



Oslo



Bergen



Trondheim



Stavanger

Annual report 2014

BI

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President's foreword

BI aims to be a leading European business school that attracts both the best students and the best researchers. Having the brightest minds on our team enables BI to have a positive impact on international research, on how our students learn, and on general practices in business and society.



Our Triple Crown accreditation in 2014 and the fact that we continue to climb on the Financial Times ranking, confirm BI's success in attaining several important, strategic goals. To ensure continued success as we move forward, a new and ambitious strategy will be drawn up for the 2015-2018 period. BI will continue to hone and prioritise the disciplines we want to excel in which, in turn, will determine how we recruit and develop our faculty. We will remain purpose-driven in our efforts to strengthen BI's international position and role as a knowledge partner for key companies.

BI has undergone a number of organisational changes in recent years, a consolidation of programme portfolios and changes due to academic priorities. A great deal has been invested in digitalisation, which has led to new work methods for staff and students alike. It has also affected the way our courses and programmes are developed and run. Everything has been done with a single objective: BI must be among the leading business schools in Europe.

Norwegian higher education sector will change in the years to come, as will the landscape surrounding us. We will be challenged by digital progress, increased international competition and new expectations from students, the business world and society at large.

BI's current financial situation is robust, and our organisation is competent, motivated and willing to embrace change. With clear priorities, strong academic departments and good leadership, we are well equipped to meet tomorrow's competition.

Inge Jan Henjesand
The President

BI Norwegian Business School in 2014

BI was rewarded for its many years of goal-oriented work with accreditation from AACSB (The Association to Advance Collegiate Schools of Business). The BI Norwegian Business School can now boast the three most prestigious international accreditations a business school can receive, and can thus finally call itself a Triple Crown school.



Accreditations are a testament to BI's academic quality. The status as a Triple Crown school strengthens BI's reputation nationally as well as internationally, it opens doors for new partners and increases the value of a diploma from BI.

BI Norwegian Business School ranked 38th in the annual Financial Times ranking in 2014. BI climbed six spots since 2013, and an impressive 32 spots in the last three years.

In February, the Board of trustees appointed Inge Jan Henjesand the new President for a four-year term of office. Tom Colbjørnsen retired as President after having completed two terms of office. Henjesand came from the position as a director for research, innovation and business policy in Abelia, and he has previously held key management positions at BI. In June, the Board approved the appointment of Dag Morten Dalen and Ulf Henning Olsson as Provosts. The new President's office started on 1 August.

During the strategy period 2010-2014, BI placed special emphasis on international academic recruitment. The establishment of the recruitment position Assistant Professor, resulted in BI acquiring 12 talented young academics with international backgrounds since 2012. Active use of nominations with the purpose of getting experienced and recognised professors into Professor2 positions has contributed to elevating the academic level of BI's research during the same period.

BI has continued and strengthened cooperation with partners in business and industry in the past year. Insight into the business community's expertise needs is important in order for BI to develop and update courses and programmes with relevant content.

The BI Norwegian Business School institution delivered good financial results in 2014. BI's total turnover was MNOK 1,407 in 2014, compared to MNOK 1,395 in the preceding year. The number of students is on par with the previous year, approx. 20,000 students were registered for BI's various courses and programmes. Admissions in the autumn of 2014 showed an increase of 4% in the number of new full-time students.

Preparedness and safety were on BI's agenda in 2014. During the year, the preparedness plans were updated, a risk and vulnerability analysis was implemented, a crisis drill was carried out and evaluated, and BI introduced a new management system for information security (SSIS).

Development and implementation of digital solutions has been a focus area for BI for several years. The year's biggest launch event was the digitalisation of the applications and admissions process. With DigiEX, 100 BI students were able to submit their examination digitally in the autumn of 2014. New technology allows for new and innovative educational methods, and in 2014, BI's lecturers carried out a number of successful pilots designed to embrace a future digital learning platform.

The Board of trustees would like to thank our partners and everyone who contributed to BI's progress in 2014. BI's employees have demonstrated patience and goodwill throughout a year characterised by rapid development and change in the organisation this year. BI's students and alumni have stood out as good examples that BI expertise is expertise for the future, which strengthens the Board's conviction that BI is headed in the right direction. In particular, the Board would like to thank Tom Colbjørnsen who, in his eight years as BI's President, helped make BI the internationally recognised business school it is today.

The Board of Trustees in 2014

BI Norwegian Business School is a self-owned foundation led by a board of eight trustees, four of whom come from outside the school. Among the trustees from the school, two are elected by and from BI's faculty, plus one representative and one observer from the administrative staff. The student organisations are represented by one member and one observer.



Terje Venold

Maalfrid Brath

Marianne Stenius

Gunnar Bjørkavåg

Pål Lauritzen

Ingunn Myrtveit

Silje Engeseth



Thomas Skovli

Maren Sofie
SivertsenMats Gimming
MyhreLaura E. Mercer
Traavik

Anne-Britt Gran

Nils Øby

Karianne
Zakariassen

The Board of Trustees as of 31 December 2014:

Terje Venold
Chairman of the Board, external representative
Self-employed

Maalfrid Brath
Vice chairman, external representative
CEO, Manpower Group Norway

Marianne Stenius
Board member, external representative
Professor, Hanken School of Economics (Helsinki)

Gunnar Bjørkavåg
Board member, external representative
CEO of NHST Media Group

Pål Lauritzen
Board member, faculty
Associate professor, Department of Economics

Ingunn Myrtveit
Board member, faculty
Professor, Department of Accounting, Auditing and Law

Silje Engeseth
Board member, administrative staff
Head of Administration, Department of Communication, Culture and Languages

Thomas Skovli
Student observer, SBIO

Maren Sofie Sivertsen
Student representative, BIS

Mats Gimming Myhre
Observer, administrative staff
IT consultant, IT Department

Laura E. Mercer Traavik
1. Substitute, faculty

Anne-Britt Gran
2. Substitute, faculty

Nils Øby
1. Substitute, administrative staff

Karianne Zakariassen
2. Substitute, administrative staff

Programmes and students

A total of 4659 new full-time students started at BI in the autumn of 2014, a 4% growth compared to the previous year. It was particularly important to see growth in the number of new Master of Science students, growth in the number of international students, as well as an increase in participants in the BI-Fudan MBA programme.



Admissions in Master of Science grew by a total of 12% compared with the autumn of 2013. Master of Science in Business is BI's largest master's programme with an impressive 324 new students in 2014, an increase of 28% from the preceding year.

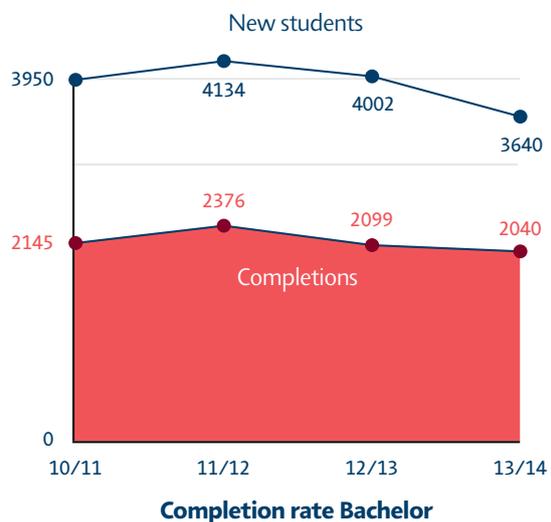
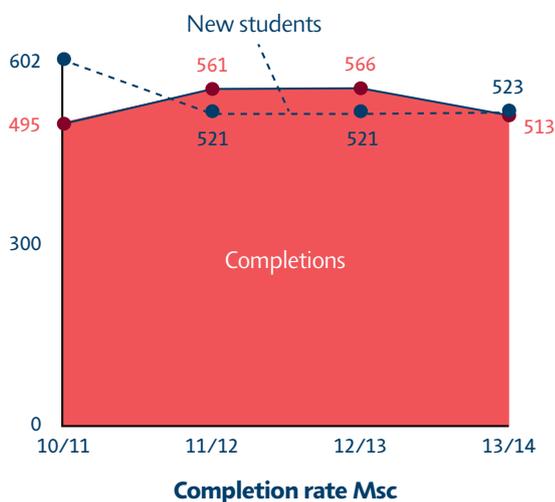
BI also saw a substantial increase in the number of new international students in the autumn of 2014. 335 new students with a non-Norwegian background started degree programmes at BI in 2014, compared with 268 in 2013 (up 25%). Growth in the number of new international Master of Science students was a whopping 47%. The number of students on exchange programmes to BI increased by 9% in 2014 compared with 2013. In the autumn of 2014, 368 students from all over the world

arrived at BI for their semester in Norway; the corresponding figure in 2013 was 335.

