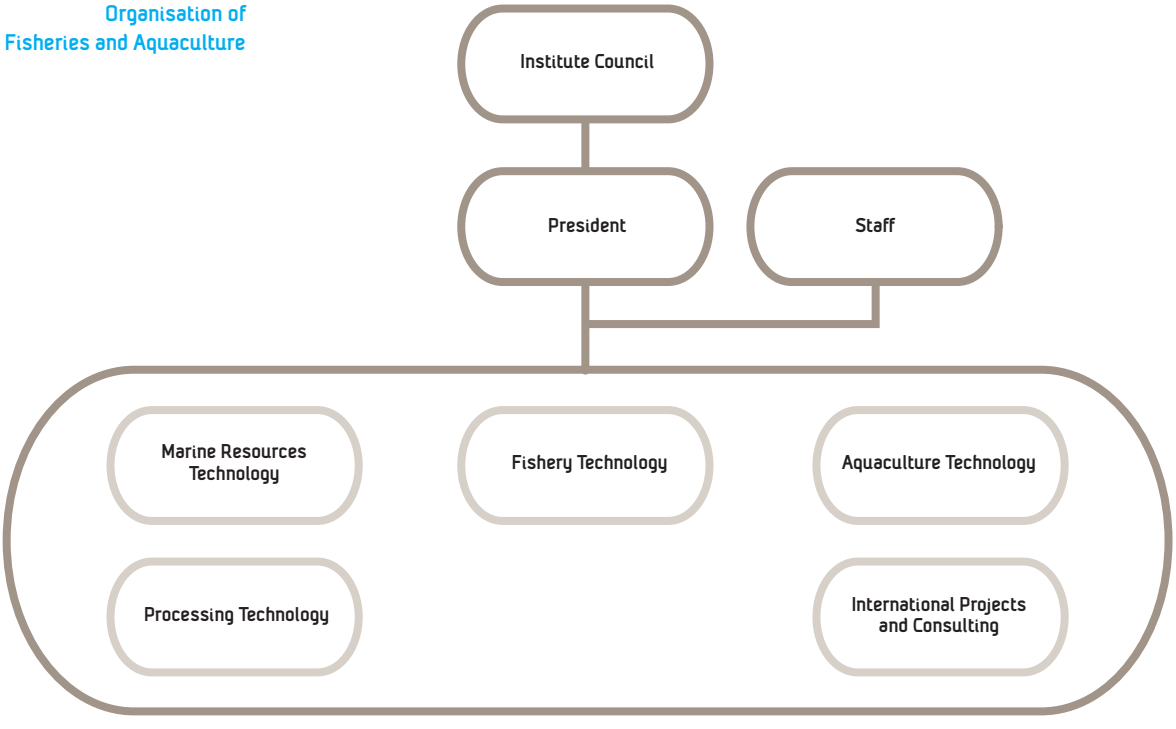
The institute is co-located with NTNU at SINTEF Sealab on Brattøra Quay in Trondheim, where the institutions have gathered their marine activities under one roof. SINTEF Sealab comprises a modern process hotel for processing marine raw materials and a process laboratory for the production of marine fry. The institute also has a flow tank for testing fishing gear in Hirtshals in Denmark. We maintain full-time project offices in Ålesund and in Vietnam, and a subsidiary company in Chile. We are the host institution for the Centre for Research-based Innovation in Aquaculture Technology (CREATE).

SINTEF and NTNU have drawn up a joint strategic plan in the biomarine area. Both industry and public-sector bodies benefit by the fact that we integrated our research and teaching activities. Our cooperation enables us to link master's and doctoral theses with strategic research programmes and industrial research contracts.

Today, SINTEF Fisheries and Aquaculture is Europe's leading technology research environment for the fisheries and aquaculture sector. We cooperate with universities and research institutes at home and abroad and collaborate closely with other SINTEF institutes.

We are expanding our network via our integrated research and teaching activities, our market-oriented profile and close contact with customers and industry organisations. This provides us with a good understanding of our customers' current and future needs.

Organisation of SINTEF Fisheries and Aquaculture



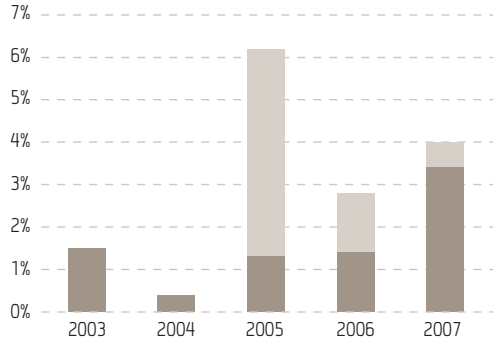
Main financial figures for SINTEF Fisheries and Aquaculture

MNOK	2003	2004	2005	2006	2007
Result					
Gross operating revenue	86	82	83	88	102
Net operating revenue	63	60	61	66	81
Operating result	**3**	**0**	**2**	**3**	**4**
Annual result	**3**	**1**	**2**	**3**	**5**
Balance					
Fixed assets	3	3	11	12	18
Liquid assets	44	41	30	30	41
Sum assets	**47**	**44**	**41**	**42**	**59**
Equity capital	9	10	12	15	25
Debt	38	34	29	27	35
Sum equity capital and debt	**47**	**44**	**41**	**42**	**59**
Profitability					
Operating margin %	4,2	0,4	3,6	4,0	5,5
Total profitability %	6,3	0,5	5,2	6,3	8,8
Profit on equity %	38,9	7,5	21,6	20,8	25,8
Liquidity					
Cash flow from operations	8	4	-4	-2	0
Degree of liquidity	1,4	1,4	1,3	1,4	1,4
Solidity					
Equity capital in %	19	22	30	35	42
Operating working capital	13	12	7	8	12

Sources of finance (% of gross operating revenue)

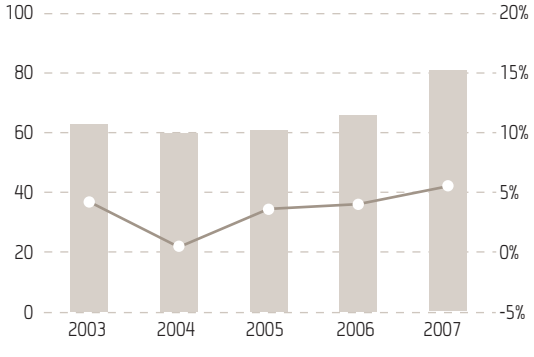
- RCN basic grant 3.7%
- RCN strategic programmes 18.5%
- RCN project support 16.6%
- Public sector 9.2%
- Industry and commerce 39.3%
- International contracts 12.6%
- Other sources of income 0.1%

Investments (% of net operating revenue)



- Scientific equipment
- Buildings

Economy



- Net operating revenue (MNOK)
- Net operating margin (%)

Employees

- Administration (13)
- Technical personnel (3)
- Engineers (4)
- Researchers (82)*

* Of whom 34 hold doctorates

Publishing and communication

- Refereed scientific journals, articles and conference papers (43)
- Scientific talks and posters (36)
- Reports (65)
- Popular science articles and talks (11)
- Textbooks (3)

MARINTEK

MARINTEK President Frank Wettland
together with members of staff of the institute.

