



OSLO BØRS

ANNUAL REPORT

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Please note that the main figures for the securities markets for 1995 and historical figures covering the previous 10 years, are presented in the publication "The Oslo Stock Exchange – Statistics 1995".

Foreword by the President



Kjell Frønsdal, President

In Norway we have had exchanges since the 1700s. The Oslo Stock Exchange was established in 1819. At one time there were more than 20 exchanges in the country. For the first 60 years of its existence the Oslo Stock Exchange was a commodities exchange for fish, fruit and vegetables. In 1881 securities trading began. Subsequently this was followed by foreign exchange.

Today the Oslo Stock Exchange only trades in securities and all the other Norwegian exchanges have been closed down. But this does not mean that the exchange function itself has ended for other types of products. No, it has moved to other marketplaces and other forms of trading. Perhaps it was the case that the exchanges were not suited to new needs or perhaps the form of the exchange itself was too rigid and ponderous? There may be many reasons. The lesson is nevertheless clear: an exchange must adapt to the market's requirements and not the reverse.

The Oslo Stock Exchange has a single main function: to be the marketplace for trading listed securities. The term "marketplace" includes both the creation of conditions for efficient trading of securities and the registration of prices and volume through trading and bids. This may appear elementary, but in reality it is a description of a very finely balanced instrument designed to perform certain important functions for society, including:

- Converting savings capital to equity
- Distributing available capital resources within industry
- Providing investors with the opportunity to spread risks
- Contributing to confidence and security in the market for equities and bonds

It would take too long to go into each area. The point is that the Exchange covers a need for users and society, which it is difficult to see that others

can fulfil in a similar manner. It is here that the lesson from past years is relevant. An exchange must be user-focused and not be given tasks or an organisation which conflicts with or restricts its main function. The exchange lives through interaction between the participants.

Our nation is very fortunate to have today an active and liquid stock exchange. The extent to which we can preserve and further develop this survivor from the past will largely be up to those who use the Oslo Stock Exchange in their business.

In conclusion I would like to thank the Exchange's users, and not least the employees of the Oslo Stock Exchange for their efforts and support over the last year.




Report of the Stock Exchange Board for 1995

Market development

1995 was a record year for the Stock Exchange. In total more than NOK 1,900 billion of securities were traded on the Oslo Stock Exchange, a rise of 14% from 1994. Share prices - measured by the Oslo Stock Exchange All Share Index - increased on an annual basis by 11.6%. Similarly all the sub-indices rose in 1995, but with considerable variation between the sectors.

There was a high level of activity in the equity market. Shares, subscription rights and primary capital certificates totalling NOK 156 billion were traded, an increase of 26% from 1994. On the new issue side, the level of activity was lower than in 1994 and 1993, with a total of NOK 7.6 billion divided between 38 issues.

Turnover in the bond market in 1995 was approximately NOK 1,750 billion, up 15% from 1994. Repo transactions represented NOK 730 billion of this, i.e. approximately 42%. On the new issue side a total of NOK 53.8 billion was raised in 1995 - slightly lower than in 1994 and less than half the peak year 1993. Issues totalling NOK 72.6 billion were made in the certificate market.

The market for equity derivatives has shown a fall in volume terms over several years. In 1995 it proved possible to reverse this trend and for the first time since 1991 there was an increase in the number of contracts traded and in open balance. Turnover increased in 1995 by 20% to some 1.3 million contracts.

The Stock Exchange's trading systems

In September 1994 the Oslo Stock Exchange signed a contract with Logica UK Ltd. on the delivery of a complete trading system for all the Stock Exchange's products (NGTS). The contract price was some NOK 50 million. During 1995 it became clear that Logica would have difficulties in delivering a trading system with the functionality and at the time set by the contract. Around the 1995/96 year-

end there were clear indications that Logica was more than 12 months behind schedule and that one of the main functionalities of the trading system would not be delivered. Against this background, the Stock Exchange decided in March 1996 that it was necessary to terminate the contract. At the same time the Oslo Stock Exchange gave notice that it would claim repayment of advances paid of approximately NOK 7 million as well as compensation.

Stockholm AB and OM's London-based exchange - OMLX - with a view to establishing a joint order book for Norwegian and Swedish share options based on use of OM's trading system. The current project plan indicates start-up at the 1996/97 year-end.

Listed securities

There appears to be a clear trend towards major changes in the listed companies - partly as a result of mergers and acquisitions and partly as a

- 30 new companies were listed on the Stock Exchange.
- The value of shares and primary capital certificates traded rose by 26%.
- 6 out of 10 shares in issue changed hands.
- The agreement signed with the Swedish OM opens the way for a more liquid derivatives market.

Logica has brought an arbitration claim against the Oslo Stock Exchange for the payment of approximately NOK 30 million. The claim is based on Oslo Stock Exchange having required assistance from Logica beyond the contract, and on a subsidiary basis that the Oslo Stock Exchange has delayed the project. The Oslo Stock Exchange has rejected the claim as without foundation.

In order to compensate for the fact that NGTS will not be delivered as planned, the Oslo Stock Exchange has commenced work to upgrade the present trading system (TSS). This will cover the most essential requirements for change until an alternative to NGTS is available.

The Exchange's block order desk has long represented a bottleneck for further development of the derivatives market. In December the Oslo Stock Exchange signed an extensive cooperation agreement with OM

result of demergers from already listed companies. At the end of 1995 there were 165 companies listed on the Oslo Stock Exchange, a net increase of 19 companies. In total 30 new companies were listed, while 11 companies were delisted. Of the new companies, 11 were listed on the SMB list. At the year-end 14 foreign companies were listed on the Oslo Stock Exchange. This is the same number as at the previous year-end.

In the bond market the number of listed issues fell from 837 to 800 at the last year-end. In total 66 new issues were listed, while 103 issues matured or were repaid on interest adjustment dates. In December the first Swedish government bond issue was listed on the Exchange. In March the Exchange introduced five new government bond indices. The indices are based on the 1989/90 year-end and are aimed at providing bench marks for bond portfolios.

Report of the Stock Exchange Board for 1995

In the certificate market 11 issues were listed at the 1995 year-end, against 8 issues one year earlier.

In the case of equity derivatives the number of products has to be adapted to the capacity of the block order desk. The only new product launched in 1995 was a long put option on the OBX equity index. A more extensive evaluation of the future product range on the derivatives side will be implemented in connection with the commencement of the OM cooperation.

Supervision

The Stock Exchange Board has considered several cases in 1995 in connection with breach of the Exchange's rules. In some cases fines have been imposed, while in others a statement has been issued censuring the breach.

On the issuer side, Sinus Industrier, Stentofon, Eeg-Henriksen Gruppen, Kongsberg Gruppen and Vital Forsikring were fined for breaches of the information obligation. In January 1996 Vital Forsikring appealed against the decision to the Stock Exchange Appeals Committee. The Stock Exchange Appeals Committee upheld the finding regarding breach of the information obligation, but reduced the fine from four times to twice the annual listing fee.

In addition, Stock Exchange Board resolved to impose a daily fine on Fortuna Corporate and Fortuna Holding until the companies had sold shares in Snefeld which had given rise to an obligation to make a mandatory offer. The fine was not imposed as the companies satisfied the Board's requirement to sell the shares in Snefeld within the deadline set.

In two cases the Stock Exchange Board issued statements of censure for breaches of the Stock Exchange's

rules, but did not find that there was a basis to impose a fine. In one case Vard was censured for failing to give notice of the termination of the Managing Director's contract and, in the other, Kreditkassen for failing to fulfil generally accepted accounting principles in its unspecified loss provisions in the accounts for 1994.

The Stock Exchange Board also fined Alfred Berg for breach of the provisions relating to the registration of share prices.

During 1995 there were 27 suspensions of individual shares, of which 4 suspensions also covered the companies' listed bond issues.

The observation list, which was introduced in 1994, has been used on 27 occasions in 1995. It is the Stock Exchange Board's view that this list has functioned in line with its intention and that both investors and companies view positively the manner of

The Stock Exchange's control procedure for various types of prospectuses and other subscription material has been extensively employed in 1995. In total some 185 prospectuses or similar subscription or information material were reviewed in connection with new issue controls, listings, mergers, demergers and acquisitions based on voluntary or mandatory bids. The Stock Exchange Board places emphasis on these functions being dealt with in a manner which users regard as professional and adequate.

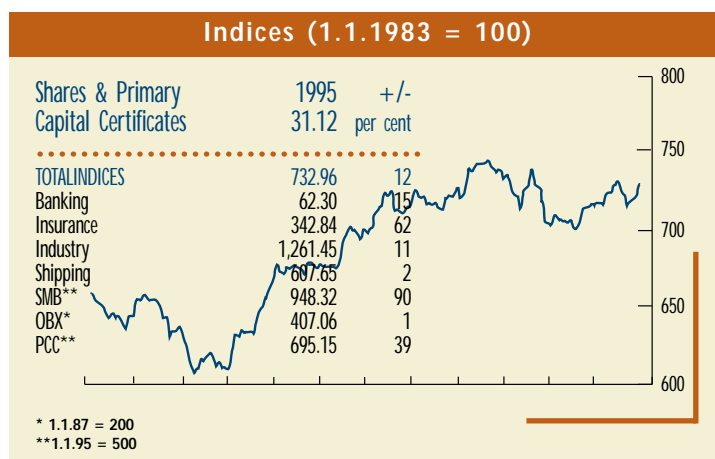
The Stock Exchange Board considers it is important to provide information to stock exchange members and issuers on increasingly complex regulations. During 1995 a total of 11 circulars were issued on the treatment of information and trading rules, including the annual accounts circular. In the 1995 edition, the Stock Exchange dealt, among other things, with pool arrangements in shipping, the sale or closure of parts of a business, environmental information and warrants and options issued to employees.

Stock Exchange Board and Stock Exchange Council

The Stock Exchange Board had a total of 19 meetings in 1995. A total of 39 resolutions were passed relating to the Stock Exchange's users, i.e. resolutions on listings

(20), delistings (7), dispensations (6) and breach of regulations (6). In the first quarter a review of the Stock Exchange's internal situation occupied a large part of the Stock Exchange Board's time and attention.

During 1995 there have been extensive changes in the membership of the Stock Exchange Board. In February Kjell O. Kran, Group Chief Executive, was elected as the new Chairman of



drawing attention to the possibility of a special situation occurring.

It is important that the Exchange's trading rules are followed by its members. During 1995 it has been necessary on two occasions to cancel closing prices. Otherwise it is the view of the Stock Exchange Board that the problem of recording fictitious trades has been reduced.