Overall, BI had 20 094 students at 31 December 2014.

As the many new students started their academic years at BI, 3003 full-time students received diplomas for their completed degrees in 2014. The number of finished degrees is particularly high within Master of Science.

In 2014, BI strengthened its efforts toward development of a better physical and academic learning environment. All of BI's campuses are part of the new improvement initiative which is





called "Bli Bedre". The academic advisory services are an early effort to prevent dropouts, as well as for progression. The measures are primarily aimed at students in their first academic year.

The international network collaboration Quantitative Techniques for Economics and Management (QTEM) started up in the autumn of 2013 and was further developed in 2014. This is a programme for the most ambitious master students. Students in QTEM are given academic challenges and gain international experience from collaborating with leading businesses. Accenture, Aker Solutions and Boston Consulting Group are BI's partners in the QTEM network.

In 2014, BI was able to offer a number of open programmes within continuing or post-graduate education at both bachelor and master levels. There is also a high level of activity within customised and internal company programmes, as well as conferences organised by BI.

The Maritime Offshore programme was introduced in Executive MBA in 2014. For the first time, one of the courses in Executive MBA, Leadership, was implemented as a blended learning-module with digital learning tools. Three new open programmes were introduced in Executive Master of Management: Market-oriented management, Macroeconomics and financial markets and School Management.

In 2014, BI saw an increase in the number of participants in the BI-Fudan MBA programme which BI organises in cooperation with the School of Management at Fudan University in Shanghai. The growth in the number of participants in this programme is

a contrast to the development in the rest of the Chinese market. In 2014, the BI-Fudan MBA was ranked 54th on the Financial Times' list of the world's best part-time MBA programmes, and the cooperation opened many doors into Chinese academia and business. In October, BI and Fudan University, in cooperation with Wilh. Wilhelmsen, organised a seminar in Shanghai concerning perspectives on Chinese-Norwegian cooperation in the shipbuilding industry.

In 2014, BI entered into new agreements for customised courses and programmes with several major players, including Nortura and Coop. A customised master programme in safety and cultural literacy was established in cooperation with the Norwegian Armed Forces. Agreements for well-established customised programmes within school management and day care centre management were renewed in the past year.

BI opened an office landscape for students with entrepreneurial ambitions in 2014. The offices will serve as a common learning platform where students can participate in joint advising and problem-solving.

BI's NOK 150,000 development award went to Njål Foldnes at BI Stavanger, for development and implementation of the digital teaching concept "flipped classroom". The award is given every three years, and is presented to educational development and innovation or other measures that could strengthen the winner's academic community.

Research

Ten new externally financed research projects were started at BI in 2014. The total scope of externally financed research was about NOK 35 million, divided among nearly 100 ongoing projects. Of the new projects, the Research Councils' history and CCGR's Inflow project are among the largest, with a total allocation framework of just over NOK 7 million.



164 of BI's faculty members achieved scientific publication with 208 articles in national or international peer-reviewed journals, 12 scientific monographs and 59 chapters in scientific anthologies.

This gave BI 271,9 publication points according to the Norwegian Association of Higher Education Institutions' model for how to measure scientific production. This represents a 50,6 % increase compared with 2013.

77,8 % of the publications were level 1 publications and 22,2 % were level 2 publications. (In 2013 the ratio was 82 % and 18 %)

44 faculty members achieved scientific publication in the form of 88 articles or chapters co-written with colleagues at non-Norwegian institutions.

Thirteen disputations were carried out in 2014, distributed within all of BI's six specialisations. Two of the disputations were Industrial PhD's. Twelve new research fellows started their doctorates during the year, of which half are on a BI scholarship and half are externally financed. Six of the research fellows had an international background.

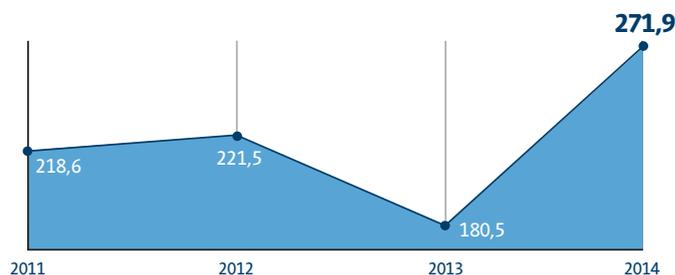
The total number of PhD students at 31 December 2014 was 73. Of these, 41 are from outside Norway.

BI's Visiting Program included 12 academics, mainly from the US,

Spain and Canada, but also from the Netherlands and Germany, and two-thirds of them visited the Department of Finance and the Department of Strategy and Logistics.

Awards, prizes and committee participation:

- The International Alliance for Women (TIAW) honored Professor Morten Huse for his extensive research work, with great significance for gender equality and strengthening of women's rights.
- Honorary Doctor at Stockholm School of Economics to Professor Håkan Håkansson for his research in the life behind the façade of market economics.
- Rolv Petter Amdam was appointed Alfred D. Chandler Jr International Visiting Scholar at Harvard Business School.
- Professor Atle Midttun was appointed member of the Minister of Climate and Environment's climate council.
- Professor Hilde Bjørnland was appointed member of the Government's expert committee on the use of oil revenues



In September, the Board adopted copyright regulations for BI Norwegian Business School. The rules regulate BI's access to and usage rights for (right of use) intellectual property, etc. which are produced for BI by employees and contractors. The Board also asked the administration to prepare guidelines with examples for the regulations.

Business and society

BI's academic staff contributed to the public debate in many areas throughout 2014. Readjustments in the Norwegian economy resulted in a high demand for BI's consultation expertise in 2014.



BI considers it essential for a business school to provide expertise for relevant societal issues, as well as continuously including such issues in the education. In 2014, BI's academic staff contributed an average of ten articles or comments in Norwegian media every day.

Work on sustainability and the environment was pushed to the forefront of the agenda in 2014. All of BI's campuses in Norway are now certified as Eco-Lighthouses. BI set ambitious goals for its work on climate and the environment in 2013, and key measures in 2014 involved actively motivating and informing BI's employees, students, lessees and suppliers to perform their tasks in an environmentally-friendly and responsible manner. BI has cut its greenhouse gas emissions by 8 per cent since 2011.

The interest in the environment and sustainability in 2014 provided a lift for several of BI's academic communities. The Executive Master of management programme Green Growth was new in 2013 and the number of participants increased in 2014.

In the past year, several issues associated with the sector for higher education were addressed by the Ministry of Education and Research. BI has been an active participant in debates regarding structure and financing of higher education. These processes will continue in 2015. In 2014, BI hosted both the Minister of Education and Research as a guest lecturer and the Minister of

Finance as a debate participant. The Standing Committee on Education, Research and Church Affairs also visited BI in the past year.

BI Alumni is a global network of more than 68,000 alumni in more than of 80 countries, and offered 13 professional and three regional networks in Norway and 19 international networks in 2014.

The option of a business-related internship as part of the studies was expanded in both the bachelor and master programmes. Master students could apply for internships with partners such as Backe Gruppen, DNB, DNV GL, Eniro, Doctors Without Borders, Microsoft, Nordea, Norsk Hydro ASA, Opera Software, PA Consulting Group, Posten Norge AS and Telenor. Bachelor students could choose among more than 70 companies with which BI has internship agreements.

Since 2007, BI has collaborated with Save the Children in an effort to give children the right to a quality education. BI's Christmas gift to its employees in 2014 was NOK 150,000 donated to this work. BI is also a member of the organisation Scholars at Risk, which promotes academic freedom and human rights for academics all over the world. BI renewed its commitment in the UN's Principles for Responsible Management Education (PRME) in 2014.

Accreditation and rankings

In May 2014, BI earned accreditation from AACSB and thus achieved an important quality goal. BI Norwegian Business School is now a Triple Crown school.