Coordination produces results

MARINTEK is one of the world's best known and most highly profiled marine research institutes, and it was with a combination of keenness and humility that I took over as the president of MARINTEK in January 2008..

MARINTEK 's history goes back to 1939, when the first towing tank was built at Tyholt, and ever since it has attracted the best experts in hydrodynamics and maritime technology. Moreover, MARINTEK co-location and integration with the Faculty of Maritime Engineering at NTNU throughout the years has put MARINTEK on the world map within our fields of special expertise.

MARINTEK both has and will continue to develop its model of coordination with NTNU and our customers, since this is what enables us to produce the best results. This is also what our customers tell us is an important advantage in comparison with our competitors.

When the Ocean Basin was opened in 1980, MARINTEK and Norway's maritime technology milieu took another important step in the direction of ensuring Norway's position as the world's leading nation in maritime technology.

For many years, MARINTEK has maintained a presence in Houston, the world's oil capital, and today we have our own office with a staff of seven in the city. We have plans for a significant degree of international expansion in the course of the next five years. In May 2007 we opened an office in Rio de Janeiro.

www.sintef.com/marintek

In order to be able to function at international level and to maintain an integrated MARINTEK concept, we will also adopt the results of our own and the NTNU/SINTEF IO Centre's research in integrated operations. By the establishment of collaboration rooms both here in Trondheim and in our external offices we will be able to study the same data and images from our laboratories in real time, wherever we are, a step that is also being welcomed by our customers.

MARINTEK has the ambition to occupy the ocean as well. The sea covers most of our planet but is the least studied part of its surface. MARINTEK has been and still is a driving force for putting the ocean on the international research agenda.

In order to be able to do this while we maintain our position as one of the world's leading maritime research centres, we need to continue to develop our laboratory facilities to meet the requirements and expectations of tomorrow. We have plans to do so but this will demand renewed efforts at national level, similar to those of 1939 and 1980.

This is MARINTEK

SINTEF's company MARINTEK (the Norwegian Marine Technology Research Institute) carries out research and development projects for industry and the public sector. We operate in an international market on the development of new technological solutions in the following sectors: floating oil production, subsea pipelines for oil and gas transport, renewable energy related to the ocean, vessel development, ship-building industry, marine equipment, shipping and logistics.

MARINTEK is one of the world's best-known and most highly profiled marine research institutes, and is the preferred maritime technology partner for many of the world's most demanding customers in the oil, gas and shipping markets.

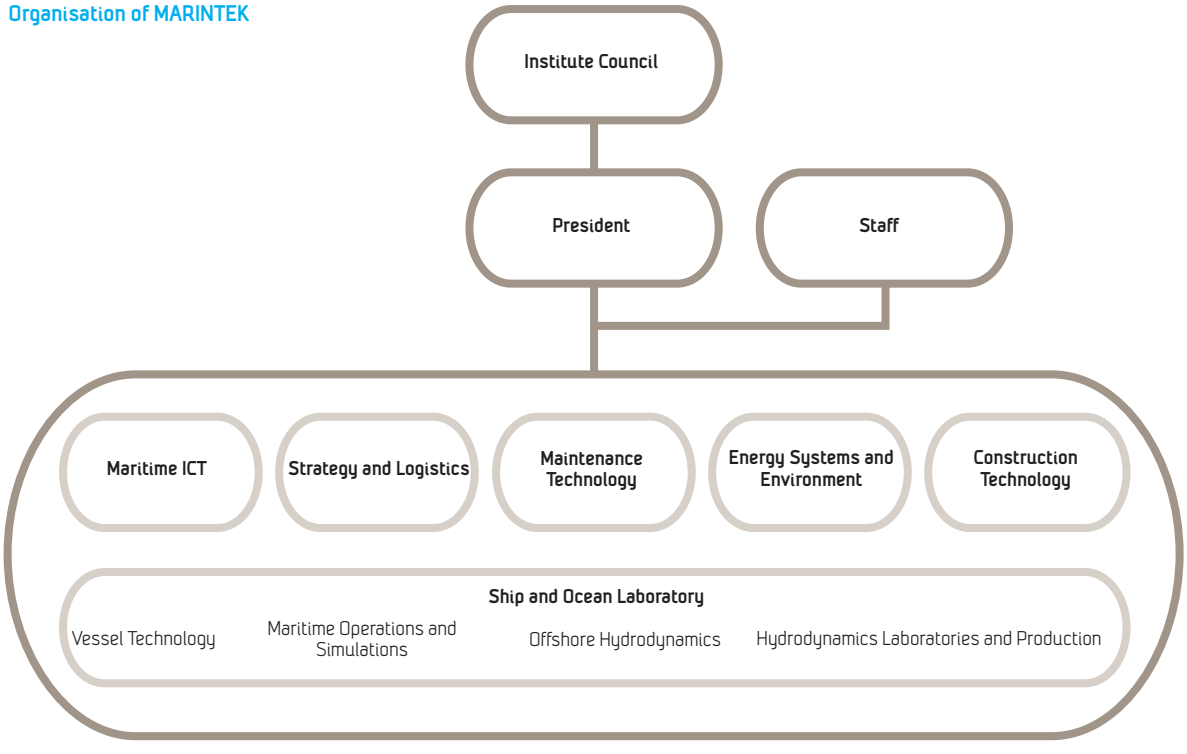
Important reasons for this include MARINTEK's long history, our unique laboratory facilities, our world-class scientists and our collaboration with NTNU and our customers. These factors make us unique and we intend to continue to be so.

