

# 95 Annual Report



**SCHIBSTED**

**BOOK PUBLISHING  
PHOTO AGENCY**

*Chr. Schibsteds Forlag AS*  
*Scan-Foto AS*  
NTB (21%)

**TV/FILM**

**TV/FILM**

**RIGHTS**  
*Schibsted Film AS*  
*Norsk FilmDistribusjon AS*

**DISTRIBUTION**

*TV 2 AS (32%)*  
*TvNorge AS (29%)*  
*TV Pluss AS*  
*Kanal 2 (Estonia) (27%)*

**PRODUCTION**

**TV/Commercials**  
*Mutter Film & Television AB (95%)*

**Technical**

*Skandinaviska Filmlaboratorier Holding AB (33%)*  
*FilmTeknikk Norge AS (45%)*  
*Nydalen Studios AS (50%)*  
*ScanCam AS (50%)*

**SCHIBSTED**

*Schibsted Finans AS*  
*Schibsted Eiendom AS*  
*Schibsted Drift AS*

**MULTI MEDIA**

*Schibsted Nett AS*  
*Imedia Norge AS (50%)*

**PRINT**

**NEWSPAPERS**

*Aftenposten AS*  
*Verdens Gang AS*  
*Schibsted Trykk AS*  
*Avisretur AS (51%)*

**REGIONAL NEWSPAPERS**

*AS Adresseavisen (32%)*  
*AS Stavanger Aftenblad (31%)*  
*Fædrelandsveinvenn AS (25%)*  
*Harstad Tidende AS (15%)*  
*Bergens Tidende AS (22%)*  
*AS Asker og*  
*Bærums Budstikke (10%)*

**MULTI MEDIA**

Ajour per 15.3.1996

# Schibsted

## A BRIEF HISTORY

Most of Norway's more than 4 million inhabitants are very likely during the course of a day to come into contact with one of the products from Schibsted, Norway's largest media group.

The company owns Norway's two largest newspapers:

Aftenposten (founded 1860) - published in two daily and one Sunday edition and considered to be the leading source of information in Norway - is a subscription based newspaper published in Oslo. Aftenpostens primary area of coverage is the more heavily populated region of Eastern Norway. Aftenposten has for many years been an important advertising medium for both display and classified advertising.

Aftenposten's political line is independent, liberal-conservative.

Verdens Gang (founded 1945 - acquired by Schibsted in 1966) - Norway's largest and most widely read newspaper - is a national newspaper published 7 days a week in Oslo. The newspaper is printed at several printing plants throughout the country and is distributed to over 12,000 retail outlets throughout Norway. Because of its national coverage, VG is an attractive advertising medium, especially for Brand Advertising. VG pursues an independent, liberal line.

The two newspapers are operated as independent competitive companies. The newspapers play different roles on the media scene, partly as a result of their content, appearance and appeal and partly through the differences in their distribution between subscription-based home delivery and casual sales.

Schibsted ASA also owns a book-publishing house.

In relation to the population, newspaper readership is at an exceptionally high level in Norway. Newspapers have therefore largely been able to retain their position as the most important advertising medium. This is still the case in spite of dramatic changes in the advertising market, not the least after the introduction of commercial television in Norway in the early 1990s, when the state-owned radio and television monopoly was abolished.

The Schibsted group contributed to the formation of the first commercial television company in Norway, TV 2, and today holds 32% of the shares in the channel. Schibsted ASA has launched a supplemental satellite TV-channel, TV+. In February 1996 Schibsted purchased 29% of the shares in TvNorge AS.

The group's media involvement also covers film and TV production and distribution as well as engagements in specialist activities such as studios, film processing, post production, etc., serving Norwegian and Scandinavian customers. Through its various companies, Schibsted ASA has established alliances with other industry players within Scandinavia. The company has also recently invested in an Estonian TV-channel; Kanal Kaks.

As part of its continuous media development, Schibsted ASA last year acquired the company Oslonett, which now represents the group's interest in multimedia under the name of Schibsted Nett.



## Highlights 1995

**JANUARY 10.** New agreement reached in Newsprint negotiations, a hike of 16% accepted for the first 6 months of 1995.

**JANUARY 11.** Extraordinary General Meeting in order to change the Articles of Association to conform with the European Economic Area Treaty regulations giving equal rights to all citizens of the EC and EFTA to own shares in Norwegian companies.

**FEBRUARY 10.** Schibsted acquires 95% of Mutter Holding AB.

**MARCH 1.** As part of the strategy process, 3 Project groups are established; Print Media, TV/Film and Multimedia.

**MARCH 9.** Annual results of 1994 are announced.

**MARCH 27.** TV+ goes on the air.

**APRIL 5.** Schibsted acquires Apotekergaten 10, and decides to build a new office building at Apotekergaten 10/Pilestredet 10.

**MAY 4.** First Quarter 1995 results are announced: The newspapers report improved operating results. Both papers show strong gains in advertising revenues where as VG shows decreasing casual sales.

**MAY 10.** Schibsted ASA AGM.

**JUNE 15.** Schibsted acquires a 27% stake in the Estonian TV Channel; Kanal Kaks.

**JUNE 15.** Board decision on new printing plant investment. Total investment NOK 1.4 billion, operational in 1999.

**JUNE 23.** VG celebrates its 50 Year anniversary, and publishes a book on the history of VG as well as its first CD-ROM. The new media-centre is inaugurated.

**JULY 1.** Newsprint negotiations lead to a new hike in newsprint of 16.5% as of July 1, and a subsequent hike of 3,5% from September 1.

**AUGUST 17.** First Half Year result reports continued strong performance for both newspapers.

**SEPTEMBER 1.** Schibsted enters the world of multimedia; acquires Oslonett AS.

**SEPTEMBER 19.** TV 2 AS assumes the responsibilities of operating TV Pluss AS, in order to offer the Channel as the backbone - "the Norway Channel" - for the local affiliates to be established by government granted franchises.

**SEPTEMBER 22.** Aftenposten takes a 30% share in a local TV-company to enter the bidding process for the local TV-franchise in Oslo.

**NOVEMBER 2.** Aftenposten and Kinnevik form a joint venture, Imedia Norge AS. The company is to market information gathering-services and information broking.

**NOVEMBER 2.** A new Organisational structure is announced. The Schibsted group confirms its strategy to remain a pure media group by establishing three business units; Print Media, TV/Film and Multimedia.

**NOVEMBER 2.** Third Quarter results reported. Circulation losses for VG, but both newspapers show strong performances in advertisement volume.

**NOVEMBER 7.** Jan Hedenstad (46) promoted to Managing Director of Schibsted Trykk AS from his previous position as Productions Manager of VG.

**NOVEMBER 23.** Schibsted submits a bid for the license to publish a daily free commuter newspaper in Oslo.

**DECEMBER 1.** Oslonett AS renamed Schibsted Nett AS, launching the Sn-Horisont service on the Internet.

**DECEMBER 13.** Schibsted, Egmont and Swedish Television agree on a joint operation of all Scandinavian Film-processing laboratories.

**DECEMBER 15.** Birger Magnus (40) appointed as Director in charge of the Print Media business area, Jan Erik Knarbakk (43) appointed as Director in charge of the TV/Film business area.

**DECEMBER 19.** The Board of TV 2 decides to abandon the "Norway Channel" project due to a change of governmental policy decided in the Parliament. The board subsequently decides to sue the government as the Storting removes the exclusive franchise granted to TV 2 to terrestrially transmit nationwide commercial television.

### 1996

**JANUARY 1.** Schibsted retains the operating responsibility for TV+.

**JANUARY 24.** Schibsted enters into a NOK 700 Million Revolving Credit Facility agreement with an international bank syndicate.

**FEBRUARY 1.** Schibsted enters into partnership with TvNorge by acquiring 29% of the shares from SBS - Scandinavian Broadcasting Company SA.

**MARCH 7.** Annual result of 1995 reported. Net profit before taxes; profit NOK 498.3 million, an increase from last year of 8.1%.

## Key Figures

|  | 1995      | 1994      | 1993      | 1992      | 1991      |
|--|-----------|-----------|-----------|-----------|-----------|
| Total revenues (NOK 1 000)                 | 3 347 820 | 3 041 797 | 2 752 823 | 2 625 496 | 2 564 594 |
| Operating profit (NOK 1 000)               | 409 007   | 415 954   | 317 524   | 170 702   | 162 606   |
| Pre-tax profit (NOK 1 000)                 | 498 260   | 460 880   | 427 457   | 230 669   | 278 802   |
| Net operating margin                       | 12.2%     | 13.7%     | 11.5%     | 6.5%      | 6.3%      |
| Gross profit ratio                         | 14.9%     | 15.2%     | 15.5%     | 8.8%      | 10.9%     |
| Profit ratio                               | 10.3%     | 10.4%     | 11.5%     | 6.4%      | 6.6%      |
| Equity ratio                               | 59.5%     | 56.0%     | 50.6%     | 46.5%     | 34.3%     |
| Return on equity                           | 23.5%     | 25.8%     | 27.6%     | 18.1%     | 20.5%     |
| Return on total assets                     | 20.3%     | 21.6%     | 19.2%     | 11.4%     | 11.9%     |
| Current ratio                              | 1.04      | 0.94      | 0.84      | 0.87      | 0.75      |
| EPS (NOK)                                  | 4.99      | 4.56      | 4.55      | 2.47      | 2.57      |
| Cash flow per share (NOK)                  | 8.01      | 7.47      | 6.71      | 5.23      | 4.08      |
| <b>CIRCULATION</b>                         |           |           |           |           |           |
| Aftenposten morning edition, weekdays      | 282 018   | 279 965   | 278 669   | 274 870   | 269 278   |
| Aftenposten evening edition, weekdays      | 186 003   | 188 544   | 198 647   | 197 738   | 195 022   |
| Aftenposten Sunday                         | 218 384   | 217 766   | 225 575   | 219 001   | 213 584   |
| VG, weekdays                               | 371 238   | 386 137   | 377 575   | 374 092   | 365 318   |
| VG, Sunday                                 | 279 362   | 279 030   | 255 809   | 234 955   | 212 039   |
| <b>ADVERTISING VOLUMES (Column metres)</b> |           |           |           |           |           |
| Aftenposten                                | 48 062    | 41 663    | 38 488    | 40 937    | 44 027    |
| VG   | 6 802     | 6 522     | 6 068     | 5 610     | 4 683     |