The mural "Shipping" decorates the staircase at the southern end of the Stock Exchange building. It was commissioned by the Exchange in November 1912 and painted by the artist Gerhard Munthe.

the Stock Exchange Board, after Elisabeth Wille, Attorney-at-law. At the same meeting, Kristin Normann Aarum, Professor of Law, and Frode Hassel, Managing Director, were elected as new members of the Stock Exchange Board after Odd Ståle Fimland, Director, and Georg Krog, Managing Director. At the meeting of the Stock Exchange Council in August Ole Lund, Supreme Court Advocate, was elected as the new Chairman in succession to Kjell O. Kran. And finally, John Høsteland, Managing Director, and Johan Solbu Braaten, Finance Director, were elected as new members of the Stock Exchange Board in December in succession to Tom Vidar Rygh, Managing Director, and Kjell Chr. Ulrichsen, Director. John Høsteland was also elected Deputy Chairman of the Stock Exchange Board.

On 24 November 1995 Kjell Storvik was appointed as Governor of the Central Bank on a temporary basis and consequently requested, to be temporarily released from his position on the Stock Exchange Board. Following his permanent appointment as Governor of the Central Bank on 23 February 1996, he requested to be released from his appointment as a member of the Oslo Stock Exchange Board.

The Stock Exchange Council held five meetings in 1995. In February the Stock Exchange Council discussed the report from the Stock Exchange

Board on the handling of the dismissal of the Stock Exchange President. At the Stock Exchange Council's meeting in April State Authorised Auditor Ole F. Kjelstrup was elected as the Stock Exchange's auditor. In addition the Stock Exchange Council considered at its meetings, among other things, the Stock Exchange's accounts, budget assumptions, new budgets and the issue of proposing a public report on the Exchange's future organisation.

Organisation

The Oslo Stock Exchange had 62 employees at 31 December 1995, inclu-

these consultants has been hired on a two-year contract. A/S Oslo Børs Informasjon had 9 employees at the 1995/96 year-end.

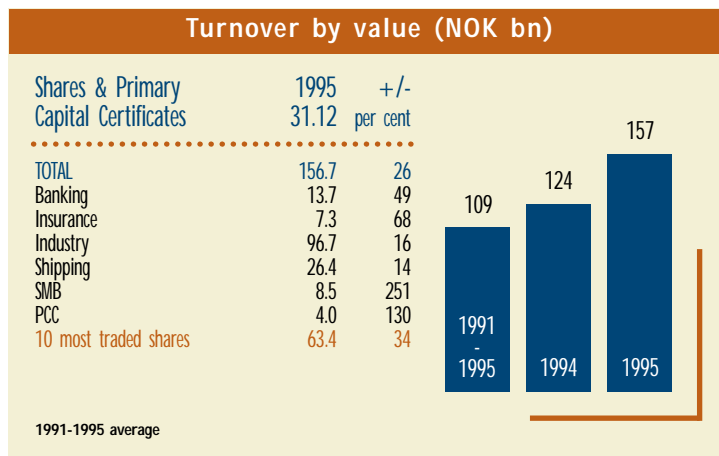
At the meeting of the Stock Exchange Board on 6 June acting Stock Exchange President Kjell Frønsdal was appointed as the new Stock Exchange President. Frønsdal had previously been Deputy Stock Exchange President for a total of 8 years.

The Exchange has a working environment committee, a safety officer and its own corporate medical arrangement. The working environment is good and the business does not pollute the external environment.

During 1995 the Exchange has established a number of control routines with a view to improving financial management. A new computer-based archive system has been brought into

use in order to support case handling in connection with the Stock Exchange's supervisory functions.

1995 was a very demanding year for the employees with a considerable amount of activity in all areas. For many employees participation in the trading system and negotiations with OM were conducted in addition to ordinary work.



ding the district offices in Bergen and Trondheim. This is an increase of 4 employees from the previous year-end. A budgeted reduction in the staffing of the options department was not implemented in 1995, because the final agreement on cooperation with OM was not signed until December. In connection with preparations for a new trading system, it has also been necessary to retain consultancy support on the computer side. One of

Report of the Stock Exchange Board for 1995

Finance

The annual accounts for 1995 show a loss of NOK 1 million for the Oslo Stock Exchange and a loss of NOK 0.4 million for the group. It is proposed that the loss is covered from profits carried forward. Following this the Oslo Stock Exchange had equity capital at the end of 1995 of NOK 123 million.

Total operating revenues of the Oslo Stock Exchange in 1995 amounted to NOK 67.8 million, a decrease of NOK 3.5 million from 1994. The reduction is mainly due to lower new issue revenues and lower revenues from the levy on brokers' commissions. Total operating expenses were NOK 71.8 million after writing down the amount of NOK 7.2 million paid to the supplier of the new trading system.

Net financial income amounted to NOK 3 million. The financial result includes an unrealised foreign exchange loss of NOK 4.2 million as a result of the development in the value of forward contracts in pounds sterling established in 1994 in connection with the contract for the new trading system.

The Oslo Stock Exchange subsidiary, A/S Oslo Børs Informasjon, had a profit after tax in 1995 of NOK 0.5 million. At the last year-end the company had equity capital of NOK 2.7 million.

In 1995 fees were mainly unchanged from 1994 - with the exception of small adjustments in minimum and maximum rates for listing fees relating to shares and bonds.

In October the Stock Exchange Council proposed to the Ministry of Finance a major revision of the Exchange's fee base, and an arrangement under which the Exchange's fee

levels will in future be determined by the Stock Exchange Council. In December the regulations were changed in line with the proposal with effect from 1996. The most extensive changes establish a completely new basis for the calculation of the listing fee for shares and broking fees. At the same time the Stock Exchange Council made an average increase in fees of approximately 7% for 1996.

International matters

International stock exchange cooperation was characterised by limited activity and few specific projects. At a Nordic level it was decided to close down the Nordquote project in August 1995, because the system was no longer being used by members. Ongoing projects currently relate to statistics and joint sale of price data.

In the Federation of European Stock Exchanges (FESE), the Eurolist project was launched last autumn. The

the Oslo Stock Exchange headed a major project within FIBV on the listing of small and medium-sized companies, where the practical experience from the SMB List since 1992 has been valuable. The project was completed in October with the presentation of a report and conclusions at the FIBV's annual meeting.

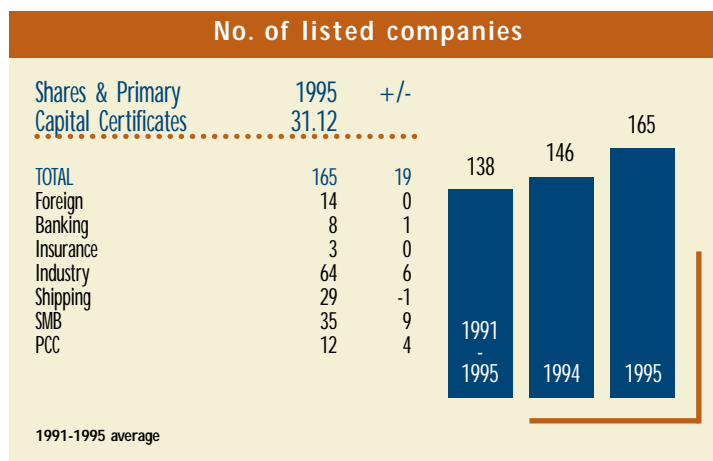
It has in practice been difficult to implement major technical projects at a multilateral exchange level. In the opinion of the Stock Exchange Board, emphasis should therefore be placed on more bilateral stock exchange cooperation, where conditions permit. In the light of this, among other things, future cooperation with OM should be evaluated.

Future prospects

The Norwegian securities market has become more international in recent years. This is shown, for example, by the increasing proportion of foreign shareholders in Norwegian listed companies, which in 1995 increased from 30.2% to 33.2%. At the same time there has been a decline in trading in Norwegian shares in London in relation to the Oslo Stock Exchange. This can indicate that the Oslo Stock Exchange has so far succeeded in fulfilling its business concept set out in the strategy plan of 1992, namely: "to be

the preferred marketplace for trading in Norwegian securities".

There is, however, no guarantee that this positive development will continue. Stock exchange operations and securities trading will be affected by fierce competition in the coming years: partly as a result of technical developments and the opportunities these provide for various forms of remote links, and partly as a result of the harmonisation of rules within the



aim is to make it easier for major companies to list on several exchanges. No Norwegian companies have wished to participate in the project.

The work of the International Stock Exchange Federation (FIBV) during the last year has covered the operating parameters of stock exchanges, companies' information obligations and the competitive position compared with similar trading systems. In 1995

EEA. It is therefore a priority for the Stock Exchange Board to work towards the Norwegian securities market being able to meet this competition. In this context the Stock Exchange Board would point out three areas which will be given attention in 1996: the Stock Exchange trading system, the parameters for the securities market and the Exchange's own organisation.

Following termination of the contract with Logica, the Stock Exchange Board will give priority to work on a new alternative to NGTS. Before the necessary decisions on this are taken, the Stock Exchange Board will consult the Exchange's users.

In the short term the Exchange will upgrade TSS, but this will not be a sufficient answer for the technical challenges relating to trading and the opportunities which the future securities market will require. To some extent

the position has been assisted by the joint venture with OM Stockholm AB which has been chosen for trading in equity options. But within a few years the Stock Exchange will need to have in place complete trading systems for all the products traded on the Oslo Stock Exchange.

The question of competitive parameters may be of vital importance once the Norwegian securities market is opened - technically and legally - to foreign participants. The choice of the place of trading for Norwegian securities is no longer subject to geographic factors. This means that the Norwegian authorities cannot maintain special Norwegian rules which restrict Norwegian investors, issuers and stock exchange members' opportunities to operate in the Norwegian market in relation to similar foreign participants. This applies to tax rules, various investment rules, company law rules and rules within securities

and stock exchange law.

The Oslo Stock Exchange is also subject to its own parameters. At a time when requirements for efficiency and flexibility are increasing, the Stock Exchange Board has noted that competing exchanges - including the other Nordic exchanges - have changed their form of organisation in the last three years. Against this background the Stock Exchange Board has requested the Minister of Finance to establish a committee to study the Exchange's future organisation. From the Stock Exchange Board's side, there are no preconceptions regarding the form of organisation. The purpose must be to arrive at an organisation which gives the Exchange the necessary flexibility and operational freedom and integrity, at the same time as its neutral role in relation to users is maintained.