We will increase our interdisciplinary activities within SINTEF in order to improve this state of affairs even further, and we will develop our laboratories to meet the requirements of the future.

The marine technology laboratories at Tyholt in Trondheim are an important part of our operational infrastructure, comprising as they do the Ocean Laboratory, Ship Model Tank, Machinery Laboratory and Construction Laboratory.

In 2007 MARINTEK was organized in nine departments, four of them in a single division called the Ship and Ocean Laboratory, which represents our hydrodynamics laboratories.

Organisation of MARINTEK



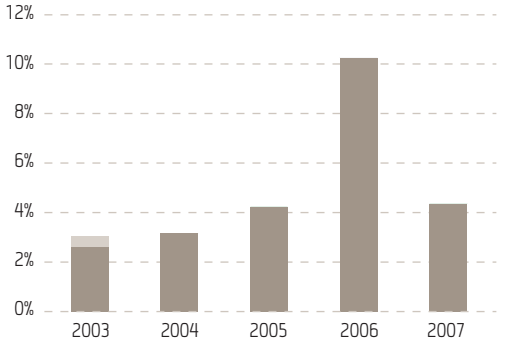
Main financial figures for MARINTEK

MNOK	2003	2004	2005	2006	2007
Result					
Gross operating revenue	184	189	199	232	271
Net operating revenue	154	152	165	194	228
Operating result	**3**	**0**	**7**	**12**	**15**
Annual result	**3**	**0**	**8**	**12**	**18**
Balance					
Fixed assets	32	27	28	36	38
Liquid assets	141	149	173	169	219
Sum assets	**173**	**177**	**201**	**205**	**257**
Equity capital	95	95	103	116	131
Debt	78	81	98	89	126
Sum equity capital and debt	**173**	**177**	**201**	**205**	**257**
Profitability					
Operating margin %	2,0	-0,2	4,5	6,3	6,6
Total profitability %	0,9	-0,1	1,9	3,0	3,2
Profit on equity %	1,7	0,0	3,9	5,6	7,4
Liquidity					
Cash flow from operations	-10	10	4	5	26
Degree of liquidity	1,8	1,8	1,8	1,9	1,7
Solidity					
Equity capital in %	55	54	51	56	51
Operating working capital	60	59	78	68	108

Sources of finance (% of gross operating revenue)

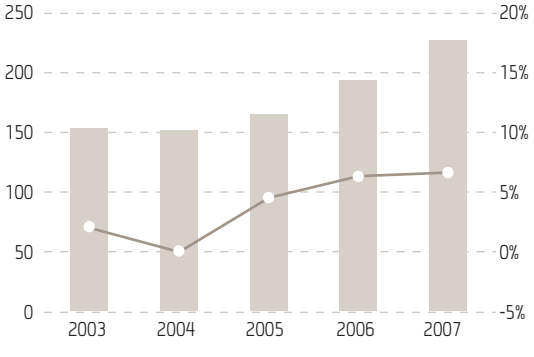
- RCN basic grant 2.7%
- RCN strategic programmes 2.6%
- RCN project support 4.3%
- Public sector 3.9%
- Industry and commerce 57.6%
- International contracts 28.9%
- Other sources of income 0.1%

Investments (% of net operating revenue)



- Scientific equipment
- Buildings

Economy



- Net operating revenue (MNOK)
- Net operating margin (%)

Employees

- Administration (18)
- Technical personnel (35)
- Engineers (24)
- Researchers (122)*

* Of whom 41 hold doctorates

Publishing and communication

- Refereed scientific journals, articles and conference papers (23)
- Scientific talks and posters (22)
- Reports (251)
- Popular science articles and talks (1)

SINTEF Holding

Sinvent, a SINTEF holding subsidiary, develops new companies based on SINTEF research. Managing director Anders Lian collaborates closely with colleagues throughout SINTEF.

Professional innovation creates value

Professional management of its intellectual property rights (IPR) is an important aspect of SINTEF's strategy. This is reflected in our customer relationships, through the establishment of new companies and through the sale and licensing of new technology.

In 1987, we established Sinvent AS, which currently manages all of SINTEF's IPR in close collaboration with our business divisions. Part of our responsibility is to administer SINTEF Innovation Concept, an activity that ranges from creating commercializable ideas to developing them into commercial concepts and setting up new companies. Part of this involves management of SINTEF licence and venture portfolio.

Every year we receive about 50 proposals for potentially commercializable projects from all parts of SINTEF. About half of these eventually materialize in the form of commercial products and companies. Sinvent cooperates actively with other companies at home and abroad in developing, commercializing and investing in ideas. We have a wide-ranging network of competent fellow investors both in Norway and in other countries.

In 2001, this activity was revitalized and upgraded in terms of manpower, in order to turn it into an efficient tool for commercialization. The results have become more and more obvious. Our collaboration with SINTEF's research units and their external partners is good, and we receive a steady flow of ideas from SINTEF's various divisions.

This provides income from licensing and the sale of shares in companies that have their origins at SINTEF. This income is put into new research and is used to develop new ideas and more new companies.

In 2007, the sale of Nacre AS brought an extremely good return to SINTEF, as well as making millionaires of seven SINTEF inventors, almost 20 years after they started to develop their concept

In the course of 2007, we set up six new companies, including the water purification specialists Ecowat AS. We introduced our revised IPR policy for SINTEF, and we cooperated with Verdane Capital venture company on the management and development of eight newly established companies based on SINTEF research. We had sold part of this venture portfolio to Verdane Capital a year earlier, bringing a good return to SINTEF in 2006.

Sinvent's contribution to SINTEF's vision of "Technology for a better society" is to turn ideas into commercial results, new jobs and earnings, which in turn will lead to more research.

This is SINTEF Holding

SINTEF Holding is established in order to separate commercial activity from SINTEF's science core activity. SINTEF Holding is a tax-paying company, comprising strategic ownership and a number of spin-off companies which are developed for commercialization.