Accreditation

Achieving a seal of approval as one of Europe's top business schools has been part of BI's long-term strategy. Three accreditations are especially important for a business school with international ambitions: the European EQUIS (European Quality Improvement Systems), the American AACSB (The Association to Advance Collegiate Schools of Business) and the British AMBA (The Association of MBAs). Schools with all three are called "Triple Crown" schools, and they are in a class of their own among international business schools. Only about 70 of the world's approx. 15,000 business schools can boast triple accreditation.

Accreditations are a testament to BI's academic quality. The Triple Crown status strengthens BI's reputation nationally as well as internationally, it opens doors for new partners and increases the value of a diploma from BI.

BI has had accreditation from EQUIS since 1999, accreditation from AMBA since November 2013 and accreditation from AACSB since May 2014. In 2008, BI was accredited as a specialised university institution by NOKUT.



The only Norwegian business school with triple international accreditation

Ranking

In 2014, BI climbed to 38th place in the annual Financial Times ranking. Over the past three years, BI has climbed an impressive 32 spots in the prestigious ranking, and is now ranked number three in the Nordic region.

BI is in three out of a total of four categories in the 2014 ranking. This includes Executive MBA, Masters in Management (Msc in Business) and Executive education (customised and open enrolment).

In the 2014 Eduniversal Business School rankings, BI was considered among the most influential business schools in the world. BI was ranked 26th globally, and 17th in Europe.

Organisation and employees

At year-end 2014, BI had a total of 812 employees. The total figures include 416 administrative staff and 396 faculty members.



BI Norwegian Business School had 733.9 full-time equivalents at the end of 2014, a change of six full-time equivalents from 2013. The number of faculty full-time equivalents was 331.2 at the end of 2014. Of these, 28% had an international background. The number of professors in 2014 was 111. The number of full-time equivalents in the administration has grown by 8.6 to 402.7. On top of that, about 437 lecturers were associated with BI in 2014.

BI's working environment survey in 2014 shows that BI's employees have a strong affiliation to the organisation, are motivated and enjoy a great degree of independence in their job. The survey also shows that BI's occupational health risk is still associated with psychosocial factors such as interaction, conflict handling, coping, as well as stress. In 2014, all managers underwent training in BI's new conflict handling routines, and there is an increased focus on improving organisational interaction through more "Jobb smartere" projects, among other things. In 2014, the continuous improvement work focused on processes related to handling complaints and the course description process. The organisation is also handling several major digitalisation projects that will improve students' experience with the study administrative support, as well as increase the efficiency of administrative routines.

In 2014, BI entered into a nationwide collaboration agreement with Stamina bedriftshelsetjeneste (occupational health service), as a supplement to the agreement with Psykologbistand. BI also provides exercise classes for employees in Nydalen twice per week. The main focus of our company health service is to prevent work-related health problems and absence due to illness. Absence due to illness at BI declined from 2.64% in 2013 to 2.41% in 2014. No work-related injuries were recorded in 2014.

In 2014, BI made extensive changes to emergency preparedness plans and implemented training for all managers in the organisation. A first aid team and alarm telephone were also established, and crisis drills were carried out at all of BI's campuses.

BI's diversity and equality plan states that all employees shall have

the same rights, duties and opportunities irrespective of gender, age and national/ethnic background.

BI's equality work has placed particular emphasis on increasing the percentage of women among professors, directors, in management, as well as in governing bodies. Women currently make up 25% of the senior management, 42% of department heads/deans and 58% of directors at BI. The proportion of women on BI's Board was 50%, whereas the proportion is 36% in the Senate. The percentage of women among professors is currently 20%. By year-end 2014, women represented 28% of faculty full-time equivalents at BI. The proportion of men in administrative positions is 33%.

Through the IA agreement and BI's senior policy, BI is committed to working actively to encourage employees to remain in their positions until retirement age. In 2014, BI decided to harmonise the administrative and academic age limit to 70 years. In 2014, BI improved routines for follow-up and retirement for senior employees. BI also facilitated options for professor emeritus staff to continue academic activity.

BI is increasingly recruiting international employees, and focused in 2014 on establishing sound introduction processes and an inclusive working environment for international employees.

2014 was BI Drammen's last year as a separate campus, and several employees chose to continue at BI in Nydalen. Those that chose severance packages received career counselling and professional assistance in the job search process.

In addition to our head office BI Oslo in Nydalen, BI has regional campuses in Bergen, Trondheim and Stavanger. BI Drammen was phased out in the summer of 2014, and BI Kristiansand started its last year of operation in the 2014/2015 academic year. BI also cooperates with and is present at Fudan University in Shanghai, China.

BI does not pollute the external environment.

Annual result

The BI Norwegian Business School institution delivered good financial results in 2014. BI's total turnover was MNOK 1,407 in 2014, compared to MNOK 1,395 in the preceding year.



The Group

At the beginning of the year, the Foundation BI Norwegian Business School acquired the D block in the BI building in Nydalen by assuming all shares in the building's holding company and domestic company. The holding company, BI Bygget D-blokka AS, is a leasing business and has a substantial balance sheet value as owner of the section. The Foundation has full control over the company, which is considered not to be of an insignificant value, ergo triggering a requirement for consolidated financial statements.

The BI Norwegian Business School Group consists of the parent company - the Foundation BI Norwegian Business School, as well as the wholly owned subsidiaries BI Bygget D-blokka AS, Sandakerveien D-blokka AS, Bedriftsøkonomisk Institutt AS, Sandakerveien 116-118 AS, and Studentenes Hus Nydalen AS

The Group's turnover in 2014 was NOK 1 432 million. The operating profit ended at NOK 145 million.

The Group's real estate investments are financed through mortgages in DNB ASA. At year-end 2014, the remaining balance on the mortgage was NOK 1 277 million. The Foundation has granted a subordinated loan to subsidiary BI Bygget D-blokka AS. At year-end 2014, the remaining balance on the subordinated loan was NOK 189 million. The loan was granted on commercial terms. Total financial costs for the Group amounted to NOK 51 million.

Following the investment in the D block, BI Norwegian Business School had the total property mass appraised. An external analysis firm estimated the value of Campus Nydalen at just over NOK 2.5 billion.

The year's profit before tax came to NOK 111.8 million. Tax costs for the year totalled NOK 1.5 million, and are related to the leasing activity in BI Bygget D-blokka AS. Net profit thus amounted to NOK 110.3 million for 2014.

The Group has the ambition to generate a positive cash flow over time. BI delivers satisfactory cash flow generated from operations. Depreciations are higher than before due to historic investment levels. In 2014, the investment level in fixed assets fell somewhat compared with the previous year. However, the Foundation also invested in the D block. This was financed through taking up long-term debt. The overall increase in net liquid assets was NOK 47 million. The Group has satisfactory liquidity.

As of 31 December 2014, the Group's book equity was NOK 493 million.

Foundation BI Norwegian Business School

In 2014, BI Norwegian Business School achieved a total turnover of NOK 1 407 million, compared with NOK 1 395 million the year before. This is an increase of just below one per cent. The turnover figures include invoiced rent and overhead costs for tenants. State contributions of NOK 258 million were received in 2014, amounting to 18.3% of the operating revenues (NOK 246 million and 17.6% in 2013).

The operating profit for 2014 came to NOK 134 million. This is identical with the operating profit in 2013. Challenging times in the Norwegian energy sector led to the loss of income from already planned courses and programmes for central business players. Income growth was somewhat reduced for this reason. Due to a plan change in the Norwegian Public Service Pension Fund (SPK), this year's pension cost was NOK 22.6 million lower than expected. Depreciation for the year increased by NOK 21.7 million due to considerable investments in digitalisation of both students' interaction with the school and of processes associated with planning, implementation, as well as supplementary work relating to examinations.

In February 2014, BI sold all shares except for one in the Lithuanian business school ISM. Gains from the sale amount to NOK 12.1 million. The amount has been recorded under financial income. The Foundation granted a subordinated loan to a

subsidiary. Of this, NOK 6.6 million have been charged in interest for 2014. Net financial items are a cost of NOK 27.1 million compared with a cost of NOK 59.8 million in 2013.

The year's pre-tax profit came to NOK 106.9 million. There is no tax cost for 2014, due to no payable taxes and no recording of deferred taxes on losses carried forward. The annual profit after taxes was thus NOK 106.9 million. The corresponding figure for 2013 was NOK 73.9 million.