Oslo, 14, March 1996



Ole Lund
Ole Lund
Chairman



John Høsteland
John Høsteland
Deputy chairman



Kristin Normann Aarum
Kristin Normann Aarum



Johan Solbu Braaten
Johan Solbu Braaten



Christian Bjelland
Christian Bjelland



Frode Hassel
Frode Hassel



Odd S. Røste
Odd Sigmund Røste
Staff Representative

The Stock Exchange year

Norwegian economy

The economic growth of recent years appears to have peaked. Gross National Product (GNP) rose in 1995 by 3.7 per cent, which is a smaller increase than in 1994 but more than all our most important trading partners. The yield to maturity on government bonds (10-year S465) fell from 8.0 per cent at the previous year-end to 6.41 per cent at the end of 1995.

Growth in private consumption was roughly 2.8 per cent and household financial saving fell as demand for consumer durables increased.

In spite of higher demand in recent years, inflation has remained at a moderate level. Price inflation is estimated at 2.5 per cent for 1995. This is due, among other things, to the fact that available capacity has balanced significant wage pressure. The increase in wages per normal working year was estimated at 3.3 per cent last year. Employment increased by 2 per cent, corresponding to 41,000 jobs.

Investments in oil-related activities fell by 12 per cent in relation to 1994. In the case of the mainland economy, business investments rose by 14 per cent. There was a 35 per cent rise in industrial investments, the strongest growth rate since 1962.

The krone has strengthened during 1994 and 1995 in relation to an import-weighted basket of currencies of Norway's most important trading partners. The krone appreciated by 2.5 per cent in relation to this indicator during 1995. During the year there was also a significant improvement in the current account balance. The surplus was NOK 32 billion, more than treble that of 1994. The surplus for the year amounts to 3.5 per cent of GNP.

Production of oil and natural gas rose in 1995 by 7.3 per cent. Norway produced 2.92 million barrels of oil a day, which is a record and makes the country the world's seventh largest producer. Estimates of the development in the

coming years envisage lower growth, much of it as a result of lower economic growth among Norway's most important trading partners. Growth in investment in the mainland economy is expected to level out, and inflation forecasts are lower than for 1995. The foreign current account balance is expected to be considerably higher than in the previous year.

MARKET DEVELOPMENT Stockmarket

The secondary market for shares and primary capital certificates was characterised by a general rise in prices during 1995 and a marked increase in the level of activity. The All Share

The positive development in prices in all the sector indices included the two new indices which were introduced at the start of the year: the SMB Index and the Primary Capital Certificates Index. The Banking, Insurance and Primary Capital Certificates Indices rose by 15.5 per cent, 62.4 per cent and 39.0 per cent, respectively. The fact that finance shares rose in relative terms by more than the market as a whole must be viewed in the context of the fact that the Norwegian state reduced its ownership in Norwegian banks considerably. More specifically, the rise in the Insurance Index can be explained by growing confidence in UNI Storebrand among Norwegian



Index rose by 11.6 per cent and recorded new, all-time highs during the year. Admittedly the year began with a negative development during the first two months and on 9 March the All Share Index touched 597.53, the lowest for the year. The Index's previous all-time high was 688.20 from 4 February 1994, which was passed during a steady rise during the spring and early summer on 15 June 1995. At that time the All Share Index touched 688.49, and later in the same month it passed the 700 barrier. This was followed by a steady rise which ended on 19 September, when the Index reached 749.44. During the latter part of the year the All Share Index fluctuated in the lower 700s and ended on 31 December at 732.96, which was 11.6 per cent higher than at the end of 1994.

The lectures on options and futures attract a "full house" at the Stock Exchange's Open Day.

and foreign investors. This sent the price of the company's shares up from NOK 21.10 to NOK 35.00 during the year. In addition, important changes in the conditions for primary capital certificates with regard, among other things, to ownership rights in the company's assets largely contributed to these becoming more attractive to a broader range of investors.

The best performing companies on the Stock Exchange during the year were among the small and medium-



The agreement between the Oslo Stock Exchange, OM Stockholm AB and OM's London-based exchange OMLX was signed in the reception room at the Oslo Stock Exchange on 11 December 1995.

sized companies. It was strongly increasing expectations primarily for technology companies on the SMB List - certain shares rose by some 500 per cent - which lifted the SMB Index by 89.7 per cent during 1995.

The level of activity measured by reference to the total kroner amount traded increased by 26.0 per cent in relation to 1994. Shares, primary capital certificates and subscription rights for a total of NOK 156.7 billion were traded. 17 June was the busiest day of the year, when shares with a market value of NOK 2,337.7 million changed hands.

Parts of the increase in activity can be attributed to the removal of the limitations on foreign ownership at the start of the year. An equally important cause is probably the heavy wave of takeovers which affected the market. In total there were some 20 takeovers or attempted takeovers. A rise in trading in bank shares of close to 50 per cent can largely be attributed to these factors. Several mergers also took place and share purchases in advance may have also contributed to the increased level of activity.

Foreign activity in the Norwegian securities market has traditionally been high. In 1995 and 1994 foreign investors participated in close to 62 per cent of all trades through the Exchange. This illustrates their impor-

tance for the market.

In terms of the individual sectors the greatest relative increase in sales was among the SMB companies (251.2 per cent). Total turnover on the SMB List was NOK 8.5 billion against NOK 2.4 billion in 1994. The increase is mainly due to the number of listed SMB companies increasing from 26 to 35, but there was also strong international focus on the technology companies on the SMB List.

The market value of the listed companies rose 14.2 per cent against a corresponding 4.9 per cent in 1994. The market value thus increased more than the All Share Index. This can be explained by the fact that the SMB companies and the savings banks' primary capital certificates are not included in the All Share Index, but also by the fact that a net increase of 19 companies raised the total number of listed companies to 165 at the end of the year. So many companies have not previously been listed on the Exchange in modern times. In 1995 a total of 25 exchange members were active in share trading. The 5 broking companies which had the greatest proportion of trading accounted for some 41.5 per cent of total turnover. If this is extended to the 10 broking firms with the most trading in 1995, the proportion is 68.2 per cent.

Bond market

In line with international practice the Oslo Stock Exchange amended its statistics for trading in the bond market with effect from 1995 to state the turnover volume exclusive of repo trades, since these are more akin to loan transactions than an actual change in ownership.

Bond turnover amounted to NOK 1,022.4 billion in 1995. This is a reduction in relation to 1994 of 14 per cent. The development was the opposite for certificates, with an increase in turnover of 27 per cent to a total of NOK 201.1 billion. Sales were higher in the second half-year than in the first half-year, but fluctuated considerably from month to month. Turnover in government issues represents a significant proportion. The proportion stood at 31 per cent in 1992 and has increased year by year to 75 per cent in 1995. In the certificate market the proportion represented by treasury bills was 70 per cent against 75 per cent in 1994.

Repo trades represent a not insignificant proportion of turnover registered in the trading system. In 1995 loan transactions represented 42 per cent of traded volume in bonds. 85 per cent of repo volume took place in government bonds. In total repo volume has doubled since 1994. A significant part of this increase is due to increased requirements as to position taking by brokers. Short positions are largely covered through repo transactions reported in the stock exchange's trading system.

On 1 March the Oslo Stock Exchange launched 5 new government bond indices in the exchange's trading and information system. The initial value of the indices was set at 1,000 at the 1989/90 year-end. The 5 indices are all yield indices.

25 of the Stock Exchange's 30 members traded in bonds at the end of 1995. The figures show, however, that a very large part of trading is concentrated among a few members. The five broking companies with the highest

The Stock Exchange year

proportion are responsible in total for 58 per cent of trading, while the figure rises to 82 per cent for the ten firms most involved.

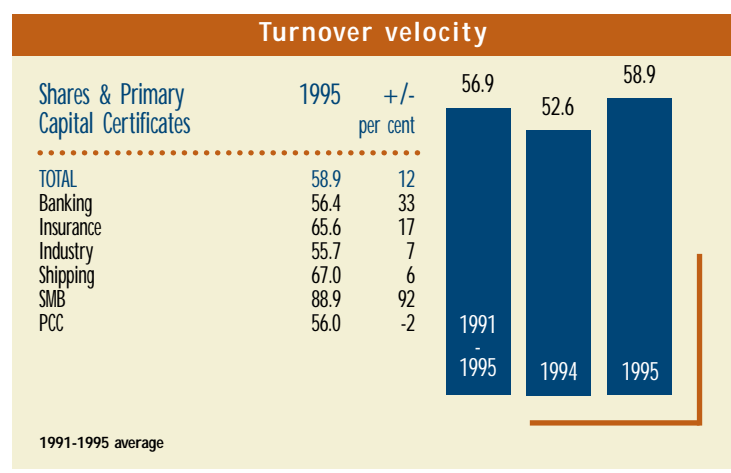
Derivatives market

Turnover in the options market rose by 19 per cent in 1995 in relation to 1994. This is the first time that an annual increase has been recorded since 1991. Among options for individual shares, it was mainly considerable interest for Norsk Hydro and Hafslund Nycomed which accounted for the increase. Similarly 1995 was a peak year for share index options after a rise in turnover of 16 per cent from 1994. At the end of the year there were five market-makers making firm prices in share derivatives.

A general feature of trading in share derivatives is that foreign investors' share has risen during 1995. This has taken place mainly at the expense of the share of Norwegian private individuals.

Liquidity in OBX futures has for several years been poor due to a lack of market-making. The establishment of two market-maker agreements in the product contributed to a positive development in 1995. Turnover in the interest futures OBr5 and OBr10 decreased during the year, however. In total roughly 101,000 contracts were traded, a reduction of around 50 per cent in relation to turnover in 1994. During the year the underlying government bond for OBr10 was changed from S463 to S465.

The conditions for the derivatives market were improved at the end of 1995. New regulations, new standard terms and new agreements gave investors the opportunity to use derivatives more effectively than previously. Lower margin requirements and the possibility of using all the shares in the OBX index as security were among the improvements which benefited investors.



ISSUERS IN THE NORWEGIAN SECURITIES MARKET

Listed companies

The number of companies wishing to list shares or primary capital certificates on the Oslo Stock Exchange was again high in 1995. During the year there was a gross increase of 30 companies and a net increase of 19. At the end of the year 165 companies were listed on the Oslo Stock Exchange. Among the new companies 1 company was listed on the Bank List, 9 on the Industry List, 5 on the Shipping List, 11 on the SMB List and 4 primary capital certificates. 4 foreign companies were listed and at the end of 1995 there was a total of 14 foreign listed companies. 4 of these are secondary listings.

Newly-listed Norwegian shares and primary capital certificates represent an increase in the listed market capitalisation of NOK 9.9 billion. Among the 11 companies delisted in 1995, 4 were purchased or merged with already listed companies. The market value of the remaining companies which were delisted was NOK 2.2 billion. The net increase in market capitalisation as a result of changes in the number of listed companies was thus NOK 7.7 billion. The corresponding figure in 1994 was NOK 5.3 billion.