| <b>PRINT</b>                 | <b>1995</b> | <b>1994</b> |
|------------------------------|-------------|-------------|
| Total revenues (NOK 1 000)   | 2 976 693   | 2 872 345   |
| Operating profit (NOK 1 000) | 422 676     | 402 231     |
| Pre-tax profit (NOK 1 000)   | 523 934     | 480 145     |
| Net operating margin         | 14.2%       | 14.0%       |
| Gross profit ratio           | 17.6%       | 16.7%       |
| Profit ratio                 | 14.5%       | 13.9%       |
| Return on total assets       | 25.6%       | 24.9%       |
| <b>TV/FILM</b>               |             |             |
| Total revenues (NOK 1 000)   | 347 040     | 159 177     |
| Operating profit (NOK 1 000) | (44 970)    | (28 665)    |
| Pre-tax profit (NOK 1 000)   | (24 044)    | (31 014)    |
| Net operating margin         | (13.0%)     | (18.0%)     |
| Gross profit ratio           | (6.9%)      | (19.5%)     |
| Profit ratio                 | (9.1%)      | (20.1%)     |
| Return on total assets       | (3.3%)      | (8.8%)      |
| <b>MULTI MEDIA</b>           |             |             |
| Total revenues (NOK 1 000)   | 13 739      |             |
| Operating profit (NOK 1 000) | (15 655)    |             |
| Pre-tax profit (NOK 1 000)   | (15 822)    |             |
| Net operating margin         | n.a         |             |
| Gross profit ratio           | n.a         |             |
| Profit ratio                 | n.a         |             |
| Return on total assets       | n.a         |             |

### DEFINITIONS

**Net operating margin:** Operating profit/Total revenues

**Gross profit ratio:** Pre-tax profit/Total revenues

**Profit ratio:** Net profit/Total revenues

**Equity ratio:** Equity/Total assets

**Return on equity:** Net profit/Average equity capital

**Return on total assets:** (Pre-tax profit + financial expenses)/Average total assets

**Current ratio:** Current assets/short term liabilities

**Earnings per share:** Net profit/Total outstanding shares

**Cashflow per share:** (Pre-tax profit + depreciation/write-downs +/- net changes in pensions +/- shares of associated companies + royalty\* - taxes payable) /Total outstanding shares

\*) Aftenposten AS from 1992



## The Board of Directors' Report for 1995

The changes in market, technological and legislative conditions for the group's businesses, prompted the parent company during 1995 to focus on the development of a long-term strategy for the group. As a result of this process the following vision for the group has been established:

*Schibsted will achieve future growth and value creation as a focused Norwegian and international media company. Schibsted's ambition is to become Scandinavia's leading media company through being the preferred supplier of content to readers, viewers and advertisers, irrespective of their choice of media.*

In order to secure the implementation of the adopted strategy, a new organisational structure has been established which involves a clearer presentation of the group's three business areas: Printed Media, TV/Film and Multimedia.

### SCHIBSTED GROUP

1995 was an eventful and successful year for the Schibsted group. The strength of the Norwegian economy contributed to growth in the advertising market for both printed media and broadcast media. This involved an increase in advertising volume for both Aftenposten, VG and the regional newspapers where Schibsted holds minority stakes. At the same time strong growth continued in the market for TV advertising, with TV 2 capturing a significant part of this growth.

Total newspaper circulation showed a decline from 1994 to 1995 and the casual sales newspapers were hit hardest by the fall in circulation. After achieving very strong and almost uninterrupted growth since 1966, VG suffered for the first time last year a noticeable reduction in circulation. Weekday circulation in 1995 was reduced by 14,900 copies (approximately 4%) in relation to the peak year 1994, while the drop in relation to 1993 was around 6,300 copies (approximately 1.7%). Despite the drop in circulation in 1995 VG has strengthened its position and increased its market share in the casual sales market.

The regional newspapers maintained circulation levels in 1995, and Aftenposten recorded the strongest growth in circulation among

Norwegian newspapers with an average increase of some 2,000 copies.

Competition in the commercial TV market intensified considerably in 1995. Three new television channels were launched in Norway including Schibsted's own channel, TV+. At the same time the market was much affected by a political process designed to establish better conditions for local TV. This process culminated in December with a decision by Parliament to reject a proposed cooperation between TV 2 and the local TV companies, and instead allow alternative network solutions. In practice the decision represents a termination of TV 2's exclusive right to the terrestrial distribution of commercial TV in Norway.

The latest trend in the media market in 1995 has been the strong focus on electronic services, mainly related to Internet services. The commercial possibilities are still uncertain. This has, however, not prevented national and international media, telecommunications and software companies from devoting considerable resources to the multimedia sector. Schibsted took an important step in this market with the purchase and further development of Oslonett AS, subsequently renamed Schibsted Nett AS.

During 1996 both Schibsted and A-Pressen have signed agreements to buy shares in TvNorge. Schibsted will obtain a holding of 29%, while A-Pressen has the right to buy up to 20% of the shares in the company. TvNorge is working actively to strengthen its position in the local TV market, mainly by increasing distribution through agreements with local TV licensees.

### FINANCE

The group's revenues in 1995 were NOK 3,347.8 million, an increase of 10.1% from the previous year. The operating profit was NOK 409 million, against NOK 416 million the previous year. The operating margin fell from 13.7% in 1994 to 12.2% in 1995. The reason for the lower operating margin was mainly the increase in paper prices, which contributed to a cost increase of NOK 56 million, and an operating loss in TV+ of NOK 52.9 million, and in Schibsted Nett of NOK 15.7 million.

The financial result was NOK 89.9 million, an

increase of NOK 44.9 million from the previous year. Associated companies made a strong contribution to the improvement in the financial result, mainly due to the significant improvement in profits in TV 2, but also to an improved result from the regional newspapers.

The pre-tax profit was NOK 498.3 million, against NOK 460.9 million in 1994. The profit before tax represents 14.9% of sales.

The tax rate fell from 31.4% in 1994 to 30.6% in 1995. The relatively high tax charge is caused by the group being unable to utilise all deferred tax benefits which arise in connection with the expensing of early retirement pensions.

The profit after tax for the year was NOK 345.8 million, against NOK 316.1 million in 1994.

The group's investments in 1995 totalled NOK 300 million, against NOK 400 million in 1994.

#### ORGANISATION

During 1995 considerable emphasis has been given to the implementation of projects involving participation across the group's businesses. The project work has led to specific measures with regard to purchasing and product development, but also has had a pioneering impact on the ability to think across traditional boundaries between companies or disciplines.

Several projects have been completed in the individual companies relating to their own organisational development and the specific challenges they face.

The fact that 1995 proved a good year for Schibsted is largely due to the proactive and positive attitude among employees in all parts of the group. The board wishes to express its acknowledgement and thanks to all employees for their efforts and for work well done in 1995.

#### ENVIRONMENT

The group's companies operate within the limit of current environmental regulations.

In the newspapers all chemicals used in connection with picture handling are recycled within closed systems and disposed of in accordance with relevant regulations. The printing plant at Linderud has established procedures for the collection and processing of waste in an environmentally appropriate manner.

A number of environmental measures have been introduced at the film laboratory in the Film and TV Centre in Nydalen, which puts it in the forefront among environmentally friendly laboratories. Several pilot projects have been carried out with Kodak on the environmental side. The result is that Film Teknikk is the first laboratory in

Europe which has a closed process system where both the fixing agent and rinsing water are treated, and where silver emissions are avoided. In addition the company was the first in the world to complete a project which replaced traditional chemicals with ascorbic acid (vitamin C) in the development of black/ white film.

#### OWNERSHIP STRUCTURE AND SHAREHOLDER POLICY

The price of the Schibsted share at the start of the year was NOK 78. At the end of the year the share price was NOK 86, a rise of 10.3%. The Oslo Stock Exchange All Share Index rose during the same period by 11%.

During the fourth quarter in particular there was increasing interest in the share, which rose from a price of NOK 68 on publication of the third quarter results to a high for the year of NOK 90 on 29. November.

The Board's objective is to maintain the dividend policy which has been practised since the stock exchange introduction, with a stable growth in dividends linked to an ambition to finance the group's investment requirements without raising new equity. In line with this the Board will propose to the Annual General Meeting a dividend of NOK 1.30 per share.

#### FUTURE PROSPECTS

Lower growth is expected in the Norwegian economy in 1996 compared with recent years, but inflation and interest rates are expected to remain low.