BI Norwegian Business School has the ambition for the Foundation to generate positive cash flow. Investments in fixed assets were somewhat lower in 2014 compared with the previous year. The overall increase in net liquid assets was NOK 41 million. Financing of the D block acquisition was provided though assuming new long-term debt. The Foundation has satisfactory liquidity.

The Foundation follows a financial hedging strategy. This entails that between 33% and 67% of the mortgage must always be hedged with fixed interest agreements. At year-end, the degree of hedging is in the lower end of the framework. The Foundation is exposed to limited currency risk. Transactions of a substantial size are hedged according to the strategy.

As a consequence of being financed by student payments, BI Norwegian Business School is exposed to significant market risk. The Foundation depends on a large volume of students at bachelor level and a steady inflow of students. BI's management continuously addresses market exposure and is certain that the

organisation is equipped to handle this correctly, and that the Foundation is robust enough to withstand fluctuations in results.

As of 31 December 2014, the Foundation's equity was NOK 490 million, compared with NOK 548 million as of 31 December 2013. This year's deviations from estimated pension costs amounts to NOK 165 million and has been recognised against the foundation's equity (cf. Note 14). The deviation is largely explained by the significantly reduced discount rate, but also by other minor adjustments of preconditions when calculating the pension liability.

The Nydalen building has been depreciated by 1.5% in 2014. Other fixed assets have also been depreciated according to the same principles as in previous years.

Of the outstanding balance of NOK 1276.5 million, NOK 33.5 million falls due in six instalments; the first instalment is due 20 April 2016. Annual instalments amount to NOK 90.5 million. The remaining balance falls due on 20 December 2018. BI has the opportunity to pay instalments of at least NOK 10.0 million between due dates. BI Norwegian Business School satisfies the lender's requirements for safeguarding the terms.

BI Norwegian Business School has satisfactory liquidity

In accordance with Section 3-3 a of the Norwegian Accounting Act, we confirm that the going concern assumptions have been met.

ANNUAL PROFIT AND ALLOCATIONS:

This year's allocation (use) of research development funds	NOK (8.2) million
This year's allocation (use) of funds for MSc and PhD scholarships	NOK (5.2) million
Transfer to other equity	NOK (120.5) million
Total allocations	NOK (106.9) million
Foundation capital	NOK (1.3) million
Research development fund	NOK (44.6) million
Fund for MSc and PhD scholarships	NOK (5.8) million
Other equity	NOK (438.0) million
Total equity	NOK (489.7) million

Allocation of research development funds takes place through the annual budget process. Designated guidelines have been prepared for allocation of the fund for MSc and PhD scholarships.

Outlook

In 2014, the Board started the work on designing BI's strategy for the 2015 – 2018 period. BI Norwegian Business School shall still have the goal of being a leading business school in Europe, characterised by academic strength and relevance. With a solid financial foundation as well as an adaptable organisation, the Board believes the preconditions are in place for setting new, ambitious goals.



BI's finances currently depend on significant activity at the bachelor level, while our international reputation depends on our success with activities at the master and executive level. The past decade has been a period with significant numbers of young people. Over the next 10 years, the number of young people will be reduced by 8-9 per cent. This means that the recruitment foundation in the Norwegian youth market will decrease. Maintaining the current number of bachelor students will, in practice, mean that BI must increase its market share. These premises will affect which investments need to be made in upcoming years. BI has the capacity to admit more students than the current level.

Academic strength presumes academic appeal. Academic prioritisations have been made in recent years which set guidelines for recruitment of academic staff. The Board will continue its work to strengthen BI's academic appeal. This means that we must continue prioritising what we want to do well, and allow this to govern how we recruit and develop the academic community at BI.

Accreditations are important indicators of quality and attractiveness. Accreditations are challenging to receive and challenging to maintain. They require that BI put academic level and quality on the agenda every single day.

BI will work to strengthen the school's positive impact on the international researcher arena, on students' education and on improving practices in businesses and the public sector. Work is under way to map and measure the impact and positive influence BI has today and how this can be strengthened going forward.

BI's ambition is to strengthen the school's international position and role. BI shall be attractive to the best students, the best researchers and as a partner for the best schools and most important companies. With this basis, work has begun on specifying what internationalisation means for various parts of our activities.

Consolidation of BI's study and course portfolio has been carried out on all levels in recent years. This work will be continued in 2015. A challenge for BI's management and organisation in the upcoming year will be combining further consolidation and prioritisation with development of new studies, and activities that strengthen BI as a business school, both nationally and internationally.

Access to new technology will continue to challenge everyone that offers higher education. Competition in the market continues to grow, becoming nearly boundless. BI will continue its work on developing digital solutions adapted to daily student life, and facilitate the use of innovative educational methods.

The Board has observed that the authorities initiated several processes that affect our sector in 2014. The Board will follow these processes closely in upcoming years, as stable framework conditions are also highly significant for a private foundation.

BI renewed its commitment in the initiative UN Principles for Responsible Management Education (PRME) in 2014. With this, BI commits to maintaining high ethical standards and contributing to development of responsible and ethical management as a field of study.



Trondheim, 13 March 2015

Terje Venold
Chairman of the Board

Gunnar Bjørkavåg
Board Member

Silje Engeseth,
Board Member
repr. administrative employees

Maalfrid Brath
Board Member

Pål Lauritzen
Board Member
repr. faculty

Thomas Skovli
Board Member
repr. students

Inge Jan Henjesand
President

Marianne Stenius
Board Member

Ingunn Myrtveit
Board Member
repr. faculty

The Organisation

The Board of Trustees

BI Norwegian Business School is a self-owned foundation which is led by a board of eight trustees, four of whom are external representatives appointed by the board. The Board also has two representatives elected by and from BI's faculty, one representative from the administrative staff and one student representative. The President serves as secretary to the Board. The Board has ultimate responsibility for supervising BI's operations, and for adopting a general set of rules. It appoints the President and considers strategic plans, adopts budgets and financial statements, and is the ultimate decision-making body in all important issues.

The Supervisory Committee

The Supervisory Committee reviews the income statement and balance sheet, selects the auditor and ensures that the Board's management complies with statutory provisions and bylaws. The Supervisory Committee consists of three members, all from outside BI.

The Supervisory Committee 2014

Harald Dørum (chair), Stiftelsen Norsk Rikstoto
Anne Helsingeng, Deloitte Advokatfirma AS
Christian Winter, Pangea Property Partners
The President, Provost and Chief Financial Officer attend on behalf of BI.

The Board of Trustees 2014

Name	Title	Period
Terje Venold	External board member. Chair of the Board	1 August 2012 – 31 July 2015
Maalfrid Brath	External board member. Vice Chair of the Board	1 August 2011 – 31 July 2014
Marianne Stenius	External board member	1 August 2012 – 31 July 2015
Gunnar Bjørkavåg	External board member	1 August 2013 – 31 July 2016
Pål Lauritzen	Faculty representative	1 August 2013 – 31 July 2015
Ingunn Myrtveit	Faculty representative (re-elected in 2014)	1 August 2014 – 31 July 2016
Silje Engeseth	Administrative staff representative	1 August 2013 – 31 July 2015
Mats Gimming Myhre	Observer administrative staff	1 August 2012 – 31 July 2015
Maren Sofie Sivertsen	Student representative, BIS*	1 January 2014 – 31 December 2014
Veronica Kristensen	Student representative, SBIO*	1 January 2014 – 31 July 2014
Thomas Skovli	Student representative, SBIO*	1 August 2014 – 31 July 2015
Knut Sogner	1st substitute faculty	1 August 2012 – 31 July 2014
Laura E. Mercer Traavik	1st substitute faculty	1 August 2014 – 31 July 2016
Anne-Britt Gran	2nd substitute faculty	1 August 2013 – 31 July 2015
Nils Øby	1st substitute administrative staff	1 August 2013 – 31 July 2015
Karianne Zakariassen	2nd substitute administrative staff	1 August 2013 – 31 July 2015

* Students are elected for one year. They serve as observers during the first half of the year and as representatives in the second half of the year

President Inge Jan Henjesand, Provost Dag Morten Dalen, Provost Ulf Henning Olsson, Chief Financial Officer Marius Eriksen and EVP of Corporate Communications and Public Affairs Yngve Kveine also attend the board meetings.