Besides the addition of new companies, the market capitalisation grew as a result of a number of increases in the capital of listed companies. A total of NOK 7.1 billion was raised through

new issues in 1995. This was almost NOK 6 billion less than the previous year, when Norsk Hydro alone completed an issue of almost NOK 5 billion.

Companies on the Shipping List were the most active in the primary market. These companies have never previously raised as much equity from the Exchange as in 1995. Together with shipping companies on the SMB List they raised a total of NOK 4.3 billion. This strengthens the Exchange's role as an important source of capital for this industry.

A condition for continued confidence in the Exchange as a source of capital is that issuers observe their obligations as a consequence of listing. The Exchange considers in its supervisory function that the rules have in all material respects been observed. Nevertheless, during 1995 the Oslo Stock Exchange found it necessary to impose fines for breaches of the information obligation in five cases.

Eeg-Henriksen Gruppen was fined twice the annual listing fee for inadequate information relating to an arbitration award. Sinus Industrier was fined four times the annual listing fee due to a lack of information relating to loans to wholly-owned subsidiaries and its own debt negotiations. For several information matters which both in themselves and in total gave the market an excessively positive view of the company, Stentofon was fined an

The advance of technology has led to activity moving from the traditional stock exchange floor to modern computer terminal.



amount equivalent to the annual listing fee and Kongsberg Gruppen was fined the same amount for a lack of information regarding the establishment of a joint venture agreement. Vital Forsiking was fined four times the annual listing fee for inadequate information in relation to a possible takeover bid. The company appealed against the decision to the Stock Exchange Appeals Committee, which in March 1996 upheld the finding regarding the breach but reduced the fine to twice the annual listing fee.

The Accounts Committee of the Oslo Stock Exchange has, in addition to considering the annual Accounting Circular, considered, among other things, matters relating to Kreditkassen's annual accounts for 1994 which were found not to be in compliance with generally accepted accounting principles. In the opinion of the Committee the company had applied the wrong principle in estimating loss provisions. In addition, it was considered that there was a lack of correlation between descriptions of the risk and the associated accounting consequences in the bank's annual accounts. The Stock Exchange Board reached the conclusion that the company had been in breach of generally accepted accounting principles and that it should change its procedure for estimating loss provisions.

The Accounting Circular for 1995 confirmed with very few exceptions

that the listed companies have implemented the standard for pension costs in their accounts, and the Oslo Stock Exchange is satisfied that an important obligation is now taken into consideration in the accounts. The Oslo Stock Exchange expects that the new accounting standard for cashflow statements will be applied in preparing the 1996 accounts.

Based on the review of the annual accounts the Accounting Circular has raised the issue of pool arrangements in shipping, where the Oslo Stock Exchange points out that most pool arrangements are in fact jointly-controlled businesses and should for accounting purposes be dealt with on this basis. Recommendations have also been made as to how a company should report when parts of its business are sold or closed down.

Due to public interest in option schemes for employees, the Accounting

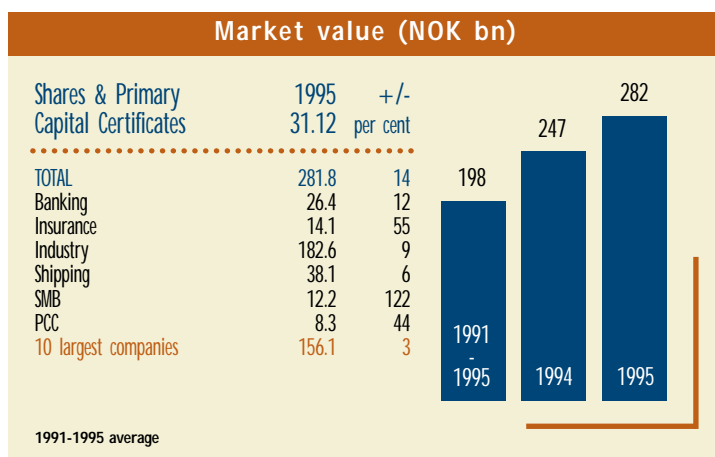
Circular reviews the accounting treatment of warrants and options to employees. The guidance is based on corresponding American rules. Based on cases relating to a listed financial institution's handling of loss estimates, the Accounting Circular repeats the principles which are to be used in estimating unspecified loss provisions.

The Accounting Circular also deals with environmental information, natural perils reserves, deferred tax receivables on acquisitions, interest hedging, legal disputes, forgiveness of debt and gains/losses on the sale of fixed assets.

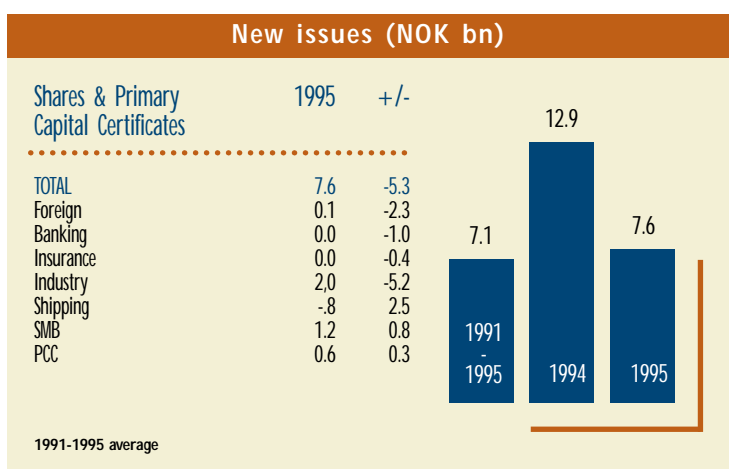
Bond issuers

On the interest side there has been a decline in the number of issues listed at the same time as the outstanding volume of issues has increased. This trend is in line with previous years and is the result of two factors. Issuers use fewer, but larger, often tap, issues. In addition, issuers have exercised rights to redeem older issues at high interest rates. At 31 December 1995 there were 800 listed bond loans and 12 certificate issues.

Even though there was a decline in the number of issues listed on the Exchange in relation to 1994, the volume of new issues rose by 24 per cent to NOK 23.9 billion. In addition, NOK 29.9 billion was issued in subsequent subscription of tap issues, a reduction of 25 per cent from 1994. The Exchange carried out new issue controls on a total of 66 bond issues, of which 63 were listed. In addition, 20 certificate issues were subject to new



The Stock Exchange year



issue control and 15 of these were listed.

The Norwegian State is maintaining an active role in the primary market. Whereas in 1994 the State only extended existing bond issues, in May 1995 it issued a 6-year bond with a coupon of 7 per cent. The State increased its share of new bond issues to 35 per cent. In the case of certificates the corresponding proportion was reduced from 65 per cent to 60 per cent. In addition, in December an 11-year loan with a fixed coupon was announced.

In December the first bond issue made in Norwegian kroner by a foreign government was listed. The issue, which is at a fixed rate with a 10-year term, was made by the Swedish State.

A large part of the new issues made in 1995 were tap issues, which give issuers greater flexibility in succeeding years. In addition, relatively more fixed rate issues were made in the first half-year than in the second half-year.

The number of borrowers at the end of the year was 201, a slight reduction from 1994. The reduction has mainly taken place in the industry sector, which is due both to the repayment of older loans and to a number of loans being redeemed. Since some of the issuers in this sector only had one listed issue, this contributed to the effect referred to above. The share of the total market value of listed bond issues re-

presented by State issues rose to 41 per cent at 31 December 1995 against 37 per cent one year earlier.

THE MARKETPLACE AND MEMBERS

Our existing trading system (TSS) has functioned satisfactorily in 1995. However, the response time at certain periods of heavy usage has been too long. This has particularly been the case in the bond market. It is planned to upgrade the system in 1996. The trading system had 99.83 per cent accessibility on an annual basis in 1995. This means that the system was not accessible for 3 hours and 15 minutes.

In September 1994 the Oslo Stock Exchange signed a contract with Logica (UK) Ltd. on the delivery of a complete trading system for all the

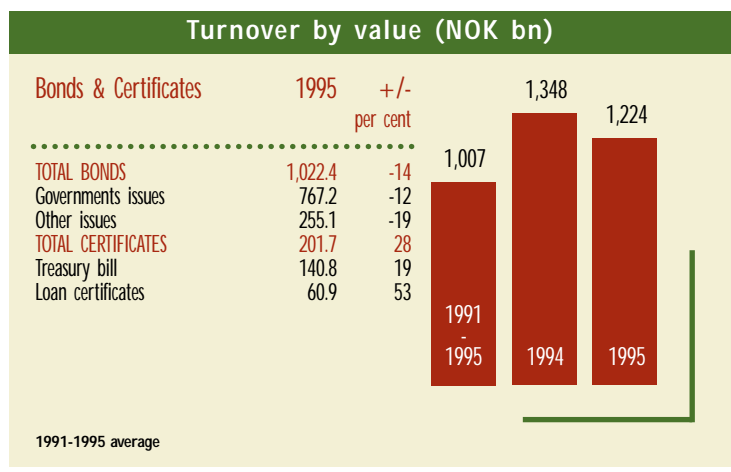
Exchange's products. As a result of the fact that Logica was more than 12 months behind schedule and that one of the main functionalities in the trading system had not been delivered, the Stock Exchange decided in March 1996 to terminate the contract. The Oslo Stock Exchange has given notice of a substantial claim against Logica as a result of the default. Logica on its side has brought a claim as a result of the termination based on the Oslo Stock Exchange requiring assistance from Logica beyond the contract, and secondly that the Oslo Stock Exchange had delayed the project. The Oslo Stock Exchange has rejected the claim as without foundation.

Relations between members and the Stock Exchange developed positively in 1995. This has been illustrated in particular by extensive cooperation and constructive exchanges of views on important issues for the securities market.

At 31 December 1995 the Oslo Stock Exchange had 30 members.

The stockmarket

Participation in trading and price quotation in this sub-market still requires brokers' physical presence at the Stock Exchange building. The extent to which this arrangement will be maintained has been an important subject in communication between the Exchange and broker firms.



Amongst stock exchange members there appear to be divided views on the issue.

The Stock Exchange's attitude is that it would benefit the market in general if trading could take place directly from brokers' offices, where customer contact mainly takes place. In communication and cost terms, this would also give results. Moreover, decentralisation of the stockmarket is in many respects necessary in order for the Stock Exchange to be able to take in as members stock exchange firms which are not established in Oslo. The Exchange cannot implement such a solution at present on technical grounds. The issue has therefore been deferred for the time being.

The bond market

The bond market has been characterised by a concentration of participants and a decline in earnings at the broker level. The Exchange is concerned that the market should have a high number of participants so that the marketplace at all times has satisfactory liquidity and correct pricing. In order for this to function, the firms should have a level of earnings which relates to the activity. Discussions have been commenced with broking firms on measures which can improve the market.