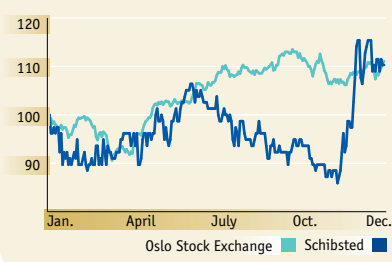
A positive development in the advertising

TABLE 1 SCHIBSTED ASA

| Shareholders                | No of shares per 31.12.95 |
|-----------------------------|---------------------------|
| Blommenholm Industrier AS*  | 17 388 000                |
| Nagell-Erichsen, Einar Chr. | 6 217 553                 |
| Nagell-Erichsen, Wibecke M. | 5 333 752                 |
| Folketrygdfondet            | 5 092 040                 |
| Riddervold, Hans Henrik     | 5 062 175                 |
| Riddervold, Esben Adolf     | 4 589 425                 |
| Jensen, Bjørn Schwartz      | 2 527 945                 |
| Chase Manhattan Bank        | 2 152 880                 |
| Scotford's, Schibsted Guri  | 1 929 000                 |
| Orkla AS                    | 1 348 731                 |
| Benton, Cathrine (estate)   | 1 130 000                 |
| Gjensidige Livsforsikring   | 937 150                   |
| Morgan Guaranty             | 703 774                   |
| Nagell-Erichsen, Tinius     | 695 520                   |
| Armadillo AS                | 500 000                   |
| Vital Forsikring AS         | 492 000                   |
| Benton, Emma Louise         | 460 000                   |
| Benton, IanMungo Park       | 460 000                   |
| Benton, Paul Hans           | 460 000                   |
| Royal Bank of Scotland      | 434 162                   |

\* 100% owned by Tinius Nagell-Erichsen  
Foreign shareholders generally have custody arrangements with international banks and the beneficial shareholder is thus not necessarily shown in the shareholder register

Fig. 1 ~ Schibsted ASA vs. Oslo Stock Exchange  
3 JANUARY - 29 DECEMBER 1995



market is expected, but growth is likely to level off, particularly compared with the marked expansion recorded in the TV advertising market. The trend in newspaper circulation from 1995 has continued in 1996 and presents important challenges to the casual sales newspapers with regard to maintaining their high circulation levels.

In order to be able to further strengthen the

newspapers the group Board of Directors approved an investment in a new, modern printing plant in Nydalen, involving a total investment budget of NOK 1.4 billion. The new printing plant will become operational in 1999 and will provide the newspapers with optimal conditions for further product development in the new competitive situation.

The group's investments in the business area TV/Film will be further expanded in

1996. This is particularly the case in the field of creative program production and the rights area. Work to establish TvNorge as the leading network supplier to local TV stations will also be given priority. Due to the partial disposal of the laboratory business with effect from the first quarter of 1996, the group's revenues in the field of technical production will be reduced, however, compared with last year.

The multimedia sector will be marked by strong growth, but the market is still very immature and relatively undeveloped. The establishment of alliances, the development of business concepts and increases in the group's own expertise will continue to be important elements in 1996.

Growth opportunities for Schibsted in Norway in the group's traditional markets will be limited as a result of its existing market positions in the home market. An assessment of growth opportunities outside Norway will therefore represent an important challenge in the years to come.

#### SCHIBSTED ASA

Schibsted ASA is the parent company of the Schibsted group. The operating revenues of Schibsted ASA mainly represent royalty income from Verdens Gang AS, while operating expenses relate to the ongoing operation of the group administration. Growth in operating expenses has mainly been caused by an increase in project costs.

The operating profit in 1995 was NOK 4.5 million, while the profit before tax was NOK 17.8 million. Group contributions from subsidiaries totalled NOK 251.7 million, while group contributions to subsidiaries amounted to NOK 77.5 million.

The group's financial management is undertaken by the wholly owned subsidiary Schibsted Finans AS.



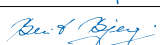
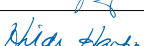
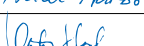
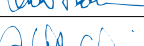
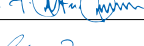

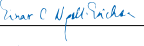
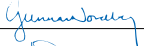
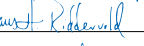
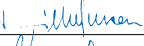
At the end of 1995 Schibsted ASA had 17 employees, with the Group Chief Executive as Managing Director, while the Schibsted group at the same date had 2,228 employees. The working environment is good and the company does not pollute the external environment.

The company's share capital is NOK 69,250,000. The Chairman of the Board, Tinius Nagell-Erichsen, owns directly and indirectly 26.1% of the company's shares. Kjell Aamot, the Group Chief Executive, owns 4,175 shares. The company's auditor does not own any shares in the company.

#### ALLOCATION OF THE RESULT FOR THE YEAR IN SCHIBSTED ASA

The board of Schibsted ASA proposes the following allocation of the result for the year:

|                              |     |              |
|------------------------------|-----|--------------|
| Profit for the year          | NOK | (33 795 237) |
| Group contributions          | NOK | 174 167 333  |
| Transferred from temporarily |     |              |
| non-distributable reserve    | NOK | 20 560 000   |
| For allocation               | NOK | 160 932 096  |
| Proposed allocation:         |     |              |
| Dividend                     | NOK | 90 025 000   |
| Contingency reserve          | NOK | 70 907 096   |
| Total allocation             | NOK | 160 932 096  |

|                            |   |
|----------------------------|---|
| Tinius Nagell-Erichsen     |  |
| Ole Lund                   |  |
| Berit Bjerg                |  |
| Hilde Harbo                |  |
| Cato A. Holmsen            |  |
| Bjørn Atle Holter-Hovind   |  |
| Catharina Jacobsen         |  |
| Einar Chr. Nagell-Erichsen |  |
| Gunnar Nordby              |  |
| Hans Henrik Riddervold     |  |
| Kristian Wilhelmsen        |  |
| Kjell Aamot                |  |
| Chief Executive Officer    |   |

#### THE COMPOSITION OF THE COMPANY'S BOARD OF DIRECTORS IS AS FOLLOWS (SHAREHOLDINGS AT 31.12.95)

|                                       |            |
|---------------------------------------|------------|
| Tinius Nagell-Erichsen, Chairman**    | 18,083,520 |
| Ole Lund, Deputy Chairman             | 0          |
| Berit Bjerg* (from 10.5.95)           | 175        |
| Hilde Harbo*                          | 175        |
| Cato A. Holmsen                       | 0          |
| Bjørn Atle Holter-Hovind              | 0          |
| Catharina Jacobsen* (from 10.5.95)    | 0          |
| Inger Marit Jacobsen* (until 10.5.95) | 5          |
| Einar Chr. Nagell-Erichsen            | 6,217,553  |
| Gunnar Nordby*                        | 175        |
| Hans Henrik Riddervold                | 5,062,175  |
| Kristian Wilhelmsen                   | 0          |
| Olav Aardalsbakke* (until 10.5.95)    | 175        |

\* Employee representative

\*\* 17,388,000 shares controlled through the company Blommenholm Industrier AS.



## Board of Directors 95



**Tinius Nagell-Erichsen (62)**  
~ B.A., M. Sc. Econ. LSE. Member of the Board of Aftenposten AS and Verdens Gang AS. Chairman of Fædrelandsvennen AS. Former journalist in Aftenposten and other newspapers. Manager of Verdens Gang AS and Managing Director of Aftenposten AS. Chairman of the Norwegian Newspaper Employers Federation for several periods between 1972 and 1987. Chairman of the Board of Management of Schibsted AS for several periods.



**Bjørn Atle Holter-Hovind (51)**  
~ Business graduate (Universität Mannheim and MBA from INSEAD, Fontainebleau). Independent businessman. Chairman of B. Skaugen Shipping AS and Intersport AS. Board member of Bergens Tidende AS, Verdens Gang AS and Intersport International, Switzerland.



**Ole Lund (61)**  
~ Law graduate 1959, lawyer 1968. Partner in the law firm Lund, Gundersen & Co. Former Managing Director of the Nordic Shipowners Association (Nordisk Skipsrederforening) 1978-1986 and Chairman of Den norske Bank. Chairman of the Oslo Stock Exchange and Protector Forsikring. Deputy chairman of Transocean AS and board member of Bergesen d.y AS and Burmeister & Wain.



**Catharina Jacobsen (39)**  
~ Employed as a journalist in Verdens Gang since 1987. Member of the editorial staff union, head of the union 1991-1993. Member of the editorial union negotiating team since 1971. Member of the board of the Norwegian Journalist Union since 1993.



**Einar Chr. Nagell-Erichsen (37)**  
~ BSBA (Finance) 1982 and MBA (Finance) 1986, University of Denver. Independent businessman. Chairman of AS Meridian. Board member of Verdens Gang AS, HandiCare AS, Hotell Holding AS, Alvern Norway AS, Arena Eiendom AS, Sponsor Service AS and Winge Reisebureau A.S. Deputy Chairman of the committee of shareholders' representatives Industri og Skipsbanken AS.



**Berit Bjerg (54)**  
~ Employed in Aftenposten since 1987. Sales representative in the Advertising Department, Real Estate. Head of the Union of Press Employees in Aftenposten since 1992.



**Gunnar Nordby (53)**  
~ Qualified typographer 1962. Employed in Aftenposten AS since 1955. General Secretary of Aftenposten's printing union. Member of management and national committees of Norwegian Union of Graphical Workers.



**Hilde Harbo (36)**  
~ Politics graduate. Employed in Aftenposten AS since 1985 and a member of the political editorial staff since 1989. Former positions: Deputy head of Aftenposten's editorial staff union. Deputy employee member of the Board of Schibsted 1990-1993. Vice-president of the Norwegian Parliamentary correspondents group and member of the Board of the Oslo Chapter of the Journalist Union.



**Hans Henrik Riddervold (37)**  
~ BA (Marketing) University of Colorado, Boulder 1984, MBA (Finance) University of Denver 1988. Independent businessman. Newspaper experience from the Gannett group in the USA and Süddeutsche Verlag AG in Munich. Board Member of Aftenposten AS.



**Cato A. Holmsen (55)**  
~ Engineering graduate from ETH Zürich. Additional studies at University of Newcastle and IMED 1973. President in Aker a.s. Board member of Aftenposten AS, Eiendomsspar AS, Victoria Eiendom AS, Partek Oy AB and in subsidiaries of the Aker group.



**Kristian Wilhelmssen (54)**  
~ Certified public accountant and farmer. Own auditing firm 1968-1985. Managing Director of Lyons Seafood in England (1985-88) and board member from 1995. Board member in Sparebanken Jevnaker/Lunner. Deputy Chairman of the Board of Verdens Gang AS.