The President

BI Norwegian Business School's President is its general manager and has power of procuration. The Board appoints the President for a period of four years. The President is the general manager of the foundation's activities and must comply with the guidelines and orders provided by the Board. The President provides

recommendations in academic and administrative matters. The President has the final say in appointments to faculty positions and is the chair of the Senate. The President must ensure that the foundation's financial statements comply with statutes and regulations.

The Provosts

The Provosts function as the President's deputy as needed. The Provosts head the Academic Programme Quality and the Research and Academic Resources departments, respectively.

The BI Management

President

Tom Colbjørnsen up to 31 July 2014
Inge Jan Henjesand from 1 August 2014

Provost Dag Morten Dalen (employment renewed from 1 August 2014)

Provost Ulf Henning Olsson (Title Senior Vice President up to 31 July 2014, Provost from 1 August 2014)

Executive Vice President Bachelor and Master Division Jens Petter Tøndel

Executive Vice President for BI Executive Division Lise Hammergren
Chief Financial Officer Marius Eriksen

EVP of Corporate Communications and Public Affairs Yngve Kveine
Executive Vice President Human Resources Wenche Nilsen

The Senate

The Senate is BI's top academic body, and its authority is derived from an authorization granted by the Board. The Senate determines the content of BI's teaching programme, admission rules, exemptions, examinations, examination assessments and the expertise profile for the faculty. The Senate proposes faculty appointments to the President, who has the final appointment authority.

BAMU

BAMU is BI's working environment committee. BAMU shall work for the implementation of a fully satisfactory working environment in all our activities. The committee is to participate in the planning of safety and environmental work, and must carefully monitor developments in matters that affect the safety, health and welfare of the employees. BAMU shall ensure that BI's safety and working environment efforts, as well as HSE measures, are properly handled.

The Senate 2014

Name	Title	Period
Tom Colbjørnsen	President	Permanent member (up to 31 July 2014)
Inge Jan Henjesand	President	Permanent member (from 1 August 2014)
Dag Morten Dalen	Provost	Permanent member
Ulf Henning Olsson	Provost	Permanent member
Jon Erik Svendsen	Dean of Bachelor programmes	Permanent member
Janicke L. Rasmussen	Dean of Master programmes	Permanent member
Rolv Petter Amdam	Dean of Executive programmes	Observer
Gabriel Benito	Dean of Doctoral programmes	Observer
Anders Dysvik	Faculty representative	1 August 2013 - 31 July 2015
Monica Viken	Faculty representative	1 August 2013 - 31 July 2015
Eirill Bø	Faculty representative	1 August 2013 - 31 July 2014
Kim van Oorschot	Faculty representative	1 August 2014 - 31 July 2016
Espen Andersen	Faculty representative	1 August 2012 - 31 July 2014
Tore Bakken	Faculty representative	1 August 2014 - 31 July 2016
Espen R. Moen	Research department representative	1 August 2013 - 31 July 2014
Richard Priestley	Research department representative	1 August 2014 - 31 July 2015
Nils Øby	Administrative representative	1 August 2013 - 31 July 2014
Martin Henrik Andresen	Administrative representative	1 August 2014 - 31 July 2016
Kari-Mette Sætersdal	Administrative representative	1 August 2012 - 31 July 2014
Kjersti Ø. Gummerson	Administrative representative	1 August 2014 - 31 July 2016
Even S. Rasmussen	Student representative SBIO	1 January 2014 – 31 December 2014
Kristina Haakonsen	Student representative BIS	1 August 2013 - 31 July 2014
Melissa Martens	Student representative BIS	1 August 2014 - 31 July 2015
Per Botolf Maurseth	Faculty deputy representative	1 August 2012 - 31 July 2014
Espen Roy Skaldehaug	Faculty deputy representative	1 August 2014 - 31 July 2016
Sissel Berg	Administrative deputy representative	1 August 2013 - 31 July 2014
Åse Fjeld-Hansen	Administrative deputy representative	1 August 2014 - 31 July 2016

Executives who report to the President are entitled to attend the Senate.

BI's **8** departments

The Department of Innovation and Economic Organization

The Department of Innovation and Economic Organization conducts research and teaching on key topics within innovation, industrial economics and business history and tourism.



The department's main focus is on a multi-disciplinary exploration of innovation and entrepreneurship in a current and historical perspective, but the department also conducts research into other related topics.

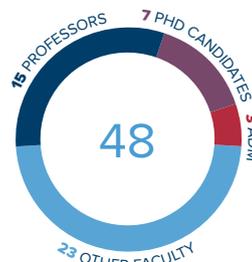
The department had four sections in 2014: business history, entrepreneurship, economic organisation and tourism. The department offers courses at bachelor and master levels in several of the subjects, plus a doctoral programme in innovation and entrepreneurship.

A significant part of the department's research is based on externally funded research assignments, particularly from the business community and the Research Council of Norway. The department is home to one half of the Research Council of Norway's research school in innovation - Norsi PING. PING was in its third year in 2014, and also admitted 51 PhD students. Over the course of the year, PING organised four PhD courses at the network institutions CIRCLE in Lund, University of Oslo (UiO), University of Nordland (UiN), as well as the University of Stavanger (UiS).

The department's academic resources are involved in one of the Research Council of Norway's new Centers for Research-driven Innovation (SFI). Over an eight-year period, Associate Professor Thomas Hoholm, Professor Håkan Håkansson, as well as Professor Per Ingvar Olsen, will contribute to knowledge development and innovation in the Centre for Connected Care.

The Centre for Business History celebrated its 25th anniversary in June. The department's historians published a whopping eight books in 2014, including the anniversary book "Business and history".

DEPARTMENT STAFF



FACULTY MAN-YEARS



5% INTERNATIONALS

Five research centres are associated with the department:

- Centre for Corporate Responsibility (Head: Atle Midttun)
- Centre for Energy and Environment, electricity studies (Head: Atle Midttun)
- Centre for Leadership and Organization in the Health Sector (undergoing reorganisation)
- Centre for Business History (Head: Christine Myrvang)
- Centre for Cooperative Studies (Head: Per Ingvar Olsen)

Department of Communication, Culture and Languages

Since 2012, much of the strategic work in the department has consisted of establishing a top-notch international faculty. The department contributes to BI's international vision within three important focus areas: communication in organisations, creative industries as well as school research.



The work on strengthening the faculty was continued in 2014 and resulted in top international recruitment from St. Gallen, among others. A more unified academic community was created with specialised academic expertise within three important business school subjects: 1) Communication in organisations, 2) cultural management and 3), school research, management and communication. Most of the new strategic foundation was in place in 2014, so the department further strengthened itself with world-class research, publication and teaching. The following key milestones were achieved in 2014:

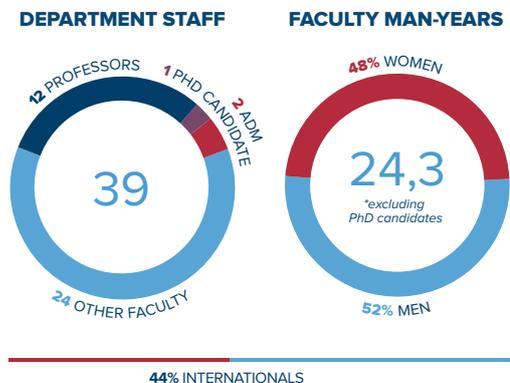
With 37 top publications in 2014, top-notch international research has increased and publication has grown by more than 50% since 2012.

With responsibility for delivery and development of approx. 8000 hours of teaching at the bachelor and master levels, the delivery of top research-based and innovative teaching has increased

The department is responsible for development of the Executive Master of Management program in school management and is also responsible for EMM programs within the communication field. The department accounts for more than 30% of BI's income and academic expertise in the EMM portfolio.

In 2014, the department's faculty within creative industries and cultural management were considered to be among Norway's leading researchers in the field. On this basis, the department established a new research centre - Center for Creative Industries. The objective is to continue building the academic community as well as to work with externally financed research in upcoming years.

The department's Centre for Corporate Communication (CCC)



gained new business partners in 2014. Together, they will contribute to research within PR, communication and social media and insight-driven communication. The centre and department launched a new magazine - "Communications for Leaders".

