Branded Consumer Goods

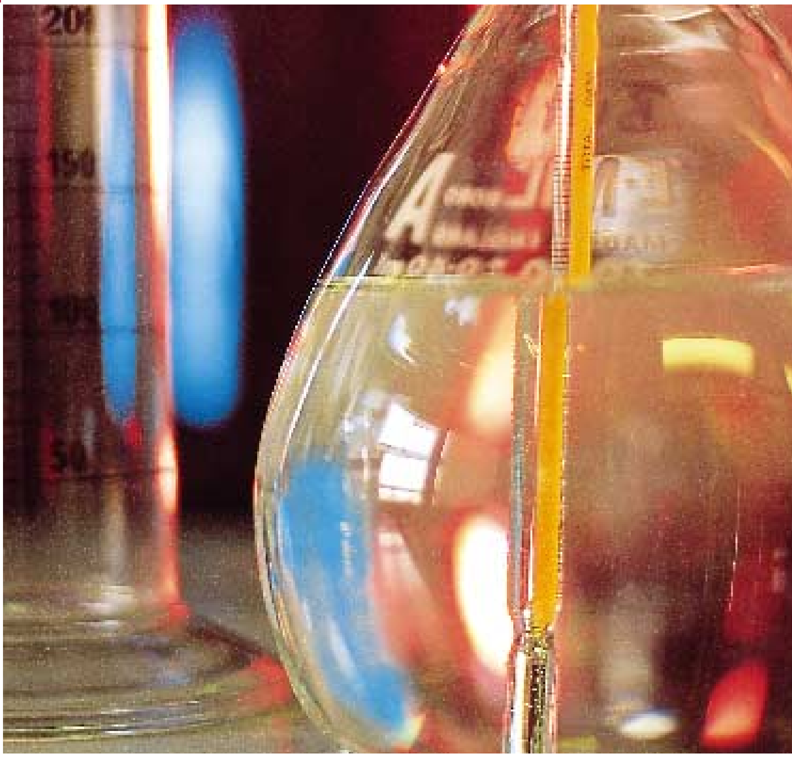
	1995	1994	1993
Operating Revenues 1)	17,137	15,011	12,627
Operating Profit 1)	1,235	1,054	982
Operating Margin 2)	7.2	7.0	7.8
Return on Capital Employed 2)	16.5	17.0	19.0

Exclusive of non-recurring items

Chemicals

	1995	1994	1993
Operating Revenues 1)	3,601	3,105	2,806
Operating Profit 1)	403	299	224
Operating Margin 2)	11.2	9.6	8.0
Return on Capital Employed 2)	18.3	16.6	14.2

Exclusive of non-recurring items

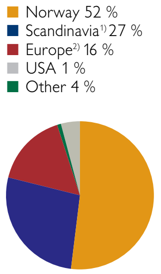


Financial Investments

	1995	1994	1993
Portfolio's Market Value 1)	8,761	8,194	7,361
Unrealised Gains before tax 1)	3,019	2,663	2,473
Net Asset Value, Investment Area 1)	6,667	5,727	5,150
Profit before tax 1)	498	350	273
Return on Investment Portfolio 2)	12.7	9.5	67.0

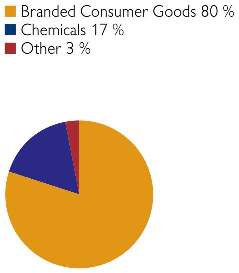
1) NOK million
2) %

OPERATING REVENUES BY GEOGRAPHICAL AREA



Total operating revenues NOK 21.5 billion
1) Excl. Norway
2) Excl. Scandinavia

OPERATING REVENUES BY BUSINESS AREA



Total operating revenues NOK 21.5 billion

From left:
Carolin Olsson, Programmer, IT-department, Pripps
Lisbeth Lindberg, Vice President / Investor Relations, Orkla
Roy Iversen, Salesman, Liva 4, Lilleborg

This is Orkla

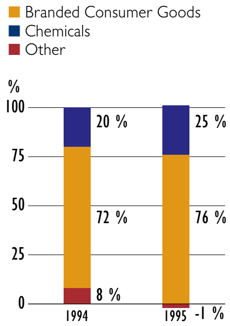
THE GROUP'S STRATEGY

The Group's main objective is to become the leading supplier of **branded goods** to Nordic households. The acquisition of Abba Seafood and Procordia Food and the merger between Pripps and Ringnes were important steps towards achieving this objective, particularly in Norway and Sweden. The development of market positions and business systems in Denmark and Finland will be given priority in the coming years. **The Chemicals area** is to be developed further within global niches based on fine and specialty chemicals. Orkla will continue to be a major **equity investor**, primarily in the Nordic region.

Orkla is an expertise and market driven group which bases its expansion and development on products and market areas where the opportunities of being preferred by customers and consumers are good.

The Group takes active part in the development and restructuring of the industries in which it has its main activities. This is carried out through a combination of internal development measures, acquisitions and cooperative arrangements.

DISTRIBUTION OF OPERATING PROFIT
(excl. other revenues and costs)



THE GROUP'S HISTORY

The present Orkla is the result of two major mergers; in 1986 between Orkla Industrier and Borregaard, and in 1991 between Orkla Borregaard and Nora Industrier. Since then, the Group has grown through a number of large and small

More than 18,000 employees possess valuable expertise which is decisive for the Group's profitability. Pictured on these and the following two pages are employees from the Group's businesses.

From right:
Peter Lundqvist, Store development, Pripps
Andrea Mesiano, Director R&D and New Businesses, Borregaard
Elsa Moldvær, canteen, Sætre

acquisitions, where the acquistion of Procordia Food and Abba Seafood and the merger of Pripps and Ringnes in 1995 are the largest.

Orkla Industrier was founded in 1904 to continue the operation of the pyrite mines at Løkken Verk. Mining dated back to 1654 and formed the basis for the development of a smelting industry. From the latter part of the 1940's onwards the company has built up an extensive investment portfolio.

Borregaard was formed in 1918 when Norwegian interests acquired the British company The Kellner Partington Paper Pulp Co. Ltd. which produced pulp and paper in Norway, Sweden and Austria. From 1960 onwards Borregaard expanded its activities in chemicals and consumer products.

The food and beverages group Nora Industrier was established in 1978 and developed to become Norway's leading supplier of beer and carbonated soft drinks based on traditions going back to the 1820's. Nora also had major positions in the Norwegian food products market.

The merger in 1986 formed the basis for the Orkla Group's three core areas: Branded Consumer Goods, Chemicals and Financial Investments. With the merger in 1991 the Group's position in branded goods was further strengthened and provided a basis for future Nordic expansion.

In 1995 Orkla acquired Procordia Food and Abba Seafood from Volvo. At the same time Pripps was merged with Ringnes' Norwegian operations. The agreement led to Orkla becoming the Nordic region's largest supplier of branded consumer goods.

THE ORKLA GROUP

Orkla is one of Norway's largest listed companies. The Group's sales in 1995 totalled NOK 21.5 billion, of which 48 % was outside Norway. The Group has a total of 18,353 employees, of whom 10,322 work in Norway, 6,417 in the remaining Nordic countries and 1,614 in operations outside the Nordic region.

The Branded Consumer Goods area accounts for 80 % of the Group's total sales. Orkla is the leading supplier of branded consumer goods to the grocery trade in the Nordic region, with many number one or number two positions in strategically important product areas. The Branded Consumer Goods activities have strong positions as partners and suppliers to a steadily more integrated Nordic grocery trade. Several of the Group's products also have strong positions in the catering market. The Group has maintained and strengthened the Branded Consumer Goods area's market positions through

RESULT BY AREA

NOK million	**1995**	1994	1993	1992
Operating profit Branded Consumer Goods	**1,235**	1,054	982	943
Operating profit Chemicals	**403**	299	224	158
Operating profit Head Office/Unallocated	**(40)**	90	35	69
Other revenues and costs	**127**	82	0	0
Operating profit Industry area	**1,725**	1,525	1,241	1,170
Profits from associated companies	**148**	129	219	133
Financial items Industry area	**(445)**	(430)	(417)	(425)
Profit before tax Industry area	**1,428**	1,224	1,043	878
Profit before tax Investment area	**498**	350	273	(563)
Profit before tax and minority interests	**1,926**	1,574	1,316	315

Lilliana Stefanovska, test kitchen, Procordia Food

Ivan Andelic, R&D Manager, Borregaard

cost-saving programmes and increased expenditure on advertising and product development.

The Chemicals area has strong global niche positions in specialty and fine chemicals and is Europe's leading manufacturer of chemical specialty pulp. The operating revenues in 1995 represented 17 % of the Group's total. The Chemicals area has production units and sales offices in Europe, the USA and Asia. The Chemicals area focuses on cost-efficiency, product specialisation and increased market orientation.

Orkla's third business area, **Financial Investments,** primarily consists of long-term equity investments, mostly in large Norwegian companies. The area represents 1/4 of the Group's balance sheet.

Continuous operations over a number of decades has created a sound foundation of experience and expertise in the three core areas. Systematic training programmes and interaction between the Group's subsidiaries further strengthen their expertise. Orkla has established its own "Branded Goods School" in order to further improve quality at all levels and strengthen the transfer of know-how between product areas. In order to secure the development of know-how in industrial marketing as well, the "Orkla School for Business Relations" was established in 1995.

BRANDED CONSUMER GOODS

Orkla Foods is the market leader in the Nordic region in product groups such as preserved vegetables, ketchup, frozen pizza, juice, jam, fruit soups and marzipan. In addition the area has strong positions in sectors such as frozen ready-meals, fresh and chilled meats, cereals, bread and yeast in Norway, and seafood in Sweden.

Orkla Beverages consists of a 45 % financial interest in Pripps Ringnes, which is the market leader in beer, carbonated soft drinks and water products in both Sweden and Norway. Pripps Ringnes owns 50 % of Baltic Beverages Holding (BBH), which is the market leader in beer in the Baltic states and the St. Petersburg region. Pripps Ringnes also owns 20.5 % of Oy Hartwall Ab, the market leader in the Finnish beer and soft drink market, and Pripps Ringnes' joint venture partner in BBH.

Anders Berggren, Financial Analyst, Orkla

Orkla Brands owns several of Norway's most well known brands in confectionery, biscuits, detergents, personal products and cosmetics. Orkla is the Nordic region's largest supplier of biscuits, with operations in Norway, Sweden and Finland. Orkla holds strong number two positions in Norway for chocolate and snacks and is market leader for snacks in Denmark. Orkla Brands has a long-term cooperation agreement with Unilever in detergents and personal products.

Orkla Media comprises newspapers, magazines and direct marketing. Orkla's newspaper business is concentrated on local newspapers with leading market positions. The media business owns 50 % of Hjemmet Mortensen, through which it has a strong position in the Norwegian magazine market. In recent years Orkla Media has acquired strategic holdings in several Polish local newspapers and magazines.

CHEMICALS

Specialty chemicals include lignin-based binding and dispersing agents for applications in animal feeds, agrochemicals, oil drilling, concrete and dyes. The wide range of applications means that there is little cyclicality in the business. Expenditures on research and development has led to a range of added value products and good market positions.

Through its fine chemicals business Orkla is an important supplier of intermediate products for non-ionic X-ray contrast agents. As the world's only full range supplier of vanillin, Orkla has a solid global number two position. Furthermore, the Chemicals area is the world's second largest producer of diphenols.

Specialty pulp is used in, among other things, textiles, photographic paper and as thickening agent in foods.

The new core area, Ingredients, was established on 1.1. 1996 when the edible oils division was transferred to the Chemicals area. Ingredients deliver oils, fats and proteins to the food manufacturing industry and feed production.

Orkla owns significant forest and hydro power resources.

FINANCIAL INVESTMENTS

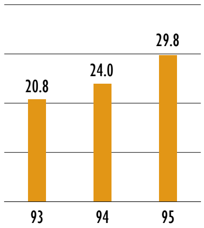
Through its investment business, Orkla has established a broad overview and network in the Norwegian and international financial markets. The insights this provides also contribute to the development of the Group's industrial business. At the same time, proximity to an industrial environment gives the Investment area access to know-how and analysis which most portfolio investors lack. The overall effect of this duality is valuable to the entire Group.

Orkla owns one of Norway's largest equity portfolios, concentrated on shareholdings in Norwegian listed companies. Stockbroking and other financial services are provided through the company Orkla Finans.

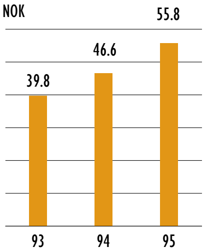
The market value of the portfolio at 31.12. 1995 was NOK 8.8 billion, of which NOK 3.0 billion represented unbooked, unrealised gains. Net asset value of the entire Investment area (the market value less debt) was NOK 6.7 billion.

Report of the Board of Directors

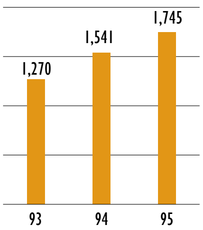
EARNINGS PER SHARE
NOK



CASHFLOW
PER SHARE
NOK



OPERATING PROFIT
NOK million



1995 was a good year for Orkla. The Industry area reported a satisfactory profits advance, at the same time as expenditure on product development and other marketing measures further intensified. The Investment portfolio outperformed the Oslo Stock Exchange All Share Index. Earnings per share rose by 24 % to NOK 29.80.

In 1995 Orkla acquired the food product businesses Procordia Food and Abba Seafood from Volvo, at the same time as Orkla and Volvo established the jointly-owned Nordic beverages company Pripps Ringnes. These steps have provided Orkla with a significantly expanded Nordic business system, which will be a strong and efficient supplier to the retail trade and consumers in the Nordic countries. The foundation has thus been laid for significant improvements in competitiveness in a number of important product groups within Orkla's food and beverages area. Measures to achieve such improvements have commenced. At the same time the strategic development continued for the remaining parts of the Group.

THE ACCOUNTS FOR 1995

The existing Norwegian accounting legislation does not permit consolidation of jointly controlled limited companies using the proportionate consolidation method. This has been changed in the proposed new Accounting Act. The same is proposed in the preliminary accounting standard on participation in jointly controlled activities. In Orkla's opinion the Group's financial interest in Pripps Ringnes (45 %), and thus its involvement in beverages, should be valued and consolidated using the proportionate consolidation method. Pro forma consolidated accounts (including notes) have therefore been prepared which are set out from page 13 of the annual report. All key figures and comments are based on these. In order to satisfy current legislation Orkla has decided to prepare formal accounts with notes in which Pripps Ringnes is valued and incorporated using the equity method. These are set out on page 30 in the annual report. The profit for the year and earnings per share are not affected by the choice of valuation method.

RESULT

Orkla's operating revenues rose by NOK 831 million (+4.0 %) to NOK 21,529 million. Since mid-1994 Orkla has sold businesses which in total has led to a reduction of more than NOK 1.9 billion in the Group's sales. Businesses acquired in 1995 and the full year effect of purchases in 1994 increased sales by slightly less than NOK 1.9 billion. The underlying sales growth is a consequence of good volume development for the branded goods businesses and favourable price development for certain products in the Chemicals area.

The Group's operating profit was NOK 1,745 million, against NOK 1,541 million the previous year (+13 %). The operating margin was 8.1 %, against 7.4 % in 1994.

The Group's result for 1995 includes non-recurring items in a net amount of NOK 127 million. In order to improve comparability in the profit and loss statement these are shown in a separate line in the statement under "Other revenues and costs" and are further detailed in note 12. These relate to gains on the sale of industrial activities in a net amount of NOK 367 million and write-downs/provisions related to restructuring of businesses of NOK 240 million. The most important items are gains on the sale of the beverages activities in Poland, a provision for restructuring in Abba Seafood and a provision for possible changes in the contractual agreement with The Coca-Cola Company for the Swedish market. Excluding non-recurring items the Group's operating profit increased by NOK 159 million to NOK 1,618 million, and the operating margin improved from 7.0 % to 7.5 %. The advance in the operating profit and margin can be attributed to most business areas and is explained by a good development in mix and volume, as well as lower costs for several of the Group's main businesses.

Profits from associated companies were NOK 148 million in 1995, NOK 19 million higher than in 1994. Orkla's share of the profits in Jotun (41.6 % owned) was higher than in 1994. Frionor experienced a decline in profits in 1995 due, among other things, to changes in operating conditions as a consequence of Norway remaining outside the EU. (Orkla owned 50.9 % at 31.12. 1995 but held only 12.5 % of voting power)

The return on capital employed for the Industry area was 16.8 %, against 17.6 % in 1994. The decrease must be viewed in the context of higher capital requirements on the consolidation of Procordia Food and Abba Seafood with effect from 1.10. 1995.

The return on the share portfolio achieved by the Investment area was 12.7 %, whereas the Oslo Stock Exchange All Share Index rose by 11.6 % during 1995. The booked result before tax for the Investment area was NOK 498 million, which is NOK 148 million higher than in 1994. The increase in profits is due both to higher dividends received and realised portfolio gains. The market value of the portfolio at 31.12. 1995 was NOK 8,761 million. Unrealised gains amounted to NOK 3,019 million, which is NOK 356 million higher than at the end of 1994. During 1995 shares were sold for a net amount of around NOK 300 million.

The Group's net financial expenses in 1995 were NOK 448 million, against NOK 514 million for the previous year. The reduction is mainly a result of an increase in dividends received. The interest level on Orkla's loan portfolio was slightly higher in 1995 than in the previous year, due to an increased proportion of debt in the Swedish krona.

The Group's profit before tax rose by NOK 352 million (+22 %) to NOK 1,926 million. The tax charge was NOK 470 million, corresponding to 24.4 % of the profit before tax.

The profit for the year after tax rose by 25 % to NOK 1,432 million, which gives earnings per share of NOK 29.80 against NOK 24.00 for the previous year. The Board is satisfied with the development in profits and proposes a dividend for 1995 of NOK 6.00 per share. This represents an increase of 20 % from 1994.

THE AGREEMENT WITH VOLVO

On 2.4. 1995 Orkla signed an agreement with Volvo to take over the food product businesses Procordia Food and Abba Seafood, and to merge the beverages businesses Pripps and Ringnes to form a jointly owned company, Pripps Ringnes AB. Orkla owns 51 % of the shares in Pripps Ringnes, but its financial interest is 45 %. Following completion of a due diligence review, Orkla's payment has been set at SEK 4.1 billion before deduction of interest-bearing debt in the companies acquired.

The necessary consents were given by the relevant authorities after Orkla and Volvo had given undertakings to dispose of the beer business in Hansa Bryggeri. In addition Orkla gave minor, but real concessions on the food products side in Sweden. The agreement was completed on 1.10. 1995.

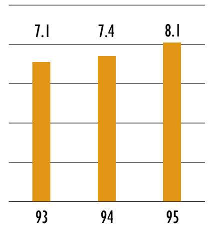
Following this acquisition Orkla has strong market positions in a number of product areas in food and beverages in Sweden, and to some extent Denmark and Finland. Orkla's position in food and beverages in Sweden corresponds to its position in Norway. A basis has been established to further strengthen its competitive position in relation to international participants. Measures are being taken to realise the extensive synergies in purchasing, production, logistics, marketing and product development. Orkla expects to achieve annual synergy gains totalling NOK 300 million within five years, mainly in the food products area. This will involve some facilities being closed and others specialising.

The merger between Pripps and Ringnes was effective in the accounts from 1.1. 1995, and the Orkla Group accounts show 45 % of all items in the financial statements of the Pripps Ringnes group. Hansa has not been consolidated due to the divestment requirement referred to above. Pripps Ringnes recorded an operating profit in 1995 11 % above the 1994 level. Profits advanced in Norway and the Baltic countries/Russia, but decreased in Sweden.

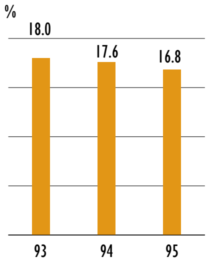
Procordia Food and Abba Seafood have been consolidated in the Orkla group's operating profit with effect from 1.10. 1995, and the effects on Orkla's operating result (exclusive of restructuring costs) are therefore relatively limited.

Procordia Food's operating profit for 1995 was in line with the previous year. A slightly weaker development for the Swedish market was compensated for by satisfactory progress in Denmark and Finland. As part of the restructuring measures which have commenced in the food products business the Austrian company Gemüse Verarbeitungs Gesellschaft m.b.H, whose main activity was in canned vegetables, has been disposed. In addition the salad businesses, Dacapo in Denmark and Smaks in Norway, have been sold. Overall these sales have modest result effect for Orkla.