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# Profit & Loss Statement

SCHIBSTED~CONSOLIDATED

| (NOK 1 000)                     | NOTES | 1995             | 1994             | 1993             |
|---------------------------------|-------|------------------|------------------|------------------|
| <b>REVENUES</b>                 |       |                  |                  |                  |
| Subscription revenues           |       | 464 859          | 457 810          | 443 566          |
| Retail sales revenues           |       | 1 097 307        | 1 122 192        | 1 038 887        |
| Advertising revenues            |       | 1 283 924        | 1 167 176        | 1 094 470        |
| Other revenues                  |       | 501 730          | 294 619          | 175 900          |
| <b>Total revenues</b>           |       | <b>3 347 820</b> | <b>3 041 797</b> | <b>2 752 823</b> |
| <b>OPERATING EXPENSES</b>       |       |                  |                  |                  |
| Raw materials                   |       | 280 744          | 224 829          | 237 338          |
| Personnel expenses              |       | 1 188 906        | 1 106 606        | 1 090 671        |
| Other operating expenses        |       | 1 295 696        | 1 159 616        | 998 341          |
| Losses on accounts receivables  |       | 13 200           | 11 080           | 11 447           |
| Ordinary depreciation           | 7     | 160 267          | 123 712          | 97 502           |
| <b>Total operating expenses</b> |       | <b>2 938 813</b> | <b>2 625 843</b> | <b>2 435 299</b> |
| <b>OPERATING PROFIT</b>         |       | <b>409 007</b>   | <b>415 954</b>   | <b>317 524</b>   |
| <b>FINANCIAL ITEMS</b>          |       |                  |                  |                  |
| Financial income                |       | 47 764           | 41 741           | 154 021          |
| Financial expenses              |       | (17 368)         | (25 360)         | (22 816)         |
| Share of associated companies   | 5     | 59 530           | 28 598           | (21 581)         |
| <b>Net financial items</b>      |       | <b>89 926</b>    | <b>44 979</b>    | <b>109 624</b>   |
| <i>Minority interests</i>       |       | <i>( 673)</i>    | <i>( 53)</i>     | <i>309</i>       |
| <b>PRE-TAX PROFIT</b>           |       | <b>498 260</b>   | <b>460 880</b>   | <b>427 457</b>   |
| Taxes                           | 9     | 152 466          | 144 772          | 112 184          |
| <b>NET PROFIT</b>               |       | <b>345 794</b>   | <b>316 108</b>   | <b>315 273</b>   |

# Balance Sheet

SCHIBSTED~CONSOLIDATED



| (NOK 1 000)                                       | NOTES     | 31.12.95         | 31.12.94         | 01.01.94         |
|---|-----------|------------------|------------------|------------------|
| <b>ASSETS</b>                                     |           |                  |                  |                  |
| Cash and deposits                                 | 2         | 491 645          | 341 279          | 267 911          |
| Debtors   |           | 326 350          | 300 312          | 253 101          |
| Other short term receivables                      | 3         | 75 083           | 59 257           | 71 460           |
| <b>Total current assets</b>                       |           | <b>893 078</b>   | <b>700 848</b>   | <b>592 472</b>   |
| Other shares and interests                        | 4,5       | 442 218          | 361 447          | 334 521          |
| Long-term receivables                             | 6,12      | 97 112           | 165 254          | 220 934          |
| Work in progress                                  | 7         | 8 770            | 4 100            | 5 151            |
| Machinery, equipment and goodwill                 | 7         | 429 195          | 356 234          | 240 224          |
| Buildings and land                                | 7         | 781 660          | 744 359          | 617 611          |
| Net pension assets                                | 8         | 34 713           | 65 719           | 95 529           |
| <b>Total fixed assets</b>                         |           | <b>1 793 668</b> | <b>1 697 113</b> | <b>1 513 970</b> |
| <b>TOTAL ASSETS</b>                               |           | <b>2 686 746</b> | <b>2 397 961</b> | <b>2 106 442</b> |
| <b>LIABILITIES/SHAREHOLDERS EQUITY</b>            |           |                  |                  |                  |
| Creditors   |           | 115 005          | 104 848          | 105 072          |
| National insurance, accrued wages                 |           | 229 895          | 205 838          | 188 952          |
| Taxes payable                                     | 9         | 151 001          | 144 019          | 120 566          |
| Other current liabilities                         |           | 269 095          | 207 561          | 218 646          |
| Proposed dividend                                 |           | 90 025           | 79 638           | 69 250           |
| <b>Total current liabilities</b>                  |           | <b>855 021</b>   | <b>741 904</b>   | <b>702 486</b>   |
| Other long-term debt                              |           | 13 522           | 107 088          | 106 539          |
| Deferred tax                                      | 9         | 4 944            | 1 704            |                  |
| Pension liabilities                               | 8         | 211 174          | 202 937          | 189 150          |
| <b>Total long-term debt</b>                       |           | <b>229 640</b>   | <b>311 729</b>   | <b>295 689</b>   |
| <i>Minority interests</i>                         |           | <i>2 176</i>     | <i>1 477</i>     | <i>1 501</i>     |
| Share capital (69,250,000 shares of NOK 1)        |           | 69 250           | 69 250           | 69 250           |
| Legal reserves                                    |           | 331 152          | 289 588          | 250 866          |
| Temporarily non distributable reserves            |           | 47 876           | 97 306           | 146 718          |
| <b>Total restricted equity</b>                    |           | <b>448 278</b>   | <b>456 144</b>   | <b>466 834</b>   |
| Retained earnings                                 |           | 1 151 631        | 886 707          | 639 932          |
| <b>Unrestricted equity</b>                        |           | <b>1 151 631</b> | <b>886 707</b>   | <b>639 932</b>   |
| <b>Total equity</b>                               | <b>10</b> | <b>1 599 909</b> | <b>1 342 851</b> | <b>1 106 766</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |           | <b>2 686 746</b> | <b>2 397 961</b> | <b>2 106 442</b> |
| Assets provided as collateral                     | 11        |                  | 94 894           | 100 862          |
| Guarantees  | 13        | 37 503           | 37 768           | 8 400            |

# Cashflow analysis

SCHIBSTED~CONSOLIDATED

| (NOK 1 000)  | 1995             | 1994             | 1993             |
|--|------------------|------------------|------------------|
| <b>CASHFLOW FROM OPERATIONS</b>                                  |                  |                  |                  |
| Net cashflow generated from operations <sup>1)</sup>             | 401 045          | 380 009          | 341 235          |
| Changes in inventories, debtors, creditors<br>and other accruals | 54 373           | 4 410            | (11 681)         |
| <b>Net cashflow - operations</b>                                 | <b>455 418</b>   | <b>384 419</b>   | <b>329 554</b>   |
| <b>CASHFLOW FROM INVESTMENT</b>                                  |                  |                  |                  |
| Investments in fixed assets                                      | (189 483)        | (373 681)        | (261 042)        |
| Sale of fixed assets   | 4 904            | 4 187            | 7 587            |
| Changes in other investments                                     | 46 901           | 56 190           | (114 112)        |
| Acquisition of subsidiary companies                              | (72 188)         |                  |                  |
| <b>Net cashflow - investments</b>                                | <b>(209 866)</b> | <b>(313 304)</b> | <b>(367 567)</b> |
| <b>CASHFLOW FROM FINANCING</b>                                   |                  |                  |                  |
| Exchange differences   | 1 068            |                  |                  |
| Change in long term debt   | (96 254)         | 2 253            | 2                |
| <b>Net cashflow - financing</b>                                  | <b>(95 186)</b>  | <b>2 253</b>     | <b>2</b>         |
| Net change in liquid assets during the year                      | 150 366          | 73 368           | (38 011)         |
| Liquid assets at 1 January                                       | 341 279          | 267 911          | 305 922          |
| <b>Liquid assets at 31 December</b>                              | <b>491 645</b>   | <b>341 279</b>   | <b>267 911</b>   |
| <sup>1)</sup> Created from operations:                           |                  |                  |                  |
| Pre-tax profit   | 498 260          | 460 880          | 427 148          |
| +/- Minority interests   | 673              |                  |                  |
| +/- Ordinary depreciations                                       | 166 944          | 129 481          | 102 277          |
| +/- Gain on sale of fixed assets                                 | (3 565)          | (1 694)          | (4 154)          |
| +/- Change in net pension assets                                 | 31 006           | 29 810           | (41 583)         |
| +/- Change in pension liabilities                                | 8 237            | 13 787           | 25 897           |
| +/- Taxes payable  | (150 955)        | (144 019)        | (120 681)        |
| +/- Dividend   | (90 025)         | (79 638)         | (69 250)         |
| +/- Share of associated companies                                | (59 530)         | (28 598)         | 21 581           |
| <b>Net cashflow generated from operations</b>                    | <b>401 045</b>   | <b>380 009</b>   | <b>341 235</b>   |

# Notes to the Accounts 1995

SCHIBSTED ~ CONSOLIDATED



All figures in NOK 1 000 unless otherwise specified.

## 1. ACCOUNTING PRINCIPLES

### **Consolidation of subsidiary companies**

The consolidated accounts include the companies where Schibsted ASA, either directly or through subsidiaries, owns more than 50% of the voting shares.

In the consolidated accounts, all major intercompany items, transactions during the year and internal profits have been eliminated. The cost price of shares in subsidiaries is set off against the equity capital of the subsidiaries at the time of acquisition or establishment. Any values which exceed the underlying equity in the subsidiaries are attributed to the assets to which such values relate. If a subsidiary is not wholly owned, the external shareholders' interests are shown as minority interests. The subsidiaries included in the consolidated accounts are shown in Note 4.