In 2014, research projects at the department included PR and corporate communication, digital communication and society, Aviation and institutional cultures, creative industries, equality culture in Slovenia, learning in school, cross-cultural communication, and communication and management.

Several conferences were organised in 2014, including a major two-day Aviation conference.

The department has a strong international orientation: nine of the full-time faculty members have international backgrounds from England, Finland, Australia, the US, Canada, Germany and Macau.

The Department of Finance

The Department is devoted to excellence in both research and teaching. The Department of Finance is a strong contributor to BI's overarching goal of becoming a leading European business school.



Research conducted in the Department has been published in prominent international journals, and spans all areas of finance. Sixty per cent of the Department's research publication points come from journals used by the Financial Times in its business school ranking. The Department was ranked number ten in Europe and number two in the Nordic Region during the 2005-2014 period, based on publication in top journals (U of Texas Dallas rankings).

In recent years, the Department has focused on recruiting both permanent staff and PhD students from the best schools around the world. In 2014, the Department recruited four PhD students from four different countries, and Professor Dagfinn Rime was hired to further bolster BI's academic community.

The Department is strongly oriented to the international scene, with staff from as many as 16 different countries in 2014. Most of the Department's lectures are held in English, with courses covering all levels. In the classrooms, our students encounter highly skilled researchers who teach the most up-to-date academic and research subjects. Relevant tools are actively used and integrated throughout the Department, with Bloomberg terminals being actively included in the teaching in 2014.

Two research centres are linked to the Department

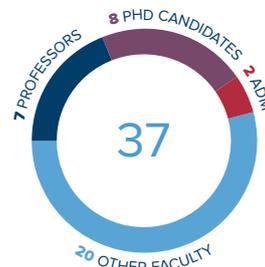
- Centre for Corporate Governance Research (Director: Øyvind Bøhren)
- Centre for Asset Pricing Research (Director: Paul Ehling)

Publications accepted in A-level journals in 2014:

Juan-Pedro Gomez, Richard Priestley, Fernando Zapatero: "Labor Income, Relative Wealth Concerns, and the Cross-Section of Stock Returns", (Journal of Financial and Quantitative Analysis).

Marcel Fratzscher, Dagfinn Rime, Lucio Sarno and Gabriele Zinna: "The scapegoat theory of exchange rates: the first tests", (Journal of Monetary Economics).

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FACULTY MAN-YEARS



16% INTERNATIONALS

Øyvind Norli, Charlotte Ostergaard, Ibolya Schindele: "Liquidity and Shareholder Activism", (Review of Financial Studies).

The Department organises between 45 and 50 research seminars every year, in which prominent international finance researchers present their research, while the Department's own research is similarly presented at academic conferences abroad, and in research seminars at the invitation of other leading institutions.

In Autumn 2014, the Department hosted "The 2014 Nordic Finance Network Workshop for young faculty in finance at Nordic institutions" with 35 attendees from 11 different institutions. The objective of the conference is to help young finance researchers from various Nordic colleges and universities to meet and form networks.

On 3 and 4 October 2014, the Centre for Corporate Governance Research at the Department of Finance hosted the "15th Workshop on Corporate Governance and Investment". This event was attended by 30 researchers from 22 universities in Europe and the US.

The Department of Leadership and Organizational

The Department of Leadership and Organizational Behaviour conducts research and teaching within organizational change and development, leadership development, organizational psychology, Human Resource Management and project management.



The department's activities are divided into three sections: Organizational change and development, organizational psychology and project management. The department delivers teaching in all levels of BI's education portfolio, conducts externally financed research assignments and has a large and well-functioning PhD milieu.

The department focuses on the reciprocity between research and teaching. For the academic staff, this means publishing in internationally recognised journals, while also communicating their research through teaching. The department has a significant annual research production, with over 50 scientific articles published in international journals, as well as a number of scientific book chapters and monographs.

A few selected publications from 2014:

- Thorvald Hærem, Brian Pentland, and Kent Miller: "Task complexity: Extending a core concept" (Academy of Management Review).
- Stein Amundsen, and Øyvind L. Martinsen: "Empowering leadership: Construct clarification, conceptualization, and validation of a new scale" (Leadership Quarterly).
- Matej Černe, Christina G. L. Nerstad, Anders Dysvik, and Miha Škerlavaj. "What goes around comes around: Knowledge hiding, perceived motivational climate, and creativity" (Academy of Management Journal).
- Bård Kuvaas, Robert Buch and Anders Dysvik. "Performance Management: Perceiving Goals as Invariable and Implications for Perceived Job Autonomy and Work Performance" (Human Resource Management).
- Ralf Müller and Laurence Lecoivre. "Operationalizing

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FACULTY MAN-YEARS



15% INTERNATIONALS

governance categories of projects" (International Journal of Project Management).

In 2014, the department hosted the annual "International Conference of Organizational Learning, Knowledge and Capabilities". The OLKC conference lasted for three days in April and attracted more than 130 participants.

The department publishes the BI Leadership Magazine every year, a practitioner-oriented magazine with updated research-based knowledge.

Two research centres are associated with the department

- Centre for Development Studies and Microfinance (MICRO) (Head: Anne Welle-Strand)
- Norwegian Centre for Project Management (Cooperation between NTNU and BI, repr. by Anne Live Vaagaasar)

Department of marketing

The Department of Marketing has researchers of the utmost quality and is home to one of Europe's largest marketing departments. This gives our students access to the very latest research and developments within marketing.



The department's objective is that the candidates will work for the best companies and qualify for management positions with these companies. In all these programmes, the department delivers research-based education, communicated in a manner that is conducive to efficient learning.

An academic community is characterised in part by excellent research. **Academic highlights in 2014 include:**

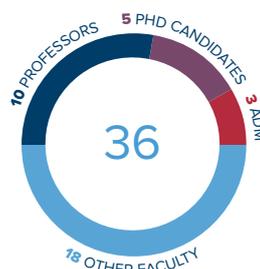
- Professor Rutger Daniel van Oest published the article "Customer complaints and recovery effectiveness: a customer based approach" along with George Knox (Tilburg University) in the renowned publication "Journal of Marketing".
- PhD Candidate Sinem Acar Burkay published an article from her dissertation: "Trusting others: The polarization effect of need for closure" together with professor Luk Warlop (BI) and professor Bob Fennis (University of Groningen) in the top psychology journal: "Journal of Personality and Social Psychology".
- Associate Professor Matilda Dorotic published the article "Reward redemption effects in a loyalty program when customers choose how much and when to redeem" in the top publication "International Journal of Research in Marketing" along with professors Peter C. Verhoef (BI and the University of Groningen), Dennis Fok (Erasmus University) and Tammo H.A. Bijmolt (University of Groningen).

Mehrad Moieni-Jazani and Sinem Accar Burkay from the department's doctoral programme defended their doctorates in the spring 2014.

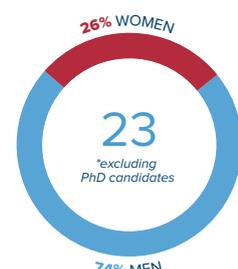
The department communicates its expertise through two bachelor programmes, the MSc programme in strategic marketing management, Executive Master of Management programme in market-oriented management, as well as a doctoral programme in marketing. The department's programmes all have a strong quantitative focus on marketing's contribution to organisational development.

Unlike the traditional theoretical and methodological ways in

DEPARTMENT STAFF



FACULTY MAN-YEARS



43% INTERNATIONALS

which to group academic clusters, the department worked in 2013 and 2014 to reorganise itself into three groups based on their role in generating market-oriented growth for businesses. This resulted in the following groupings:

Explore Market Opportunities – how to identify changes in customer needs. This group consists of market analysis specialists, experts in big data, insight, experiments, econometrics, technology and advanced analysis.

Create Market Solutions – how to organise for value creation. This group consists of academics within market-oriented management, contract negotiations, outsourcing, partner selection, localisation decisions, monitoring of contracts, franchise, incentive systems, network, internationalisation and value creation for stakeholders.

Manage Market Challenges – how to handle market competition. This group consists of academics that know how to make an impact with messages, through branding, with price strategies and tactics, social media, sales, customer segmenting and positioning and value achievement.

At year-end 2014/2015, professor Ragnhild Silkoset took up the post of Dean of Executive programmes, and professor Bendik M. Samuelsen stepped in as Head of Department.