OPERATING MARGIN THE GROUP
%



RETURN ON CAPITAL EMPLOYED, INDUSTRY AREA
%



In the case of Abba Seafood, the businesses acquired at the end of the 1980s and early 1990s have given continuing poor profitability, with no sign of improvement in 1995. This is particularly the case for the businesses in Denmark and operations outside the Nordic region, and led to Abba Seafood recording a poorer result than in the previous year. In line with the assumptions made by Orkla when acquiring Abba, operations will be rationalised and concentrated on the Nordic region where the future potential is good. This will involve a reduction in the number of products and markets in which Abba operates. In order to cover the restructuring costs, a provision of NOK 160 million has been made in Orkla's results in 1995.

On 30.11. 1995 The Coca-Cola Company (TCCC) terminated the agreement with Pripps Ringnes on licence production and distribution of their products in the Swedish market. Pripps Ringnes disputes the validity of the termination. The parties are now discussing various alternatives for future cooperation. Production, distribution and sales of TCCC products will continue while these negotiations proceed - at least throughout the 1996 summer season. A provision has been made in Pripps Ringnes' accounts of SEK 200 million in order to cover possible restructuring costs. Towards the end of 1995 Pripps Ringnes' interests in the Coca-Cola cold drink companies in Sweden (75 %) and Norway (45 %) were sold to TCCC. This gave an overall book gain of SEK 90 million for Pripps Ringnes.

COMMENTS ON THE BUSINESS AREAS

Orkla Foods' operating profit (exclusive of non-recurring items) was NOK 368 million in 1995 against NOK 362 million the previous year. The food products business achieved satisfactory progress during 1995 in the grocery and catering sectors in Norway. In Sweden, problems related to higher raw materials prices, especially sugar, and a general volume decline in the grocery trade in 1995 resulted in a weaker development. Abba Seafood's operating result for 1995 was unsatisfactory, while Procordia Food had an operating result in line with the previous year. The new businesses, however, have an insignificant effect on the operating profit for the Food Products area before restructuring costs, since they were first consolidated from 1.10. 1995.

The Beverages business increased its operating profit (exclusive of non-recurring items) by NOK 82 million to NOK 245 million. This is mainly a consequence of a favourable shift in the product mix, with particularly good progress for premium beer and water products in the Norwegian market. In addition, investments in the Gjelleråsen plant outside Oslo had a positive impact on cost levels. In the Swedish market Pripps Ringnes has experienced a substantial increase in the prices of important raw materials and increased competition as a result of Swedish EU membership from 1.1. 1995. This has put pressure on margins.

Orkla Brands' operating profit rose by NOK 79 million to NOK 500 million. Most businesses achieved a positive development in profits. This was particularly the case for Snacks, Confectionery and Edible Oils. At the end of 1995 Orkla Brands sold Needlers, the confectionery business in Great Britain. In total the foreign operations in confectionery incurred a loss of NOK 11 million against a loss of NOK 28 million in 1994.

Increased advertising volume for Orkla Media, particularly for the newspapers, led to a rise in the operating result of NOK 21 million to NOK 161 million in 1995. The improvement was in spite of paper prices on average being close to 30 % higher in 1995 than in 1994.

For the Chemicals area it was mainly a good price development for specialty pulp which improved the operating result (exclusive of non-recurring items) by NOK 104 million to NOK 403 million. For the remaining areas in Chemicals the overall development in results in 1995 was slightly weaker than for the previous year, which was due to unfavourable exchange rate developments and increased competition. The Chemicals area continued its global expansion in its core areas in 1995. A plant for production of lignin-based products was opened outside Seattle, USA, which produces a broad range of qualities and will service customers on the US west coast, Latin America and South-East Asia. In November the fine chemicals business opened a new plant outside Shanghai in China, Borregaard Taicang Chemicals. The plant, which is owned 55 % by

Borregaard and 45 % by Chinese partners, produces carbofuran, a pesticide which is used in cultivating a broad range of crops. Borregaard now has production units in 11 countries.

Under Head office/Unallocated the businesses Norgro, Helly-Hansen (50 %) and Høvellast were sold in 1995. This resulted in a capital gain of NOK 114 million. In total these businesses recorded operating revenues in 1994 of close to NOK 1.7 billion and an operating profit of NOK 74 million.

OPERATING PARAMETERS

On 1.1. 1995 Sweden, Finland and Austria became members of EU. This has led to some changes in the operating parameters for several of Orkla's businesses in these countries, such as higher prices for important raw materials and increased competition.

There continues to be a lack of clarification regarding the conditions for future trade between Norway and the EU, particularly with respect to a number of food products. To some extent the situation restricts the interchange of goods affected between Norway and the other Nordic countries.

In Norway there has for some time been a high duty on one-way containers. In December the authorities took a step towards reducing environmental duties on one-way containers when the National Pollution Control Agency (SFT) granted a licence to establish a return system for one-way containers. At the same time the SFT set the return ratio on one-way containers at levels which will lead to a significantly lower environmental duty. This will make it possible for Resirk, a company where Ringnes is part owner, to establish a return system for this type of packaging. There continues to be uncertainty whether the changes will lead to the establishment of an effective recycling system for one-way containers in Norway. If this happens competition could intensify, at the same time as Orkla will obtain opportunities to increase coordination between the Norwegian and Swedish beverages business.

VAT on food in Sweden was reduced by 9 %-points to 12 % with effect from 1.1. 1996. This corresponds to a price reduction of 7.4 % if the reduction in duty is directly passed on to the consumer. The grocery trade in Sweden implemented a self-imposed price freeze in the autumn of 1995 to ensure that this occurred. During 1995, however, a number of Orkla's Swedish operations experienced in some cases significant price increases on raw materials. The price freeze meant that it was only possible to a limited extent to obtain price increases.

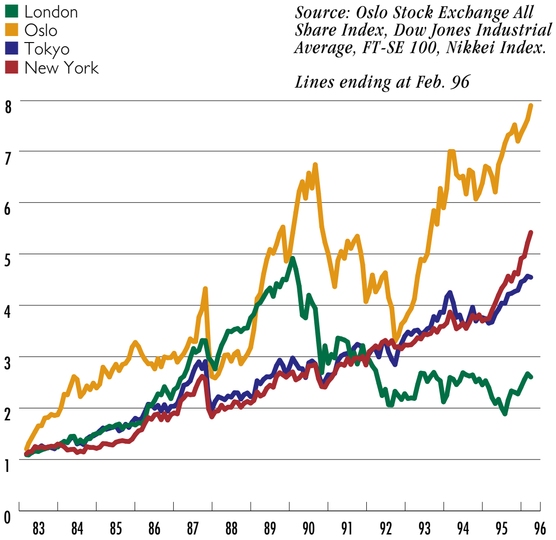
MARKETS AND MARKETING MEASURES

The grocery market in Norway achieved volume growth of 4.5 % in 1995. The Danish market was unchanged from 1994. However, 1995 was a weak year for the Swedish grocery trade and volume fell by 1.1 % in relation to the previous year.

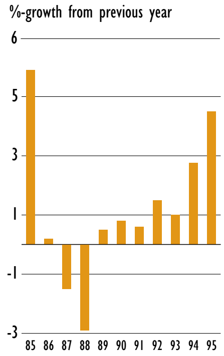
Market developments for Orkla's businesses in Sweden have been affected by the weak development in the grocery trade in general and several of the operations recorded slightly lower volume in 1995 than the previous year. In addition competition, particularly for beverages, has risen since Sweden became a member of the EU.

A concentration process, with similar characteristics to the development seen in the Nordic grocery trade in recent years, is now taking place in other distribution channels, such as specialist retailers, kiosks and petrol stations. In addition cooperation is emerging between these channels and the grocery trade. In a Scandinavian context Orkla is also a strong supplier to these distribution channels.

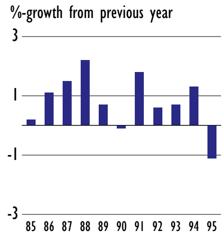
STOCKMARKET PERFORMANCE OSLO AND INTERNATIONALLY



VOLUME IN GROCERY RETAILING, NORWAY
(Source: DLF)

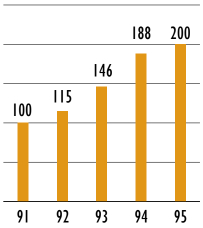


VOLUME IN GROCERY RETAILING, SWEDEN
(Source: Fri Köpenskap)

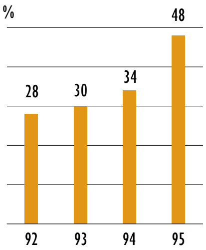


The Directors' report

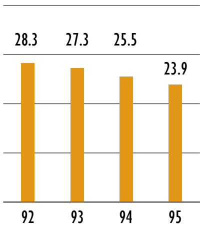
ADVERTISING EXPENSES
Index 1991=100



INTERNATIONAL SALES
%



FIXED COSTS* AS % OF OPERATING REVENUE
%



*) All fixed costs excl. advertising, R&D and depreciation.

An extensive launch programme, improved relationships with the trade through various forms of cooperation and a continuing heavy commitment to brand building have contributed to the Group's market positions being maintained and, in many cases, strengthened during 1995. Advertising expenditure has now reached such a level that it is likely that the year-on-year increase will not be as high as in previous years. Greater focus is now being directed to the effect of the expenditure which is devoted to influencing consumers. On average Orkla's branded goods businesses' advertising costs rose by 3 % from the previous year, adjusted for units which have been acquired and disposed.

In Beverages the launch, among other, of Farris Lime has contributed to significant growth in the market for water products. At the same time the Lysholmer beer brand has made strong progress as a result both of the launch of Lysholmer Ice and improved bottle design. In Sweden beer with high alcohol content experienced a particularly strong growth. Pripps Ringnes is well positioned in this segment following the launch of Pripps Extra Strong at the beginning of 1995. In the food products sector in Norway the most important events were the launch of Pizza Mexicana and Hold-It. KIMs' launch of kettle-chips under the brand Frank Farmer and a completely new standard range of potato crisps in Norway has strengthened the position of the snacks business.

In the Chemicals area the continued growth in European economies has led to good market conditions, particularly for specialty pulp where prices have been significantly higher in 1995 than the previous year. The increase, however, has not been that strong as for standard NBSK quality. Borregaard's other core areas have on the whole not experienced any significant price increases.

The Norwegian stockmarket, represented by the Oslo Stock Exchange All Share Index, rose by 11.6 % in 1995. Signs of a slowdown in the international economy led to a weak development for cyclical shares during 1995. The best performance was achieved by growth companies, particularly in the technology sector. Interest rate sensitive shares in real estate, insurance and, to some extent, banks also developed well. Among the Nordic stockmarkets the Swedish market recorded the strongest price development with an increase exceeding 18 %. Internationally the performance of stock exchanges varied. The FT World Index in local currencies rose by 15.9 % during the year. The development in the US market in particular contributed to this.

INTERNATIONALISATION

Over the years Orkla has worked, through acquisitions and marketing outside Norway, to realise its strategy and at the same time make the Group less dependent on developments in the Norwegian market. In 1995 sales outside Norway constituted 48 % of the Group's total operating revenues, against 34 % in the previous year. Sales in the Nordic region outside Norway amounted to 30 % (17 % in 1994) of the Branded Goods area's total sales. This is a result of the establishment of Pripps Ringnes and the acquisition of Procordia Food and Abba Seafood (with effect from 1.10. 1995). In addition the Chemicals area is developing its global positions, which also contributed to sales growth outside Norway. As a result of the full year effect of Abba Seafood and Procordia Food, more than half of the Orkla Group's sales will take place outside Norway in 1996.

With regard to the Chemicals area, the full year effect of businesses purchased late in 1994, together with higher prices on specialty pulp led to a further increase in international sales. 88 % of the Chemicals area's sales in 1995 were derived outside Norway.

PRODUCTIVITY

An important element in the improvement programmes in the Orkla Group has been to increase efficiency in production and administrative functions. This has made it possible to maintain and strengthen the Group's strong market positions through increased product development and marketing measures, in combination with a moderate pricing policy. At the same time profitability has improved.

In this respect 1995 marked a continuation of several years of productivity improvements. Fixed costs as a percentage of operating revenues were 23.9 % in 1995, against 25.5 % the previous year. Investments in the bottling and distribution plant at Gjelleråsen have had a positive impact throughout 1995 and accounted for some of the good progress in the results of the beverages business. Within the food products area, continuing rationalisation projects have led to an improvement in productivity. The snacks production in Norway will be grouped at a single plant during 1996, which will further improve productivity in this area. Similarly the merger of the magazine business' two printing plants to form one, which was carried out in 1994, has had a full effect in 1995.

Extensive coordination projects have been quantified and commenced between and within the food products businesses in the Nordic countries. This will make it possible in the coming years to reduce unit costs through, among other things, concentrating and specialising production.

In the beverages group, Pripps Ringnes, there will also be some synergies. However, the packaging structures in Norway and Sweden are so different that opportunities in the short-term will be limited.

CASHFLOW, INVESTMENTS AND CAPITAL SITUATION

The Group's acquisition of Procordia Food and Abba Seafood was a major financial step for Orkla. Expansion investments totalled NOK 3.8 billion in 1995, of which most relates to this acquisition. In addition replacement expenditure amounted to NOK 0.9 billion. This capital requirement was partly covered through the sale of industrial businesses and shares, which together released NOK 1.6 billion.

Net interest-bearing debt increased by slightly less than NOK 2.7 billion and totalled NOK 10.3 billion at 31.12. 1995. This includes Orkla's share of the debt in Pripps Ringnes, which has independent financing. 69 % of net interest-bearing debt was at floating interest rates or had interest periods fixed for less than 12 months, and a substantial part was linked to the Swedish krona. No significant changes have taken place in the loan portfolio at the beginning of 1996 to alter this significantly. 29 % of the Group's debt at 31.12. 1995 matures by the end of 1996 and the average remaining term was around 3.4 years. During 1995 new loan contracts, totalling NOK 4.3 billion, were signed including re-negotiation of existing loans and drawing facilities. At the beginning of 1996 an agreement has been signed with a syndicate of international banks for a guarantee and drawing facility of USD 600 million. The guarantee facility has been established in connection with a borrowing from Eksportfinans of USD 300 million. At 31.12. 1995 Orkla had long-term unutilised drawing facilities of around NOK 3 billion.

The Group's equity rose during the year by NOK 967 million to NOK 8,196 million at 31.12. 1995. The merger between Pripps and Ringnes has involved a charge on equity of NOK 182 million. The equity ratio was 31.4 % at the end of 1995. This is 3.4 %-points lower than at 31.12. 1994. The main reason for this is that the acquistion of Procordia Food and Abba Seafood increased the Group's total assets substantially. Including unrealised gains on the share portfolio the equity ratio was 38.4 %.

PERSONNEL AND ORGANISATION

The number of employees in the Group at the year-end was 18,353, of whom 8,031 worked outside Norway. The increase of 3,384 employees outside Norway is due to the acquisition of new businesses.

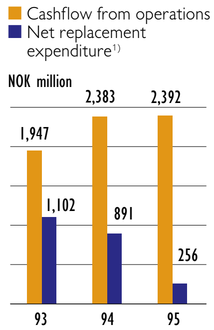
Measures to raise the level of expertise in management and technical areas have continued in 1995. Orkla's graduate trainee programme has covered 40 people to date. The Branded Goods School has now provided training to 200 managers in sales and marketing. Training in industrial sales, with the emphasis particularly on the development of customer relationships, has provided training for 40 managers. Efforts to increase the expertise of skilled workers continues.

Measures relating to career planning and internal relocation of the Group's management resources form an important part of the development of expertise. This is gradually becoming more systematised.

An IT standardisation project has been commenced with a view to establishing a common Orkla standard in wages and personnel administration, and in office support systems. The implementation of the common standard will begin during 1996. The projects have involved all Group companies during 1995.

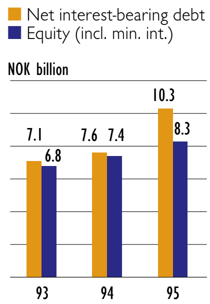
With the increased number of employees in the Nordic region, the Group's industrial democracy schemes have been expanded to include Swedish and

CASHFLOW INDUSTRY AREA

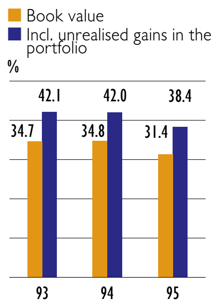


[1)] Including disposals of activities (book value)

DEBT AND EQUITY



EQUITY RATIO



Danish employees. New election arrangements will be established for the election of the Board and Corporate Assembly in the spring of 1996. Cooperation with the employees' organisations is good. The Board wishes to express its thanks to the employees for their efforts and expresses recognition for the results achieved.

Jørgen B. Lysholm died on 6 October 1995. He became a member and deputy chairman of the Board of Nora Industrier in 1987 and was a member of Orkla's Board from 1991 until his death. His industrial background, wide-ranging expertise and great interest in the development of the Group made Jørgen B. Lysholm a valuable member of the Board. His efforts for Orkla are remembered with gratitude.

HEALTH, ENVIRONMENT AND SAFETY (HES)

All operations in Norway report HES data to the head office on a quarterly basis. The downward trend in the number of injuries and cases of sick leave has come to an end and the figures instead rose slightly in 1995. Further efforts will be made to systematise improvement measures in this field.

Exercises in emergency readiness have been carried out in the Group. The objective is to practise the management of incidents and accidents, as well as to find weaknesses in the existing plans.

In May 1995 there was a fire at the Sætre biscuits plant at Kolbotn in Norway. Production was rapidly recommenced after hard work from the employees.

Reference is also made to the environmental report from the management which is set out on page 62 of the annual report.

ALLOCATION OF THE PROFIT FOR THE YEAR

Orkla ASA recorded a profit for the year of NOK 3,031 million after group transfers received. The Board proposes the following allocations (NOK million):

Allocated to dividend	(283)
Allocated to legal reserve	(318)
Transferred from temporary restricted reserve	36
Allocated to free reserves	(2,466)
TOTAL	(3,031)

PROSPECTS FOR 1996

The downturn in Swedish private consumption is thought likely to turn in a more positive direction in 1996. At the same time the reduction in VAT on food products in Sweden also provides a basis for a better year in the Swedish grocery market than 1995 proved to be. With regard to the remaining Nordic countries, only minor changes are expected in the grocery markets.

Negotiations between Pripps Ringnes and The Coca-Cola Company regarding a future contractual structure for the Swedish market continue. The outcome of these negotiations is uncertain and will be important for the earnings capacity of the Pripps Ringnes group in both the short and medium-term.

The high level of activity in Europe during 1995 has affected the prices of products from the Chemicals area's specialty pulp operations positively. It is expected that the economic situation will be less favourable during 1996.

Weaker international economic growth will reduce the fear of higher inflation in important countries and thus provide a basis for stable or slightly lower interest rate levels. The conditions should be present for a moderately positive development in stockmarkets.

Lysaker, 26 February 1996
The Board of Directors of Orkla ASA

Svein Ribe-Anderssen
Chairman

Odd Gleditsch jr.