### **Associated companies**

Associated companies are defined as companies where Schibsted ASA, either directly or through subsidiaries, owns between 20% and 50% of the voting shares. Associated companies are presented in the group's profit and loss account and balance sheet in accordance with the equity method on a separate line under Financial income and Shares and interests, respectively. The associated companies included in the consolidated accounts are presented in Note 5.

### **Operating revenues**

Subscription revenues are invoiced in advance, but a provision is made for unearned income. A provision is made for estimated casual sales returns.

### **Inventory**

Inventory is valued at estimated cost price less a reduction for obsolescence.

### **Shares and bonds**

Bonds held as current assets are managed on a portfolio basis, and valued at the lower of aggregate cost and aggregate market value. Shares held as fixed assets are valued at cost. The shares are written down to the extent necessary according to generally accepted accounting principles.

### **Currency adjustment of foreign subsidiaries**

The profit and loss account of foreign subsidiaries, denominated in the applicable foreign currency, is recalculated based on the average exchange rate for the year. The balance sheet is based on the exchange rate as per 31 December. Any conversion differences are recorded directly against the consolidated equity.

### **Accounts receivable**

Accounts receivable from customers are shown net of provisions for expected losses.

### **Long-term operating assets/ordinary depreciation**

Capitalized operating assets consist of investments which

provide for an increase in capacity or a significant improvement in quality. Ordinary depreciation is calculated linearly according to the following rates:

|   |                     |
|---|---------------------|
| Buildings:  | 2-4%                |
| Machinery:  | 12.5-20%            |
| Vehicles:   | 20%                 |
| Fittings/computers:                                   | 12.5-33%            |
| Goodwill and excess value<br>in associated companies: | 5-20%               |
| Leasehold improvements:                               | Over the lease term |

The depreciation rate on buildings must be considered against the background that most of the buildings are older properties acquired in 1992.

Profits or losses on sales of fixed assets are calculated as the difference between the sales price and book value and presented net under Other operating revenues (profits) or Other operating expenses (losses).

### **Prepaid royalty**

Prepaid royalty is amortised in line with the annual payments from Aftenposten AS, equivalent to approximately 1/5 of the original claim per year.

### **Pensions and pension liabilities**

Net pension costs for the year are calculated as the sum of the net present value of the year's accrued pension earnings (including estimated future wage adjustments) and the interest cost of the capitalized pension liability at the start of the year, less the estimated return on all pension assets, corrected for the amortized effect of any changes in the pension scheme, estimates and variations.

The valuation of pension assets and accrued pension liabilities is based on estimates made at the year-end. The estimates are adjusted annually according to schedules provided by Vital Forsikring AS for the assets' transfer value and the actuarial value of the pension obligations. The effects of changes in estimates and variations between estimated and realized returns on pension assets is charged to the profit and loss account only when the accumulated effect is more than 10% of the value of the greater of pension assets and pension liabilities. The charge is then distributed over the average remaining accrual time, estimated at 15 years.

Net pension cost is presented entirely under personnel expenses. In the balance sheet net pension assets within the collective pension scheme are classified as fixed assets, whereas uncovered pension liabilities are classified as long-term debt.

### **Deferred tax/deferred tax benefits**

Deferred tax is estimated at 28% on the basis of the timing differences which exist at the end of the accounting year between book and tax values and the tax losses carried forward. Negative and positive timing differences which reverse or may be reversed in the same period are set off and entered net.

## 2. CASH, BANK AND DEPOSITS

Aftenposten AS and Verdens Gang AS have provided bank guarantees totalling NOK 52 (52) million for maximum withholding tax obligations. Additional withholding tax obligations, NOK 4.1 (2.4) million, are held in separate accounts.

Spesication of Cash, bank and deposits:

|                                      | 31.12.95   | 31.12.94   |
|--------------------------------------|------------|------------|
| Cash and bank deposits               | 165        | 111        |
| Bonds                                | 245        | 130        |
| Certificates                         | 50         |            |
| Equity funds                         | 10         |            |
| Other liquid assets                  | 22         | 100        |
| <b>Total cash, bank and deposits</b> | <b>492</b> | <b>341</b> |

## Group account system

Schibsted uses a group account system in order to optimize liquidity management. The companies participating in this arrangement are jointly and severally liable to the bank for all liabilities arising under the group account arrangement.

## 3. OTHER CURRENT ASSETS

|                                     | 31.12.95      | 31.12.94      |
|-------------------------------------|---------------|---------------|
| Prepayment to suppliers             | 1 079         | 2 725         |
| Capitalized film investments        | 5 500         | 9 900         |
| Other short term receivables        | 40 686        | 32 665        |
| Products in process                 | 18 650        |               |
| Inventory                           | 9 168         | 13 967        |
| <b>Total short term receivables</b> | <b>75 083</b> | <b>59 257</b> |

The group has provided loans to employees totalling NOK 2.4 (1.6) million.

## 4. SHARES

|   | Company's share capital<br>(Figures in NOK 1 000) | Number of<br>Shares | Shares<br>per value | Book value<br>Parent Consolidated<br>(Figures in NOK 1 000) |
|---|---|---------------------|---------------------|---|
| <i>Subsidiaries owned by Schibsted ASA</i>          |   |                     |                     |   |
| Aftenposten AS                                      | 30 000  | 300 000             | 100                 | 30 000  |
| Verdens Gang AS                                     | 25 000  | 250 000             | 100                 | 25 000  |
| Chr. Schibsteds Forlag AS                           | 60  | 600                 | 100                 | 30  |
| Scan-Foto AS  | 1 550   | 1 550               | 1 000               | 1 550   |
| Schibsted Eiendom AS                                | 900   | 9 000               | 100                 | 900   |
| Schibsted Film AS                                   | 10 000  | 100 000             | 100                 | 10 000  |
| Schibsted Finans AS                                 | 10 000  | 100 000             | 100                 | 10 000  |
| TV Pluss AS   | 3 500   | 35 000              | 100                 | 3 500   |
| Schibsted Nett AS                                   | 625   | 62 500              | 10                  | 23 860  |
| Schibsted Trykk AS                                  | 900   | 180                 | 1 000               | 180   |
| Osloavisen AS                                       | 50  | 500                 | 100                 | 50  |
| Mutter Film & Television AB                         | 101   | 32 133              | 3                   | 65 413  |
| <b>Total shares in subsidiary companies</b>         |   |                     |                     | <b>170 483</b>  |
| <i>Subsidiaries owned by other group companies:</i> |   |                     |                     |   |
| Meglernes Listeservice AS                           | 550   | 154                 | 3 571               | 3 000   |
| A-Foto AS   | 50  | 10                  | 5 000               | 50  |
| Avisretur AS  | 1 500   | 765                 | 1 000               | 765   |
| FilmTeknikk Norge AS                                | 4 000   | 36 400              | 100                 | 3 840   |
| Film og Video Post Production AS                    | 2 400   | 24 000              | 100                 | 2 400   |
| Lab 16 AS   | 200   | 2 000               | 100                 | 200   |
| IF Communication Animasjon AS                       | 200   | 200                 | 1 000               | 987   |
| Eurolab AS (DKK)                                    | 1 000   | 10                  | 100 000             | 1 110   |
| FilmTeknik AB (SEK)                                 | 5 600   | 56 000              | 100                 | 14 000  |
| Mutter Media AB                                     | 3 382   | 33 824              | 100                 | 11 643  |
| Rubicon TV AS                                       | 2 000   | 20 000              | 100                 | 2 000   |
| Moland Film Company Norge AS                        | 200   | 200                 | 1 000               | 800   |
| Moland Film Comp. AS (DKK)                          | 300   | 270                 | 1 000               | 621   |
| Norsk FilmDistribusjon AS                           | 50  | 100                 | 500                 | 903   |
| Schibsted Drift AS                                  | 900   | 900                 | 1 000               | 900   |
| Schibsted Trykk AS                                  | 900   | 720                 | 1 000               | 720   |
| Akersgaten 34 AS                                    | 50  | 100                 | 500                 | 13 054  |
| AS IRO  | 300   | 300                 | 1 000               | 12 750  |
| Akersgaten 55 AS                                    | 1 000   | 10 000              | 100                 | 950   |
| Other shares  |   |                     |                     | 1 793   |
| <b>Total shares owned by other group companies</b>  |   |                     |                     | <b>72 486</b>   |



## (4. SHARES Cont.)

|   | <i>Company's share capital<br/>(Figures in NOK 1 000)</i> | <i>Number of<br/>Shares</i> | <i>Shares<br/>per value</i> | <i>Book value<br/>Parent Consolidated<br/>(Figures in NOK 1 000)</i> |                |
|---|---|-----------------------------|-----------------------------|--|----------------|
| <i>Shares in associated companies:</i>      |   |                             |                             |  |                |
| Fædrelandsvennen AS                         | 24 000  | 80 000                      | 75                          | 15 000   | 40 312         |
| Fædrelandsvennen Trykkeri AS                | 200   | 50 000                      | 1                           | 20   | 1 503          |
| AS Adresseavisen                            | 38 033  | 608 680                     | 20                          | 105 740  | 116 693        |
| AS Stavanger Aftenblad                      | 7 500   | 235 014                     | 10                          | 59 286   | 92 815         |
| Imedia Norge AS                             | 1 000   | 500                         | 1 000                       |  | 0              |
| NTB AS                                      | 12 761  | 5 268                       | 500                         |  | 13 302         |
| TV 2 AS                                     | 233 333   | 734 300                     | 100                         | 90 248   | 96 997         |
| Kanal 2, Estonia (EEK)                      | 21 600  |                             |                             | 8 319  | 7 075          |
| Landet MidtiMellom AS                       | 720   | 3 411                       | 100                         |  | 0              |
| Nydalen Studios AS                          | 12 500  | 62 500                      | 100                         |  | 0              |
| ScanCam AS                                  | 500   | 250                         | 1 000                       |  | 2 945          |
| Sandrew Metronome KB                        |   |                             |                             |  | 3 220          |
| Akersgaten 32 AS                            | 750   | 60                          | 6 250                       |  | 2 137          |
| <b>Total shares in associated companies</b> |   |                             |                             | <b>278 613</b>   | <b>376 999</b> |
| <i>Shares in other companies:</i>           |   |                             |                             |  |                |
| Bergens Tidende AS                          | 15 593  | 211 801                     | 10                          | 37 286   | 37 286         |
| Harstad Tidende AS                          | 8 000   | 300                         | 4 000                       | 3 000  | 3 000          |
| Asker & Bærum Budstikke AS                  | 10 200  | 103 956                     | 10                          | 20 781   | 20 781         |
| UNI Storebrand AS                           | 1 882 094   | 415 394                     | 5                           | 9  | 2 924          |
| Andre aksjer                                |   |                             |                             |  | 1 228          |
| <b>Total other shares</b>                   |   |                             |                             | <b>61 076</b>  | <b>65 219</b>  |
| <b>Total shares and interests</b>           |   |                             |                             | <b>339 689</b>   | <b>442 218</b> |