Since the mid-1980s Norges Bank has conducted market support measures



Market surveillance is a central function of the Oslo Stock Exchange.

in government issues through one or more broking firms. Both the market and Norges Bank, however, wish to replace this scheme with a real market-maker scheme - so called primary dealers. In 1995 the broking firms were informed of the terms for primary dealerships, and invited to apply to become primary dealers. In the first instance 7 broking firms were selected for a trial scheme up to the year-end. Primary dealers have an agreement with Norges Bank to make continuous two-way prices in certain government issues. In order to be able to market-make effectively, they also have loan arrangements in Norges Bank for bonds. The scheme has now

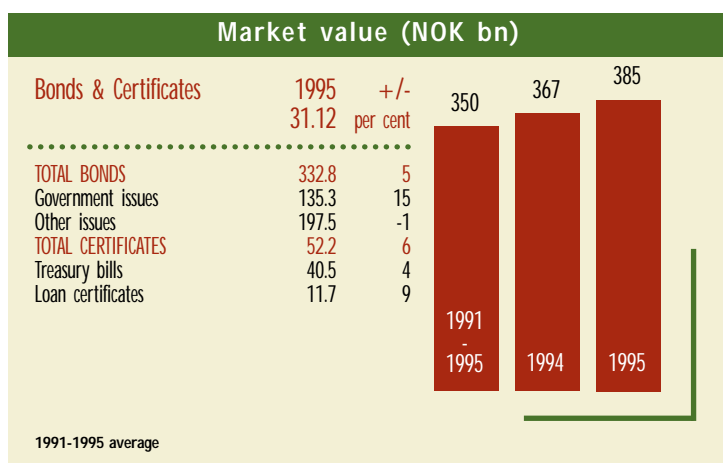
been established on a permanent basis and extended to 10 broking firms. The primary dealer scheme has contributed to maintaining focus on government issues.

The primary dealers have, together with certain other broking firms, established their own lay-off scheme for government bonds. This scheme has made an important contribution to increased liquidity, at the same time as spreading risks in that brokers can take out large volumes within an agreed maximum spread.

The derivatives market

In December 1995 the Oslo Stock Exchange signed an agreement on the supply of technology from OM in Stockholm for trading in equity derivatives. The agreement involves the establishment of joint order books for Norwegian and Swedish equity derivatives which are available to all members linked to the OM Exchange in Stockholm, London and the Oslo Stock Exchange, respectively, in total approximately 120 members. Establishment of this cooperation is expected to have positive effects for the Norwegian derivatives market through better product distribution and a more efficient trading system. From the Stock Exchange's side it is expected that the system - which is called Linked Exchanges and Clearing (LEC) - will provide the equity derivatives market with considerable liquidity. The system is expected to be implemented in early 1997.

During the year a number of improvements have also been made in trading



The Stock Exchange year

routines. The introduction of "direct confirmation" reduced the time between the giving of orders and order confirmation. In addition, the market-maker agreements were more flexible and enabled more binding and less binding agreements to be signed. Under the more binding agreement market-makers provide firm prices for a higher volume, and under the less binding agreement market-makers quote prices in a small number of securities. The introduction of simultaneous order information for market-makers can also be mentioned.

During 1995 Norsk Opsjonsentral and the Norwegian Registry of Securities have established a loan scheme for market-makers. The extent to which the loan scheme will be used appears to depend on changes in the Taxes Act with regard to the question of whether the loan constitutes a disposal.

RELATIONS WITH INVESTORS Investors' holdings

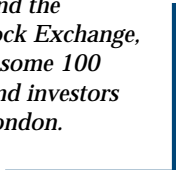
The Norwegian State and state-owned companies held some 21.8 per cent of the market value of listed companies at the end of the year, against 24.6 per cent one year earlier. The reduction is due, among other things, to the sale of shares in the banking sector by the State. Otherwise the trend from recent years continued with regard to increasing foreign ownership and a steadily lower proportion held by pri-



ivate individuals/households. While foreign ownership increased from 30.5 per cent to 33.2 per cent during 1995, the share held by private individuals fell from 9.8 per cent to 9.3 per cent. Some 60 per cent of foreign investors are registered as resident in either the USA or Great Britain.

In the bond market insurance companies and private pension funds again represented the largest investor group in 1995. Their share of outstanding bonds amounted to 40.5 per cent, an increase from 38.1 per cent in 1994. Banks own in total 17.3 per cent of the outstanding bonds, while the Social Security Fund has an interest of 11.5 per cent. In this sector the banks are the largest investors. Foreign in-

At the annual autumn seminar in London, the Minister of Finance Sigbjørn Johnsen and the President of the Stock Exchange, among others, met some 100 brokers, analysts and investors from the City of London.



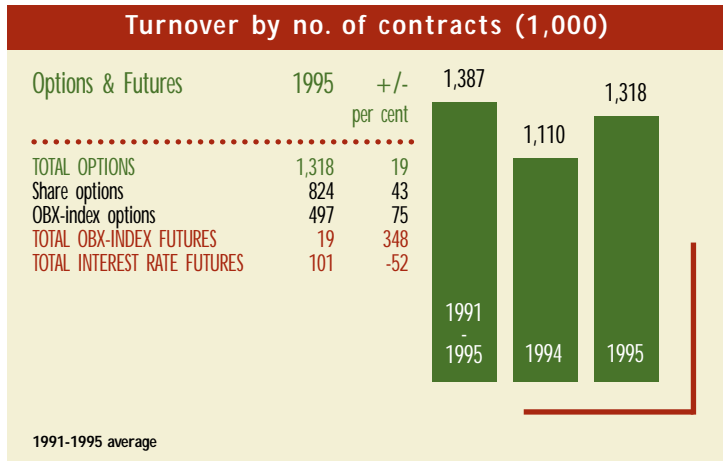
vestors own less than 2 per cent of Norwegian bonds.

The State and municipalities, Norges Bank, bond funds and foreign investors increased their holding of bonds, while industrial companies, the State Social Security Fund, banks, mortgage companies and private individuals reduced their holdings.

Information measures

Among the external measures aimed at providing information on the Oslo Stock Exchange and the Norwegian securities market, the annual autumn seminar for brokers, analysts and investors in the City of London plays an important role. At the 1995 seminar which attracted some 100 participants on 21 November, the Minister of Finance Sigbjørn Johnsen participated.

The Oslo Stock Exchange held its "Open Exchange" arrangement for the third time in September. The purpose of opening to the public is to



spread knowledge and interest in the securities market. Experience shows that there is considerable interest from both the public - with some 2,500 visitors documenting this - and the media for this arrangement. On this occasion focus was directed more towards subjects of interest for that part of the public which already had a basic understanding of the market. A new feature this year was the inclusion of company presentations. Furthermore, the "Open Exchange" this year was linked to AksjeNorge's annual exhibition, "the AksjeNorge day" which was marked by a corresponding programme throughout the country on 19 September.

Knowledge of derivatives as a product and understanding of how these products can assist portfolio managements is considered to be low in Norway. The Oslo Stock Exchange therefore devotes attention to training private and institutional investors in the use of these instruments. The Oslo Stock Exchange has arranged a number of courses on options and futures together with Norsk Opsjonsentral (NOS). These have been directed at auditors, lawyers, settlement staff and investors. During the year over 30 courses were held with, in all, some 1,000 participants.

In order to celebrate the fact that 1995 was the fifth year since the option market started in Norway, the Oslo Stock Exchange and NOS held an "Option Day" at the Oslo Stock Exchange. The event took place on 22 May and the public were invited to lectures, as well as the opportunity to visit brokers and other participants in the finance market. There was considerable interest for the Option Day and more than 600 people visited the Exchange. For participants in the finance market, the fifth anniversary was marked on 23 May with an evening seminar with 150 participants.

The rapid development in the field of IT has provided new opportunities for the spread of information. The Oslo Stock Exchange therefore established



in October its own pages on Internet and is working to develop this form of communication.

A/S Oslo Børs Informasjon

A/S Oslo Børs Informasjon (OBI) is a wholly-owned subsidiary of the Oslo Stock Exchange. OBI undertakes functions related to the Oslo Stock Exchange's role as a marketplace for Norwegian listed securities, particularly with regard to electronic transmission of price data and other relevant information. In addition, the OBI manages certain database-related functions for, and in cooperation with, the Stock Exchange.

The result for 1995 was in line with the result for 1994. The customer base mainly consists of Norwegian and international distributors of stock exchange information. In addition, OBI is responsible for the publication of the Exchange Share Price List and Kierulf's Handbooks.

1995 has been a hectic year for the company. Work on the transition to a UNIX-based information system has continued. New databases have been established for historical price data, share capital data and accounting data. The new databases form, among other things, a foundation for the sale of several datafeeds to information distributors which currently receive price data.

New technology and new distribution channels will present important challenges for the company in future.

"This is the stockmarket news directly from Oslo Stock Exchange.". NRK P2 broadcasts market news on the national network at 12.50 each day from a studio in the Stock Exchange building.

Profit and loss account

OSLO STOCK EXCHANGE				CONSOLIDATED	
1995	1994	NOTE	FIGURES IN NOK 1000	1995	1994
OPERATING REVENUES					
34 414	32 522	1	Quotation fees	34 414	32 522
4 248	7 138		Listing issue fees	4 248	7 138
3 331	3 420		Membership fees	3 331	3 420
8 686	11 929		Brokers' commission fees	8 686	11 929
9 353	10 777		Dealing fees options	9 353	10 777
4 004			Sales revenues	15 109	14 551
3 806	5 524		Other income	3 706	3 924
67 842	71 310		TOTAL OPERATING REVENUES	78 847	84 261
OPERATING COSTS					
29 836	29 747	2, 4	Salaries and social costs	33 462	33 233
1 717	2 133	2	Fees	1 902	2 258
31 602	32 698	3, 10	Departmental expenses	36 831	37 633
8 660	2 597	5	Depreciation	10 010	3 915
71 815	67 175		TOTAL OPERATING COSTS	82 205	77 039
-3 973	4 135		OPERATING PROFIT	-3 358	7 222
7 204	7 559		Financial revenues	7 436	7 661
4 212	2 101	12	Financial expenses	4 227	2 120
2 992	5 458		NET FINANCIAL RESULT	3 209	5 541
		11	Taxes	296	368
-981	9 593		PROFIT FOR THE YEAR	-445	12 395
ALLOCATIONS					
-981	9 593		Transferred from/to retained profits	-445	12 395
-981	9 593		TOTAL ALLOCATIONS	-445	12 395