Truls Holthe

Roger Johansen

Kjell Kjønigsen

Knut Leversby

Harald Norvik

Stein Stugu

Jonny Bengtsson
Observer

Egil Friberg
Observer

Jens P. Heyerdahl d.y.
Group Chief Executive

Profit and Loss Account - *Pro forma* [1)]

ORKLA GROUP

Amounts in NOK million	Note	**1995**	1994	1993
OPERATING REVENUES	1	**21,529**	20,698	17,858
Raw materials, goods in process and finished goods		**(9,563)**	(9,176)	(7,891)
Wages and other personnel costs	2	**(4,537)**	(4,356)	(3,803)
Other manufacturing, selling and administrative expenses	5	**(4,731)**	(4,589)	(3,959)
Ordinary depreciation	14	**(1,080)**	(1,118)	(935)
Other revenues and costs	12	**127**	82	0
OPERATING PROFIT		**1,745**	1,541	1,270
Profits from associated companies	13	**148**	129	219
Financial items, net	6	**(448)**	(514)	(523)
Portfolio gains		**481**	418	350
PROFIT BEFORE TAXES AND MINORITY INTERESTS		**1,926**	1,574	1,316
Taxes	7	**(470)**	(410)	(317)
Minority interests	22	**(24)**	(15)	(15)
PROFIT FOR THE YEAR		**1,432**	1,149	984
Earnings per share		**29.80**	24.00	20.80

1) The formal accounts where Pripps Ringnes is valued and consolidated as an associated company, ref. The Directors' report p. 6., are included at p. 30

Balance Sheet *- Pro forma*

ORKLA GROUP

Amounts in NOK million	Note	**1995**	1994	1993
ASSETS				
Cash and bank deposits	8	**1,274**	1,000	635
Portfolio investments etc.	4	**5,866**	5,531	4,888
Accounts and other short-term receivables	5	**3,983**	3,161	2,717
Inventories	9	**2,928**	2,063	1,794
Current assets		**14,051**	11,755	10,034
Interests in associated companies	13	**1,296**	1,014	1,172
Shares and investments in other companies	10	**92**	92	137
Other receivables	3	**396**	449	1,039
Goodwill	14	**3,767**	1,500	951
Fixed assets	14	**6,938**	6,592	6,159
Long-term assets		**12,489**	9,647	9,458
Total assets		**26,540**	21,402	19,492
LIABILITIES AND EQUITY				
Short-term interest-bearing liabilities	15, 16	**3,399**	2,653	1,739
Short-term interest-free liabilities	11	**5,305**	4,452	3,803
Current liabilities		**8,704**	7,105	5,542
Long-term interest-bearing liabilities	15, 16	**8,159**	6,039	6,003
Long-term interest-free liabilities	17	**1,350**	816	1,177
Long-term liabilities		**9,509**	6,855	7,180
Minority interests	22	**131**	213	197
Share capital		**1,219**	1,219	1,219
Other equity		**6,977**	6,010	5,354
Equity	19	**8,196**	7,229	6,573
Liabilities and equity		**26,540**	21,402	19,492
Mortgages	20	**239**	350	426
Guarantees and other commitments	18, 20, 21	**447**	548	349

Cashflow Statement *- Pro forma*

ORKLA GROUP

Amounts in NOK million	**1995**	1994	1993
Industrial activities (including Head Office):			
Operating profit	**1,725**	1,526	1,241
Ordinary depreciation and write-downs [3]	**1,259**	1,107	923
Changes in net working capital [1]	**(592)**	(250)	(217)
Cashflow from operations	**2,392**	2,383	1,947
Net replacement expenditure and environmental investments [2]	**(256)**	(891)	(1,102)
Free cashflow from operations	**2,136**	1,492	845
Financial items, net	**(440)**	(391)	(417)
Free cashflow from Industrial activities (including Head Office)	**1,696**	1,101	428
Cashflow from Investment activities before net purchases/sales of shares and properties	**(33)**	(93)	(92)
Tax and dividends paid	**(616)**	(522)	(431)
Miscellaneous capital transactions, foreign exchange differences, etc.	**(311)**	188	84
Group's self-financing capacity	**736**	674	(11)
Expansion investments in industrial activities	**(3,755)**	(1,175)	(924)
Net purchase/sale of portfolio shares	**321**	(225)	(772)
Net purchase/sale of properties (Investment area)	**40**	182	(256)
Net cashflow	**(2,658)**	(544)	(1,963)
Change in gross interest-bearing debt	**2,866**	951	1,706
Change in liquid assets/interest-bearing receivables	**(208)**	(407)	257
Change in net interest-bearing debt	**2,658**	544	1,963

1) Changes in net working capital was NOK (308) million in 1995 when adjusted for activities acquired and disposed.
2) Net replacement expenditure was NOK (938) million in 1995 when adjusted for book value of disposed activities.
3) Including write-downs in "Other revenues and costs".

Cashflow from operations expresses the gross cashflow generated by the Industrial activities (including H.O.), adjusted for changes in funds employed in providing working capital.

Free cashflow from operations represents the Industrial activities (including H.O.) debt service capacity and the ability to expand when the current level of activity has been maintained through renewal and environmental investments.

Free cashflow from Industrial activities (including H.O.) shows the Industrial activities' ability to expand after financial items.

Group's self-financing capacity represents the amount the Group can use for expansion investments without increasing net interest-bearing debt.

Net cashflow shows the Group's ability to repay debt/borrowing requirement after expansion investments and net purchase/sale of portfolio shares/properties.

The Group accounts

The Orkla Group in its present form was established through mergers between Orkla Industrier A.S and Borregaard A.S in 1986 and between Orkla Borregaard and Nora Industrier A.S in 1991. The Group has concentrated its activities in three main areas: Branded Consumer Goods, Chemicals and Financial Investments. Since 1990 the Group has developed as follows:

1991. Orkla Beverages establishes operations in Poland in cooperation with The Coca-Cola Company. Purchase of Daishowa Chemicals (USA) makes Borregaard LignoTech the world's largest producer of lignin-based products. The Vanillin side is strengthened through cooperation with the Italian company EniChem through EuroVanillin (50-50). Orkla Media acquires Sunnmørsposten, Haugesunds Avis and Romsdals Budstikke.

1992. Purchase of 27 % in Frionor which sells fish and seafood in more than 30 countries. The interest has since been increased to more than 50 %, most recently with a 5 % purchase at the end of December 1995. Through the purchase of Kemetyl Borregaard secures its position as the Nordic region's largest supplier of ethanol to the consumer and industrial sector. 49 % of the shares in Göteborgs Kex was acquired. Option to acquire the remaining 51 %. Orkla Media and Norske Egmont establish a joint company, Hjemmet Mortensen, for magazines.

1993. Orkla Foods purchases BOB Industrier, a leading Swedish supplier of jams, squashes, etc. The Chemicals area acquires Metsä-Serlas' lignin business in Finland. The acquisition expands the product range and provides increased access to the markets in Eastern Europe. New plant for the production of kraft lignin completed in October. Orkla Media acquires a minority interest in Bergens Tidende and establishes at the same time strategic minority holdings in a total of six Polish newspapers. Orkla Media's shareholding in TVNorge was sold.

1994. Orkla Brands acquires the remaining 51 % of Göteborgs Kex and Kantolan Biscuits in Finland is acquired. Orkla Media purchases 91.5 % of the shares in Drammens Tidende og Buskeruds Blad and acquires 87.5 % of the shares in Varden and strengthens its position in Poland. The Chemicals area purchases the diphenols business in Italy, the remainder of EuroVanillin, together with 55 % of Borregaard Taicang Chemicals. At the same time the Chemicals area continues its growth through further investments in a new fine chemicals plant in Norway while the polymer business is sold. The Group sells its holding in the Emo group.

1995. Orkla buys the food products companies Procordia Food and Abba Seafood from Volvo and establishes a joint venture with Volvo for their combined beverages businesses through Pripps Ringnes. Pripps Ringnes buys a 20.5 % interest in the Finnish beverages company Oy Hartwall Ab. Orkla Media's investments in Poland are increased. Orkla sells its beverages activities in Poland. The Coca-Cola cold drink companies in Norway and Sweden are sold. In addition Norgro, Høvellast, Dacapo and Smaks Salater, together with 50 % of Helly-Hansen are disposed.

1995 IN PARTICULAR

The Group accounts for 1995 have mainly been prepared based on the same principles and with the same classification of items as in previous years.

In 1995 Orkla signed an agreement with Fortos (Volvo) on the acquisition of the food products businesses Procordia Food and Abba Seafood, and on a merger of Orkla's and Fortos' beverages businesses (with the exception of the Ringnes' companies in Poland) in a jointly controlled beverages group, Pripps Ringnes. Volvo's previous holding company for its consumer products businesses (BCP AB) became the holding company in the new beverages group and changed its name to Pripps Ringnes AB.

The acquisition of the foods businesses is recorded in the Group accounts using the purchase value method with effect from 1.10. 1995 when all necessary government consents had been received and Orkla took over control.

The merger of the beverages businesses took place with effect from 1.1. 1995 and has been treated as a pooling of interests. Orkla's 100 % interest in Ringnes has thus been replaced by a corresponding 45% financial interest in the merged Pripps Ringnes. The difference between Orkla's share of equity in the Ringnes group at 1.1. 1995, adjusted for the Polish activities, together with that part of the consideration to Fortos which related to the beverages business and Orkla's share in Pripps Ringnes of the same date, has been charged to equity in an amount of NOK 182 million.

Based on current Norwegian accounting legislation, formal accounts have been prepared at the same time in which Pripps Ringnes is presented as an associated company. These accounts are presented on page 30 of the annual report, see page 6 of the Report of the Board of Directors.

Revenues and costs in Pripps Ringnes AB which have been booked in the accounts in 1995 but which relate to former Volvo companies unrelated to Volvo's beverages business have not been included in the Orkla Group's profit and loss account, but set off against the equity taken over in accordance with the agreement signed between Orkla and Fortos.

In connection with the coordination of Pripps' and Ringnes' accounts, minor changes have been made to harmonise the principles in the two units. In total the adjustments are not considered material for the Group accounts.

GENERAL

The Group accounts show the consolidated result and financial position of the parent company Orkla ASA and its interests in other companies. Interests in **companies** where the Group holds **more than 50 % of** the capital and exerts a dominant influence are consolidated 100 % in accordance with the purchase method. **The Group's 45 % financial interest** in Pripps Ringnes is presented using the proportionate consolidation method. Interests in other jointly-controlled limited companies are consolidated in accordance with the equity method. **Interests in associated companies** where the Group has a strategic interest and significant influence (20-50 %), are included on the basis of the equity method.

The Group's cost prices for assets and liabilities in subsidiaries, joint ventures and associated companies are used as a basis for recording results in the Group accounts. The Group's equity capital comprises the parent company's equity and amounts earned subsequent to the above-mentioned companies were included, less amortisation on amounts paid for tangible assets in excess of book values, goodwill and minority interests.

ACCOUNTING AND CONSOLIDATION PRINCIPLES

Each of the company accounts consolidated in the Group have been prepared using consistent accounting and valuation principles, and the presentation of captions in the profit and loss account and balance sheet has been made using uniform definitions.

Shares in subsidiaries are eliminated and the cost price of the shares is replaced by the company's assets and liabilities, valued at the cost price to the Group. The difference between the purchase price for the shares and the company's aggregate equity capital at the date of acquisition is allocated to those of the company's assets (or liabilities) which have values different from the book value, with any residual value being treated as goodwill in the Group accounts.

The Group's interests in the jointly-controlled limited companies Jotun, Hjemmet Mortensen and one of the media companies in Poland are treated, as in previous years, as associated companies, with the exception, however, of the treatment of tax charge which has not been deducted from the share of the result, but included under the caption "Other taxes" in the Group's profit and loss account. **The Group's interest** in Pripps Ringnes has been eliminated using the same principle as for subsidiaries. Orkla's share of the respective lines is presented in the Group accounts together with the Group's corresponding lines (proportionate consolidation method). This is in order to reflect in the best manner the reality of Orkla's investment in Beverages and maintain comparability with previous years.

Investments in associated companies are valued in accordance with the equity method and the Group's share of the results after amortisation of goodwill is added to the cost of the investment. The treatment of goodwill in associated companies is based on the same principles as for subsidiaries.

Foreign subsidiaries which are not an integrated part of the parent company are translated using the exchange rate at 31.12. for the balance sheet and average exchange rates over the year for the profit and loss account. Translation differences are charged directly against equity. Monetary items on the balance sheets of foreign subsidiaries which operate as an integrated part of the parent company are translated on the basis of the exchange rate on 31.12, while the exchange rate on the transaction date is used for non-monetary items. In the profit and loss account, depreciation and the cost of materials are translated using the historic rate while other items are translated using the average exchange rate for the year. Translation differences are recorded under the caption "Financial items". In countries where accumulated inflation over the three preceding years exceeds 100%, the accounts have been inflation-adjusted. Depreciation and the book value of operating assets are translated at the exchange rate in effect on the date of acquisition. The profit and loss account is translated using the average exchange rate for the year. Other balance sheet items are translated at the year-end exchange rate. Translation differences are recorded under the caption "Financial items".

CLASSIFICATION, VALUATION AND ACCRUAL PRINCIPLES

The accounts are based on the fundamental principles of historic cost, accruals, going concern, consistency and prudence.

Classification of current assets in the accounts is determined as all assets related to the stock cycle, receivables due within one year and "assets not intended to be permanently retained or used in the business" being classified as current assets. Other assets are fixed assets. The difference between short and long-term liabilities is determined at one year prior to the maturity date.

Valuation of current assets is made at the lower of original cost and market value. Fixed assets are valued at original cost less accumulated ordinary depreciation. If the market value of a fixed asset has suffered a permanent diminution, it is written down.

Accounts receivable are valued at the year-end expected realisable value. The Group's aggregate provision for bad debts on accounts receivable is stated in Note 5.

Inventories of materials are valued at the lower of cost and market value based on the FIFO principle. Finished goods and goods in process are valued at cost of processing. A provision is made for obsolescence.

Shares and other investments which represent financial investments, separate from the Group's strategic industrial investments, are classified as current assets and valued on the basis of the portfolio principle. The portfolio is managed as a whole and an adjustment in value is only made if the aggregate holdings have a lower value than original cost. Individual investments in the portfolio which have incurred a long-term fall in value are written down. Long-term shareholdings and other interests which are not treated as investments in associated companies are recorded using the cost method. The cost method for long-term investments means that shares/interests are recorded in the balance sheet at cost and cash payments received treated as dividends.

Fixed assets are capitalised and depreciated if they have a useful economic life in excess of three years and a cost price in excess of NOK 15,000. Maintenance of fixed assets is recorded as an operating cost, whereas expenditure on additions or improvements is capitalised and depreciated in line with the corresponding asset. Asset replacements are capitalised. Excess values arising from mergers are allocated in the Group accounts to the relevant fixed assets and depreciated accordingly. Fixed assets are depreciated on a straight line basis at the following rates: buildings 2-4%, machinery and fixtures 7-15%, transport equipment and reusable crates 20% and computer equipment 25%.

Goodwill. On acquiring another company for a consideration which exceeds the value of the individual assets, the difference, to the extent it represents an economic value, is recorded in the balance sheet as goodwill. Goodwill is amortised over its expected useful life, based on calculations made at the time of purchase, but never more than 20 years. The value of goodwill is written down if the market value is considered to be less than the book value and the reduction is considered permanent.

Pension matters. Accounting for pension costs is in accordance with the preliminary Norwegian accounting standard on pension costs. Pension costs and liabilities are calculated by actuaries using assumptions as to discount rates, future salary adjustments, state pension benefits, future returns and actuarial calculations on deaths and voluntary resignation etc. The pension funds are valued in the balance sheet at market value less net pension liabilities. Any overfunding is recorded in the balance sheet to the extent it is likely that it can be utilised. Changes in pension liabilities due to alterations in the terms of pension plans are allocated to the profit and loss account over the estimated average remaining working life of pensionable employees. Changes in pension assets and liabilities due to changes in and deviations from the calculation assumptions (estimate changes) are allocated to the profit and loss account over the estimated average remaining working life of pensionable employees if the differences exceed 10% of the gross pension liability (or pension assets if larger). Unamortised differences are disclosed in Note 2.

Foreign exchange. The treatment of foreign exchange in the Group differs between hedged and unhedged items. "Hedged" means that the economic effect of fluctuations in the relevant currency has been eliminated. Balance sheet items which hedge each other are presented at the rate on the balance sheet date while balance sheet items which are hedged by off-balance sheet financial instruments are presented using the hedge rate. Hedging transactions undertaken to hedge contractual cashflows are valued together with those cashflows while any loss on hedging transactions which do not cover contractual cashflows is expensed under the caption "Financial items". Unhedged foreign exchange positions are treated in aggregate on a portfolio basis. If there is an overall net loss on the portfolio it is expensed but net gains are not recorded as income.

Taxes. The tax charge is based on the financial result and consists of the aggregate of taxes payable and changes in deferred tax. Deferred tax is calculated in the balance sheet at the nominal tax rate for timing differences arising between accounting and tax values.

NOTE 1, Operating revenues

Amounts in NOK million	1995	1994	1993
Net sales in Norway	**10,796**	13,136	12,126
Net sales in Sweden	**4,186**	2,070	960
Net sales in Denmark	**1,213**	1,019	908
Net sales in Finland and Iceland	**375**	266	173
Net sales outside the Nordic region	**4,587**	3,780	3,344
Total net sales	**21,157**	20,271	17,511
Miscellaneous operating revenues	**372**	427	347
Operating revenues	**21,529**	20,698	17,858

Revenues on an operating unit level are presented at page 36-37, "Summary accounts of the operating units."

NOTE 2, Wages and other personnel costs

Wages and other personnel costs consist of costs directly related to remuneration of employees and officers, costs related to pension arrangements for both present and past employees and government employment taxes. The costs consist of:

Amounts in NOK million	1995	1994	1993
Wages and holiday pay	**(3,739)**	(3,686)	(3,213)
Other remuneration	**(31)**	(33)	(27)
Employment tax	**(649)**	(551)	(467)
Pension costs	**(118)**	(86)	(96)
Wages and other personnel costs	**(4,537)**	(4,356)	(3,803)

Pension matters

Most employees in the Group are members of the Group service pension schemes. As at 31.12.1995, a total of 14,886 present employees were members of the service pension schemes. In addition the service pension schemes include 3,383 previous employees. The service pension schemes are defined as "net schemes" which do not bind the Group to liabilities arising from any changes in benefits from State's social security fund. The Norwegian pension plans are treated as defined benefit pension plans. Pension plans are in Sweden mainly treated as defined benefit pension plans, and in Denmark as defined contribution pension plans. Orkla's legal obligations are not influenced by the accounting treatment.

In addition, the Group has pension liabilities which are not covered by insurance. These relate to early retirement pensions, discretionary pensions to early retired employees, pensions with a pension base higher than the Taxes Act maximum limit, pensions to previous board members and pensions to people who for various reasons have not been included in the service pension scheme which are to be paid by the Group. 3,772 people are covered by these schemes.

Several of the Group's insured pension schemes are overfunded. The overfunding has been evaluated and it is assumed in the accounts that all overfunding is capable of being utilised due to the fact that some uninsured schemes can be covered from these funds, known future liabilities and the steady development which is taking place in the Group's business and organisation.

The pension charge for the year is calculated by an independent actuary based on informations as at 01.01.1994. It is adjusted for any subsequent material changes. Pension costs and liabilities in foreign countries are calculated by actuaries. Accounting is based on local accounting principles, and assumptions as at 01.01.1995. Adjustments are made for material divergence from Norwegian general accepted accounting principles.

Assumptions:

	Norway
Discount rate	6%
Future salary adjustment	3%
Average remaining working life	15 years
Pension adjustment/G-adjustment	2%
Voluntary resignation before/after 45 years	2%/0%
Return on pension funds	7%
Estimated return 1995	10%

Composition of net pension cost

(Amounts in NOK million)	1995	1994
Present value of the year's pension earnings (including employment tax)	**(100)**	(94)
Interest cost on pension liability	**(128)**	(134)
Amortisation of deferred liability due to difference between plan/assumptions	**0**	0
Expected return on pension funds	**123**	148
Net pension cost benefit plans	**(105)**	(80)
Contribution plans	**(13)**	(6)
Net pension cost	**(118)**	(86)

Composition of net pension liability

(Amounts in NOK million)	31.12.95	31.12.94
Gross pension liability	**(2,426)**	(2,403)
Pension funds	**1,927**	2,127
Actual net pension liability	**(499)**	(276)
Unamortised differences from plan assumptions	**37**	131
Net pension liability	**(462)**	(145)
Capitalised net pension liability	**(616)**	(319)
Capitalised net pension assets	**154**	174

Composition of pension funds at	31.12.95	31.12.94
Liquid assets	**3%**	3%
Money market investments	**3%**	4%
Bonds	**48%**	47%
Loans	**16%**	17%
Shares	**23%**	21%
Real estate	**7%**	8%
Total pension funds	**100%**	100%

Approximately 20% of pension funds are managed by the company's own pension funds and 80% by life insurance companies of which 66% is in Unit Linked schemes.

NOTE 3, Other receivables

Amounts in NOK million	1995	1994	1993
Loans to persons and companies covered by Section §§ 12-10 and 11-8, 16 of the Norwegian Companies act	**65**	73	45
Pension funds	**154**	174	706[1]
Deferred tax allowance	**85**	79	132
Other long-term receivables	**92**	123	156
Total	**396**	449	1,039

1) Regarding pension premium fund in 1993.

NOTE 4, Portfolio Investments

Financial Investments is one of the Group's three strategic business segments. The portfolio investments are managed as a uniform group. The portfolio represents financial investments in its entirety and such is separated from the Group's strategic industrial investments. The portfolio is characterised by a focus on large individual holdings and has historically had a long term nature. However, there are no directions regulating the Financial Investments group's timing of a sale of the shares in any given company.