SINTEF Holding's subsidiaries and associated companies:

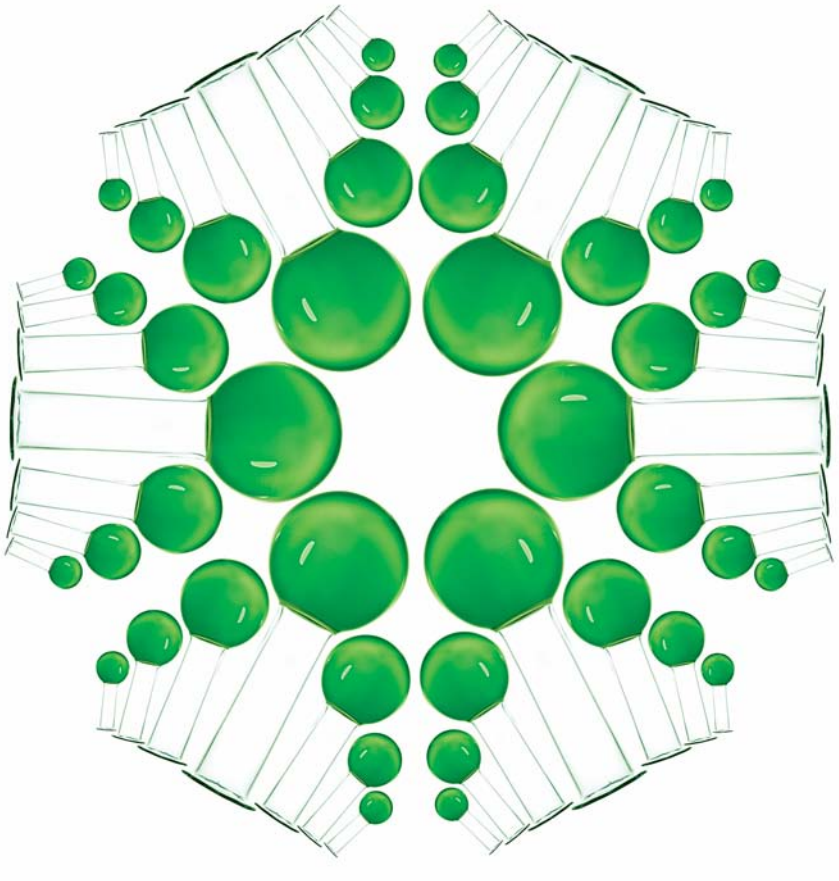
Sinvent
SINTEF's wholly owned commercialization company, which has responsibility at Group level for the development of new companies and IPR management. Sinvent has developed SINTEF's Innovation Concept, which ranges from creating ideas to developing these into commercial potential and implementation. As a tool for the process of developing new companies, Sinvent manages SINTEF's venture portfolio.

SINTEF NBL (100 %)
This is Norway's centre of expertise in fire technology, and it offers fire testing, documentation, research and consulting services. NBL's laboratories are in Trondheim.

SINTEF MRB (100 %)
This is a leading consulting company that focuses particularly on small and medium-sized enterprises. It has offices in Ålesund and Oslo..

Molab (60 %)
This is one of Norway's largest industrial laboratory companies. Its range of activities covers chemical analysis, materials testing and environmental measurements, and it serves customers from industry and the public sector all over Norway. The company is located in Mo i Rana.

RTIM – Raufoss Technology & Industrial Management (50.1 %)
This is a technology company which offers high-level expertise in automated manufacturing, technology management, value chain steering and materials technology, in addition to laboratory and workshop services. RTIM remains close to both academia and industry.



What we enjoy most is thinking in new ways.

HSE accounts status for 2007

1 HSE policy

HSE is given highest priority at SINTEF – the safety of our staff is more important than any other consideration

HSE is a management responsibility and forms part of our day-to-day routine. Our employees are obliged to participate in these efforts.

SINTEF has a clear vision that aims for zero rates of accidents, injuries and losses. We will do our utmost to avoid accidents and work-related illnesses among our employees and those with whom we collaborate.

SINTEF intends to maintain a good and healthy work environment. Our management will be clear, inclusive and inspiring. Our staff can expect to enjoy personal development and recognition via coordinated activity and team spirit. Everyone in SINTEF will be treated with respect and dignity.

On the background of our vision, "Technology for a better society", all aspects of SINTEF's activities will be based on the concept of sustainable development. A concept that is based on good management practices, social responsibility and respect for the environment.

SINTEF will emphasise environmental considerations in its investments in knowledge generation and laboratories.

SINTEF will reduce its emissions of greenhouse gases and energy consumption, and avoid hazardous discharges to water and the atmosphere from our own activities.

2 Summary

We hereby provide a status report on SINTEF's efforts in health, safety and environment. The report demonstrates that good progress has been made towards the goals that we set for 2007. Much of this work will be continued in 2008. One of the most important challenges that will face us in 2008 will be to strengthen our safety culture. The continued development of SINTEF's environmental efforts is another area of special effort.

The report describes the status of the action plan for 2007 and the results of our overarching HSE goals. SINTEF's HSE policy and overarching HSE goals were revised in 2007/2008.

SINTEF's HSE steering system is an integral aspect of the Group's overall steering system. All our research divisions are listed in Achilles, which is a database for the prequalification of deliveries to petroleum sectors.

3 Status of action plan 2007

3.1 "SINTEF will maintain a good work environment"

Measures	Status
Follow-up of results and action plan from the work environment survey 2006.	• Stronger follow-up at all levels. This means that the value of the study will be exploited to a greater extent.
Strengthen the organization in its treatment of change processes, crises and interpersonal relationships.	• This topic is focused on in the work environment survey 2008. • Work has started on developing a joint management platform in SINTEF. • Conflict resolution adopted as a separate procedure in the steering system.
Implementation of new drug and alcohol abuse policy for SINTEF.	• Implemented • Orientations provided within a wide range of fora (e.g. management groups, work environment committees, union representatives).
Prepare and implement work environment survey 2008.	• Major revision carried out, including new tools. • Ready for new survey in January 2008.

3.2 "Our activities will not be injurious to health"

Measures	Status
Implement programme for strengthening SINTEF's safety culture.	• Work started on developing the SINTEF School; introduction of compulsory safety modules.
Establish coordination agreements when several employers are involved.	• Implemented. • Establish regular management meetings with our most important coordination partners – NTNU and the University of Oslo.
Implement "Synergi" as deviation handling system.	• Implemented. • Efforts have commenced to increase user-friendliness. • Licences obtained for new user groups (managers, safety representatives). To be implemented in 2008. • ICT modules implemented.
Prioritized HSE in interdisciplinary internal audits.	• Training of internal auditors carried out. • Internal pool of auditors built up. • Annual plan for 2008 drawn up.