Accounting, Auditing and Law

The Department of Accounting, Auditing and Law contributes to research-based teaching and knowledge development within financial accounting, financial management, auditing, business law, tax, real estate brokerage, shipping, bank and insurance, as well as political economy. The department holds primary responsibility for all teaching within these areas at BI.



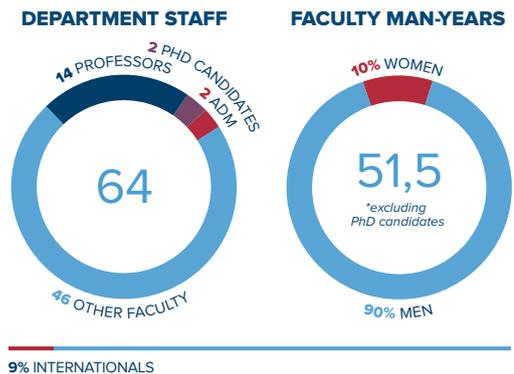
The research activity focuses on business-related law, auditing, accounting regulation/practice, financial management, corporate social responsibility and corporate governance.

The department has a large course portfolio on the BSc, MSc and Executive levels. The department is responsible for the Master of Science in accounting and auditing, the Executive Master of management in tax law, the Bachelor in real estate studies, the Bachelor in accounting and auditing and the Bachelor in economy and company law, as well as several courses and programmes within continuing and further education.

An Executive Master of Management programme was developed in cooperation with the Norwegian Armed Forces in 2014, with specialisation in safety and cultural literacy. The department is responsible for two of the sub-programmes here: "Globalisation, safety and new conflicts" and "Military power, conflict resolution and terrorism".

Several of the department's academic staff received distinctions in 2014, some of the highlights included:

- Jørgen Randers received the Lifetime Achievement Award from System Dynamics Society at their annual conference in Delft with 450 researchers present.
- Paul Henning Fjeldheim received an award as lecturer of the year at BI Bergen
- Hanno Roberts was named "Best Faculty of MBA 17 2014", the BI Fudan programme in China
- Per Espen Stoknes received an award as lecturer/researcher No. 1 in the Executive Master of Management in Energy, autumn 2014
- Tore Bråthen received an award from the Norwegian Association of Real Estate Agents for his noteworthy efforts within brokerage.
- Janicke Rasmussen received a best paper award from the Australian Information Industry Association for "Do Board Evaluations Measure Board Effectiveness? The Case of Large Listed Companies in Norway".



Professor Gudmund Hernes is the head of "Open Forum", a series of meetings discussing leadership with selected key community leaders. Kåre Willoch, Sylvia Brustad, Jens Ulltveit-Moe and Harald Norvik participated in 2014.

Three research centres are associated with the department

- Centre for Climate Strategy rep. by Jørgen Randers and Per Espen Stoknes
- Centre for European and Asian Studies rep. by Kjell Eliassen
- Centre for Corporate Responsibility rep. by Caroline D. Ditlev-Simonsen and Atle Midttun (Department of Innovation and Economic Organisation)

The Department of Economics

The Department of Economics contributes to research-based education and knowledge development in socio-economic disciplines and methods at all levels.



The department works with topics related to labour market economics, international macroeconomics, industrial economics and competition policy, monetary and financial policy, environment and energy economics, mathematics, statistics and econometrics.

The department's employees publish much of their research in top-ranked international professional journals. The academic staff had 24 accepted articles in international journals in 2014, of which more than 70% of the journals were Level 2, the highest level according to the national economics council.

The department has organised three research seminars every month throughout the spring and autumn semesters, where several of the world's leading researchers within Economics have presented new research work.

The department has three research centres that function as broad networks, where academics, market players and key public administration players meet;

- Centre for Applied Macro and Petroleum Economics, CAMP (Head: Hilde C. Bjørnland)
- Centre for Monetary Economics, CME (Head: Arne Jon Isachsen)
- Centre for Research in Economics and Management, CREAM (Head: Espen R. Moen)

The Centre for Applied Macro and Petroleum Economics (CAMP) was very active in 2014. Under the leadership of Hilde C. Bjørnland, the centre organised the "Commodity Price Dynamics and Financialization" conference with professors James Hamilton (University of California San Diego) and Kenneth Singleton (Stanford University) as the main speakers.

Bjørnland's field of research is applied macroeconomics, and in recent years, she has focused her research on the interaction between petroleum and macroeconomics. Along with Leif Anders Thorsrud (who also works in CAMP), she had an article on the petroleum ripple effects published in the recognised

DEPARTMENT STAFF



FACULTY MAN-YEARS



16% INTERNATIONALS

Economic Journal publication. Hilde C. Bjørnland is a member of the government-appointed committee that will carry out a comprehensive assessment of how the petroleum fiscal policy rule is practiced (Thøgersen Committee). She is also a member of the financial policy council in Sweden and is an adviser in the research department in Norges Bank.

In June, BI and the department hosted "the International Conference on Computing in Economics and Finance, CEF 2014" with 350 international participants.

The Centre for Monetary Economics (CME) has carried out seven seminars over the course of 2014 under the leadership of Arne Jon Isachsen. CME also organised Norges Bank Watch, an independent evaluation of Norges Banks' monetary policy, funded by the Ministry of Finance.

Jon H. Fiva was appointed professor in the autumn of 2014, at the age of 36. He took a sabbatical in the 2013/2014 academic year and spent his time at Harvard University. Fiva is an active participant in public debates and published the book "Kommunal Organisering" in 2014 in cooperation with Terje Hagen and Rune Sørensen.

Professor Erling Steigum took over the position Head of Department for Espen R. Moen in September 2014.

The Department of Strategy and Logistics

The Department of Strategy and Logistics is an active, leading and innovative academic centre that develops and communicates expertise within the fields of strategy and logistics.



The department runs courses on the BSc, MSc and PhD levels, as well as courses aimed at the experienced executive market. Several of the department's academic staff teach for leaders in MBA and Master of Management at BI's recognised partner institutions abroad, such as Fudan University in Shanghai and Nanyang Technological University in Singapore.

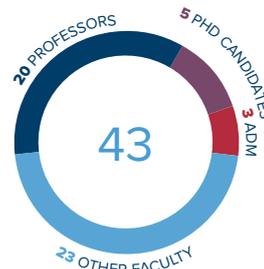
The department has several major research projects concerning industrial competitiveness. The objective is to contribute to highlighting different industries' significance for the Norwegian economy, as well as the opportunities and challenges associated with value creation within some of Norway's most important industries. "Ferjefri E39: næringsøkonomiske gevinster ved fjordkryssing" <Ferry-free 39: industrial economics benefits of fjord crossings> is one of the many research project.

The department places special focus on international recruitment with both Assistant Professors and foreign professor 2 positions. In 2014, Paulina Junni became the first Assistant Professor to qualify for Associate Professor. The department organises a dedicated series of seminars with international guests within the field of strategy. Three Visiting Professors also visited the department over the course of 2014.

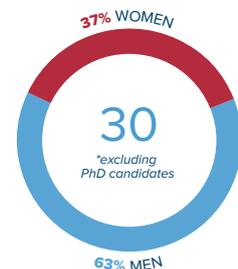
A selection of distinctions and publications from 2014:

- Professor Torger Reve received the distinction as Honorary Doctor at ISM Lithuania
- Professor Bente Løwendahl was awarded the International Research Fellowship at Said Business School
- *Attributional tendencies in cultural explanations of Me#A*, in the Strategic Management Journal, Vol. 35, Issue 9, September 2014, Paulina Junni
- Strategi, Fagbokforlaget, Øystein Fjeldstad and Randi Lunnan
- Teaching with Cases: A Practical Guide, Harvard Business School Publishing, Espen Andersen & Bill Schiano

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FACULTY MAN-YEARS



32% INTERNATIONALS

Five research centres are associated with the department

- Centre for the Construction Industry (Head: Lena Bygballe)
- Centre for Management of Telecom and Network Industry (Head: Øystein Fjeldstad)
- Centre for Technology Strategy (Head: Espen Andersen)
- Centre for International Strategy (Head: Gabriel R.G. Benito)
- Centre for Risk and Insurance Research (Head: Johannes Brinkmann)