Amounts in NOK million	Number of shares	Book value	Market value	Share owned %
Owned by Orkla ASA				
Norwegian listed shares				
Bank/Insurance				
Bolig & Næringsbanken	418,900	57	62	4.3
Den norske Bank	3,115,000	51	52	0.5
Oslo Reinsurance	120,000	12	25	10.0
UNI Storebrand Pref.	9,062,309	90	106	11.8
UNI Storebrand Bundne	35,243,213	418	1,239	
Industry				
Adresseavisen	327,468	72	69	17.2
Alcatel STK	241,762	27	87	2.9
Arendal Fossekompani	40,769	11	20	1.6
Ark	287,500	21	30	9.6
Avantor	965,000	34	42	5.8
Dyno	4,623,262	518	683	18.2
Elkem A	12,349,867	475	901	25.1
Gyldendal	127,295	5	43	5.4
Hafslund Nycomed A	4,303,055	386	722	4.8
Hafslund Nycomed B	509,468	69	83	
Håg	554,700	27	60	17.4
Kverneland	518,583	25	65	5.8
Kværner A	2,434,378	384	550	5.6
Nera	903,250	103	191	6.9
Norsk Hydro	734,500	153	198	0.3
Norsk Vekst	297,600	29	34	4.5
Norske Skog A	257,300	47	48	1.3
Norske Skog B	163,000	29	29	
Raufoss	756,372	66	91	10.1
Rica Hotell	260,000	19	28	4.3
Saga Petr, A	658,264	51	56	0.5
Schibsted	1,348,731	99	116	2.0
Scana	809,319	26	27	3.9
Selmer	113,257	12	15	2.1
Steen & Strøm Invest	1,497,600	74	150	9.4
Miscellaneous		26	25	
Shipping				
Atlantic Container Line	250,000	16	20	3.8
Actinor Shipping	285,035	26	43	7.0
Bergesen A	1,536,217	185	197	3.4
Bergesen B	371,900	51	47	
Benor Tankers	1,252,400	42	38	6.3
Color Line	2,086,546	45	39	4.3
Ganger Rolf	227,800	26	33	2.5
Leif Høegh	568,700	50	53	1.9
Larvik-Scandi Line	1,400,000	28	19	5.9
Nordic American Shipping	388,064	17	15	9.0
Smedvig	1,983,200	138	254	7.4
Storli A	38,000	3	4	1.1
Storli B	201,000	9	19	
Miscellaneous		12	12	
Investment Funds				
Omega AMS	9,950	1	2	
Omega Investment Fund	1,951	39	69	
Total Norwegian listed shares		4,104	6,711	
Foreign listed shares				
Nordic				
Autoliv	50,000	8	18	
Astra A	40,000	9	10	
Bure	2,445,500	82	102	4.5
Catena A	250,000	12	12	
Cultor II	120,000	25	31	

1) In addition Orkla owns 187,500 voting shares in Chips OY. See note 10. Orkla's total holding is 19.6 %.
2) See note 21.
3) After conversion of a convertible bond the holding in RGI will be 5.9 % fully diluted.

Amounts in NOK million	Number of shares	Book value	Market value	Share owned %
Owned by Orkla ASA cont.				
Chips Pref.	417,476	52	109	12.4
Crisplant	31,500	13	13	
Ejendomselskapet Norden	58,000	16	14	
Kemira	200,000	11	11	
Lindex	1,244,125	22	100	9.0
Neste	170,000	20	19	
Nokia A	90,200	29	22	
Santasalo	240,000	11	10	
Miscellaneous		133	121	
Other countries				
First Data Corp.	15,859	3	7	
Fuisz	128,205	7	12	
Hewlett Packard	11,000	4	6	
Int. Biotech. Trust	1,000,000	11	10	
Intel Corp	21,000	5	8	
Marks & Spencer	200,000	9	9	
Sita Units	9,000	5	10	
United Cos.	44,000	5	7	
Miscellaneous		122	125	
Total foreign listed shares		614	786	
Total listed shares		4,718	7,497	
Unlisted shares and options				
Alvern Norway	368,271	9	22	6.3
Berlingske Officin A	43,500	18	15	
Berlingske Officin B	43,500	18	15	
Carl Aller	6,120	40	66	
Chips Stamm [1]	52,245	11	14	
Dagbladet Pref.	71,677	23	22	14.4
Dagbladet A	101,466	37	31	
Eiendomsspar	212,222	34	28	2.4
Helly-Hansen	211,750	46	125	50.0
Holberg Industries Ord.	520,750	33	33	23.4
Holberg Industries Pref.	71,944	52	52	24.6
Kone Cranes	199,714	27	27	6.7
NetCom GSM	5,251	25	101	22.4
Norway Seafood	4,347,826	154	154	7.4
Prosperity Inc.	800	12	12	
RGI	1,000,000	55	55	1.6 [3]
Scala	4,100	10	10	
Miscellaneous		55	34	
Total unlisted shares and options		659	816	
Limited partnerships				
Deepsea Drillships komm.kap.		2	0	
European Acquisition		46	46	
Glenwood Venture Ic		2	0	
Glenwood Venture IIb		3	2	
Industrikapital 1989 I II III		42	42	
Industrikapital 1994 I II III IV		59	59	
Total limited partnerships, current assets		154	149	
Miscellaneous securities				
Convertible bonds		131	219	
Shares/bonds owned by Group companies				
NetCom GSM [2]	2,550	9	9	10.9
Miscellaneous shares		9	9	
Miscellaneous bonds		62	62	
Total portfolio investments		**5,742**	**8,761**	

In addition Orkla owns shares with a book value of NOK 124 million. This is due to Orkla´s 45 % share of Pripps Ringnes' 100 % ownership in Hansa.

NOTE 5, Other manufacturing, selling and administrative expenses

Other manufacturing expenses

Amounts in NOK million	1995	1994	1993
Transport cost	**(808)**	(776)	(664)
Energy cost	**(434)**	(389)	(334)
Repair and maintenance costs	**(522)**	(436)	(412)
Advertising and research and development cost	**(1,001)**	(959)	(757)
Other	**(1,966)**	(2,029)	(1,792)
Total	**(4,731)**	(4,589)	(3,959)

Accounts receivables at 31.12. are shown less a reserve for bad debts. The reserve for bad debts is included in "other" above. The reserve has developed as follows:

Amounts in NOK million	1995	1994	1993
Bad debt reserve at 01.01.	**76**	82	82
Realised losses for the year	**(36)**	(33)	(27)
Provision for bad debts for the year	**21**	27	27
Bad debt reserve at 31.12.	**61**	76	82

NOTE 6, Financial items, net

Amounts in NOK million	1995	1994	1993
Dividends	**203**	134	99
Interest income	**263**	99	98
Interest expenses	**(886)**	(659)	(699)
Net foreign exchange gains/losses	**(10)**	(35)	4
Other financial items, net	**(18)**	(53)	(25)
Financial items, net	**(448)**	(514)	(523)

NOTE 7, Taxes

Amounts in NOK million	1995	1994	1993
Tax payable in Norway	**(331)**	(314)	(245)
Tax payable abroad	**(86)**	(49)	(33)
Tax payable associated companies [1]	**(42)**	(42)	(38)
Total tax payable	**(459)**	(405)	(316)
Change in deferred tax Norway	**(43)**	12	10
Change in deferred tax abroad	**37**	(5)	(1)
Change in deferred tax ass. companies [1]	**(5)**	(12)	(10)
Total change in deferred tax [2]	**(11)**	(5)	(1)
Total tax charge	**(470)**	(410)	(317)

1) Relates to Hjemmet Mortensen, Jotun and five media companies in Poland.
2) See note 17.

NOTE 8, Cash and bank deposits

Amounts in NOK million	1995	1994	1993
Restricted deposits consolidated	**131**	189	158

NOTE 9, Inventories

Amounts in NOK million	1995	1994	1993
Raw materials	**1,183**	762	652
Goods in process	**142**	124	100
Finished goods	**1,603**	1,177	1,042
Total	**2,928**	2,063	1,794

NOTE 10, Shares and investments in other companies [1]

Amounts in NOK million	Number of shares	Book value	Share owned %
Owned by Orkla ASA			
AB Chips OY [2]	187,500	60	10.0
Owned by Group companies			
Viking Askim SB	2,400,000	6	30.0
Solo [4]	1,136	1	56.8
Norsk Avfallshåndtering	3,330	3	2.5
Mogul Media A.S.	12,520	3	17.0
Miscellaneous		10	
Total shares		83	
Miscellaneous interests in partnerships [3]		9	
Total Group		92	

1) In companies where the interest is larger than 20 %, an evaluation of the Group's influence has concluded that it would not be correct to present the interest as "associated companies".
2) Interest in voting share capital. In addition to the above item, the Investment area owns shares in AB Chips OY recorded as current assets. In total the company owns 13.9 % of the voting share capital and 19.6 % of the total share capital of AB Chips OY.
3) Of which owned by Orkla ASA: ANS Høgset (7.1 %) NOK 2 million and ANS Nordkapp (4.2 %) NOK 1 million.
4) Shares stated represent Pripps Ringnes' at a 100 % basis.

NOTE 11, Short-term interest-free liabilities

Amounts in NOK million	1995	1994	1993
Accounts payable	**1,515**	1,353	1,311
State duties, taxes, holiday pay etc.	**1,391**	1,202	1,096
Accrued unassessed taxes	**403**	348	295
Allocated to dividend	**290**	244	202
Other short-term liabilities [1]	**1,706**	1,305	899
Total	**5,305**	4,452	3,803

1) Liabilities for outstanding on deposit system (recycling) included from 1994. Former presented under other long-term liabilities (1995: NOK 66 million, 1994: NOK 115 million). From 1995 only liabilities regarding reusable crates will be booked. This is due to coordination of accounting principles in Pripps and Ringnes.

NOTE 12, Other revenues and costs

Other revenues and costs represent items of a special character which are material for the Group. These include the result effect from the sale of industrial businesses and write-downs/provisions related to restructuring of existing operations. These have been split out and grouped on a separate line in order to provide better comparability on the other lines in the profit and loss account.

Amounts in NOK million	1995	1994	1993
Gains on sale of Helly-Hansen, Norgro and Høvellast	**114**	-	-
Gains on sale of beverages activities in Poland and the Coca-Cola cold drink companies in Sweden and Norway	**255**	-	-
Provision for possible new contractual structure with The Coca-Cola Company in Sweden	**(80)**	-	-
Gain on sale of the business related to salads and rice and loss on disposal of Gemüse Verarbeitungs Gesellschaft m.b.H.	**(2)**	-	-
Restructuring costs related to the business in Abba Seafood	**(160)**	-	-
Gains on disposal of the polymer business and the Emo-group	**-**	82	-
Total	**127**	82	-

NOTE 13, Interests in associated companies

Amounts in NOK million	Share owned %	Original costprice at 01.01.	Book value at 01.01.	Additions/ disposals during the year	**Share of profit**	Share of taxes	Dividend received/ price ad-justment	**Book value 31.12.95**	Deprecia-tion of goodwill in 1995	Book value of goodwill at 31.12.
Jotun A.S	41.6	145	452	-	**98**	(36)	(10)	**504**	(3)	36
Frionor A/S [1]	50.9	138	153	22	**3**	-	(3)	**175**	(2)	42
Oy Hartwall Ab [4]	20.5	-	-	134	**-**	-	9	**143**	-	97
Hjemmet Mortensen A.S	50.0	21	60	-	**35**	(8)	-	**87**	-	-
Asker og Bærums Budstikke A.S	30.5	71	75	4	**6**	-	(4)	**81**	(2)	28
Bergens Tidende A.S	28.4	67	80	-	**11**	-	(1)	**90**	(1)	12
A/S Østlandets Blad [1]	55.2	24	28	1	**-**	-	(2)	**27**	-	7
Norsk Telegrambyrå A.S	22.1	3	14	-	**1**	-	(1)	**14**	-	-
Media companies in Poland [3]	-	50	51	11	**(1)**	(3)	1	**59**	(3)	31
K/S Swan Sea	35.0	18	16	-	**(3)**	-	-	**13**	-	-
K/S Knutsen Bøyelaster III	28.0	20	14	-	**(4)**	-	-	**10**	-	-
Norgesbuss Invest A.S	25.9	-	-	18	**1**	-	-	**19**	-	-
Orkla Exolon A.S K/S	42.3	4	21	-	**4**	-	-	**25**	-	-
Oskar Sylte A.S [4]	44.0	4	12	(7)	**2**	-	-	**7**	-	2
Borregaard Taicang Chemicals	55.0	28	28	-	**-**	-	-	**28**	-	-
Miscellaneous [2]	-	15	10	10	**(5)**	-	(1)	**14**	(1)	3
Total		608	1,014	193	**148**	(47)	(12)	**1,296**	(12)	258

1) Not consolidated due to voting right regulations that prevent decisive influence.
2) Miscellaneous holdings include, amongst others, investments in Ekonor A/S, LignoTech Verkaufsg.mbH and Norsk Lokal TV.
3) Relates to interests in nine regional and local leading newspapers and two national magazines.
4) Share stated represents Pripps Ringnes' at a 100 % basis.

NOTE 14, Fixed assets and goodwill, intangible assets, etc.

Fixed assets

Amounts in NOK million	Accumulated cost at 01.01.	Re-valuations at 01.01.	Written down at 01.01.	De-preciation at 01.01.	Book value at 01.01.	Addi-tions in 1995	Dis-posals in 1995	**Ordinary de-preciation and write-downs in 1995 [1]**	**Book value 31.12.1995**
Machinery, vehicles	8,338	4	(6)	(5,132)	3,204	1,565	(350)	**(856)**	**3,563**
Buildings and plant	3,570	116	(46)	(1,332)	2,308	663	(370)	**(231)**	**2,370**
Rental property	191	-	-	(47)	144	65	(6)	**(6)**	**197**
Other real estate	442	61	(8)	(6)	489	26	(49)	**(4)**	**462**
Total	12,541	181	(60)	(6,517)	6,145	2,319	(775)	**(1,097)**	**6,592**
Construction in progress	355	-	-	-	355	7	(17)	**-**	**345**
Prepaid costs relating to new con.	7	-	-	-	7	(7)	1	**-**	**1**
Total	12,903	181	(60)	(6,517)	6,507	2,319	(791)	**(1,097)**	**6,938**

Goodwill, intangible assets etc.

Amounts in NOK million	Accumulated cost at 01.01.	Written down at 01.01.	Depreciation at 01.01.	Book value at 01.01.	Additions in 1995	**Ordinary de-preciation and write-downs in 1995 [1]**	**Book value 31.12.1995**
Orkla Foods	771	-	(186)	585	2,372	**(93)**	**2,864**
Orkla Beverages	27	-	(4)	23	5	**(2)**	**26**
Orkla Brands	641	(115)	(75)	451	14	**(29)**	**436**
Orkla Media	492	-	(113)	379	18	**(27)**	**370**
Chemicals	64	-	(39)	25	(4)	**(11)**	**10**
Others	75	-	(28)	47	26	**(12)**	**61**
Total	2,070	(115)	(445)	1,510	2,431	**(174)**	**3,767**

1) Differences between ordinary depreciation and write-downs in the fixed assets statements and profit & loss account are due to write-downs recorded/ presented as Other revenues and costs.

Investments in and disposals of fixed assets and goodwill

	Investments in:					Disposals at sales price:				
Amounts in NOK million	1991	1992	1993	1994	**1995**	1991	1992	1993	1994	**1995**
Goodwill, etc.	161	45	341	658	**2,431**	-	-	-	-	**-**
Machinery, vehicles	840	952	1,000	1,275	**1,565**	110	72	82	165	**542**
Ships	-	-	-	-	**-**	-	73	-	-	**-**
Buildings and plant	200	153	633	568	**663**	155	14	27	247	**560**
Rental property	32	12	1	19	**65**	615	2	-	37	**10**
Other real estate	88	71	71	24	**26**	136	20	7	7	**70**
Construction in progress	15	170	98	(102)	**7**	-	-	-	-	**-**
Prepaid costs relating to new con.	12	-	8	(1)	**(7)**	-	-	-	-	**-**
Total	1,348	1,403	2,152	2,441	**4,750**	1,016	181	116	456	**1,182**

NOTE 15, Loans

The Group's interest-bearing debt by type and maturity

NOK million	Balance at 31.12.95	Repayment schedule 1996[1]	1997	1998	1999	2000	After 2000
Certificates [2]	1,100	1,100	-	-	-	-	-
Bond issues [2]	3,581	500	400	-	31	500	2,150
Bank loans [3]	5,869	1,599	72	50	336	2,808	1,004
Mortgage institutions, insurance companies	369	48	10	10	238	7	56
Miscellaneous	639	152	3	2	1	1	480
Total int.-bearing debt	11,558	3,399	485	62	606	3,316	3,690
Short-term debt [1]	3,399						
Long-term debt	8,159						

1) Next year´s loan installments included.
2) Capital market issues are described separately in this note.
3) Includes bank overdraft and money market drawing rights/facilities.

The average time to maturity at 31.12. 1995 on the Group's interest-bearing debt was 3.4 years.

At 31.12. 1995 Orkla had NOK 3 billion in unutilised drawing rights/ facilities.

Orkla ASA has a group bank account system with Den norske Bank and Christiania Bank og Kreditkasse. The accounts of Orkla ASA are the only accounts directly settled with the banks and all subsidiaries' accounts are treated as internal matters. At 31.12. 1995 the aggregate deposits were NOK 103 million, while the total drawing rights amounted to NOK 450 million.

The company may not sell shares in the following companies without the consent of the lenders in the long-term international bank loans: Borregaard Industries Ltd, Lilleborg A.S, Orkla Foods AS and Procordia Förvaltningsaktiebolag.

Loan portfolio's foreign exchange and interest fixing distribution

(including hedging transactions, see note 16)

Currency	Balance 31.12.95 in NOK million	1996	1997	1998	1999	2000	After 2000
NOK	5,194	2,255	918	731	281	500	508
SEK	4,390	4,390	-	-	-	-	-
USD	466	182	-	-	-	284	-
Other	1,508	1,475	-	8	-	22	2
Total int. bear. debt.	11,558	8,302	918	739	281	806	510
Total int. bear. assets	(1,274)	(1,274)	-	-	-	-	-
Net int. bear. debt	10,284	7,028	918	739	281	806	510

The average remaining interest period for Orkla's debt (including hedging transactions at 31.12. 1995) was 1.6 years.

Certificate issues at 31.12. 1995 (Amounts in NOK million)

ISIN	Coupon	Term	Loan amount
250821	5.20%	18.09.95-18.01.96	200
231054	5.20%	21.09.95-22.01.96	150
250766	6.20%	22.02.95-22.02.96	150
250816	5.20%	08.09.95-08.03.96	200
250818	5.30%	13.09.95-13.03.96	200
250819	5.50%	14.09.95-13.09.96	200
			1,100

Bond issues (Orkla ASA) at 31.12. 1995 (Amounts in NOKm)

(All loans are publicly quoted)

ISIN	Coupon	Term	Out-standing
185855	10.00%	1981/1999	31
185859	10.50%	1991/1996	500
185861	9.40%	1993/2000	500
185862	7.75%	1993/2003	500
185863	6.10%	1994/2002	500
185865	6.40%	1994/1997	400
185866	8.00%	1995/2002	650
185867	7.40%	1995/2005	500
			3,581

NOTE 16, Financial instruments

Currency and interest management

Orkla makes use of different/several financial instruments to manage its currency and interest rate exposure. The Group balance sheet and future cashflow in foreign currencies are hedged partly through new loans raised in foreign currencies, and partly through currency hedging instruments. To obtain an efficient interest rate structure, Orkla uses currency hedging instruments in addition to active management of fixed interest structure on debt.

Outstanding forward exchange contracts in connection to loan portfolio in Orkla (see note 15)

Amounts in million

Purchase currency	Amount	Sale currency	Amount
USD	263	SEK	1,767
NOK	241	USD	38
NOK	899	SEK	964
NOK	26	NLG	7
NOK	82	ITL	21,091
NOK	40	GBP	4
NOK	323	FIM	221
NOK	324	DKK	286
NOK	280	DEM	63
NOK	25	CHF	5

Forward contracts are agreements for the purchasing or selling of currencies, at an agreed exchange rate, in future periods.

Outstanding interest agreements (net position) (see note 15)

Details below include forward rate agreements (FRAs) and interest swaps.

Currency	Amount	Orkla receives	Orkla pays	Maturity
NOK	500	Floating NIBOR	Fixed 5.83%	1996
NOK	1,050	Floating NIBOR	Fixed 7.37%	1997-99
NOK	1,650	Fixed 6.74%	Floating NIBOR	2002-03
SEK	150	Floating STIBOR	Fixed 8.70%	1996
SEK	500	Fixed 9.15%	Floating STIBOR	2003
USD	20	Floating LIBOR	Fixed 5.52%	1996
USD	45	Floating LIBOR	Fixed 6.43%	2000

Forward rate agreements are contracts for fixing a future interest rate for a specified contract period and amount.