3.3 "SINTEF will not contaminate the external environment"

Measures	Status
Survey and strengthen SINTEF's environmental efforts.	• Resolved to introduce environmental steering in accordance with the environmental standard ISO 14001. New environmental policy being drawn up. • Supplier requirements regarding external environment drawn up.
Establish routines and documentation for drawing up Group environmental accounts.	• Agreement signed with waste disposal company for dealing with hazardous waste. • Reporting system for quantity of waste introduced. • Procedures will be drawn up in accordance with environmental standards.
Risk assessment of chemicals in order to identify potential substitutes.	• Implemented in parts of the Group. • Transfer of experience taking place via HSE Forum.

4 Results

4.1 "SINTEF will have a good work environment"

4.1.1 Perceived work environment

Biannually, SINTEF carries out a work environment survey in order to find out how SINTEF's employees perceive their work environment. The survey covers all aspects of the concept and provides a solid basis for the development of the SINTEF organization. Great emphasis is placed on following up the results at all levels. The work environment survey carried out in 2006 has been closely followed up in 2007.

In January 2008 we carried out a new work environment survey, which had a response rate of 91 percent. The overall results for SINTEF were very good, although they show that there are still differences among units, and that some groups face significant work environment challenges. Follow-up will be given high priority in 2008.

HSE indicators for perception of work environment. (Scale from 0 (strongly disagree) to 100 (strongly agree)

To a great extent, our colleagues experience a high degree of motivation and pleasure in work, in that they feel that they are recognized and treated with respect and dignity.

There is also a strong sense of team spirit. Our staff enjoy being with their colleagues and find that they are given advice and support when they need it. This is an important value for SINTEF, as our results are largely created through a process of good cooperative efforts.

In the field of competence development, the survey shows that we can be better at offering each other help and training within our units. People also wish for greater efforts to be made in competence development at departmental level in order to meet the needs of the future.

In the field of quality, we see good results for dialogue with customers, sharing knowledge and networks, and the observance of SINTEF's ethical guidelines. We can be better at post-project evaluation and should be more willing to ask critical questions about the way in which we operate. People are still working extra long hours without filling out time-sheets.

The study surveyed health problems that may have their roots in working conditions. Twenty-nine percent of our staff claimed to be worn out by their work. There is also a tendency for people to go to work even when they are so ill that they should have stayed at home. Twenty-three percent of our colleagues are still worried that in the long term their work can leave them with problems with health, but here we see a positive trend from 2006. People also perceive a somewhat better correspondence between the demands made of them and the possibility of doing their job properly.

The study documents very good results for management. Organizational and managerial development is strongly emphasized in SINTEF, and is important for maintaining SINTEF as an attractive and healthy workplace.

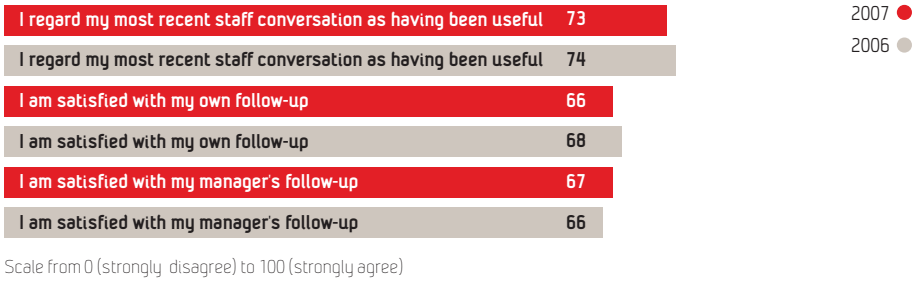
4.1.2 Staff conversations

Staff conversations are planned annual conversations between managers and staff. Topics which are taken up include tasks and aims, work environment and development. Each conversation should conclude by drawing up a personal action plan. Annual staff conversations are a quality goal in SINTEF, and we are satisfied with the positive trend from 2006.

Staff conversations in the SINTEF Group

Benefits and follow-up

SINTEF's work environment survey also asked employees how they perceived the usefulness of staff conversations and whether they are followed up. This is an area in which we can do better.



Scale from 0 (strongly disagree) to 100 (strongly agree)

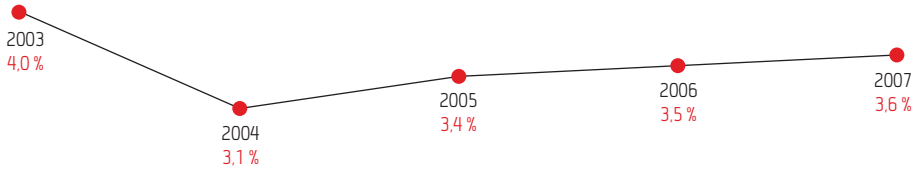
4.2 "Our activities will not be injurious to health"

4.2.1 Sick-leave

Since 2004, the SINTEF Foundation, MARINTEK and SINTEF Fisheries and Aquaculture have been signatories of the agreement for a more inclusive working life. Efforts in this respect have sharpened our focus on following up sick-leave and adaptation of the work place for employees with special requirements. We have seen a slight increase in the total level of sick-leave since 2004. Most sick-leave at SINTEF is supported by a medical certificate. In 2007 this came to 2.5% of total working hours, as against 1.1% for self-reported sick-leave.

Sick-leave (percent of total time excluding vacation and overtime)

Group:



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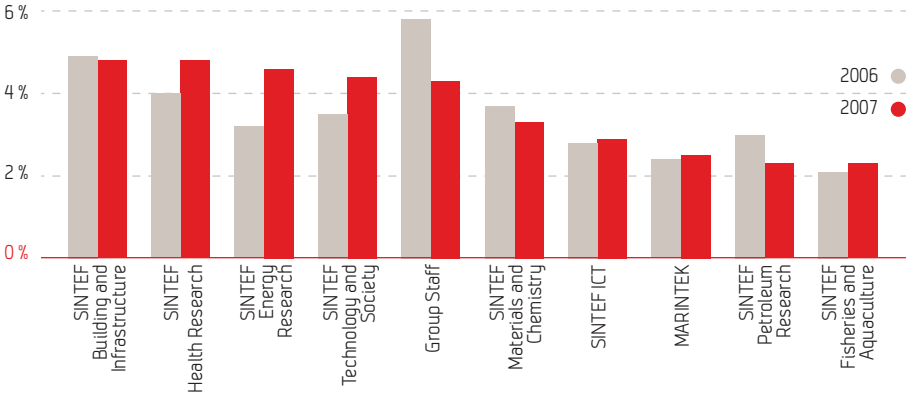


4.2.2 Work-related health problems

The work environment survey gives us a good indicator of the status of various aspects of health and the work environment for SINTEF as whole and for the individual units. This enables us to identify negative trends and implement preventive measures at an early stage, which we hope will help us to reduce work-related health problems.