Two endowed professorships are associated with the department

- The Telenor Chair of International Strategy and Management (Øystein Fjeldstad)
- Shipowner Tom Wilhelmsen's Foundation Chair in Strategy and Industrial Competitiveness (Torger Reve)

Income statement 1 January – 31 December

Parent company

Group

2014	2013	Note	NOK 1.000	2014
			Operating income	
1 065 342	1 051 263		Tuition fees	1 065 342
38 478	53 598		Income from commissioned research	38 478
258 078	246 205	1	Government subsidies	258 078
45 073	44 176	2, 9	Other operating income	70 213
1 406 971	1 395 242		Total operating income	1 432 111
			Operating expenses	
768 340	784 576	3, 7	Salaries and other personnel costs	769 543
90 660	68 949	5	Ordinary depreciation	100 084
514	805	12	Loss on receivables	514
413 398	407 145	4, 9	Other operating expenses	416 658
1 272 913	1 261 476		Total operating expenses	1 286 799
134 058	133 766		Operating profit	145 312
			Finance income and expenses	
24 362	6 130	9	Finance income	17 931
-51 472	-65 996	6, 9	Finance expenses	-51 475
-27 110	-59 867		Net finance items	-33 544
106 949	73 900		Profit before tax	111 768
0	0	21	Tax expense on taxable activities	-1 470
106 949	73 900		Profit for the year	110 298
			Allocation of profit for the year:	
-8 255	-4 739		Net to/(from) The Research Development Fund	-8 255
0	-8 500		Net to /(from) Fund for Physical Learning Environment	0
-5 200	-4 500		Net to/(from) Fund for MSc and PhD scholarships	-5 200
120 404	91 639		Transferred to other equity	123 753
106 949	73 900		Total allocated and transferred	110 298

Balance sheet as at 31 December

Parent company

Group

2014	2013	Note	NOK 1.000	2014
ASSETS				
Non-current assets				
166 977	115 370	5	Intangible assets	166 977
1 556 647	1 580 142	5, 22	Buildings, technical installations, land	1 999 001
103 144	127 957	5	Machinery, furniture and fixtures, vehicles	130 350
189 659	222	8	Long-term receivables and investments	502
280 296	3 586	10	Shares in subsidiaries	0
2 296 723	1 827 277		Total non-current assets	2 296 830
Current assets				
631	504	11	Inventories	631
113 588	104 409	9, 12	Trade receivables and other short-term receivables	113 251
150 751	109 615	13	Cash and bank deposits	158 414
264 969	214 528		Total current assets	272 296
2 561 692	2 041 806		Total assets	2 569 126

Parent company

Group

2014	2013	Note	NOK 1.000	2014
EQUITY AND LIABILITIES				
Paid-in equity				
1 300	1 300	14	The foundation's capital	1 300
Retained earnings				
50 456	63 912	14	Funds	50 456
438 025	482 601	14	Other equity	441 614
488 482	546 513		Total retained earnings	492 070
489 782	547 813		Total equity	493 370
7 549	7 191	15	Restricted funds	7 549
Provision for obligations				
0	0	21	Deferred tax	3 692
468 558	337 204	7	Pension obligations	468 558
21 342	22 086	17	Other provisions for obligations	21 342
489 900	359 290		Total provision for obligations	493 592
Long-term debt				
1 276 500	840 000	16	Mortgage loan	1 276 500
1 276 500	840 000		Total long-term debt	1 276 500
Short-term debt				
50 488	51 942	9	Trade payables	48 349
57 791	57 830		Public duties payable	57 487
189 682	177 740	9, 20	Other short-term debt	192 278
297 961	287 512		Total short-term debt	298 114
2 561 692	2 041 806		Total equity and liabilities	2 569 126
		18	Assets pledged as security	
		19	Rent commitments	

Trondheim, 13. March 2015



Terje Venold
Chair of the Board



Marianne Stenius
Board Member



Pål Lauritzen
Board Member,
Repr. professional staff



Silje Engeseth
Board Member,
Repr. administrative staff



Maalfrid Brath
Board Member



Gunnar Bjørkavåg
Board Member



Ingunn Myrteveit
Board Member,
Repr. professional staff



Thomas Skovli
Board Member,
Students' representative



Inge Jan Henjesand
President

Statement of cash flows 1 Jan – 31 Dec

Parent company

Group

2014	2013		NOK 1.000	2014
Operating activities				
106 949	73 900		Profit before tax	111 768
90 660	68 949	+/-	Ordinary depreciation	100 084
-12 386	-227	+/-	Loss / (gain) on sale of non-current assets	-12 386
-10 759	-21 732	+/-	Changes in inventories, trade receivables and payables	-15 757
-22 109	21 775	+/-	Changes in other accruals	-15 696
152 356	142 666	= (A)	Net cash flows from operating activities	168 013
Investing activities				
-93 980	-150 172	-	Investments in property, plant and equipment	-100 888
284	484	+	Disposals of property, plant and equipment (sales amount)	284
-189 157	634	+	Payments/disbursements on long-term claims	-189 157
15 233	-	+	Proceeds from sale/liquidation of shares	15 233
-280 098	-	-	Purchase of shares	-280 098
-547 719	-149 054	= (B)	Net cash flows used in investing activities	-554 627
Financing activities				
460 000	-	+	New debt (short-term and long-term)	460 000
-23 500	-30 500	-	Down-payment of debt	-25 908
436 500	-30 500	= (C)	Net cash flows from/(used in) financing activities	434 092
41 137	-36 889	A+B+C	Net change in cash and cash equivalents during the year	47 478
109 615	146 504	+	Cash and bank deposits at 1 January	110 937
150 751	109 615	=	Cash and bank deposits at 31 December	158 415



Til styret i Stiftelsen Handelshøyskolen BI

Revisors beretning

Uttalelse om årsregnskapet

Vi har revidert årsregnskapet for Stiftelsen Handelshøyskolen BI, som viser et overskudd på kr 106 949 000, og konsernregnskapet, som viser et overskudd på kr 110 298 000. Årsregnskapet og konsernregnskapet består av balanse per 31. desember 2014, resultatregnskap, kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Styret og rektors ansvar for årsregnskapet

Styret og rektor er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge, og for slik intern kontroll som styret og rektor finner nødvendig for å muliggjøre utarbeidelsen av et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Revisors oppgaver og plikter

Vår oppgave er å gi uttrykk for en mening om dette årsregnskapet på bakgrunn av vår revisjon. Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder International Standards on Auditing. Revisjonsstandardene krever at vi etterlever etiske krav og planlegger og gjennomfører revisjonen for å oppnå betryggende sikkerhet for at årsregnskapet ikke inneholder vesentlig feilinformasjon.

En revisjon innebærer utførelse av handlinger for å innhente revisjonsbevis for beløpene og opplysningene i årsregnskapet. De valgte handlingene avhenger av revisors skjønn, herunder vurderingen av risikoene for at årsregnskapet inneholder vesentlig feilinformasjon, enten det skyldes misligheter eller feil. Ved en slik risikovurdering tar revisor hensyn til den interne kontrollen som er relevant for stiftelsens utarbeidelse av et årsregnskap som gir et rettviseende bilde. Formålet er å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av stiftelsens interne kontroll. En revisjon omfatter også en vurdering av om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene utarbeidet av ledelsen er rimelige, samt en vurdering av den samlede presentasjonen av årsregnskapet.

Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Konklusjon

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av den finansielle stillingen til Stiftelsen Handelshøyskolen BI og Stiftelsen Handelshøyskolen BI konsern per 31. desember 2014, og av resultater og kontantstrømmer for regnskapsåret som ble avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo

T: 02316, org. no.: 987 009 713 MVA, www.pwc.no

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Uttalelse om øvrige forhold

Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til anvendelse av overskuddet er konsistente med årsregnskapet og er i samsvar med lov og forskrifter.

Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag ISAE 3000 "Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon", mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av stiftelsens regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Konklusjon om forvaltning

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendige i henhold til internasjonal standard for attestasjonsoppdrag ISAE 3000, "Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon", mener vi stiftelsen er forvaltet i samsvar med lov, stiftelsens formål og vedtektene for øvrig.

Oslo, 13. mars 2015
PricewaterhouseCoopers AS

Hans-Christian Berger
 Statsautorisert revisor

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Foto: Truls J. Løvveda

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