Interest swaps are contracts for exchanging interest flows between counterparties over a period of time. There is no exchange of principal amount. Credit risk and cash obligations under interest swaps correspond to the difference between the interest flows which are exchanged.

Outstanding interest and currency swaps (net position) (see note 15)

Orkla receives			Orkla pays			
Currency	Amount	Interest[1]	Currency	Amount	Interest[1]	Maturity
USD	120	Floating LIBOR	NOK	884	Fixed 6.34%	1995-97

Interest and currency swaps are contracts for exchanging interest flows and principal amounts in different currencies. These agreements are mainly used to hedge the Group's long-term currency loans.

1) Some of the agreements also include a loan margin. This is not included in the rates specified.

Outstanding foreign exchange transactions in connection to hedging of operating exposure

Details below include forward contracts and currency options.

Purchase currency	Amount	Sale currency	Amount
NOK	86	DEM	19
CHF	1	DEM	2
NOK	58	DKK	51
NOK	44	FIM	31
NOK	5	FRF	4
ITL	3,300	NOK	13
NOK	3	JPY	45
NLG	1	ITL	56
SEK	42	NOK	32
SEK	50	FIM	31
USD	7	NOK	47
USD	2	DKK	12
USD	10	DEM	14
DKK	2	BEF	9
DKK	11	DEM	3
DKK	2	ESP	36
DKK	30	FRF	27
GBP	1	DKK	5
MYR	1	DKK	3
MYR	9	NOK	22
SEK	12	DEM	2
SEK	22	DKK	18

Forward contracts are agreements for the purchasing or selling of currencies, at an agreed exchange rate, in future periods.

Currency options are agreements where the buyer or the option has a right to purchase or sell a specific currency at a specific price on a specific future date.

NOTE 17, Long-term interest-free liabilities, etc.

Amounts in NOK million	1995	1994	1993
Pension obligations/liabilities [3]	**616**	319	471[1]
Deferred tax	**621**	417	537
Other long-term debt	**113**	80	169[2]
Total	**1,350**	816	1,177

1) 1993 is not converted to new accounting principles on pensions.
2) NOK 135 million outstanding on deposit system included. Reclassified as short-term debt in 1994.
3) Pension obligations/liabilities are classified as interest-free because interests are presented together with other pension costs under salaries.

Deferred tax

Shown below is a table listing timing differences between tax and accounting values. Deferred tax/tax allowances constitute the timing difference multiplied by the nominal tax rate. The table shows how the Group's deferred tax base is composed, in order to indicate when deferred taxes will fall due for payment. Net positive timing differences mean that the tax which relates to positive and negative timing differences which will fall due in the same time period is presented together. Negative differences which either relate to pensions or cannot be reversed in the same period are presented separately.

Net positive time differences after possible set-offs relate to:

Amounts in NOK million	1995	1994	1993
Short-term receivables	**(57)**	(51)	(56)
Shares	**(177)**	(299)	(363)
Inventories	**90**	67	43
Other short-term items	**(86)**	(3)	(16)
Total short-term items	**(230)**	(286)	(392)
Fixed assets	**2,012**	1,351	1,493
Net pension funds	**154**	160	706[2]
Other long-term items	**404**	282	155
Total long-term items	**2,570**	1,793	2,354
Losses carried forward	**(150)**	-	(58)
Basis for calculation of deferred tax	**2,190**	1,507	1,904
Deferred tax	**621**	417	537

Deferred tax allowances

Negative timing differences which cannot be set off:			
Net pension liabilities	**190**	250	454[2]
Other negative differences not set off	**104**	32	28
Basis for calculation of deferred tax allowances	**294**	282	482
Deferred tax allowances	**85**	79	132
Net deferred tax	**536**	338	405
Change in deferred tax	**(198)**	67	23
Effect of accounting reform pensions	**-**	(109)	-
Purchase of new companies, conversion diff. etc.	**192**	49	(14)
Gross associated companies (shown as change in deferred tax, but deducted from the investment) [1]	**(5)**	(12)	(10)
Change in def. tax profit and loss account	**(11)**	(5)	(1)

1) Hjemmet Mortensen, Jotun and five of the Polish media companies.
2) Includes in 1993 pension funds and insecured pension liabilities.

The table below shows the correlation between the Group's result for accounting purposes and tax payable for the Group's Norwegian businesses. In Norway the tax rate is 28 %, but changes in temporary and permanent timing differences mean that the accounting result will differ relatively much from the corresponding result for tax purposes.

Calculation of the profit before taxes and the year's tax base for Norwegian taxes payable

Amounts in NOK million	1995	1994	1993
Profit before taxes	**1,926**	1,574	1,316
Changes in timing differences	**(163)**	67	111
Group items and eliminations	**133**	108	48
Permanent differences, dividends, etc.	**(51)**	32	(9)
RISK adjusting shares	**(67)**	(32)	-
Cost price regulated shares	**(220)**	(186)	(146)
Losses carried forward	**(33)**	(51)	(198)
Foreign companies	**52**	(64)	(6)
Associated companies	**(148)**	(129)	(219)
Of which taxable	**-**	-	118
Taxable income for Norwegian companies	**1,429**	1,319	1,015
Tax calculated on Norwegian activities (28 %)	**(400)**	(369)	(284)
Deductions for withhold. tax on foreign div.	**3**	3	-
Deductions for allowances on dividends	**68**	52	39
Shortfall in previous years' allocation	**(2)**	-	-
Tax payable Norwegian activities	**(331)**	(314)	(245)

NOTE 18, Long-term cooperation agreements

Orkla has a cooperation agreement with Unilever relating to detergents and personal products. This agreement, which was originally signed in 1958, was renegotiated in February 1995. The renegotiated agreement maintains the cooperation based on the same main business principles as previously and runs until 2014.

Ringnes is The Coca-Cola Company's (TCCC) largest bottler in Norway, with a franchise agreement for bottled carbonated soft drinks. Coca-Cola's bottling agreements are geographically defined and Ringnes covers Møre, Trøndelag and Nordland, together with most of Southern, South-Western and Eastern Norway (including Oslo). The current agreement for Norway expires on 31.12. 1999.

Pripps has been the sole bottler for The Coca-Cola Company in Sweden. TCCC decided to terminate the agreement with Pripps for the Swedish market as a consequence of a change in the ownership structure. The agreement was terminated with effect from 1.12. 1995. The parties are now negotiating on alternative future cooperation models. During the period of negotiation Pripps is continuing to produce, distribute and sell TCCC products on the Swedish market.

NOTE 19, Development in equity over the last 5 years

Amounts in NOK million	Share capital	Legal reserve	Temporary restricted reserve	Free reserves	Orkla ASA	Group reserve	Total
Equity at 31.12. 1990	797	840	-	758	2,395	(26)	2,369
Merger Nora Industrier A.S	382	141	-	297	820	110	930
Cancellation, amortisation and cash consideration [1]	(71)	(341)	-	(418)	(830)	-	(830)
Uninsured pension obligations	-	-	-	(24)	(24)	(181)	(205)
Profit for the year Orkla ASA	-	-	-	(138)	(138)	138	-
Group transfer received	-	-	-	511	511	(511)	-
Allocation to dividend	-	-	-	(161)	(161)	-	(161)
Allocated to legal reserve and free reserves	-	36	13	(49)	-	-	-
Group profit for the year	-	-	-	-	-	704	704
Various equity corrections [2]	-	-	-	-	-	(143)	(143)
Conversion difference foreign subsidiaries etc.	-	-	-	-	-	(5)	(5)
Equity at 31.12. 1991	1,108	676	13	776	2,573	86	2,659
Conversion deferred tax model 01.01. 1992	-	-	153	882	1,035	2,082	3,117
Equity at 01.01. 1992	1,108	676	166	1,658	3,608	2,168	5,776
Bonus issue 1:10	111	(111)	-	-	-	-	-
Profit for the year Orkla ASA	-	-	-	(817)	(817)	817	-
Group transfer received	-	-	-	713	713	(713)	-
Allocation to dividend	-	-	-	(178)	(178)	-	(178)
Allocation to legal reserve and free reserves	-	-	(34)	34	-	-	-
Group profit for the year	-	-	-	-	-	211	211
Conversion difference foreign subsidiaries etc.	-	-	-	-	-	28	28
Equity at 31.12. 1992	1,219	565	132	1,410	3,326	2,511	5,837
Adjustment reserves at 01.01. and cash payment	-	(7)	7	(15)	(15)	-	(15)
Profit for the year Orkla ASA	-	-	-	8	8	(8)	-
Group transfer received	-	-	-	818	818	(818)	-
Allocation to dividend	-	-	-	(192)	(192)	-	(192)
Allocation to legal reserve and free reserves	-	15	(36)	21	-	-	-
Group profit for the year	-	-	-	-	-	984	984
Write-down own shares in Oktav Invest	-	-	-	-	-	(28)	(28)
Conversion difference foreign subsidiaries etc.	-	-	-	-	-	(13)	(13)
Equity at 31.12. 1993	1,219	573	103	2,050	3,945	2,628	6,573
Profit for the year Orkla ASA	-	-	-	198	198	(198)	-
Entries resulting from introduction of new pension standard	-	6	-	51	57	(57)	-
Group transfer received	-	-	-	711	711	(711)	-
Allocation to dividend	-	-	-	(236)	(236)	-	(236)
Allocation to legal reserve and free reserves	-	77	(36)	(41)	-	-	-
Group transfer received	-	-	-	-	-	1,149	1,149
Charge as a result of the introd. of new pension standard	-	-	-	-	-	(285)	(285)
Conversion difference foreign subsidiaries etc.	-	-	-	-	-	28	28
Equity at 31.12. 1994	1,219	656	67	2,733	4,675	2,554	7,229
Profit for the year Orkla ASA	-	-	-	2,217	2,217	(2,217)	-
Group transfer received	-	-	-	814	814	(814)	-
Allocation to dividend	-	-	-	(283)	(283)	-	(283)
Allocation to legal reserve and free reserves	-	318	(36)	(282)	-	-	-
Group transfer received	-	-	-	-	-	1,432	1,432
Adjustment due to the merger between Pripps and Ringnes	-	-	-	-	-	(182)	(182)
Equity at 31.12. 1995	1,219	974	31	5,199	7,423	773	8,196

1) Relates to the cancellation of 170,160 Nora Industrier shares, amortisation of 2,686,774 Orkla Borregaard shares and NOK 274 million in cash payment.
2) Relates to cash payment and dividend on own shares and write-down of own shares.

Share capital development

Amounts in NOK Date/year	Number of shares	Par value	Type of issue	Amount (mill.)	Ratio	Correction factor [1]	Issue price	Share capital (mill.)
31.12.1987	7,216,997	100				5.32		721.7
1988	14,433,994	50	split		2:1	2.42		721.7
1988	15,558,110	50	bonus issue	56.2	1:10	2.42		777.9
1988	12,365,274	50	amortization	159.6		2.42		618.3
31.12.1988	12,365,349	50	conversion			2.42		618.3
1989	13,275,874	50	internat. offering	45.5		2.42	365.00	663.8
31.12.1989	13,339,097	50	conversion	3.2		2.42		667.0
1990	26,678,194	25	split		2:1	1.10		667.0
1990	29,346,582	25	bonus issue	66.7	1:10	1.10		733.7
1990	31,646,582	25	internat. offering	57.5		1.10	230.00	791.2
1990	31,886,582	25	merger	6.0		1.10		797.2
31.12.1990	31,894,938	25	conversion	0.1		1.10		797.4
1991	44,314,828	25	merger	310.5		1.10		1,107.9
31.12.1991	44,314,895	25	conversion			1.10		1,107.9
1992	48,746,384	25	bonus issue	110.8	1:10			1,218.7
31.12.1992	48,746,384	25						1,218.7
31.12.1993	48,747,241	25	conversion					1,218.7
31.12.1994	48,747,241	25						1,218.7
31.12.1995	48,747,241	25						1,218.7

1) The correction factor is multiplied by the number of old shares to make these figures comparable to the number of shares in 1995.

The Board is authorised until the Annual General Meeting in 1997 to issue up to 3.3 million new shares without preferential right for existing shareholders.

The Annual General Meeting of 10.05. 1994 decided to allocate options for approximately 600,000 B-shares to all employees in Norwegian operations. The options can be exercised in May 1997 at the earliest and have a strike price of NOK 25.

Treasury shares and convertible bonds

Amounts in NOK 1,000	Par value	Number of shares	Book value
Shares			
A/S Drammen Kjexfabrik	4,018	160,708	-
Rederi-A/S Orkla	4,183	167,319	-
Chr. Salvesen & Chr. Thams's Comm. A/S	-	14	-
Oktav Invest A.S [2]	25,128	1,005,139	-
Total shares held in treasury	33,329	1,333,180	-
Convertible bonds			
A/S Drammen Kjexfabrik	30,097	2,149,785	132,423
Orkla ASA	413	29,500	4,463
Total convertible bonds held in treasury	30,510	2,179,285[1]	136,886
Total	63,839	3,512,465	136,886

1) Convertible bonds with a nominal value of NOK 30.5 million may be converted into shares at a rate of NOK 14.00 per share. The loan expires on 31.12. 1999.
2) Shares in Orkla ASA recorded in Oktav Invest are in accordance with the Companies Act rules and are recorded at zero value. Oktav Invest owned 1,256,424 shares in Orkla ASA and Orkla ASA owns 80 % of Oktav Invest.

Members of the management within the Group have been allotted options equivalent to 318,333 shares. Average strike price at 31.12. 1995 was NOK 225.50, corresponding to the shares' market price at issue date, adjusted for changes in the consumer price index.

NOTE 20, Mortgages and guarantees

Amounts in NOK million	**1995**	1994	1993
Liabilities secured by mortgages	**239**	350	426
Mortgaged assets:			
Machinery, vehicles, etc.	**769**	1,138	1,099
Buildings and plant	**709**	1,132	1,072
Other real estate	**61**	105	98
Construction in progress	**82**	66	189
Inventories, etc.	**65**	175	28
Total book value	**1,686**	2,616	2,486
Guarantees, etc.:			
Joint and several guarantees	**48**	50	57
Subscribed, uncalled limited partnership capital	**210**	248	130
Other guarantee liabilities [1]	**189**	250	162
Total guarantee liabilities	**447**	548	349

1) Includes guarantee limits for activities within Financial Services of NOK 141 million (NOK 206 million in 1994 and NOK 125 million in 1993).

NOTE 21, Other commitments

Scan TV A.S has issued call options on 2,167 shares in NetCom GSM with an exercise price of NOK 4,196 per share. After redemptions of these options Orkla's ownership in NetCom GSM will be reduced to 16.1 %.

Orkla Foods AS has an obligation to purchase further shares in Dragsbæk Margarinefabrik A.S (50 %) and Margarinefabriken Blume IS (50 %). Orkla's existing holdings were acquired in 1989 for approximately NOK 45 mill. The price for additional shares will be based on indexation of this amount, adjusted for the development in earnings during the three years prior to the obligations/right being exercised.

Orkla and Volvo is committed to sell out the part of Hansa Bryggeri that relates to brewing of beer within the end of 1996.

Orkla is by dispensation allowed to own more than 10 % of UNI Storebrand until June 1996.

NOTE 22, Minority interests

Amounts in NOK million	**1995**	1994	1993
Minority interests on:			
Depreciation	**33**	44	32
Operating result	**33**	29	30
Result before tax and minority interests	**33**	25	24
Taxes	**9**	10	9
Development in minority interests:			
Minority interests 01.01.	**213**	197	206
Minorities' share of 1995 result	**24**	15	15
Increase due to establishment of new subsidiary companies	**26**	16	5
Decrease due to further acquisition of shares in subsidiary companies	**(130)**	(8)	(7)
Writedown on Orkla's shares in Oktav Invest A.S		-	(13)
Dividends to minorities, translation differences	**(2)**	(7)	(9)
Minority interests pr. 31.12.	**131**	213	197
Minority interests relates to:			
Orkla Foods	**52**	88	79
Orkla Beverages	**30**	85	98
Orkla Brands	**3**	-	-
Orkla Media	**15**	23	11
Chemicals	**13**	8	5
Others	**18**	9	4
Total	**131**	213	197

Accounts for Orkla ASA

The accounts of the holding company Orkla ASA consist, in addition to all Head Office activity, of the Security division, the company Peter Möller, Vestlandske Bakeriartikler (to 30.9. 1995) and some real estate activities which for business purposes are grouped under Orkla Eiendom.

The activity in the Head Office includes the Group's senior management and staff functions information, legal, corporate development, personnel and accounting/finance. The staff departments also carry out a number of assignments for the Group's other companies. The central finance department acts as a Group bank which is responsible for the Group's external financing, management of the Group's liquidity and overall management of the Group's foreign exchange and interest risks.

Operations at Head Office are financed through directly related costs being invoiced, while other costs are divided between companies within the Group. Any uncovered costs, uncovered net financial items and external dividends are mainly covered through dividends and group transfers from Group companies.

All holdings in subsidiaries are presented using the cost method.

The notes for the Group will in certain cases include Orkla ASA.

PROFIT AND LOSS ACCOUNT

Amounts in NOK million	Note	**1995**	1994	1993
Operating revenues		**217**	219	212
Raw materials, etc.		**(56)**	(56)	(52)
Wages and other personnel costs	1, 2	**(89)**	(69)	(78)
Other expenses		**(103)**	(93)	(88)
Depreciation	7	**(18)**	(11)	(12)
Operating profit		**(49)**	(10)	(18)
Dividends from subsidiaries		**26**	1	9
Dividends from others		**206**	134	93
Financial income, Group companies		**251**	260	224
Other financial income		**2,385**[1]	103	86
Financial expenses, Group companies		**(46)**	(51)	(48)
Other financial expenses		**(1,033)**	(662)	(710)
Share of result, associated companies		**5**	3	(1)
Portfolio gains		**481**	418	374
Profit before tax		**2,226**	196	9
Taxes	4	**(9)**	2	(1)
Profit/loss for the year		**2,217**	198	8
Group transfers received		**814**	711	818
Allocated to dividends		**(283)**	(236)	(192)
Allocated to legal reserve		**(318)**	(77)	(15)
Transferred from temporary restriced reserve		**36**	36	36
Allocated to/transferred from free reserves		**(2,466)**	(632)	(655)

1) Included gain in parent company regarding Ringnes-transaction (NOK 1,981 million). The amount is eliminated in the Group's accounts.

CASHFLOW STATEMENT

Amounts in NOK million	**1995**	1994	1993
Operating profit	**(49)**	(10)	(18)
Depreciation	**18**	11	12
Change in working capital	**(73)**	64	(86)
Cashflow from operations	**(104)**	65	(92)
Net change of fixed assets at book value	**(44)**	(34)	(11)
Net financial items	**(190)**	(215)	(345)
Net portfolio gains	**481**	418	374
Cashflow from activities	**143**	234	(74)
Investments in other companies	**(3,322)**	(387)	(20)
Change in book value of portfolio investments	**(152)**	(795)	(1,085)
Group transfers received	**783**	614	818
Taxes, dividends and cash consideration paid	**(245)**	(194)	(194)
Miscellaneous changes	**(79)**	42	567
Cashflow after capital transactions	**(2,872)**	(486)	12
Change in net interest-bearing debt	**2,872**	486	(12)

BALANCE

Assets

Amounts in NOK million	Note	**1995**	1994	1993
Cash and bank deposits		**420**	432	69
Portfolio investments		**5,679**	5,472	4,677
Short-term receivables, Group companies		**1,504**	1,358	1,300
Short-term receivables, others		**311**	106	35
Inventories		**19**	19	15
Current assets		**7,933**	7,387	6,096
Shares in subsidiaries	3	**7,989**	2,764	2,108
Shares and investments in other companies		**250**	223	489
Loans to Group companies		**2,860**	3,527	3,034
Other long-term receivables	6	**70**	100	109
Fixed assets	7	**181**	155	133
Long-term assets		**11,350**	6,769	5,873
Total assets		**19,283**	14,156	11,969

Liabilities and equity

Amounts in NOK million	Note	**1995**	1994	1993
State duties, taxes etc.		**19**	13	22
Accrued unassessed taxes		**6**	6	8
Dividends payable		**283**	236	193
Short-term debt to Group companies		**930**	542	573
Other short-term debt		**2,544**	2,672	1,291
Current liabilities		**3,782**	3,469	2,087
Long-term debt to Group companies		**336**	328	429
Other long-term debt		**7,742**	5,684	5,508
Long-term liabilities		**8,078**	6,012	5,937
Share capital		**1,219**	1,219	1,219
Legal reserve		**974**	656	573
Temporary restricted reserve		**31**	67	103
Free reserve		**5,199**	2,733	2,050
Equity		**7,423**	4,675	3,945
Liabilities and equity		**19,283**	14,156	11,969
Guarantees and mortgages	5	**22**	21	19

NOTE 1, Pension matters

(Amounts in NOK million)

Composition of net pension cost	1995	1994
Present value of the year's pension earnings (including employment tax)	**(5)**	(6)
Amortisation on deferred liabilities due to difference from plan/assumptions	**0**	0
Interest cost on pension liability	**(11)**	(10)
Expected return on pension funds	**14**	14
Net pension cost	**(2)**	(2)

Composition of net pension liability	31.12.95	31.12.94
Gross pension liability	**(179)**	(172)
Pension funds	**209**	198
Actual net pension funds	**30**	26
Unamortised differences from plan assumptions	**13**	14
Capitalised net pension funds	**43**	40

Composition of pension funds at 01.01.1995	
Liquid assets	3%
Money market investments	0%
Bonds	50%
Loans	1%
Shares	46%
Real estate	0%
Total pension funds	100%

NOTE 2, Remuneration and contractual arrangements

Remuneration to the Group Chief Executive amounted to NOK 1,482,987. Other taxable remuneration amounted to NOK 66,404. The Group Chief Executive received no internal director's fees.