All members of staff in SINTEF are members of an HSE/company health service. This service is intended to be as identical as possible for everyone, irrespective of where they work.

As a preventive measure it is of interest for SINTEF to know what sort of work-related problems people seek to be treated for by the company health service. Skeletomuscular problems are by far the most frequent reason for making contact, and in 2007 these were responsible for about 50% of all consultations. Psychological problems is the second most common reason, at around 30%.

With the aim of preventing skeletomuscular problems, we are making systematic efforts to adapt workplaces to ergonomic requirements. The company physiotherapist is employed actively throughout the organization to provide advice about ergonomic problems. There is a high level of consciousness as regards ergonomics and preventive measures. The work environment survey shows that the vast majority of SINTEF's employees are satisfied with the ergonomic design of their workplace..

The number of consultations regarding psychological and interpersonal problems has been rising in the course of the past few years. The HSE section has therefore reinforced its competence in consulting services. We aquire psychology services from external sources.

4.2.3 Personal injuries

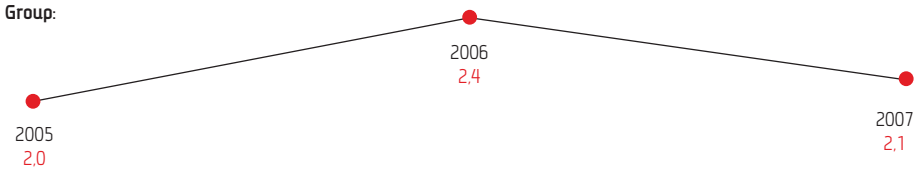
One of SINTEF's aims is that our activities should not lead to injury. A total of seven injuries resulted in sick-leave being taken in 2007. Three of these were due to slipping on ice on our own or our suppliers' outdoor areas. The longest period of sick leave was 10 days. In 2007 SINTEF had an F-value[1] of 11.2, as against 28.5 in 2006

[1] The F-value is a measure of frequency of leave of absence, measuring the number of days absent due to injury. The F-value tells us something about the seriousness of absence

SINTEF has not reached a satisfactory level in the prevention of personal injuries, but major efforts are under way to strengthen our HSE culture, with particular emphasis on safety. We believe that these efforts will produce results.

Frequency of injury leading to sick leave (H1 value) (number of injuries per million working hours)

Group:



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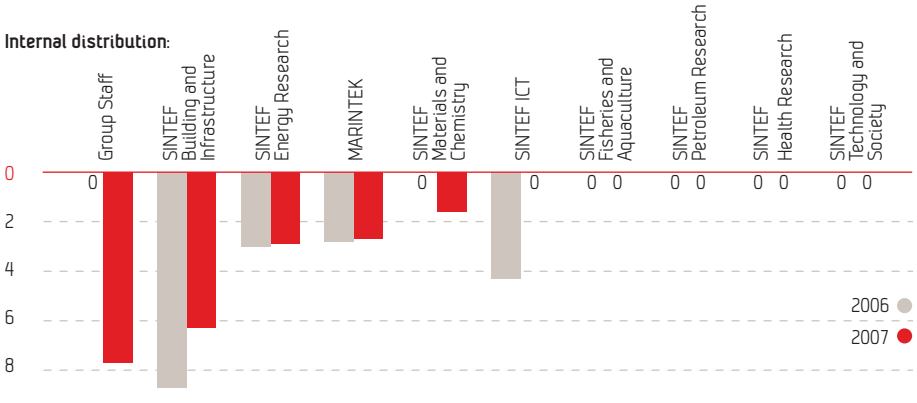
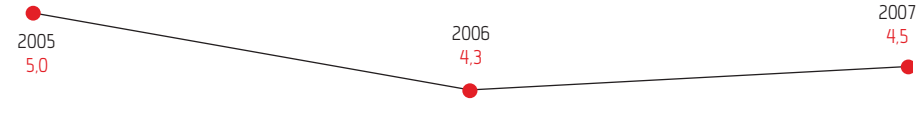


Frequency of personal injuries (H2 values)

(Sum of number of injuries leading to sick leave and other personal injuries, excluding injuries requiring first aid, per million working hours)

Group:



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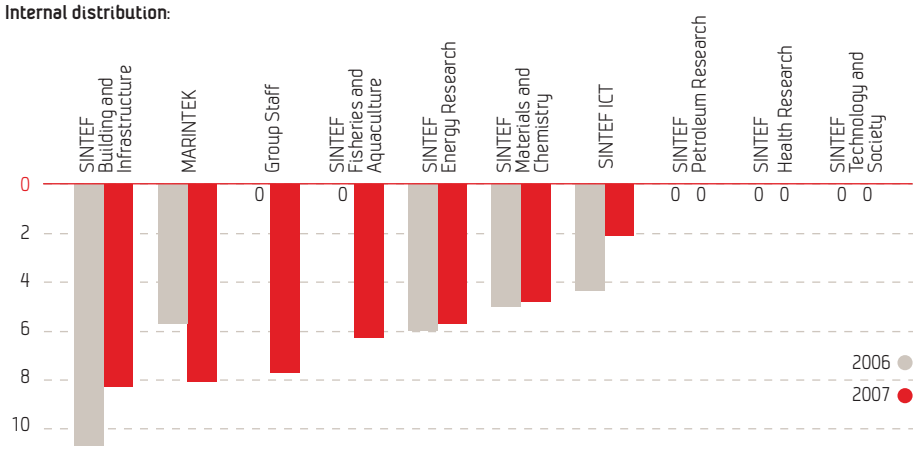
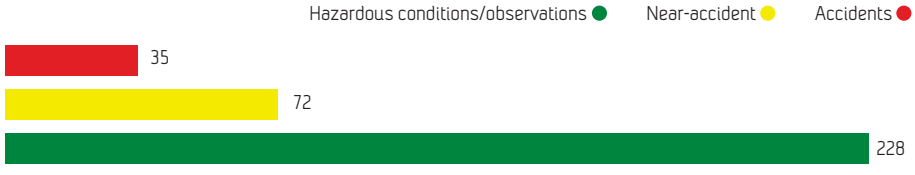
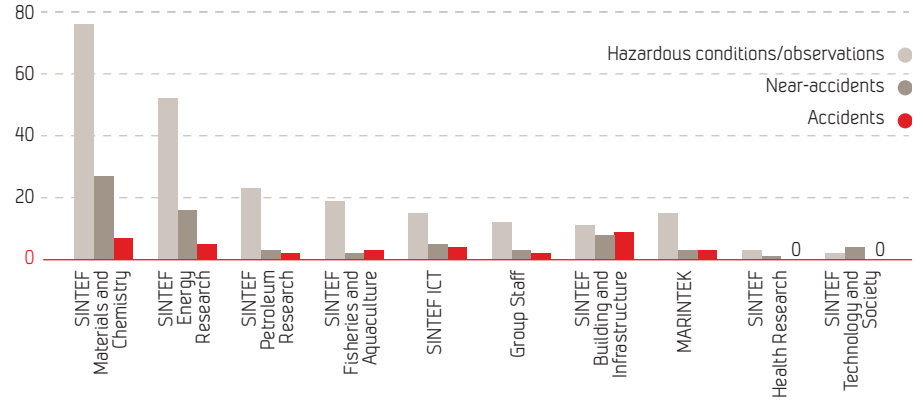


4.2.4 HSE reports

Following the introduction of "Synergi" as our new deviation handling system in February 2007 and a conscious focus on this topic on the part of management, we can see an increase in the reporting of hazardous HSE events in SINTEF. Discovering potential hazardous conditions and implementing measures even before a near-accident occurs is a decisive factor in achieving SINTEF's aim of zero injuries.



HSE report 2007 – distribution by institute



Degree of seriousness of undesirable occurrences (personal injury, accidents and near-accidents)

All accidents and near-accidents in SINTEF are evaluated in terms of the risks of potential consequences (worst-case) for persons, the environment and material values.

The matrix includes accidents and near-accidents that involve persons and that have been categorised as critical, serious or less serious. Material occurrences are risk-evaluated but not included in the matrix. Undesirable low-risk incidents are also evaluated, but are not included in this matrix

		Probability				
		Very low	Low	Medium	High	Very high
Consequences	Very critical		1			
	Critical	2	2			
	Moderate	1	6	8	2	
	Low	9	14	8	4	
	Very low	5	11	7		
	Sum	17	34	23	6	0

Risk range	
Critical range	5
Serious range	29
Less serious range	46
Sum	80

In 2007, a total of 107 undesirable incidents were registered, of which 80* are illustrated in the figure, which shows that the level of risk of most of the incidents was low. Nevertheless, the risk evaluation is important as a means of making further improvements.

*) The difference between total number of undesirable incidents (107) and those that appear in the risk matrix (80) is based on incidents that involve a low degree of risk.

In the risk evaluation, the following five undesirable incidents were classified as having potentially critical consequences::

- Auditory damage caused by drilling concrete, with potentially serious hearing loss.
- Lack of safety attachment of ladder to platform; ladder slid out on entering platform with visitors.
- Shackle broke and bolt "shot" like a projectile across test laboratory; no-one injured.
- Loss of emergency lighting in test laboratory; emergency power supply did not function for required period of time.
- High-voltage tests carried out without approved safety placard, and warning system de-activated.

Apart from the first (hearing damage during drilling), none of the above incidents led to personal injury.

4.3 "SINTEF will not contaminate the external environment"

In 2007, SINTEF suffered no accidents that led to damage to the external environment.

In the course of the year we signed an agreement with a commercial company regarding the treatment of hazardous waste from the whole Group. The new system has been well implemented and is coordinated with NTNU.

We have also drawn up a set of requirements for our suppliers with regard to the external environment. These include both requirements regarding our suppliers' environmental control and the environmental requirements as regards to the products themselves. These supplier requirements will be implemented in 2008.

It was decided to strengthen SINTEF's environmental efforts by introducing environmental steering in accordance with the environmental standard ISO14001. We began by drawing up an environmental policy which will be adopted by SINTEF's Board in the first half of 2008, and implemented throughout the Group in the course of the year.

Our environmental policy involves the Group surveying all aspects of the environment that are relevant to our range of activities. This process has already started in several divisions. Important environmental aspects have still to be defined and goals set for their improvements. Environmental programmes will be drawn up for individual units and for the Group as a whole.

5 Other companies

SINTEF has strategic shareholdings in four Norwegian companies: RTIM, Molab, SINTEF NBL and SINTEF MRB.

SINTEF requires its associated companies to maintain at least the same level of systematic HSE as SINTEF. Responsibility for follow-up remains within the Division of the Group to which each of these companies belongs.

6 The SINTEF Group's HSE plan 2008

Objective: "SINTEF will have a good work environment with scope for personal development"

Measures:

- Follow up the results of the 2008 work environment survey
- Further strengthen our management by establishing common management principles for SINTEF

Objective: "SINTEF will have zero rates of injury, accidents and losses"

Measures:

- Implement programme for strengthening SINTEF's safety culture, which will involve the introduction of compulsory module-based training
- Implement "Safe job analysis"
- Continue cooperation with NTNU in training and joint laboratory handbook

Objective: "SINTEF will have zero work-related sick-leave"

Measures:

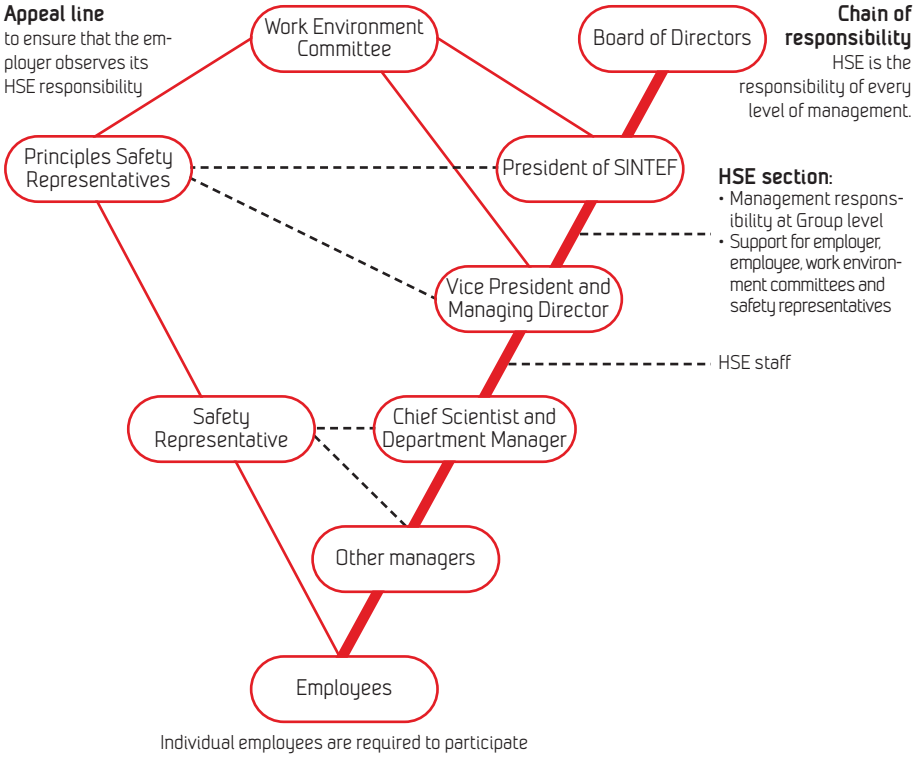
- Follow up development of work-related sick-leave
- Follow-up of staff who has reported sick is the topic of the 2008 internal audit
- Follow up the results of the work environment survey on this topic, and implement the necessary development measures

Objective: "SINTEF will be a company with a clear environmental profile"

Measures:

- Introduce environmental steering in accordance with the ISO 14001 environmental standard
- Communicate our environmental profile to the outside world
- Update the steering system
- Organize "environment days" in all units
- Survey all relevant aspects of the environment
- Define measures of improvement for the most important environmental aspects
- Establish environmental programmes for individual units and for the Group.

7 Responsibilities and roles in SINTEF's HSE efforts



Our Group Management

Reidar Bye
SINTEF
Senior Executive Vice President

Ernst Kristiansen
SINTEF ICT
Executive Vice President
Area Manager, Oslo

Torstein Haarberg
SINTEF Materials and Chemistry
Executive Vice President

Anders Lian
Sinvent
Managing Director

Unni Steinsmo
SINTEF
President – CEO

Ingeborg Lund
SINTEF
Vice President
Human Resources

Petter Haugan
SINTEF
Director of Communications

Aage Thunem
SINTEF ICT
Executive Vice President

Bjørn Svensvik
SINTEF Building and Infrastructure
Executive Vice President

Tonje Hamar
SINTEF Health Research
SINTEF Technology and Society
Executive Vice President

Sverre Aam
SINTEF Energy Research
President

May Britt Myhr
SINTEF Petroleum Research
President

Frank Wettland
MARINTEK
President

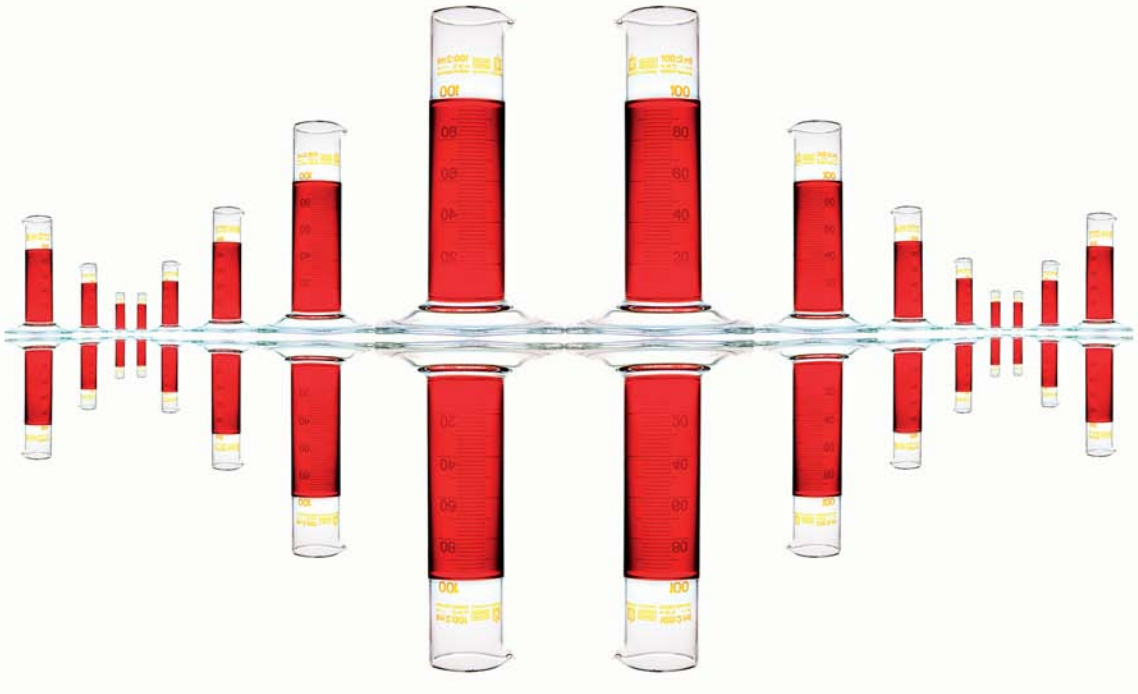
Karl A. Almås
SINTEF Fisheries and Aquaculture
President

PORTO BETALT
PORT PAYÈ
NORGE

B ÉCONOMIQUE

Return address:
SINTEF
no-7465 Trondheim
Norway

Print: GRØSET™



SINTEF, Trondheim
Address: NO-7465 Trondheim
Visiting address: Strindveien 4, Trondheim
Tel: +47 73 59 30 00*
Fax: +47 73 59 33 50

SINTEF, Oslo
Address: PO Box 124 Blindern, NO-0314 Oslo
Visiting address: Forskningsveien 1, Oslo
Tel: +47 22 06 73 00*
Fax: +47 22 06 73 50

SINTEF

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