## 5. INVESTMENTS IN ASSOCIATED COMPANIES

|                                   | <i>Holding</i> | <i>Book value<br/>1.1.95</i> | <i>Net additions<br/>in period</i> | <i>Share of<br/>results</i> | <i>Shareholder<br/>contribution</i> | <i>Dividend<br/>received</i> | <i>Book value<br/>31.12.95</i> |
|-----------------------------------|----------------|------------------------------|------------------------------------|-----------------------------|-------------------------------------|------------------------------|--------------------------------|
| AS Fædrelandsvennen               | 25,00%         | 36 290                       | -                                  | 5 862                       | -                                   | (1 840)                      | 40 312                         |
| Fædrelandsvennen Trykkeri AS      | 25,00%         | 1 503                        | -                                  | -                           | -                                   | -                            | 1 503                          |
| Adresseavisen - Consolidated      | 32,00%         | 111 519                      | -                                  | 10 043                      | -                                   | (4 869)                      | 116 693                        |
| AS Stavanger Aftenblad            | 31,33%         | 83 684                       | -                                  | 11 481                      | -                                   | (2 350)                      | 92 815                         |
| Imedia Norge AS                   | 50,00%         | -                            | 500                                | ( 500)                      | -                                   | -                            | -                              |
| NTB                               | 20,60%         | 12 131                       | -                                  | 1 329                       | -                                   | ( 158)                       | 13 302                         |
| TV 2 AS                           | 31,47%         | 48 391                       | 17 354                             | 31 252                      | -                                   | -                            | 96 997                         |
| Kanal 2, Estonia                  | 27,00%         | -                            | 8 319                              | (1 244)                     | -                                   | -                            | 7 075                          |
| Landet MidtiMellom AS             | 48,50%         | -                            | 8                                  | (1 128)                     | 1 120                               | -                            | -                              |
| Nydalen Studios AS                | 50,00%         | 1 640                        | -                                  | (1 640)                     | -                                   | -                            | -                              |
| Sandrew Metronome KB              | 25,00%         | -                            | -                                  | 3 220                       | -                                   | -                            | 3 220                          |
| ScanCam AS                        | 50,00%         | 2 090                        | -                                  | 855                         | -                                   | -                            | 2 945                          |
| AS Akersgaten 32                  | 50,00%         | 2 137                        | -                                  | -                           | -                                   | -                            | 2 137                          |
| <b>Total associated companies</b> |                | <b>299 385</b>               | <b>26 181</b>                      | <b>59 530</b>               | <b>1 120</b>                        | <b>(9 217)</b>               | <b>376 999</b>                 |

The share of the results is shown after goodwill depreciation of NOK 4 690. Goodwill at the end of the period amounts to NOK 83 177

## 6. LONG TERM RECEIVABLES

|                                    | <i>31.12.95</i> | <i>31.12.94</i> |
|------------------------------------|-----------------|-----------------|
| Prepaid royalty                    | 36 640          | 88 521          |
| Loans to associated companies      | 45 650          | 57 500          |
| Other long term receivables        | 14 822          | 19 233          |
| <b>Total long term receivables</b> | <b>97 112</b>   | <b>165 254</b>  |

The profit and loss account is charged NOK 51.9 (48.8) million relating to royalty.

## 7. OPERATING ASSETS

|                            | <i>Machinery</i> | <i>Vehicles</i> | <i>Fittings computers</i> | <i>Commercial properties</i> | <i>Land</i> | <i>Goodwill</i> | <i>Construction in progress</i> | <i>Total improvements</i> |          |
|----------------------------|------------------|-----------------|---------------------------|------------------------------|-------------|-----------------|---------------------------------|---------------------------|----------|
| Acquisition cost 1.1.95    | 597 157          | 52 359          | 347 960                   | 609 809                      | 150 905     | 14 970          | 4 100                           | 1 777 260                 | 74 084   |
| Additions 1995             | 33 314           | 15 036          | 79 142                    | 47 075                       | 1 400       | 84 495          | 9 748                           | 270 210                   | 13 004   |
| Transfers                  | (1 684)          | –               | 32 753                    | 1 099                        | –           | –               | (4 100)                         | 28 068                    | (28 068) |
| Disposals 1995             | (3 313)          | (9 673)         | (3 173)                   | –                            | –           | –               | –                               | (16 159)                  | –        |
| Acquisition cost 31.12.95  | 625 474          | 57 722          | 456 682                   | 657 983                      | 152 305     | 99 465          | 9 748                           | 2 059 379                 | 59 020   |
| Acc. depreciation 31.12.95 | 442 600          | 31 707          | 319 045                   | 68 063                       | –           | 21 764          | –                               | 883 179                   | 15 595   |
| Book value 31.12.95        | 182 874          | 26 015          | 137 637                   | 589 920                      | 152 305     | 77 701          | 9 748                           | 1 176 200                 | 43 425   |
| Ordinary depreciation 1995 | 58 669           | 9 705           | 55 752                    | 19 537                       | –           | 16 603          | –                               | 160 267                   | 6 677    |
| Depreciation rates         | 12,5-20%         | 20%             | 12,5-33%                  | 2-4%                         |             | 20%             |                                 |                           |          |

### OPERATING ASSETS – ADDITIONS AND DISPOSALS THE LAST 5 YEARS

|      |           | <i>Machinery</i> | <i>Vehicles</i> | <i>Fittings computers</i> | <i>Commercial properties</i> | <i>Land</i> | <i>Goodwill</i> | <i>Construction in progress</i> | <i>Total improvements</i> |        |
|------|-----------|------------------|-----------------|---------------------------|------------------------------|-------------|-----------------|---------------------------------|---------------------------|--------|
| 1991 | Additions | 11 230           | 10 619          | 32 913                    | 3 510                        | –           | –               | –                               | 58 272                    | 1 597  |
|      | Disposals | 324              | 2 815           | 39                        | –                            | –           | –               | –                               | 3 178                     | –      |
| 1992 | Additions | 30 418           | 9 802           | 33 566                    | 4 618                        | –           | 3 513           | 74 424                          | 156 341                   | 1 343  |
|      | Disposals | 243              | 4 707           | 66                        | 2 496                        | –           | –               | –                               | 7 512                     | –      |
| 1993 | Additions | 50 171           | 11 560          | 28 606                    | 157 349                      | –           | 4 852           | 5 151                           | 257 689                   | 3 353  |
|      | Disposals | 948              | 4 139           | –                         | 2 500                        | –           | –               | –                               | 7 587                     | –      |
| 1994 | Additions | 112 817          | 10 771          | 88 703                    | 83 864                       | 37 500      | 6 605           | 4 100                           | 344 360                   | 29 321 |
|      | Disposals | 636              | 2 886           | 355                       | 310                          | –           | –               | –                               | 4 187                     | –      |
| 1995 | Additions | 33 314           | 15 036          | 79 142                    | 47 075                       | 1 400       | 84 495          | 9 748                           | 270 210                   | 13 004 |
|      | Disposals | 57               | 4 557           | 290                       | –                            | –           | –               | 4 904                           | –                         | –      |

## 8. PENSION ARRANGEMENTS

A majority of the Norwegian companies within the Schibsted - group maintain their collective pension insurance schemes with Vital Forsikring AS. The individual companies policies are uniform. The main conditions are 30 years' salaried employment, a 66% pension in relation to the pension base on 1 January of the year of attaining the age of 67, and spouse and child pensions. At 31 December 1995 the pension scheme had 2 266 (2 271) members.

In addition to the insured pension liabilities, the group has uninsured liabilities. These relate to persons not included in the pension scheme, additional pensions above 12G, early retirement pensions and disability pensions for all employees. Disability pensions, pensions to persons not included in the insurance scheme and certain additional pensions may be charged to the group's pension assets.