The Group Chief Executive's pension on full earnings will amount to two thirds of the pension base. On resignation prior to pensionable age, a payment equivalent to three years' salary would be made calculated from the salary at the date of resignation.

Remuneration to the Board, Corporate Assembly and Auditor
Remuneration to the Board and Corporate Assembly amounted to NOK 903,000 and NOK 532,000. According to a separate agreement, the Chairman of the Board received an additional remuneration of NOK 180,000 as manager of "Orkla School for Business Relations". The Auditor's fees amounted to NOK 495,000. In addition, NOK 3,322,000 was paid to services in connection with the Volvo-agreement of which NOK 791,000 relates to Norway.

NOTE 3, Shares in subsidiaries

Amounts in NOK million	Currency	Company's share capital	Book value	Owned by the Group %
Procordia Food Förvaltning AB	SEK	550	5.438	100.0
Orkla Foods A.S		436	492	100.0
Sætre AS		5	11	100.0
Nidar AS		110	110	100.0
A/S Denofa og Lilleborg Fabriker				
Group A		7	54	100.0
Group B		10	61	100.0
Viking Fottøy A.S		25	27	100.0
Orkla Media A.S		337	353	100.0
Bakers AS		2	249	100.0
Borregaard Industries Limited				
Ordinary shares	GBP	20	271	100.0
Preference shares	GBP	1	43	99.9
Kemetyl AB	SEK	4	36	100.0
Borregaard NEA AS		5	101	100.0
Chr. Salvesen & Chr. Thams's Comm. A/S		4	23	100.0
Borregaard Skoger A.S		7	3	100.0
Orkla Finans A.S		19	21	94.7
Oktav Invest A.S		65	0	80.0
Viking Askim A.S		36	104	100.0
Rederi-A/S Orkla		-	-	100.0
The Borregaard Comp. Inc.	USD	-	-	100.0
Omega Consultants A.S		-	-	100.0
AB Orklaprodukter	SEK	-	-	100.0
A.S Drammen Kjexfabrik		-	12	100.0
Nora A.S		1	1	100.0
NINO A.S		21	24	100.0
Tou Bruk A.S		1	0	100.0
Orkla Eiendom A.S		1	1	100.0
Kantolan	FIM	10	41	100.0
Swebiscuits AB	SEK	10	512	100.0
Scan-TV A.S		-	-	100.0
Peter Möller Omega-3 GmbH	DEM	-	-	100.0
Orkla Asia Pte Ltd	SGD	-	1	100.0
Total		-	7,989	-

NOTE 4, Relationship between the profit before tax and the year's tax base for Orkla ASA

Amounts in NOK million	1995	1994	1993
Profit before tax	**2,226**	196	9
Timing differences:			
Realization of shares earlier written-down	**(95)**	(80)	(226)
Change in other temporary timing differences	**(35)**	19	14
Total	**(130)**	(61)	(212)
Permanent differences:			
Non-deductible costs (permanent differences)	**2**	3	45
Allowance for share dividends	**10**	45	29
Cost price regulations on shares sold	**(220)**	(186)	(143)
RISK adjustments on shares sold	**(57)**	(32)	-
Parent company's profit on Ringnes transaction	**(1,981)**	-	-
Total	**(2,246)**	(170)	(69)
Taxable group contribution received	**392**	170	362
Non-taxable group contribution received	**422**	541	456
Total taxable income	**242**	135	90
Tax calculated (28 %)	**(68)**	(38)	(25)
Deduction for allowance on share dividends, and tax at source	**62**	38	25
Withholding tax foreign dividends	**(3)**	(1)	(1)
Excess provision previous years	**-**	3	-
Total tax payable	**(9)**	2	(1)

Deferred tax Orkla ASA

Orkla ASA has not recorded deferred tax in the accounts at 31.12. 1995. This is due to a tax allowance of NOK 37 million (NOK 66 million in the opening balance) being recorded at Group level in connection with the write-down of shares. This is not reflected in Orkla ASA in accordance with Norwegian GAAP (Global rule).

NOTE 5, Guarantees and mortgages

Guarantees

Orkla ASA has given financial guarantees in favour of subsidiaries which own shares in other Group companies where there have been write-downs/provisions for expected losses. The relevant subsidiaries have thus maintained the value of the shares in their balance sheets. The guarantees relate to write-downs in Nora Denmark.

Mortgages and other guarantees

Amounts in NOK million	1995	1994	1993
Book value of assets secured	**9**	18	20
Loans secured by mortgages	**8**	9	10
Guarantees for Group companies	**9**	12	9
Other guarantee liabilities	**5**	-	-
Joint and several guarantees	**3**	3	3
Subscribed, uncalled limited partnership capital	**136**	174	55

NOTE 6, Loans within § 12-10 of the Companies Act

Other receivables include loans totalling NOK 23 million to persons and companies falling within § 12-10 of the Companies Act.

NOTE 7, Fixed assets

Amounts in NOK million	Accumulated cost at 01.01.1995	Additions in 1995	Disposals in 1995	**Ordinary depreciation in 1995**	Accumulated depreciation and write-downs at 31.12.1995	**Book value at 31.12.1995**
Intangible assets	-	18	-	**(5)**	(5)	**13**
Machinery, vehicles	95	14	(11)	**(9)**	(53)	**45**
Buildings and plant	137	14	(25)	**(4)**	(42)	**84**
Other real estate	30	11	(2)	**-**	-	**39**
Total parent company	262	57	(38)	**(18)**	(100)	**181**

Investments in, and sales of, fixed assets

	Investments in:					Sales at sale prices:				
Amounts in NOK million	1991	1992	1993	1994	**1995**	1991	1992	1993	1994	**1995**
Intangible assets	-	-	-	-	**18**	-	-	-	-	**-**
Machinery, vehicles	4	4	5	11	**14**	7	5	1	1	**2**
Buildings and plant	-	1	1	20	**14**	2	83	-	-	**7**
Other real estate	5	-	-	3	**11**	-	8	-	2	**3**
Total	9	5	6	34	**57**	9	96	1	3	**12**

Accounts for Orkla Group

Pripps Ringnes valued as an associated company according to the equity method

PROFIT AND LOSS ACCOUNT

Amounts in NOK million	Note	1995	1994
OPERATING REVENUES	1	**18,458**	20,698
Raw materials, goods in process and finished goods		**(8,570)**	(9,176)
Wages and other personnel costs	2	**(3,706)**	(4,356)
Other manufacturing, selling and adm. expenses		**(3,941)**	(4,589)
Ordinary depreciation	8	**(897)**	(1,118)
Other revenues and costs	3	**171**	82
OPERATING PROFIT		**1,515**	1,541
Dividends		**203**	134
Interest income		**255**	99
Interest expenses		**(835)**	(659)
Other financial income and expenses		**(48)**	(88)
Profits from associated companies	7	**344**	129
Portfolio gains		**481**	418
PROFIT BEFORE TAXES AND MINORITY INTERESTS		**1,915**	1,574
Taxes	5	**(470)**	(410)
Minority interests		**(13)**	(15)
PROFIT FOR THE YEAR		**1,432**	1,149

CASHFLOW STATEMENT

Amounts in NOK million	1995	1994
Industrial activities (including Head Office):		
Operating profit	**1,495**	1,526
Ordinary depreciation	**1,006**	1,107
Changes in net working capital	**(728)**	(250)
Cashflow from operations	**1,773**	2,383
Net replacement expenditure and environm. inv.	**(218)**	(891)
Free cashflow from operations	**1,555**	1,492
Financial items, net	**(421)**	(391)
Free cashflow from industrial activities	**1,134**	1,101
Cashflow from investment activities before net purchases/sales of shares and real estate	**(33)**	(93)
Tax, dividends and cash consideration paid	**(600)**	(522)
Miscellaneous capital transactions	**653**	188
Group's self-financing capacity	**1,154**	674
Expansion investments in industrial activities	**(3,586)**	(1,175)
Net purchase/sale of portfolio shares	**321**	(225)
Net purchase/sale of properties	**40**	182
Net cashflow	**(2,071)**	(544)
Change in gross interest-bearing debt	**2,053**	951
Change in liquid assets/interest-bearing receivables	**18**	(407)
Change in net interest-bearing debt	**2,071**	544

BALANCE SHEET

Amounts in NOK million	Note	1995	1994
ASSETS			
Cash and bank deposits		**1,101**	811
Restricted deposits		**130**	189
Portfolio investments	4	**5,742**	5,531
Accounts and other short-term receivables		**3,281**	3,161
Raw materials and semi-manufactured goods		**1,129**	762
Goods in progress		**129**	124
Finished goods		**1,551**	1,177
Current assets		**13,063**	11,755
Interests in associated companies	7	**1,822**	1,014
Shares in other companies	6	**88**	92
Deferred tax allowance	11	**76**	79
Other receivables		**259**	370
Goodwill	8	**3,741**	1,500
Fixed assets	8	**5,589**	6,592
Long-term assets		**11,575**	9,647
Total assets		**24,638**	21,402

Amounts in NOK million	Note	1995	1994
LIABILITIES AND EQUITY			
Bank overdraft		**419**	46
State duties, holiday pay etc.		**1,018**	1,202
Taxes payable		**342**	348
Allocated to dividends		**290**	244
Other short-term debt		**5,327**	5,265
Current liabilities		**7,396**	7,105
Deferred tax	11	**466**	417
Other long-term debt		**8,479**	6,438
Long-term liabilities		**8,945**	6,855
Minority interests		**101**	213
Share capital		**1,219**	1,219
Other equity		**6,977**	6,010
Equity	9	**8,196**	7,229
Liabilities and equity		**24,638**	21,402
Mortgages	10	**229**	350
Guarantees and other commitments	10	**439**	548

Accounting and consolidation principles are according to principles described on page 16-17 with one exception: Pripps Ringnes is valued as an associated company. According to Norwegian law a public limited company can not be consolidated using the proportionate consolidation method. The Group's share in Pripps Ringnes tax charges are presented together with the Group's other taxes.

NOTE 1, Operating revenues

Amounts in NOK million	1995	1994
Net sales in Norway	**9,429**	13,136
Net sales in rest of Scandinavia	**4,217**	3,355
Net sales outside Scandinavia	**4,444**	3,780
Miscellaneous operating revenues	**368**	427
Operating revenues	**18,458**	20,698

NOTE 2, Pension matters

Pension plans assumptions are presented in note 2 page 18. Number of employees included in defined benefit pension plans are 12,381. Number of retired people/retirees included in these pension plans are 3,049. Number of employees and retirees included in defined contribution pension plans are 3,524.

Amounts in NOK million	1995	1994
Pension cost		
Present value of the year's pension earnings (including employment tax)	**(70)**	(94)
Interest cost on pension liability	**(102)**	(134)
Expected return on pension funds	**105**	148
Net pension cost defined benefit pension plans	**(67)**	(80)
Defined contribution pension plans	**(12)**	(6)
Net pension cost	**(79)**	(86)
Pension obligations/liabilities		
Gross pension obligations/liabilities	**(1,974)**	(2,403)
Pension funds	**1,650**	2,127
Actual net pension obligations/liabilities	**(324)**	(276)
Non-amortized variance from plans	**28**	131
Net pension obligations/liabilities	**(296)**	(145)
Booked pension liabilities	**(433)**	(319)
Booked pension funds	**137**	174

NOTE 3, Other revenues and costs

Amounts in NOK million	1995	1994
Gains on sale of Helly-Hansen, Norgro and Høvellast	**114**	-
Gains on sale of beverages activities in Poland	**219**	-
Gains on sale of the business related to salads and rice and loss on disposal of Gemüse Verarbeitungs Gesellschaft m.b.H.	**(2)**	-
Restructuring costs related to the business in Abba Seafood	**(160)**	-
Gains on disposal of the polymer business and the Emo-group	**-**	82
Total	**171**	82

NOTE 4, Portfolio investments

See presentation note 4 page 19.

NOTE 5, Taxes

Amounts in NOK million	1995	1994
Tax payable	**(459)**	(405)
Change deferred tax	**(11)**	(5)
Total tax charge	**(470)**	(410)

NOTE 6, Shares and investments in other companies

See presentation note 10 page 20.

NOTE 7, Interests in associated companies

Amounts in NOK million	Share owned %	Share of profit	Book value 31.12.
Pripps Ringnes AB [1]	51.0	196	676
Jotun A.S	41.6	98	504
Frionor A/S	50.9	3	175
Hjemmet Mortensen A.S	50.0	35	87
Asker og Bærums Budstikke A.S	30.5	6	81
Bergens Tidende A.S	28.4	11	90
A/S Østlandets Blad	55.2	-	27
Norsk Telegrambyrå A.S.	22.1	1	14
Media companies in Poland	-	(1)	59
K/S Swan Sea	35.0	(3)	13
K/S Knutsen Bøyelaster III	28.0	(4)	10
Norgesbuss Invest A.S	25.9	1	19
Orkla Exolon A.S K/S	42.3	4	25
Borregaard Taicang Chemicals	55.0	-	28
Miscellaneous	-	(3)	14
Total		344	1,822

1) Orkla's financial interest equals 45 % which have been used in calculating both the share of profit and book value.

Notes Orkla Group

NOTE 8, Fixed assets and goodwill, intangible assets etc.

Fixed assets

Amounts in NOK million	Accumulated cost at 01.01.	Re-valuations at 01.01.	Written down at 01.01.	De-preciation at 01.01.	Book value at 01.01.	Addi-tions in 1995	Dis-posals in 1995	**Ordinary de-preciation and write-downs in 1995**	**Book value 31.12.1995**
Goodwill, intangible assets	2,057	-	(115)	(442)	1,500	2,418	(5)	**(172)**	**3,741**
Machinery, vehicles	9,164	5	(10)	(6,004)	3,155	1,332	(1,034)	**(574)**	**2,879**
Buildings and plant	3,939	71	(42)	(1,503)	2,465	615	(936)	**(260)**	**1,884**
Rental property	191	-	-	(47)	144	67	(7)	**(7)**	**197**
Other real estate	475	73	(7)	(17)	524	15	(145)	**(5)**	**389**
Total	15,826	149	(174)	(8,013)	7,788	4,447	2,127	**(1,018)**	**9,090**
Construction in progress	297	-	-	-	297	4	(62)	**-**	**239**
Prepaid costs relating to new con.	7	-	-	-	7	(7)	1	**-**	**1**
Total	16,130	149	(174)	(8,013)	8,092	4,444	2,188	**(1,018)**	**9,330**

Investments in and disposals of fixed assets and goodwill

	Investments in:					Disposals at sales price:				
Amounts in NOK million	1991	1992	1993	1994	**1995**	1991	1992	1993	1994	**1995**
Goodwill, etc.	161	45	341	658	**2,418**	-	-	-	-	**14**
Machinery, vehicles	840	952	1,000	1,275	**1,332**	110	72	82	165	**1,114**
Ships	-	-	-	-	**-**	-	73	-	-	**-**
Buildings and plant	200	153	633	568	**615**	155	14	27	247	**1,186**
Rental property	32	12	1	19	**67**	615	2	-	37	**10**
Other real estate	88	71	71	24	**15**	136	20	7	7	**223**
Construction in progress	15	170	98	(102)	**4**	-	-	-	-	**-**
Prepaid costs relating to new con.	12	-	8	(1)	**(7)**	-	-	-	-	**-**
Total	1,348	1,403	2,152	2,441	**4,444**	1,016	181	116	456	**2,547**

NOTE 9, Development in equity

See presentation note 19 page 25.

NOTE 10, Mortgages and guarantees

Amounts in NOK million	**1995**	1994
Liabilities secured by mortgages	**229**	350
Mortgaged assets:		
Machinery, vehicles, etc.	**716**	1,138
Buildings and plant	**681**	1,132
Other real estate	**58**	105
Construction in progress	**81**	66
Inventories, etc.	**65**	175
Total book value	**1,601**	2,616
Guarantees, etc.:		
Joint and several guarantees	**44**	50
Subscribed, uncalled limited partnership capital	**210**	248
Other guarantee liabilities	**185**	250
Total guarantee liabilities	**439**	548

NOTE 11, Deferred tax

Net positive time differences after possible set-offs relate to:

Amounts in NOK million	**1995**	1994
Short-term receivables	**(50)**	(51)
Shares	**(174)**	(299)
Inventories	**93**	67
Other short-term items	**(20)**	(3)
Total short-term items	**(151)**	(286)
Fixed assets	**1,372**	1,351
Net pension liabilities	**137**	160
Other long-term items	**431**	282
Total long-term items	**1,940**	1,793
Losses carried forward	**(150)**	-
Basis for calculation of deferred tax	**1,639**	1,507
Deferred tax	**466**	417
Deferred tax allowances		
Negative timing differences which cannot be set off:		
Net pension liabilities	**165**	250
Other negative differences not set off	**99**	32
Basis for calculation of deferred tax allowances	**264**	282
Deferred tax allowances	**76**	79
Net deferred tax	**390**	338

Audit report to the Annual General Meeting of Orkla ASA

We have audited the annual accounts of Orkla ASA for 1995, showing net income of NOK 2,217 million for the company and net income of NOK 1,432 million for the Group. The annual accounts, which consist of the Board of Directors' report on pages 6-12, profit and loss account, balance sheet, cash flow statement and notes on pages 27-29 and the corresponding consolidated financial statement on pages 30-32, are the responsibility of the Board of Directors and the Group Chief Executive.

Our responsibility is to examine the company's annual accounts, its accounting records and the conduct of its affairs.

We have conducted our audit in accordance with applicable laws, regulations and generally accepted auditing standards. We have performed the auditing procedures we considered necessary to determine that the annual accounts are free of material errors or omissions. We have examined, on a test basis, the accounting material supporting the financial statements, the appropriateness of the accounting principles applied, the accounting estimates made by management and the overall presentation of the annual accounts. To the extent required by generally accepted auditing standards we have also evaluated the company's asset management and internal controls.

The appropriation of net income and equity transfers, as proposed by the Board of Directors, complies with the requirements of the Joint Stock Companies Act.

In our opinion, the annual accounts have been prepared in conformity with the Joint Stock Companies Act and present fairly the company's and the Group's financial position as of 31 December 1995 and the result of its operations for the fiscal year in accordance with generally accepted accounting principles.

As described in the Board of Directors' report, in addition to the consolidated financial statements in which the Group's ownership in Pripps Ringnes is presented in accordance with the equity method, pro forma consolidated financial statements are presented on pages 13-26 where the Group's ownership is accounted for as a joint venture using the proportionate consolidation method. We have verified that the adjustments made agree with the audited financial statements of Pripps Ringnes and are presented in accordance with the proportionate consolidation method.

Oslo, 26 February 1996
Arthur Andersen & Co.

Finn Berg Jacobsen
State Authorised Public Accountant (Norway)

Statement from the Corporate Assembly to The Annual General Meeting of Orkla ASA

The Corporate Assembly of Orkla ASA has received the Board of Directors' proposed Profit and Loss Account and Balance Sheet for 1995 for Orkla ASA and the Group and recommends that the Annual General Meeting adopts the accounts and the proposal of the Board of Directors for the allocation of profit for 1995.