Cash-flow analysis and notes are an integral part of the account

Balance sheet

at 31.12

OSLO STOCK EXCHANGE				CONSOLIDATED	
1995	1994	NOTE	FIGURES IN NOK 1000	1995	1994
			ASSETS		
			Current assets		
71 729	64 097	7	Cash and bank	75 148	67 438
2 983	1 011		Debtors	945	4 427
			Other short-term receivables	36	
3 245	3 808		Earned unpaid income	3 245	3 808
			Prepaid expenses	472	4
269			Stocks	269	
78 226	68 916		Total current assets	80 115	75 677
			Fixed assets		
44 515	51 700	12	Trading system	44 515	51 700
42 079	42 500	8	Bonds	42 079	42 500
			Pension funds	928	
928	0	4	Shares	11	12
		9	Property	7 359	7 606
7 359	7 606	5, 6	Vehicles and fittings	1 932	2 829
1 789	2 626	5, 6	EDP equipment	4 719	3 344
2 220	72	5, 6	Loans to employees	754	2 846
754	2 846		Other long-term receivables	1 350	
1 350					
100 994	107 350		Total fixed assets	103 647	110 837
179 220	176 266		TOTAL ASSETS	183 762	186 514
			LIABILITIES AND EQUITY		
			Short-term liabilities		
1 815	455		Creditors	1 947	2 444
3 089	3 238		Accrued pay roll tax and social security	3 435	3 525
2 041	1 909		Accrued holiday pay, bonuses	2 277	2 162
4 658			Accrued expenses	4 778	32
			Prepaid revenues	378	4 795
			Payable taxes	296	368
11 603	5 602		Total short-term liabilities	13 111	13 326
			Long-term debt		
44 515	46 872	12	Trading system	44 515	46 872
		4	Pension liabilities	380	
44 515	46 872		Total long-term debt	44 895	46 872
		13	Equity		
27 000	27 000		Income adjustment reserve	27 000	27 000
30 000	30 000		Investment reserve	30 000	30 000
66 102	66 792		Retained profits	68 756	69 316
123 102	123 792		Total equity	125 756	126 316
179 220	176 266		TOTAL LIABILITIES AND EQUITY	183 762	186 514

Cash-flow analysis and notes are an integral part of the account

Kjell Frønsdal
President

Oslo, 31, December 1995
14, March 1996

Morten L. Müller
Head of Administration

Cash flow analysis

Cashflow from/to operation FIGURES IN NOK 1000	OSLO STOCK EXCHANGE		CONSOLIDATED	
	1995	1994	1995	1994
Net cashflow from operations 1)	12 316	17 526	12 910	18 459
Cashflow from investments				
Receipt on sale of fixed assets	613	804	613	1 310
Payments on purchase of fixed assets	-2 940	-53 426	-3 456	-55 592
Net cashflow from investments	-2 327	-52 622	-2 843	-54 282
Cashflow from financing				
Receipts on raising new long-term debt		46 872		46 872
Payments on repayment of long-term debt	-2 357		-2 357	
Net cashflow from financing	-2 357	46 872	-2 357	46 872
Net change in cash and cash equivalents	7 632	11 776	7 710	11 049
Cash and cash equivalents at start of period	64 097	52 321	67 438	56 389
Cash and cash equivalents at end of period	71 729	64 097	75 148	67 438
1) Reconciliation				
Profit before tax	-981	9 593	-149	12 763
Tax paid for period			-368	0
Gain on sale of fixed assets	-214	-465	-214	-671
Ordinary depreciation	8 660	2 597	10 010	3 915
Change in stocks	-269		-269	
Change in receivables from customers	-1 971	2 116	3 483	-2 488
Change in payables to suppliers	1 361	-1 715	-497	-697
Change in pension funds	-638		-664	
Items classified as investment activity (reclassification of bonds)	421	-42 500	422	-42 500
Change in other assets	5 947	47 900	1 156	48 137
Net cashflow from operational activities	12 316	17 526	12 910	18 459

DESCRIPTION OF ACCOUNTING PRINCIPLES

A) Consolidation principles

The consolidated accounts consist of:

	The Oslo Stock Exchange	(parent company)
	AS Oslo Børs Informasjon	(subsidiary - 100%)

The purchase value method is used on consolidation. This means that the purchase price of the shares in the subsidiary is eliminated against equity in the subsidiary at the time of purchase / formation. Internal transactions, receivables and liabilities are eliminated.

B) Classification of items in the accounts

Receivables payable within one year are classified as current assets. Other assets are fixed assets. The corresponding principle is used for liability items.

C) Current assets / fixed assets

Current assets are valued at the lower of acquisition cost and actual value

Fixed, non-depreciable assets are entered in the accounts at cost price. Fixed depreciable assets are entered in the accounts at cost price after deduction of ordinary depreciation. The straight line method is used for depreciation purposes. Minor and temporary investments are entered as expenses.

D) Cash reserve

The cash reserve in the cash flow analysis consists of cash and bank deposits.

NOTE 1. QUOTATION FEES

(FIGURES IN NOK 1 000)

		Fee rates have been calculated as follows (NOK):				
		Shares: per NOK 100,000 in nominal share capital:		Bonds: per NOK 100,000 in remaining outstanding debt.		
	1995	1994	1995	1994	1995	1994
Shares	21 641	21 559	75	75	7,50	7,50
Primary capital certificates	2 683	732	65 000	50 000	5 000	4 500
Bonds	10 090	10 207	550 000	600 000	35 000	30 000
Certificates		25				
SUM	34 414	32 523				

50% rates are paid for companies listed on the SMB list (40% in 1994)

NOTE 2. REMUNERATION

Remuneration paid to the President of the Exchange totalled NOK 1,052,360. Under his employment terms the Stock Exchange President has the right to two years' salary if his period of appointment is not renewed or his employment contract is terminated by the Oslo Stock Exchange.

Fees paid to the auditing firm Kjelstrup og Wiggen ANS in 1995 totalled NOK 70,000.

Fees paid to the auditing firm KPMG Peat Marwick in 1995 totalled NOK 99,475 of which other consultancy work totalled NOK 74,475.

The item fees includes remuneration paid to the Stock Exchange Board of NOK 584,333, to the Stock Exchange Council of NOK 142,500 and to the Stock Exchange Appeals Committee of NOK 140,000.

NOTE 3. OPERATING EXPENSES

(FIGURES IN NOK 1 000)

Operating expenses have the following distribution:

	OSLO STOCK EXCHANGE		CONSOLIDATED	
	1995	1994	1995	1994
Travel	1 180	1 530	1 262	1 549
Projects	11 282	10 838	11 282	10 838
Property	3 409	3 875	3 409	3 875
Departmental expenses	15 731	16 455	20 878	21 371
Total	31 602	32 698	36 831	37 633

NOTE 4. PENSION OBLIGATIONS

The group has a collective pension scheme for its employees with UNI Storebrand.

The obligation covers 62 employees in the Oslo Stock Exchange and 71 employees in the group at 31.12.95.

The group has changed its principle for the treatment of pension expenses in 1995.

Pension expenses are now calculated and booked in accordance with the preliminary Norwegian accounting standard on pension expenses. Its implementation is a fundamental accounting reform which means that the transition effect has been booked directly against equity at 1.1.95.

The group's pension scheme is to be treated for accounting purposes as a benefit plan under the preliminary Norwegian accounting standard for pension expenses.

Actuarial calculations have been made on the basis of information from us.

The following assumptions have been made in the year's calculations:

Return on pension funds	8,00 %
Discount rate	7,00 %
Annual salary growth/G increase	3,30 %
Annual pension adjustment	2,50 %

The implementation of the NAS for pension expenses has meant in 1995 that the pension charge for the year has been reduced by NOK 637,567 for the Oslo Stock Exchange and NOK 664,429 for the group.

Net pension expenses at 31.12.95 are made up as follows:

	OSLO STOCK EXCHANGE	CONSOLIDATED
Pensions earned for the year	1 337 272	1 450 819
Interest cost on pension obligations	780 639	841 391
Expected return on pension funds	-986 127	-1 033 092
Net pension expenses before employment tax	1 131 784	1 259 118
Periodised employment tax	249 478	267 433
Net pension expenses including employment tax	1 381 262	1 526 551

Estimated pension obligation (overfunding) at 31.12.95

	OSLO STOCK EXCHANGE	CONSOLIDATED
Estimated pension obligation	13 066 541	14 108 771
Pension funds (market value)	13 994 045	14 703 510
Net pension obligation before tax	-927 504	-594 739
Periodised employment tax	0	46 920
Net pension obligation after tax (overfunding)	-927 504	-547 819 1)

1) Entered in balance sheet gross pension funds of NOK 927,504 and pension obligations of NOK 379,685.

Overfunding is capitalised as the expected pensions earned and interest cost will exceed the expected yield, so that it will be possible in future to utilise this overfunding.

Notes

NOTE 5: FIXED ASSETS OSLO STOCK EXCHANGE

(FIGURES IN NOK 1,000)

	Property	Fittings	Vehicles	Computers	Trading system	Non-depreciable operating assets	Total
Cost price and ordinary depreciation							
Cost price at 1.1	12 312	2 487	2 211	4 334	51 700	305	73 349
Additions		136	325	2 479			2940
Disposals			-994	0			-994
Cost price at 31.12	12 312	2 623	1 542	6 813	51 700	305	75 295
Acc. ordinary depreciation at 1.1	4 706	1 707	670	4262			11 345
Ordinary depreciation	246	451	447	331	7 185		8 660
Acc. ord. depr. disposals			-595				-595
Acc. ordinary depreciation at 31.12	4 952	2 158	522	4 593	7 185	0	19 410
Book value 31.12	7 359	464	1 020	2 220	44 515	305	55 883
% ordinary depreciation	2	10,20	25	33		0	
Book gain / loss operating assets sold	0	0	214	0	0	0	214

CONSOLIDATED

	Property	Fittings	Vehicles	Computers	Trading system	Non-depreciable operating assets	Total
Cost price and ordinary depreciation							
Cost price at 1.1	12 312	2 487	2 512	16 006	51 700	305	85 322
Additions		136	325	2995	0		3 456
Disposals			-994				-994
Cost price at 31.12	12 312	2 623	1 843	19 001	51 700	305	87 784
Acc. ordinary depreciation at 1.1	4 706	1 707	768	12 661			19 842
Ordinary depreciation	246	451	507	1621	7 185		10 010
Acc. ord. depr. disposals			-595				-595
Acc. ordinary depreciation at 31.12	4 952	2 158	680	14 282	7 185	0	29 257
Book value 31.12	7 359	464	1163	4719	44 515	305	58 525
% ordinary depreciation				2	10,20	25	33
Book gain / loss operating assets sold	0	0	214	0	0	0	214

NOTE 6: ACQUISITIONS AND DISPOSALS (sales price) OF FIXED ASSETS

(FIGURES IN NOK 1,000)

OSLO STOCK EXCHANGE

Acquisitions and disposals (sales price) of fixed assets

	1995		1994		1993		1992		1991	
	Acq.	Disp.	Acq.	Disp.	Acq.	Disp.	Acq.	Disp.	Acq.	Disp.
Vehicles	325	613	1261	804	575	370	1107	665	400	170
Fittings	136		160						440	
Non-depr. operating assets			305							
Computers	2479						4085		1086	
Property										
Total	2940	613	1726	804	575	370	5192	665	1926	170

CONSOLIDATED

Acquisitions and disposals (sales price) of fixed assets

	1995		1994		1993		1992		1991	
	Acq.	Disp.	Acq.	Disp.	Acq.	Disp.	Acq.	Disp.	Acq.	Disp.
Vehicles	325	613	1261	804	876	370	1107	665	400	170
Fittings	136		160						440	
Non-depr. operating assets			305							
Computers	2995		2166	506	2193		4905		2165	
Property										
Total	3456	613	3892	1310	3069	370	6012	665	3005	170

NOTE 7. RESTRICTED FUNDS

NOK 2,113,042 of total bank deposits relates to restricted bank deposits.