In the calculation of future pension liabilities the following parameters have been used:

|                                   |      |
|-----------------------------------|------|
| Discount rate                     | 5.0% |
| Expected return on pension assets | 6.0% |
| Wage adjustments                  | 3.0% |
| Inflation and G-adjustments       | 2.0% |
| Pension adjustments               | 1.6% |
| Turnover                          | 3.0% |

### PENSION COSTS FOR THE PERIOD ARE CALCULATED AS FOLLOWS:

|   | 1995          | 1994          |
|---|---------------|---------------|
| NPV of this period's pension earnings   | 47 702        | 45 648        |
| Interest cost of existing pension liabilities   | 57 125        | 53 168        |
| Estimated return on pension assets  | (57 982)      | (58 945)      |
| Allocated effect of changes in estimates and pension plans and deviation between actual and expected return | 39            | –             |
| <b>Net pension cost</b>   | <b>46 884</b> | <b>39 871</b> |
| The period's cost due to early retirement schemes are charged to personnel expenses, totalling              | 29 322        | 40 267        |

### PENSION LIABILITIES AND PENSION ASSETS:

|  | 31.12.95         | 31.12.94         |
|--|------------------|------------------|
| Estimated pension liabilities  | 1 247 398        | 1 174 225        |
| Pension assets   | 1 056 370        | 980 505          |
| <b>Estimated net pension assets (liabilities)</b>  | <b>(191 028)</b> | <b>(193 719)</b> |
| Non-booked effects due to: +/- estimate changes and variations between estimated and realized return on assets | 14 567           | 56 502           |
| <b>Net pension assets (liabilities)</b>  | <b>(176 471)</b> | <b>(137 218)</b> |
| Of which net pension assets  | 34 713           | 65 719           |
| Of which uncovered liabilities   | (211 174)        | (202 937)        |

Pension assets are managed by Vital Forsikring AS within the guidelines applicable for life insurance companies.

## 9. TAXES

Set out below is a specification of the differences between net profit and the year's tax base:

|                                      | 1995           | 1994           |
|--------------------------------------|----------------|----------------|
| Pre-tax profit                       | 498 260        | 460 879        |
| +/- Permanent differences            | (39 649)       | (8 272)        |
| +/- Changes in timing differences    | 79 357         | 61 747         |
| <b>Tax base</b>                      | <b>537 968</b> | <b>514 354</b> |
| Taxes payable                        | 151 001        | 144 019        |
| Insufficient provision previous year | (46)           | 74             |
| Change in deferred tax               | 1 512          | 679            |
| <b>Tax charge</b>                    | <b>152 466</b> | <b>144 772</b> |

Set out below is a specification of the timing differences and taxable losses carried forward, and calculations of deferred tax/deferred tax benefits at the end of the accounting year:

| DEFERRED TAX                            | 31.12.95         | 31.12.94         |
|---|------------------|------------------|
| Short term items                        | (16 097)         | (5 204)          |
| Net pension assets                      | 34 713           | 65 719           |
| Other long term items                   | 21 997           | 44 373           |
| <b>Total long term items</b>            | <b>56 710</b>    | <b>110 092</b>   |
| Taxable loss carried forward            | (4 116)          | (6 137)          |
| Pension liabilities                     | (211 174)        | (202 937)        |
| <b>Net basis for deferred tax asset</b> | <b>(174 677)</b> | <b>(104 186)</b> |
| Tax rate applied                        | 28%              | 28%              |
| <b>Net deferred tax asset</b>           | <b>(48 910)</b>  | <b>(29 172)</b>  |

## CHANGES IN TIMING DIFFERENCES FOREIGN COMPANIES

|   | 31.12.95      | 31.12.94     |
|---|---------------|--------------|
| Tax loss carried forward in foreign subsidiaries                    | (15 552)      | (12 351)     |
| Long term items in foreign subsidiaries which cannot be set off     | 17 455        | 6 087        |
| <b>Deferred tax in foreign subsidiaries which cannot be set off</b> | <b>4 944</b>  | <b>1 704</b> |
| <b>Changes in temporary differences</b>                             | <b>79 357</b> |              |
| Changes last year   | (2 456)       |              |
| New subsidiaries  | (5 607)       |              |
| Currency adjustments  | (803)         |              |
| <b>Realized changes in timing differences</b>                       | <b>70 491</b> |              |

Net deferred tax benefits cannot be included in the balance sheet, and this item is therefore not included in the accounts.

## Risk-amount

The risk-value for 1995 has been estimated by the company at NOK 4.11 per share.

## 10. EQUITY CAPITAL

|                           | Share capital | Legal reserves | Temp. non-distrib. reserve | Other equity     | Total            |
|---------------------------|---------------|----------------|----------------------------|------------------|------------------|
| Equity 31.12.94           | 69 250        | 289 588        | 97 306                     | 886 707          | 1 342 851        |
| This year's allocation    | -             | 41 564         | (49 430)                   | 263 640          | 255 774          |
| Translation differences   | -             | -              | -                          | 1 284            | 1 284            |
| <b>Equity at 31.12.95</b> | <b>69 250</b> | <b>331 152</b> | <b>47 876</b>              | <b>1 151 631</b> | <b>1 599 909</b> |

## 11. ASSETS SUBJECT TO MORTGAGES

At the year-end the Schibsted group had no material loan agreements, but the company had uncommitted drawing facilities with several major banks.

The Schibsted group (Schibsted Finans AS) signed a seven-year loan agreement in January 1996 with an international bank syndicate. The agreements gives the right to borrow up to NOK 700 million at an interest rate of NIBOR + a fixed margin.

## 12. SUBORDINATED LOANS

Schibsted Finans AS has made a subordinated loan to Chr. Schibsteds Forlag AS of NOK 3 million. Interest has been calculated on the loan in 1995 and eliminated in the consolidated accounts. The group has also given a subordinated loan to TV 2 AS of NOK 33.3 million. Interest has been calculated on the loan in 1995.

## 13. GUARANTEES

The group has issued guarantees in respect of loans to employees totalling NOK 3.0 (3.8) million.

## 14. TRANSACTIONS WITH CONNECTED PARTIES

Since it began operations TV Pluss AS has cooperated with TV 2 AS, pursuant to which TV 2 has undertaken the purchase of programs and sale of advertising time for TV Pluss.

In the autumn of 1995 the Schibsted group signed heads of agreement with TV 2 on the acquisition of the shares in TV Pluss. This agreement was not implemented. During the period 20 September to 31 December 1995, however, TV 2 was responsible for the operation of the activities of TV Pluss. This resulted in TV 2 paying to TV Pluss NOK 26.1 million to cover the loss in the period. Verdens Gang AS has agreements on the printing of VG with, among others, Stavanger Aftenblad AS and Adresseavisen AS. The contracts have been signed on market terms.

## 15. BUSINESS AREAS

For a description of the group's business areas reference is made to pages 30-46 of the annual report.

# The Annual Statement

SCHIBSTED ASA

## PROFIT & LOSS ACCOUNT

| (NOK 1 000)                                 | NOTES | 1995            | 1994            |
|---|-------|-----------------|-----------------|
| <b>Total revenues</b>                       | 2     | 42 065          | 40 358          |
| <b>OPERATING EXPENSES</b>                   |       |                 |                 |
| Personnel expenses                          | 3     | 10 854          | 8 299           |
| Other operating expenses                    |       | 24 757          | 14 962          |
| Ordinary depreciation                       | 6     | 1 916           | 1 276           |
| <b>Total operating expenses</b>             |       | <b>37 526</b>   | <b>24 538</b>   |
| <b>OPERATING PROFIT</b>                     |       | <b>4 539</b>    | <b>15 820</b>   |
| <b>FINANCIAL ITEMS</b>                      |       |                 |                 |
| Financial income                            |       | 13 887          | 19 133          |
| Financial expenses                          |       | ( 638)          | (5 843)         |
| <b>Net financial items</b>                  |       | <b>13 248</b>   | <b>13 291</b>   |
| <b>PRE-TAX PROFIT</b>                       |       | <b>17 787</b>   | <b>29 111</b>   |
| Taxes                                       | 8     | 51 582          | 60 292          |
| <b>NET PROFIT</b>                           |       | <b>(33 795)</b> | <b>(31 181)</b> |
| <i>Transfers and distributions</i>          |       |                 |                 |
| Group transfers received                    |       | (174 167)       | (194 069)       |
| Dividend                                    |       | 90 025          | 79 638          |
| Temporarily non distributable reserve       |       | (20 560)        | (20 560)        |
| Retained earnings                           |       | 70 907          | 103 811         |
| <b>CASHFLOW ANALYSIS</b>                    |       |                 |                 |
| Net cashflow generated from operations      |       | 51 612          | 83 853          |
| Changes in inventories, debtors             |       |                 |                 |
| creditors and other accruals                |       | 98 890          | 113 466         |
| Net cashflow - investments                  |       | (120 464)       | (18 599)        |
| Net change in liquid assets during the year |       | 30 038          | 178 720         |
| Liquid assets at 1 January                  |       | 20 075          | (158 645)       |
| <b>Liquid assets at 31 December</b>         |       | <b>50 113</b>   | <b>20 075</b>   |

## BALANCE SHEET

| (NOK 1 000)                                       | NOTES | 31.12.95       | 31.12.94       |
|---|-------|----------------|----------------|
| <b>ASSETS</b>                                     |       |                |                |
| Cash and deposits                                 | 4     | 50 113         | 20 075         |
| Receivables from subsidiaries                     |       | 291 142        | 273 875        |
| Other short term receivables                      |       | 89             | 89             |
| <b>Total current assets</b>                       |       | <b>341 344</b> | <b>294 039</b> |
| Shares in subsidiaries                            | 5     | 170 483        | 81 030         |
| Other shares and interests                        | 5     | 339 689        | 311 054        |
| Long-term receivables                             |       | 400            |                |
| Machinery and equipment                           | 6     | 10 020         | 10 722         |
| Net pension assets                                | 7     | 2 937          | 1 687          |
| Deferred tax-benefit                              | 8     | 824            | 1 599          |
| <b>Total fixed assets</b>                         |       | <b>524 353</b> | <b>406 092</b> |
| <b>TOTAL ASSETS</b>                               |       | <b>865 697</b> | <b>700 131</b> |
| <b>LIABILITIES/SHAREHOLDERS EQUITY</b>            |       |                |                |
| Creditors   |       | 320            | 778            |
| National insurance, accrued wages                 |       | 2 519          | 1 837          |
| Debt to subsidiaries                              |       | 124 500        | 42 739         |
| Taxes payable                                     |       | 51 931         | 59 872         |
| Other current liabilities                         |       | 33 562         | 1 837          |
| Proposed dividend                                 |       | 90 025         | 79 638         |
| <b>Total current liabilities</b>                  |       | <b>302 857</b> | <b>186 701</b> |
| Deferred tax                                      | 8     | 824            | 1 948          |
| Pension liabilities                               | 7     | 5 899          | 5 712          |
| <b>Total long-term debt</b>                       |       | <b>6 723</b>   | <b>7 660</b>   |
| Share capital <i>(69,250,000 shares of NOK 1)</i> |       | 69 250         | 69 250         |
| Legal reserves                                    |       | 156 908        | 156 908        |
| Temporarily non distributable reserve             |       | 20 564         | 41 124         |
| <b>Total restricted equity</b>                    |       | <b>246 722</b> | <b>267 282</b> |
| Retained earnings                                 |       | 309 395        | 238 488        |
| <b>Total equity</b>                               | 9     | <b>556 117</b> | <b>505 770</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |       | <b>865 697</b> | <b>700 131</b> |

# Notes to the Annual Accounts 1995



SCHIBSTED ASA

## 1. ACCOUNTING PRINCIPLES

Schibsted's accounting principles are described in Note 1 to the consolidated accounts.