Lysaker, 7 March 1996
The Corporate Assembly of Orkla ASA

Øystein Eskeland
Chairman of the Corporate Assembly

Shares and shareholders

SHAREHOLDER POLICY

Orkla's shareholders should over time receive a competitive return on their shares. This return will be a combination of dividends and a rise in the share price. The objective is that shareholders should receive a stable increase in dividends, subject to the underlying development of the business being satisfactory. Orkla maintains a conservative new issue policy in which the interests of existing shareholders are decisive. The last share issue took place in 1990. The Group's main profitability measure is the return on capital employed. All operations should over time produce an average return on capital employed of at least 15 %.

INVESTOR RELATIONS

Communication with investors, analysts and the stockmarket in general, both in Norway and abroad, is a priority for Orkla. Readily available and reliable information on the Group will, in Orkla's view, increase the market's interest in the share and form a better basis for evaluation of the Group. Orkla holds regular presentations in the main financial centres in Europe and the USA and also holds frequent individual meetings with investors and analysts. Important events affecting the Group are reported immediately.

VOTING RIGHTS AND OWNERSHIP

Orkla has two share classes. The A-shares carry one vote per share. The B-shares do not carry voting rights. The company has no limitations on ownership other than those set by Norwegian legislation. Voting rights can be exercised at the earliest two weeks after the share purchase is recorded in the share register. Under Norwegian legislation votes may be cast only for shares registered in the owner's name. General meetings are convened on at least 12 days notice. Notice of attendance must be given no later than three business days prior to the meeting.

Orkla's shares are listed on the Oslo Stock Exchange. Both share classes can be traded on SEAQ in London and through Orkla's Level-1 ADR programme in the USA. The latter was established in the autumn 1995. Close to 50 million shares were registered as traded in 1995, more than the number of outstanding shares. Orkla shares traded on the Oslo Stock Exchange amounted to NOK 7,034 million, corresponding to 4.5 % of the Exchange's total turnover. 26 % of the turnover volume in Orkla shares took place on SEAQ.

At 31.12. 1995 Orkla had 31,508 shareholders. Interest in the Orkla share rose among international investors and analysts in 1995. At the end of the year 36.6 % of the shares were owned by foreign investors. In recent years there has been a marked increase in the number of analysts who cover Orkla. Most broking firms in Oslo and London cover the company and analyses are also published in Stockholm and Copenhagen.

The Annual General Meeting on 10.5. 1994 resolved to give all employees in the Norwegian operations options of approximately 600,000 B-shares. The options can be exercised at the earliest in May 1997 and have a subscription price of NOK 25.00. Employees in leading positions at various levels in the Group have received options on shares corresponding to a total of 318,333 shares. The average redemption price of these at 31.12. 1995 was NOK 225.50, corresponding to the market price at the time of issue, adjusted for changes in the consumer price index.

The Board holds an authorisation from 10.5. 1995 until the Annual General Meeting in 1997 to issue up to 3.3 million shares without preferential rights for existing shareholders. The authorisation was first given at an Extraordinary General Meeting on 2.9. 1991 and has subsequently been renewed.

DIVIDEND AND VALUATION

The Board proposes that a dividend of NOK 6.00 per share is paid for 1995, an increase of 20 %. Those shareholders registered as holders at the date of the annual general meeting have the right to the dividend which will be paid on 29.5. 1996.

Orkla's market capitalisation at 31.12. 1995 was NOK 14,818 million, corresponding to 5.3 % of the Oslo Stock Exchange's equity market capitalisation, which made Orkla the Oslo Stock Exchange's third largest company by market capitalisation at the end of the year. During 1995 there was an average rise in the Orkla share price of 26.4 %, against a rise in the Oslo Stock Exchange All Share Index of 11.6 %. The shareholders received NOK 5.00 in dividend per share in 1995.

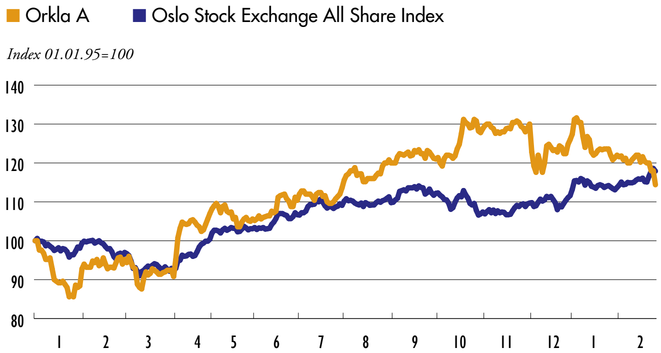
At 31.12. 1995 the share capital totalled NOK 1,218,681,025 divided into 48,747,241 shares of NOK 25.00. The average number of outstanding shares in 1995, fully diluted, was 48,053,889.

SEAQ in London is a market-maker based trading system for shares which are not listed in London. An ADR (American Depositary Receipt) is a deposit arrangement in which a bank, with the necessary approval from the American authorities, owns shares on behalf of American investors who themselves do not have access to or wish to own foreign shares directly. Investors receive instead an ADR as confirmation of the deposit.

SHARE PRICE 1995

NOK	A-shares	B-shares
High	332.00	315.00
Low	213.00	205.00
Close at 29.12.1995	315.00	302.00

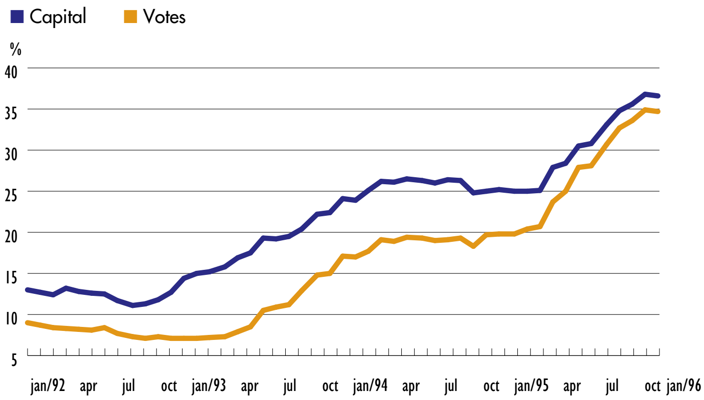
SHARE PRICE DEVELOPMENT 1995



SHARES BY SIZE OF SHARE HOLDING AT 31.12.1995

No. of shares	No. of shareholders	% of capital
1 - 100	20,949	1.3%
101 - 1,000	8,913	5.5%
1,001 - 10,000	1,359	7.6%
10,001 - 100,000	228	14.2%
100,001 - 500,000	44	18.6%
500,001 -	15	52.8%

OWNERSHIP BY FOREIGN INVESTORS



THE 10 LARGEST SHAREHOLDERS AT 31.12.1995

Shareholders	A-shares	B-shares	Total	% of capital	% of votes
Chase Manhattan Bank	4,653,520	1,594,618	6,248,138	12.8%	11.8%
Folketrygdfondet	4,627,838	694,887	5,322,725	10.9%	11.7%
UNI Storebrand*)	3,606,843	527,956	4,134,799	8.5%	9.1%
Norsk Hydro incl. pension funds*)	2,382,616	14,500	2,397,116	4.9%	6.0%
Morgan Guaranty Trust	1,027,056	425,189	1,452,245	3.0%	2.6%
Oktav Invest A.S**)	1,047,021	209,403	1,256,424	2.6%	2.7%
Avanse Forvaltning A.S	1,123,710	0	1,123,710	2.3%	2.8%
Gjensidige*)	1,010,078	44,000	1,054,078	2.1%	2.6%
Janus Fund Inc.	1,016,808	0	1,016,808	2.1%	2.6%
Kommunal Landspensjonskasse	784,209	139,000	923,209	1.9%	2.0%
Total	21,279,699	3,649,553	24,929,252	51.1%	53.9%
Total all shares	39,488,961	9,258,280	48,747,241	100.0%	100.0%

*) A grouping of several legal entities with inter-company relationships.
**) 80 % owned by Orkla ASA.

SHARES OUTSTANDING AT 31.12.1995

	A-shares	B-shares	Total
Issued shares	39,488,961	9,258,280	48,747,241
Treasury shares (see note 19)	(1,135,838)	(197,342)	(1,333,180)
Shares outstanding	38,353,123	9,060,938	47,414,061
Convertible bonds	1,986,655	198,665	2,185,320
Treasury convertible bonds (see note 19)	(1,981,168)	(198,117)	(2,179,285)
Employee share scheme options	-	633,793	633,793
Shares outstanding (fully diluted)	38,358,610	9,695,279	48,053,889

Summary Accounts of the operating units

	ORKLA FOODS			ORKLA BEVERAGES		
	1995	1994	1993	**1995**	1994	1993
PROFIT AND LOSS ACCOUNT (NOK million)						
Operating revenues	**7,003**	5,286	4,527	**3,328**	3,322	3,025
Cost of goods sold	**(3,788)**	(3,001)	(2,484)	**(1,156)**	(892)	(764)
Salaries and social expenses	**(1,329)**	(873)	(756)	**(855)**	(1,010)	(945)
Other operating expenses	**(1,212)**	(822)	(734)	**(845)**	(924)	(876)
Goodwill depreciation	**(74)**	(42)	(32)	**(2)**	(1)	0
Ordinary depreciation	**(232)**	(186)	(162)	**(225)**	(332)	(305)
Operating result excl. Other revenues and costs	**368**	362	359	**245**	163	135
Other revenues and costs	**(162)**	0	0	**175**	0	0
Operating result	**206**	362	359	**420**	163	135
Profit from associated companies	**0**	0	0	**(1)**	4	1
CAPITAL EMPLOYED AT 31.12. (NOK million)						
Net working capital	**1,279**	97	29	**(13)**	(67)	(38)
Associated companies	**4**	1	2	**153**	15	16
Goodwill	**2,864**	585	613	**26**	13	9
Fixed assets	**2,189**	1,202	1,157	**1,348**	1,899	1,915
Capital employed	**6,336**	1,885	1,801	**1,514**	1,860	1,902
KEY FIGURES						
International sales (NOK million)	**3,002**	1,525	991	**1,954**	318	294
Cashflow from operations (NOK million)	**(214)**	521	438	**814**	523	332
Net replacement expenditure (NOK million)	**(190)**	(212)	(164)	**314**	(297)	(548)
Operating margin (%) [1]	**5.3**	6.8	7.9	**7.4**	4.9	4.4
Return on capital employed (%) [2]	**11.7**	19.2	22.9	**14.8**	8.8	8.0
Total man-years	**4,378**	3,234	3,210	**3,886**	3,792	3,581

	ORKLA BRANDS			ORKLA MEDIA*)			BRANDED CONSUMER GOODS			CHEMICALS		
	1995	1994	1993	**1995**	1994	1993	**1995**	1994	1993	**1995**	1994	1993
PROFIT AND LOSS ACCOUNT (NOK million)												
Operating revenues	**5,666**	5,386	4,436	**1,791**	1,726	1,283	**17,137**	15,011	12,627	**3,601**	3,105	2,806
Cost of goods sold	**(2,929)**	(2,707)	(2,210)	**(400)**	(394)	(340)	**(7,943)**	(6,610)	(5,465)	**(1,232)**	(1,070)	(951)
Salaries and social expenses	**(899)**	(894)	(733)	**(675)**	(629)	(446)	**(3,645)**	(3,288)	(2,768)	**(685)**	(589)	(567)
Other operating expenses	**(1,140)**	(1,151)	(920)	**(445)**	(463)	(336)	**(3,489)**	(3,200)	(2,702)	**(1,066)**	(966)	(906)
Goodwill depreciation	**(29)**	(27)	(9)	**(28)**	(24)	(11)	**(132)**	(93)	(52)	**(11)**	(8)	(7)
Ordinary depreciation	**(169)**	(186)	(143)	**(82)**	(76)	(57)	**(693)**	(766)	(658)	**(204)**	(173)	(151)
Operating result excl. Other revenues and costs	**500**	421	421	**161**	140	93	**1,235**	1,054	982	**403**	299	224
Other revenues and costs	**0**	0	0	**0**	0	0	**13**	0	0	**0**	50	0
Operating result	**500**	421	421	**161**	140	93	**1,248**	1,054	982	**403**	349	224
Profit from associated companies	**98**	70	92	**12**	17	104	**145**	117	218	**5**	5	3
CAPITAL EMPLOYED AT 31.12. (NOK million)												
Net working capital	**463**	406	298	**(164)**	(222)	(153)	**1,650**	297	188	**690**	470	351
Associated companies	**504**	452	674	**278**	253	261	**1,022**	777	978	**39**	35	13
Goodwill	**436**	451	149	**380**	386	128	**3,696**	1,428	894	**10**	25	16
Fixed assets	**995**	962	801	**550**	541	387	**5,015**	4,529	4,231	**1,594**	1,561	1,283
Capital employed	**2,398**	2,271	1,922	**1,044**	958	623	**11,383**	7,031	6,291	**2,333**	2,091	1,663
KEY FIGURES												
International sales (NOK million)	**2,012**	1,805	1,117	**0**	0	2	**6,969**	3,649	2,404	**3,095**	2,576	2,294
Cashflow from operations (NOK million)	**743**	488	583	**262**	309	162	**1,528**	1,794	1,480	**411**	403	336
Net replacement expenditure (NOK million)	**(162)**	(153)	(137)	**(65)**	(69)	(40)	**(104)**	(688)	(884)	**(151)**	(152)	(158)
Operating margin (%) [1]	**8.8**	7.8	9.5	**9.0**	8.1	7.2	**7.2**	7.0	7.8	**11.2**	9.6	8.0
Return on capital employed (%) [2]	**24.1**	22.0	25.9	**16.8**	18.8	19.8	**16.5**	17.0	19.0	**18.3**	16.6	14.2
Total man-years	**3,401**	3,474	2,844	**1,672**	1,656	1,191	**13,337**	12,156	10,827	**2,110**	2,036	1,882

*) Hjemmet Mortensen treated as a joint venture. See page 16.

INDUSTRY AREA (BRANDED CONSUMER GOODS, CHEMICALS AND HEAD OFFICE/UNALLOCATED)

	1995	1994	1993
PROFIT AND LOSS ACCOUNT (NOK million)			
Operating revenues	**21,371**	20,552	17,704
Operating expenses	**(18,705)**	(18,002)	(15,540)
Goodwill depreciation	**(153)**	(109)	(63)
Ordinary depreciation	**(915)**	(998)	(860)
Other revenues and costs	**127**	82	0
Operating profit	**1,725**	1,525	1,241
Profit from associated companies	**148**	129	219
Financial items	**(445)**	(430)	(417)
Profit before tax	**1,428**	1,224	1,043
KEY FIGURES			
International sales (NOK million)	**10,361**	7,135	5,385
Cashflow from operations (NOK million)	**2,392**	2,383	1,947
Net replacement expenditure (NOK million)	**(256)**	(891)	(1,102)
Operating margin (%)	**8.1**	7.4	7.0
Return on capital employed (%)	**16.8**	17.6	18.0
Total man-years	**15,833**	16,196	14,466

	1995	1994	1993
BALANCE SHEET (NOK million)			
ASSETS			
Current assets	**10,721**	9,093	7,629
Long-term assets	**12,345**	9,471	9,068
Total assets [3]	**23,066**	18,564	16,697
LIABILITIES AND EQUITY			
Interest-free debt	**6,915**	5,511	5,148
Interest-bearing debt	**11,472**	8,675	7,456
Equity	**4,679**	4,378	4,093
Total liabilities and equity	**23,066**	18,564	16,697
Net interest-bearing debt	**7,578**	4,558	4,306
[3] Of which lending to Financial Investments	**2,699**	3,083	2,594

1) Excl. of other revenues and costs
2) (Operating profit excl. of other revenues and costs + Profit from associated companies)/Average capital employed.

FINANCIAL INVESTMENTS

	1995	1994	1993
PROFIT AND LOSS ACCOUNT (NOK million)			
Operating revenues	**172**	158	160
Operating expenses	**(140)**	(131)	(119)
Ordinary depreciation	**(12)**	(11)	(12)
Operating profit	**20**	16	29
Portfolio gains	**481**	418	350
Dividends received	**200**	130	91
Financial items	**(203)**	(214)	(197)
Profit before tax	**498**	350	273
SECURITIES PORTFOLIO (NOK million)			
Market value	**8,761**	8,194	7,361
Book value	**5,742**	5,531	4,888
Unrealised gains before tax	**3,019**	2,663	2,473
Net asset value [1]	**6,125**	5,252	4,690
Equity ratio, value adjusted (%)	**69.9**	64.1	63.7

	1995	1994	1993
BALANCE SHEET (NOK million)			
ASSETS			
Current assets	**6,051**	5,789	5,215
Long-term assets	**518**	521	520
Total assets	**6,569**	6,310	5,735
LIABILITIES AND EQUITY			
Interest-free debt	**168**	145	178
Interest-bearing debt	**2,753**	3,101	2,880
Equity	**3,648**	3,064	2,677
Total liabilities and equity	**6,569**	6,310	5,735
Net interest-bearing debt	**2,706**	3,068	2,776

[1] Market value - debt.

Group Key figures

		Def.		1995	1994	1993	1992	1991
Turnover								
1.	Operating revenues		(NOK million)	**21,529**	20,698	17,858	16,807	16,133
2.	International sales		(%)	**48**	34	30	28	26
Profit/Cashflow/Investments								
3.	Operating profit		(NOK million)	**1,745**	1,541	1,270	1,190	870
4.	Net profit	1	(NOK million)	**1,432**	1,149	984	203	767
5.	Self-financing capacity	2	(NOK million)	**736**	674	(11)	491	(144)
6.	Net replacement expenditure	3	(NOK million)	**256**	891	1,102	794	856
7.	Expansion investments	4	(NOK million)	**3,755**	1,175	924	802	380
Profitability								
8.	Operating margin	5	(%)	**8.1**	7.4	7.1	7.1	5.4
9.	Return on capital employed (Industry area)	6	(%)	**16.8**	17.6	18.0	18.0	12.4
10.	Return on equity	7	(%)	**18.6**	17.0	15.9	3.5	14.0
Capital								
11.	Market capitalisation	8	(NOK million)	**14,818**	11,727	13,358	7,912	7,262
12.	Book value of total assets		(NOK million)	**26,540**	21,402	19,492	16,743	17,093
13.	Book value of equity	9	(NOK million)	**8,327**	7,442	6,770	6,043	5,892
14.	Equity ratio	10	(%)	**31.4**	34.8	34.7	36.1	34.5
15.	Net interest-bearing debt	11	(NOK million)	**10,284**	7,626	7,082	5,119	5,485
16.	Interest coverage ratio	12		**4.1**	3.8	3.2	1.5	2.2
Shares								
17.	No. of shares outstanding (fully diluted) at 31.12.		(x 1,000)	**48,054**	48,054	47,420	47,420	47,450
18.	Average no. of shares outstanding (fully diluted)		(x 1,000)	**48,054**	47,817	47,420	47,435	47,610
Share-related key figures								
19.	Share price at 31.12. A-shares		(NOK)	**315**	250	280	167	155
20.	Earnings per share	13	(NOK)	**29.80**	24.00	20.80	4.30	16.10
21.	Cashflow per share	14	(NOK)	**55.80**	46.60	39.80	31.50	34.50
22.	Dividend per share		(NOK)	**6.00**	5.00	4.10	3.75	3.41
23.	Payout ratio	15	(%)	**20.1**	20.8	19.7	87.2	21.2
24.	Price/earnings ratio	16		**10.6**	10.4	13.5	39.0	9.6
25.	Price/cashflow ratio	16		**5.6**	5.4	7.0	5.3	4.5
Personnel								
26.	Total employees at 31.12.			**18,353**	16,873	15,081	14,679	14,505
27.	Total man-years			**15,920**	16,281	14,532	13,606	13,473

1. Excluding other items in 1991.
2. From cashflow statement page 15.
3. Investments in industrial plants, machinery, etc. within existing activities - Book value of fixed assets sold
4. Strategic investments to expand the Group's activities.
5. (Operating profit/Operating revenues) x 100
6. (Operating profit + Profit from associated companies)/(Average interest free current assets - Average interest free current liabilities + Average long-term assets)
7. (Net profit/Average book equity) x 100
8. Market capitalisation is calculated on the basis of number of shares outstanding x average share price at year-end.
9. Book value of equity includes minority interests.
10. Book equity capital including min. interests/Total assets.
11. Total interest-bearing debt - Interest-bearing receivables and liquid assets. (cash, bank deposits, etc.)
12. (Profit before tax - Other items + Net interest expenses)/Net interest expenses
13. Profit for the year/Average no. of shares held externally
14. (Profit for the year + Ord. depreciation + Write-downs share portfolio - Minorities' share of ord. depreciation - Change in deferred tax)/Average no. of shares held externally
15. (Dividend per share/Earnings per share) x 100
16. Relates to Orkla A-shares.