The corresponding figure for the group is NOK 2,331,701

NOTE 8. BONDS

With effect from 31.12.1994 the bond portfolio has been classified under fixed assets and is assumed to be held until maturity. An interest rate equivalent to the yield to maturity is booked as income.

Changes in the market yield on these bonds do not affect the profit and loss account or balance sheet.

The premium at the date of classification will be periodised until maturity.

NOTE 9. SHARES

The Oslo Stock Exchange owns 100% of the share capital, i.e. 5 000 shares with a nominal value of NOK 1 000, in AS Oslo Børs Informasjon (OBI). The book value of the shares is NOK 0.-

The share portfolio of A/S Oslo Børs Informasjon consists of shares in listed companies.

This share portfolio will always form part of the company's business and must therefore be regarded as long-term.

NOTE 10. LEASES

The company has signed the following material lease contracts:

	Lease period	Annual rent
Fred.Olsensgt.	2.1.91-30.06.97	574,592

NOTE 11. ACCOUNTING TREATMENT OF TAX

At 31.12.95 the Exchange's subsidiary has negative temporary differences divided between NOK 1,110,507 on fixed assets, NOK 25,000 on accounts receivable and NOK 379,685 on pension liabilities.

The tax benefit related to the negative temporary differences is not included in the accounts.

The tax charge in the accounts, NOK 296,097, consists entirely of tax payable.

NOTE 12. TRADING SYSTEM

In mid-1994 an agreement was signed with Logica on delivery of a new trading system. The agreement, which totals NOK 51.7 million, is included in full in the accounts.

At 31.12.95, NOK 7,185 has been paid. The system is delayed and renegotiation of the contract is taking place. NOK 4,2 million of finance costs are unrealised losses. The losses are due to the development in rates on forward contracts against funds sterling taken out in 1994 in connection with the trading system contract.

NOTE 13. EQUITY

On the introduction of NAS for pension expenses at 1.1.95 the transition arrangements for the Oslo Stock Exchange of NOK 289,937 were credited to equity. NOK 116,610 was charged to equity for the group.

The development in equity in 1995 can be specified as follows:

	Oslo Stock Exchange	Consolidated
Equity at 31.12.94	123,792	126,316
Change on introduction of NAS on pension expenses	290	-117
Loss for the year	-981	-445
Equity at 31.12.95	123,102	125,756

Auditors report for 1995

REVISJONSFIRMAET
KJELSTRUP OG WIGGEN ANS

Foretaksregisteret:
NO 866572992

(Translation from Norwegian)

To the Stock Exchange Council

Statsautoriserte revisorer
Ole F. Kjelstrup
Jon Wiggen
Erik Olsen
Medlemmer av Norges Statsautoriserte
Revisorers Forening

AUDITOR'S REPORT FOR 1995 – Oslo Stock Exchange

We have audited the annual report and accounts of The Oslo Stock Exchange for 1995, showing a loss for the year of NOK 981,011,- for the parent company and a consolidated loss for the year of NOK 445.161,-. The annual report and accounts which comprise the annual report proper, profit and loss account, balance sheet, funds flow statement, notes to the accounts and consolidated accounts are presented by the Board of Directors and the President of the Stock Exchange.

Our responsibility is to examine the Stock Exchange's annual report and accounts, its accounting records and other related matters.

We have conducted our audit in accordance with relevant laws, regulations and Norwegian generally accepted auditing standards. We have performed those audit procedures which we considered necessary to confirm that the annual report and accounts are free of material misstatements. We have examined selected parts of the evidence supporting the accounts and assessed the accounting principles applied, the estimates made by management, and the content and presentation of the annual report and accounts. To the extent required by generally accepted auditing standards we have reviewed the Stock Exchange's internal control and the management of its financial affairs.

The Board of Directors' proposal for the settlement of the loss for the year is in accordance with the requirements of the Accounting Act.

In our opinion, the annual report and accounts have been prepared in accordance with the requirements of the Accounting Act and present fairly the financial position of the Oslo Stock Exchange and of the Group as of December 31, 1995 and the result of its operations for the financial year, in accordance with Norwegian generally accepted accounting principles.

Oslo March 14, 1996
Revisjonsfirmaet Kjelstrup og Wiggen ANS

Translation, not to be signed

Ole F. Kjelstrup
State Authorized Public Accountant (Norway)

Note: The translation into English has been prepared for information purposes only.

Organisation

THE STOCK EXCHANGE COUNCIL - BY 1. APRIL 1996

Chairman

Arent M. Henriksen, Director

Deputy Chairman

Gunnar Vefling, Appeal Court Judge

Member

Erik Wahlstrøm, Attorney
Gunn Wærsted, General Manager
Tore Lindholt, Managing Director
Elisabeth Enger, Mayor
Mai-Lill Ibsen, Finance Director

Eirik Bunæs, Departmental Director

Cato Kjølstad, Economist
Inger Johanne Sletner, Assistant Director
Leiv Askvig, Managing Director
Tom Knoff, Managing Director
Geir Misund, Director

Svein Erik Amundsen, Managing Director
Bente Thomassen, Finance Director
Leiv Lea Nergaard, Group Director

Siri Fürst, Vice President

Anita Roarsen, Chartered Accountant
Trond Weltzien, Managing Director
Petter Berge, Managing Director
Jan S. Hellstrøm, Managing Director
Ingunn Asla, Advisor
Eli Telhaug, Departmental Director
Stig Berge, License Holder
Tor Hernæs, Manager
Bodil Cathrine Østby, Economist
Serge Fjærvoll, Chartered Accountant

Deputy member

Ellen Ronæss, Department Manager
Tore Nag, Group Director
Olaug Svarva, Fund Manager
Søren Gunnar Thorsdal, County Executive
John Olav Birkeland, Finance Director

Vigdis Diesen, Adviser

Kari Lorentz-Larssen, Economist
Harald Bøhn, Assistant Director
Per Broch Mathisen, Managing Director
Frede Aas Rognlien, Attorney
Anne Lise Løfsgaard, Managing Director

Karoline L. Böhler, Attorney
Nigel Wilson, Managing Director
Jan Magne Heggelund, Group Director

Tor Lund, Finance Director

Karl H. Sigurdsson, Chartered Accountant
Hilde Johansen, Manager
Thomas Nordtømme, Managing Director
Tom Kolvig, Assistant Director
Jan A. Halvorsen, Manager
Anne M. Brændvang, Director
Marianne Vollan, Senior Executive Officer
Grete Zimmer, Advisor
Dag Erik Rasmussen, Attorney
Atle Degré, Attorney

Organisation

Norwegian Shareholders Organisation
Norwegian Bankers Association
State Social Security Fund
Association of Local Authorities
Association of Credit Institutions and Mortgage Banks
Banking, Insurance & Securities Commission
Trade Unions
The Norwegian Sentral Bank
Norwegian Association of Stockbrokers
Norwegian Association of Stockbrokers
Association of Norwegian Insurance Companies
Norwegian Shipowners Association
Norwegian Society of Financial Analysts
Confederation of Norwegian Business and Industry
Confederation of Norwegian Business and Industry
Norwegian Accounting Standards Board
Norwegian Savings Banks Association
Mutual Funds Association
Norwegian Registry of Securities
Ministry of Labour
Ministry of Finance
Ministry of Justice
Ministry of Industry and Energy
Staff Representative
Staff Representative

THE STOCK EXCHANGE BOARD BY 1. APRIL 1996

Chairman

Ole Lund, Barrister

Advokatfirma Lund, Gundersen & Co.

Deputy Chairman

John Høstelund, Managing Director

Elcon Securities A/S

Christian Bjelland, Managing Director
Frode Hassel, Managing Director
Kristin Normann Aarum, Senior Lecturer Dr. Jur.
Johan Solbu Braaten, Finance Director
Odd Sigmund Røste, Manager Bond Market

Chr. Bjelland & Co. ASA
Bolig- og Næringsbanken ASA
The University of Oslo
Aker ASA
Staff Representative