## 2. OPERATING REVENUES

The operating revenues for 1995 consist of royalty payments of NOK 38.9 million and management fees of NOK 1 million. The royalty fee relates to the VG publishing rights.

## 3. REMUNERATION TO THE BOARD OF DIRECTORS, THE COMPANY'S AUDITORS AND THE C.E.O.

Schibsted ASA has paid NOK 1.1 million in remuneration to the board of directors; NOK 110 000 in auditors' fees and a further NOK 163 000 in other remuneration to the auditors. NOK 1.9

million has been paid in total remuneration to the Chief Executive Officer, including benefits and director's fees from other group companies.

## 4. CASH, BANK AND DEPOSITS

Liquid assets reserved for withholding tax amounted to NOK 755 253 and are held in separate accounts.

### Group account system

Schibsted ASA's bank accounts are included in a group account system in order to optimize liquidity management. The companies participating in this arrangement are jointly and severally liable to the bank for all liabilities arising under the group account arrangement.

## 5. SHARES

A specification of shares in subsidiaries and shares and interests in other companies is shown in Note 4 to the consolidated accounts.

|  | <i>Company's<br/>share capital</i> | <i>Number<br/>of shares</i> | <i>Par value<br/>per share</i> | <i>Book<br/>value</i> |
|--|------------------------------------|-----------------------------|--------------------------------|-----------------------|
| <b>Total shares in subsidiaries:</b>                 |                                    |                             |                                | <b>170 483</b>        |
| AS Fædrelandsvennen                                  | 24 000                             | 80 000                      | 75                             | 15 000                |
| Fædrelandsvennen Trykkeri AS                         | 200                                | 50 000                      | 1                              | 20                    |
| AS Adresseavisen                                     | 38 033                             | 608 680                     | 20                             | 105 740               |
| AS Stavanger Aftenblad                               | 7 500                              | 235 014                     | 10                             | 59 286                |
| TV 2 AS  | 233 333                            | 734 300                     | 100                            | 90 248                |
| Kanal 2, Estonia (EEK)                               | 21 600                             |                             |                                | 8 319                 |
| <b>Total shares in associated companies</b>          |                                    |                             |                                | <b>278 613</b>        |
| <b>Total shares and interests in other companies</b> |                                    |                             |                                | <b>61 076</b>         |
| <b>Total shares and interests</b>                    |                                    |                             |                                | <b>510 172</b>        |

## 6. OPERATING ASSETS

|                                  | <i>Office-<br/>machinery</i> | <i>Computers</i> | <i>Fittings</i> | <i>Vehicles</i> | <i>Total</i> | <i>Leasehold<br/>improvements*</i> |
|----------------------------------|------------------------------|------------------|-----------------|-----------------|--------------|------------------------------------|
| Acquisition value 1.1.95         | 488                          | 2 274            | 5 598           | 1 416           | 9 776        | 4 577                              |
| Additions 1995                   | –                            | 999              | 400             | 673             | 2 072        | 64                                 |
| Disposals 1995                   | –                            | –                | –               | (316)           | (316)        | –                                  |
| Acquisition value 31.12.95       | 488                          | 3 272            | 5 998           | 1 774           | 11 532       | 4 641                              |
| Acc. deprec. at 31.12.95         | 395                          | 2 173            | 1 599           | 655             | 4 822        | 1 332                              |
| Book value on. 31.12.95          | 93                           | 1 100            | 4 399           | 1 119           | 6 710        | 3 310                              |
| The year's ordinary depreciation | 38                           | 545              | 1 053           | 281             | 1 916        | 923                                |
| Depreciation rates               | 20%                          | 33.3%            | 20%             | 20%             | –            | 20%                                |

\* The depreciation of leasehold improvements in external lease agreements are included in other operating expenses.

(NOTE 6 Cont.)

#### OPERATING ASSETS - ADDITIONS AND DISPOSALS LAST 5 YEARS

|      |           | Office-<br>machinery | Computers | Fittings | Vehicles | Total | Leasehold<br>improvements |
|------|-----------|----------------------|-----------|----------|----------|-------|---------------------------|
| 1991 | Additions | 16                   | 224       | 362      | 185      | 786   | -                         |
|      | Disposals | -                    | -         | -        | 62       | 62    | -                         |
| 1992 | Additions | 16                   | 181       | 53       | -        | 249   | -                         |
|      | Disposals | -                    | -         | -        | -        | -     | -                         |
| 1993 | Additions | 32                   | 468       | -        | 564      | 1 063 | -                         |
|      | Disposals | -                    | -         | -        | -        | -     | -                         |
| 1994 | Additions | 106                  | 522       | 5 598    | 331      | 6 557 | 4 577                     |
|      | Disposals | -                    | -         | 346      | 225      | 571   | -                         |
| 1995 | Additions | -                    | 999       | 400      | 673      | 2 072 | 64                        |
|      | Disposals | -                    | -         | -        | 162      | 162   | -                         |

#### 7. PENSION ARRANGEMENTS

A description of the company's pension arrangements is given in Note 9 to the consolidated accounts.

##### PENSION COSTS FOR THE PERIOD ARE CALCULATED AS FOLLOWS:

|   | 1995         | 1994       |
|---|--------------|------------|
| NPV of this period's accrued pension earnings | 1 204        | 641        |
| Interest cost of existing pension liabilities | 591          | 496        |
| Expected return on pension assets             | (515)        | (327)      |
| Amortizing                                    | 10           |            |
| <b>Net pension cost</b>                       | <b>1 290</b> | <b>810</b> |

##### PENSION LIABILITIES AND PENSION ASSETS

|   | 31.12.95       | 31.12.94       |
|---|----------------|----------------|
| Pension   |                |                |
| Estimated liabilities                             | 13 389         | 11 814         |
| Pension assets                                    | 11 383         | 7 849          |
| <b>Estimated net pension assets (obligations)</b> | <b>(2 006)</b> | <b>(3 965)</b> |

##### Non-booked effects due to:

|   |                |                |
|---|----------------|----------------|
| +/- estimate changes and variations between estimated and realized return on assets | (956)          | (60)           |
| <b>Net pension assets (obligations)</b>   | <b>(2 962)</b> | <b>(4 025)</b> |
| Of which net pension assets   | 2 937          | 1 687          |
| Of which uncovered liabilities  | (5 899)        | (5 712)        |

#### 8. TAXES

Below is a specification of the differences between the year's accounting result and the year's tax base:

|                                   | 1995           | 1994           |
|-----------------------------------|----------------|----------------|
| Pre-tax profit                    | 17 787         | 29 111         |
| +/- Permanent differences         | 163 482        | 186 248        |
| +/- Changes in timing differences | 4 200          | (1 531)        |
| <b>The year's tax base</b>        | <b>185 469</b> | <b>213 828</b> |

|  |               |               |
|--|---------------|---------------|
| Taxes payable                          | 51 931        | 59 872        |
| Insufficient provision preceeding year |               | 72            |
| Change in deferred tax                 | (349)         | 348           |
| <b>Tax charge</b>                      | <b>51 582</b> | <b>60 292</b> |

Below is given a specification of the timing differences and taxable losses carried forward, and calculations of deferred tax/deferred tax benefits at the end of the accounting period:

|                                 | 31.12.95     | 31.12.94     |
|---------------------------------|--------------|--------------|
| <b>DEFERRED TAX</b>             |              |              |
| Net pension assets              | 2 937        | 1 687        |
| Other long term items           | 5            | 5 268        |
| <b>Total timing differences</b> | <b>2 942</b> | <b>6 955</b> |
| Tax rate applied                | 28%          | 28%          |
| <b>Deferred tax</b>             | <b>824</b>   | <b>1 948</b> |

##### DEFERRED TAX BENEFITS

|                             |              |              |
|-----------------------------|--------------|--------------|
| Pension liabilities         | 5 899        | 5 712        |
| Tax rate applied            | 28%          | 28%          |
| <b>Deferred tax benefit</b> | <b>1 652</b> | <b>1 599</b> |

Net deferred tax benefits cannot be included in the balance sheet, and this item is therefore not included in the accounts.

#### 9. EQUITY CAPITAL

|                           | Share Capital | Legal reserves | Temp. non-distr. | Retained       | Total          |
|---------------------------|---------------|----------------|------------------|----------------|----------------|
| <b>Equity at 31.12.94</b> | <b>69 250</b> | <b>156 908</b> | <b>41 124</b>    | <b>238 488</b> | <b>505 770</b> |
| This year's distributions | -             | -              | (20 560)         | 70 907         | 50 347         |
| <b>Equity at 31.12.95</b> | <b>69 250</b> | <b>156 908</b> | <b>20 564</b>    | <b>309 395</b> | <b>556 117</b> |