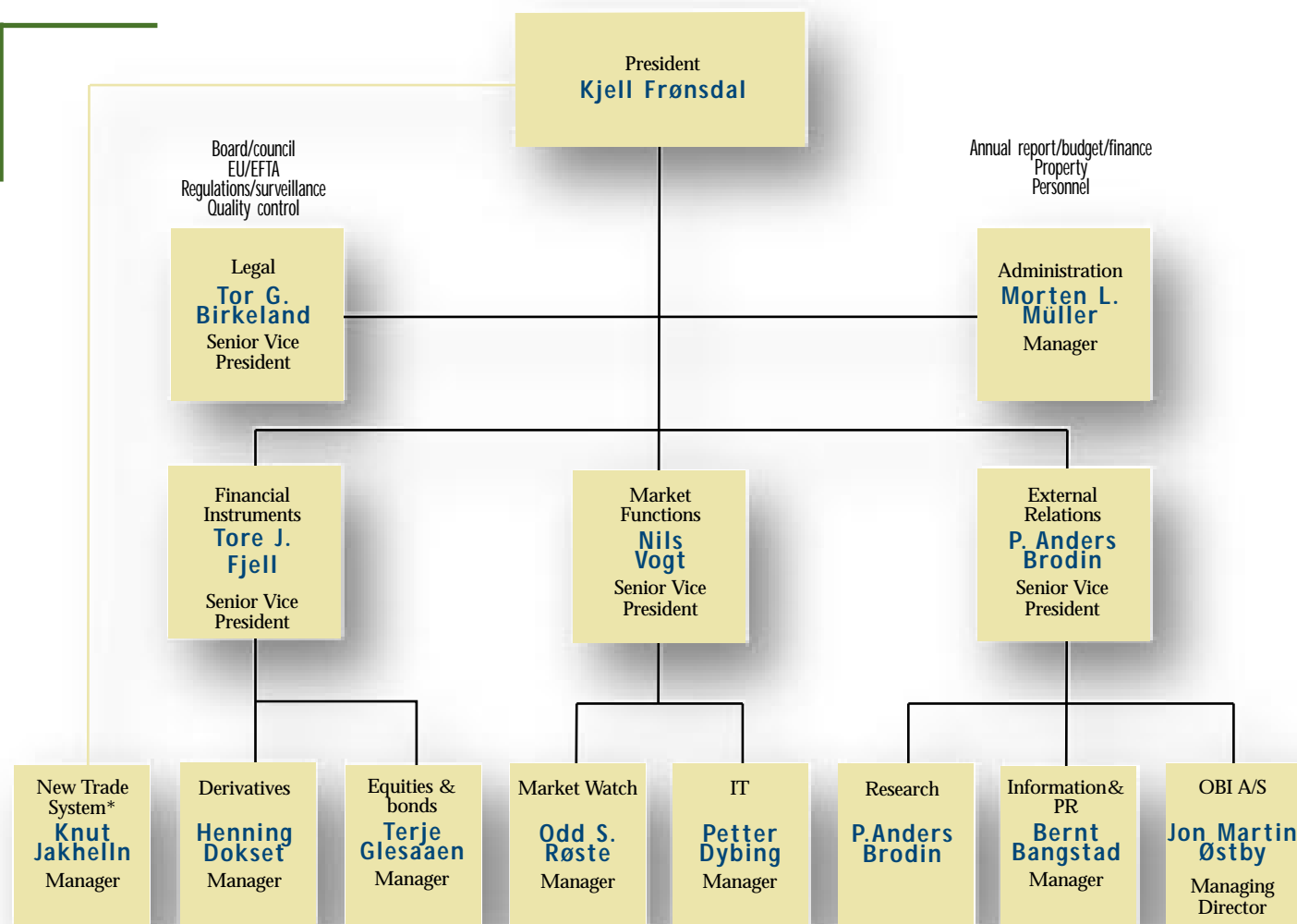
THE STOCK EXCHANGE APPEALS COMMITTEE AT 1. APRIL 1996

Tore Schei, Chairman
Steinar Tjomsland, Deputy Chairman
John Giverholt, Director
Anne Cathrine Høeg Rasmussen, Attorney
Ellen Mo, Attorney

High Court Judge
High Court Judge
Den norske Bank ASA
Advokatfirmaet Schjødt AS
Advokatfirmaet Hauge & Co.

Organisation

THE OSLO STOCK EXCHANGE ORGANISATION



*Organized as part of the Market Functions

THE ACCOUNTING COMMITTEE AT 1. APRIL 1996

Atle Johnsen, Professor
 Finn Berg Jacobsen, State Auth. Public Accountant
 Harald Jægtnes, Audit Director
 Pål Reiulf Olsen, Director
 Jan Syversen, Attorney
 Trond Tømte, State Auth. Public Accountant
 Bjørn Østbø, Chief Analyst

Norges Handelshøyskole, Bergen
 Arthur Andersen & Co
 Den Norske Bank ASA
 Elcon Securities A/S
 Advokatfirmaet Schjødt
 Coopers & Lybrand A/S
 DnB Fonds A/S

Organisation

COMMITTEE ON STOCK EXCHANGE AND SECURITIES LAW AT 1 APRIL, 1996

Håkon Løchen, Attorney/Kim Dobrowen, Attorney	Thommessen, Krefting, Greve & Lund
Carl J. Hambro, Attorney	Gram, Hambro & Garman
Arne Didrik Kjørnæs, Attorney/Marius Ryel, Attorney	Wikborg, Rein & Co.
Gudmund Knudsen, Attorney/Rune Svoren, Attorney	Bugge, Arentz-Hansen & Rasmussen
Erling Christiansen jr., Attorney/Anne Cathrine Høeg Rasmussen, Attorney	Advokatfirmaet Schjødt
Henning Øglænd, Attorney	Advokatfirmaet Stabell
Ole Nyfløt, Attorney	Advokatfirmaet Nyfløt, Kahrs og Henriksen
Anders Chr. Stray Ryssdal, Attorney/Harald Scholdager, Attorney	Wiersholm, Mellbye & Bech

MEMBERS OF THE OSLO STOCK EXCHANGE

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Bergen Fondsmeglerforretning A.S	P.O.Box 933	N-5001 BERGEN 55 31 61 30
Carnegie a.s	P.O.Box 684, Sentrum	N-0106 OSLO 22 00 93 00
Chase Manhattan Bank Norge AS	P.O.Box 1224, Vika	N-0110 OSLO 22 94 19 19
Christiania Fonds AS	P.O.Box 1166, Sentrum	N-0107 OSLO 22 48 50 00
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Den norske Bank AS, DnB Fonds		N-5020 BERGEN 55 21 13 53
Elcon Securities A/S	P.O.Box 153, Sentrum	N-0102 OSLO 22 33 02 40
Fearnley Fonds A/S	P.O.Box 1158, Sentrum	N-0107 OSLO 22 93 60 00
FIBA Nordic Securities A/S	P.O.Box 1351, Vika	N-0113 OSLO 22 83 88 70
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Norse Securities A/S	P.O.Box 1474, Vika	N-0116 OSLO 22 83 11 83
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Pareto Fonds AS	P.O.Box 1411, Vika	N-0114 OSLO 22 42 20 80
R.S. Platou Securities A/S	P.O.Box 10	N-1322 HØVIK 67 59 20 30
Saga Securities AS	P.O.Box 1770, Vika	N-0122 OSLO 22 01 00 00
Skandinaviska Enskilda Banken	P.O.Box 1843, Vika	N-0123 OSLO 22 82 70 00
SPN Fonds a.s	P.O.Box 1169, Sentrum	N-0107 OSLO 22 31 80 10
Sparebanken Nord-Norge, Fondsvd.	Sjøgt. 39	N-9005 TROMSØ 77 62 20 00
SR - Fonds A/S	P.O.Box 163	N-4001 STAVANGER 51 83 63 00
Sundal Collier & Co a.s	P.O.Box 1444, Vika	N-0115 OSLO 22 83 14 60
A. Sundvall A/S	P.O.Box 657, Sentrum	N-0106 OSLO 22 42 10 84
Unibank A/S	2 Torvegat, DK-1786 Copenhagen V, Danmark	+ 45 33 33 39 29

Statistics

1995

SOME KEY FIGURES FROM "THE OSLO STOCK EXCHANGE - STATISTICS 1995"

Shares and Primary Capital Certificates

		Banking	Insurance	Industry	Shipping	SMB	PCC's	Total
Turnover by value, NOK bn								
	1995	13,7	7,3	96,7	26,4	8,5	4,0	156,7
	1994	9,1	4,4	83,5	23,1	2,4	1,7	124,5
Turnover by no.of shares (mill)								
	1995	542,7	249,8	860,2	860,1	385,8	30,2	2 928,8
	1994	374,9	230,5	755,4	623,4	69,6	13,6	2 067,5
No. of transactions								
	1995	31 594	16 724	226 746	74 830	33 975	10 183	394 052
	1994	29 835	14 434	179 958	67 599	8 873	3 923	304 622
Market value, NOK bn								
at year end	1995	26,4	14,1	182,6	38,1	12,2	8,3	281,7
at year end	1994	23,5	9,1	166,9	35,8	5,5	5,8	246,6
Nominal value, NOK bn								
at year end	1995	13,5	2,8	17,5	5,1	1,7	5,6	46,1
at year end	1994	12,8	2,8	16,0	5,1	0,7	4,8	42,1
New issues, NOK mill								
	1995	-	10,0	1 967,0	3 762,5	1 234,3	561,4	7 632,0
	1994	1 009,5	406,6	7 141,7	1 262,3	419,9	250,9	12 898,3
No.listed companies								
at year end	1995	8	3	65	39	38	12	165
at year end	1994	7	4	60	39	28	8	146
Turnover velocity								
	1995	56,4	65,6	55,7	67,0	88,9	56,0	58,9
	1994	42,5	56,0	52,0	63,3	46,3	57,2	52,6
Dividends, NOK mill								
	1995	1 547,7	254,0	3 346,6	591,0	87,8	676,6	6 503,7
	1994	281,6	315,2	2 611,2	418,9	79,0	412,1	4 117,9
Foreigners ownership per cent								
at year end	1995	26,3	42,9	33,2	33,0	37,9	7,2	33,2
at year end	1994	13,2	20,0	32,9	32,4	32,1	10,0	30,5

Statistics 1995

SOME KEY FIGURES FROM "THE OSLO STOCK EXCHANGE - STATISTICS 1995"

		Bonds			Certificates		
		Total	of which Government	of which Major issues	Total	Treasury bills	Loan certificates
Turnover, NOK bn	1995	1 752	1 386	322	225	160	65
	1994	1 530	1 126	369	161	121	40
No. of transactions	1995	74 550	49 268	-	4 083	3 223	860
	1994	81 828	51 951	-	2 593	1 905	688
Market value, NOK bn	at year end 1995	333	135	124	52	41	12
	at year end 1994	318	117	120	50	39	11
Nominal value, NOK bn	at year end 1995	315	123	119	53	41	12
	at year end 1994	310	110	120	50	39	11
New issues, NOK bn	1995	54	19	-	73	44	29
	1994	59	16	-	72	47	26
No. of issues listed	at year end 1995	800	24	80	12	5	7
	at year end 1994	837	23	79	8	4	4

Options & Futures

		Stock options	Index options	Index futures	Interest rate futures
Turnover, no. of contracts	1995	823 804	493 965	18 615	101 188
	1994	685 720	423 800	4 151	209 188
Turnover, daily average	1995	3 282	1 968	74	403
	1994	2 710	1 675	16	827
Open interest	at year end 1995	37 990	17 440	865	2 863
	at year end 1994	30 830	17 180	550	4 060
Market maker ratio	1995	38 %	39 %	50 %	50 %
	1994	37 %	34 %	50 %	49 %

For more information on the Oslo Stock Exchange's publications and subscription services, please contact The Oslo Stock Exchange, Information Department, PO Box 460 Sentrum, N-0105 OSLO, Norway
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 The Oslo Stock Exchange is now available on internet. Our address is: <http://www.nettvik.no/finans/oslobors/>



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