Asset values

A possible model for valuing Orkla is to distinguish between industrial assets where the value relates to future earnings from continuing operations and the Group's tradeable assets with identifiable market values.

Set out below are details of the main data necessary to value Orkla's assets. Using this as a basis an investor may use his own assumptions on the value of different assets to prepare a valuation of the Group.

FORESTS

The Group owns 110,000 hectares of which approximately 80,000 hectares represent productive forests. Forests have a book value under fixed assets of NOK 117 million. The annual logging quantity is approximately 120,000 sm^3 which is sold at market price.

POWER

The Group's hydro-electric power production in a normal year is 710 GWh of which 670 GWh is derived from waterfalls not subject to reversion. Of this approximately 450 GWh is used internally in the Group in a normal year. Power is sold or set off internally at market prices, mainly on long-term contracts. The book value of assets related to the power business under fixed assets is NOK 126 million.

INVESTMENT AREA

At 31.12 1995 the Group's portfolio had a market value of approximately NOK 8.8 billion. The book value was NOK 5.7 billion.

The Group owns an older office building of 6,000 sqm at Skøyen Næringspark including a new building potential of 20,000 sqm, of which 8,000 sqm is decided to develop in 1996. Book value of Orkla's interest was per 31.12 1995 NOK 85 million.

The Investment area's net interest-bearing debt amounted to NOK 2,706 million, and the book value of equity was NOK 3,648 million.

INDUSTRY AREA

Orkla owns a number of Norwegian and Nordic brands which are important for the Group's future earnings. In addition, Orkla has cooperation agreements with Unilever in detergents and personal products and with The Coca-Cola Company (TCCC) regarding carbonated soft drinks. The agreement for the Swedish market was terminated by TCCC on 30.11. 1995 (see note 18, page 25).

The operating profit, cashflow and capital expenditure for the different business areas are shown in the tables on pages 36 and 37. The Industry area's net interest-bearing debt at 31.12. 1995 totalled NOK 7,578 million.

TAX

The average tax rate for the Industry activities is normally around 28–30 %. As a result of dividends received from the investment portfolio, RISK-adjustments of the cost price, and unutilised cost price adjustments related to the tax reform, the tax rate for the Investment area is normally low. Thus the Group's tax charge for 1995 amounts to NOK 470 million corresponding to 24.4 %.

Adjusted profit, Industry area	**1995**	1994	1993	1992
Operating profit, Industry area	**1,725**	1,525	1,241	1,170
Adjustments for forests and power	**(51)**	(63)	(36)	(52)
Other revenues and costs	**(127)**	(82)	0	0
Adjusted operating profit	**1,547**	1,380	1,205	1,118
Result from associated companies	**148**	129	219	133
Net financial expenses	**(445)**	(430)	(417)	(425)
Adjusted profit before tax	**1,250**	1,079	1,007	826

Branded Consumer Goods

ORKLA'S NORDIC EXPANSION

A number of factors make it natural to view the Nordic region as a single market for branded consumer goods. Culture, life style, attitudes and taste have common characteristics. Geographic proximity provides logistic benefits. The retail trade is cooperating across national frontiers and forming Nordic chains. All the countries enjoy a high level of purchasing power and stable conditions.

With the merger of Orkla Borregaard and Nora Industrier in 1991 the foundation was laid for expansion in branded consumer goods in the Nordic region. The Group had strong positions in Norway and a number of interesting positions in Denmark. At that time there was only a small presence in Sweden, the largest part of the Nordic market. In subsequent years the Group has, pursuant to its strategy, expanded particularly in Sweden.

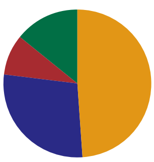
Between 1992 and 1994 Orkla expanded, partly through the acquisition of a number of smaller businesses and partly through alliances with other companies. Access to distribution systems and sales teams made it gradually possible to increase the exchange of products between countries. Expansion mainly took place in the areas biscuits and berry-based food and beverages.

Soon after the acquisitions Nordic organisations were established for the relevant product areas. Where it has been profitable, joint production systems have been set up. Product development and launches take place on a Nordic basis, but on terms which suit the individual brands and country.

On 2.4. 1995 Orkla signed an agreement with Volvo to acquire the food products businesses Procordia Food and Abba Seafood, and to merge the beverages businesses Pripps and Ringnes. As a result of this agreement Orkla doubled its food products business. Through its 45 % financial interest in Pripps

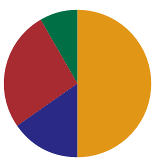
OPERATING REVENUES
BY MARKET

- Norway 49 %
- Sweden 28 %
- Denmark 9 %
- Other 14 %



OPERATING REVENUES
BY BUSINESS AREA

- Orkla Foods 50 %
- Orkla Beverages 16 %
- Orkla Brands 26 %
- Orkla Media 8 %



Total revenues NOK 20.9 billion (pro forma figures 1995)

Kenth Grahn, machinery maintenance, Procordia Food

Rolf Johansson, Juice Processor, Procordia Food

Ringnes AB, the beverages area is roughly the same size as Orkla's previous beverages business in Norway. Orkla now has strong positions in a number of product areas within food and beverages in Sweden which correspond to the Group's positions in Norway. The agreement with Volvo has to some extent also strengthened the position in Denmark and Finland. Through these transactions and measures, Orkla has developed its branded consumer goods area from being a Norwegian to a Nordic focused business.

RESULTS

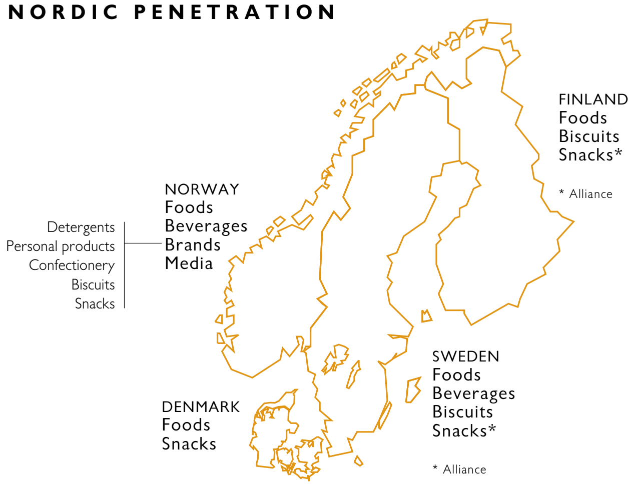
Orkla's branded consumer goods area achieved revenues of NOK 17,137 million in 1995 and an operating profit, before non-recurring items, of NOK 1,235 million. Procordia Food and Abba Seafood are consolidated in these figures from 1.10. 1995 and have a limited impact on the operating profit. Including the full year's operations for Procordia Food and Abba Seafood with associated goodwill depreciation, turnover was NOK 20.9 billion and the operating profit was slightly above NOK 1.3 billion. In general most business areas made good progress in Norway. Market positions have been secured or strengthened and for most of the businesses, cost-savings contributed to the improvement in profits. Profits developed positively in Finland and Denmark. In Sweden adjustment to new operating conditions resulting from EU membership, combined with weak economic growth and a fall in private consumption, led to a reduction in margins. There were substantial price increases for some raw materials such as sugar. The businesses were not fully able to compensate for this in their sales prices during the year.

COST RATIONALISATION

Orkla has strong focus on general efficiency measures and earnings improvements. In recent years efforts have been directed to product development combined with improving the efficiency of existing product portfolios and this work will continue. The establishment of common Nordic brands will be given priority to the extent this can be justified in market terms. Some of the product groups in Orkla Foods suffer from unsatisfactory profitability and steps are being taken to improve this situation. A new strategy is being developed for Abba Seafood which involves fewer production units and a primary focus on the Nordic markets where the basis for profitability is good. Substantial provisions have been made in the accounts for 1995 to cover necessary restructuring costs. Fresh and chilled meat products in Norway have suffered from low profitability over a number of years. In addition to continuously working on cost improvements, it is also a need of restructuring of this part of the Norwegian food industry.

Operating parameters for the beverages business in Sweden underwent major changes in 1995 following Sweden's EU membership. A stronger focus on costs and targeted marketing programmes are therefore particularly important in future. The confectionery business in Norway improved profitability, but is still not at a satisfactory level. Thus further measures are being implemented to improve the situation. The confectionery company in Britain has been sold and the confectionery business will in the future concentrate on the Nordic market. Orkla Media will establish a new printing structure for the newspapers located around the Oslo fjord. Several printing plants will be merged and overall this is expected to lead to significant cost-savings from 1998.

NORDIC PENETRATION



THE MARKET

The main part of Orkla's branded products is distributed through retailers. Volume growth of 4.5 % was recorded in the Norwegian grocery trade in 1995, compared with a decrease of 1.1 % in Sweden. With effect from 1.1. 1996 the Swedish authorities have reduced VAT on foods by 9 %-points to 12 %. Combined with a slightly more positive economic outlook this is expected to provide scope for some growth in demand for groceries.

The retailers in Norway, Sweden, Denmark and Finland are very concentrated and some chains are integrated across national frontiers. In all four countries the trend towards vertically-integrated trading systems is well developed. In order to serve today's retailers, suppliers must have the size and efficiency to be able to sign agreements on a national basis. The ability of suppliers to develop products, undertake launches, merchandising, campaign support and make timely and cost-efficient deliveries is increasingly more important for the retailers. Orkla, with its size, expertise and long experience, is well positioned to respond to these requirements and is working actively together with the trade to meet consumers' requirements.

In spite of a concentration towards, and in some cases a high proportion of, discount stores, turnover in private brands continues to be modest in Norway, Sweden and Finland. In Denmark the proportion is at an average European level. In Norway, where Orkla has a long tradition as a supplier, and where the discount segment constitutes some 30 % of the grocery trade, private brands account for less than 10 % of groceries turnover. Orkla takes the view that long-term measures to create consumer preferences and more highly-processed products are important elements in meeting the challenge from private brands. Orkla owns some of the Nordic region's strongest brands and the Group has detailed knowledge of consumer preferences and the trade's needs in the main markets. As the table on the following page shows, Orkla is the market leader or number two in a wide range of product groups in Norway and parts of the Nordic region. The Group has a long-term agreement which covers detergents and personal products with Unilever. In 1995 the agreement was renewed until 2014. Orkla owns several of the brands which are covered by the agreement, which belong to Unilever in markets outside Norway. Pripps Ringnes is a Coca-Cola bottler in Norway and Sweden. The agreement in Norway runs until 31.12. 1999. The agreement in Sweden was terminated by The Coca-Cola Company on 30.11. 1995 (see page 25, note 18).

Sweden, Finland and Denmark are members of the EU and thus open to European competition. As an EEA nation, Norway is a more protected market. Most protection mechanisms have been established to protect Norwegian agriculture. Competing products which are not based on Norwegian raw materials therefore have limited access to the Norwegian food market. Orkla has made extensive comparative studies for these

Ole Jan Skimten, Process Operator, Ringnes

Ingrid Jaldreus-Nilsson, test kitchen, Procordia Food

product groups, and established that the Group has a good cost position for most of its products, adjusted for differences in raw materials prices.

FUTURE STRATEGY

Viewed in the light of the major expansion which took place in 1995, Orkla will now improve and consolidate the existing business system. Orkla Foods' and Pripps Ringnes' annual synergies are estimated to NOK 300 million over the next five years. The main part of the synergies will be within Orkla Foods. Measures to secure the necessary coordination of purchasing, sales, marketing, administration, product development and production have been commenced.

Orkla will continue to strengthen the Nordic branded consumer goods system. In Norway and Sweden the system is well developed, while in Denmark and in Finland the positions are limited. Further expansion in Finland is therefore natural. In October 1995 Pripps Ringnes acquired 20.5 % of Oy Hartwall Ab, the Finnish market leader in beer and soft drinks. Pripps Ringnes and the Hartwall Bolagen AB, which owns a large part of the voting shares in Oy Hartwall Ab, also signed an agreement on reciprocal pre-emption rights over each other's shares.

During the 1990s several of Orkla's businesses have laid the foundations for growth in some of the interesting East European countries. Pripps Ringnes and Hartwall each own 50 % of Baltic Beverages Holding which is the market leader in beer in Estonia, Latvia and the St. Petersburg area and has a strong number two position in Lithuania. Orkla Foods has taken the first steps to establish a position in Poland with both sales and production. Similarly Orkla Media has recently established a good foothold in Poland with minority and majority interests in newspapers which together represent approximately 12 % of the Polish newspaper market, a daily circulation of 400,000 copies. The financial and political risks are higher in these countries than in the Nordic region, but these markets also represent possibilities for strong growth. The Group has developed substantial capacity to operate in these markets, and Orkla therefore foresee interesting opportunities in this part of Europe.

Large sums are spent each year on advertising and marketing measures. Product development and product launches are important in the Group's branded consumer goods strategy. Strong brands, active product development, efficient marketing, moderate pricing policies and high cost awareness continues to be Orkla's most important competitive parameters.

MARKET POSITIONS

	Norway	Sweden	Denmark	Finland
Orkla Foods				
Frozen pizza	1	1	-	1
Ketchup	1	1	1	1
Dressings	1	1	1	2
Potato products	3	1	-	2
Jam	1	1	1	-
Caviar	2	1	-	1
Marzipan	1	3	1	-
Orkla Beverages				
Beer	1	1	-	-
Carbonated soft drinks	1	1	-	-
Bottled water	1	1	1	2
Orkla Brands				
Detergents	1	-	-	-
Personal products	1	-	-	-
Biscuits	1	1	-	2
Confectionery	2	-	-	-
Snacks	2	-	1	-
Orkla Media				
Newspapers *)	1	-	-	-
Weekly magazines	1	-	-	-

**) All newspapers owned by Orkla Media have number one positions in their local markets.*

Stabburet
Abba
Felix
Sunda
Ekströms
Odense
Beauvais
Önos
Idun
Nora
Glyngøre
BOB

Orkla Foods

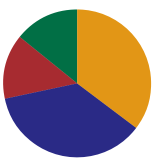
In 1995 Orkla acquired the units Procordia Food and Abba Seafood. These, together with Nora, have been grouped in the new business area named Orkla Foods. In addition the area consists of Bakers, Norway's leading producer and supplier of bakery products.

Orkla Foods is a leading developer, producer and marketer of food products, concentrating on its own strong brands and concept solutions. The company will further develop the Nordic region as its domestic market and gradually expand in selected niches internationally.

The main challenge in the coming years will be to improve profitability. Further attention will be devoted to costs within all steps of the value chain - from purchasing to sales. Orkla Foods will continue to invest in brand building and product development.

OPERATING REVENUES BY MARKET

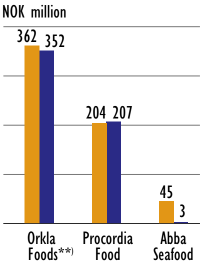
- Norway 38 %
- Sweden 34 %
- Denmark 14 %
- Other 14 %



Operating revenues NOK 10.8 billion pro forma 1995

OPERATING PROFIT*)

- 1994
- 1995



*) Before goodwill depreciations based on the acquisitions of Procordia Food and Abba Seafood and before non-recurring items.
**) Excl. Procordia Food and Abba Seafood

RESULTS

Operating revenues totalled NOK 7,003 million in 1995. Procordia Food and Abba Seafood have been included in the accounts with effect from 1.10. 1995. Adjusted for companies acquired, operating revenues rose by some NOK 200 million. The operating profit, before non-recurring items, was NOK 368 million in 1995, against NOK 362 million in the previous year.

The Norwegian food products business improved profits in 1995 and substantial cost-savings were achieved from

production improvement projects. Stabburet's market position in important product areas within the Norwegian grocery trade was strengthened and several product launches took place. The development within Stabburet's catering sector was good.

The result for 1995 for BOB Industrier was unsatisfactory due to a lack of price compensation for higher raw material costs and high fixed costs. The situation improved towards the end of 1995 due to measures being implemented.

Procordia Food's results for 1995 was in line with the previous year. The company has strengthened its market position in Sweden, but competition increased in several areas.

Abba Seafood had a weak result in 1995, mainly due to the fact that the company was not sufficiently able to compensate for higher raw material costs with higher prices in the market. A new strategy for the company is being developed. This will mainly involve concentration on the Nordic market and fewer product groups. Provisions of NOK 160 million for restructuring have been made in the result for 1995.

By the end of 1995 Orkla Foods completed several transactions to concentrate its activities on fewer product areas. These included the disposals of businesses in salads in Denmark and Norway, rice in Norway and canned vegetables in Austria. The net effect of the above mentioned disposals was modest.

SYNERGY PROJECTS

Several structural changes have been implemented since the acquisition. BOB Industrier in Sweden is being integrated with Procordia Food. Abba Seafood's sales company in Poland has been merged with Stabburet Polska, and Stabburet has become a sales channel for Procordia Food and Abba Seafood in Norway.

Measures to realise further synergies in Orkla Foods are continuing. Procordia Food and Stabburet have parallel production within product groups such as canned vegetables, fruit and berry-based products, condiments/sauces and ready meals.

Irrespective of trade barriers it will be possible to achieve substantial synergies through, among other things, coordinating production and utilising a common sales network. Separate synergy groups have been established in production, purchasing, sales/marketing, product development and administration. A number of projects have already been documented and quantified. The effects of this programme will mainly be apparent in 1997 and 1998.

STABBURET WHOLESALE PRODUCTS

Stabburet Wholesale Products achieved sales of NOK 1,985 million. This is an increase of 3.1 % from the previous year. The operating profit improved compared with 1994.

The grocery market in Norway is characterised by strong concentration, with four chains holding 97 % of the market. Stabburet has a solid position in the market and strengthened its market shares in a number of areas, with the greatest advance in pizza.

The Catering area was marked by tougher competition in 1995. There was a further move towards the formation of chains and purchasing cooperation among customers. In spite of this the sector recorded a good development in profits in 1995. The acquisition of Chef sausages represents an expansion in the fast food and service market.

A number of new products were launched in 1995, both within the Grocery and the Catering sector.

Substantial cost-savings have been achieved through production improvement projects at the Fredrikstad and Brumunddal plants, among others. Joint projects with the grocery trade have been an important element in Stabburet's improvement measures during the last two years. In 1995 the first results of this programme were seen, in form of improved delivery service.

STABBURET FRESH PRODUCTS

Operating revenues in Stabburet Fresh Products were NOK 673 million in 1995, compared with NOK 670 million in 1994. The business area experienced continued pressure on prices and certain products suffered a reduction in volume due to increased competition. The business still suffers from low margins and the result in 1995 was unsatisfactory.

Stabburet Fresh Products maintained its market shares in the main product groups in 1995. In 1995 it established a simpler organisational structure in order to respond to the requirement of cost-savings at all steps in the value chain.

PROCORDIA FOOD

Operating revenues for Procordia Food in 1995 (full year basis, and including BOB Industrier) were NOK 4,442 million. This represents an increase of 7.2 % from the previous year, of which approximately 3.5 % points was due to increased prices.

The operating profit was lower than in 1994, which mainly can be explained by lower results in BOB Industrier. It proved difficult to compensate for higher raw material costs with higher prices in the Swedish market since, for a period, the Swedish grocery trade imposed their own price freeze. In total, raw materials prices rose by 7 % in 1995 in relation to the previous year. The largest price increase was for sugar with a rise of 40 %.

Procordia Food's operating parameters were changed as a result of Sweden, Finland and Austria joining the EU. It became easier to coordinate production within the EU, but on the other hand competition increased in several product areas in which Procordia Food has a strong position.

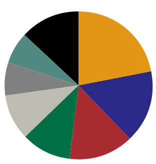
The Swedish market experienced a decline in 1995, although there was good market growth in the product areas frozen ready meals, ketchup and squashes. Procordia Food strengthened its position in these product areas, as well as in potato products and jam.

A number of new products were launched in 1995. The most important in Sweden was stone-baked pizza, which was launched in five varieties under the brand Felix. In Finland frozen chips and stir-fry dishes were launched.

Measures to integrate BOB Industrier with Procordia Food's remaining businesses are continuing. This work will

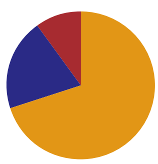
OPERATING REVENUES
BY PRODUCT GROUP

- Ready-made meals and meat prod. 22 %
- Fruit and berry products 16 %
- Seafood 14 %
- Ingredients to bakeries 11 %
- Potatoes and vegetables 10 %
- Dressings and sauces 7 %
- Bread and bakery prod. 7 %
- Other 13 %



MARKET POSITIONS
GROCERY MARKET
SCANDINAVIA

- No. one 70 %
- No. two 20 %
- Other 10 %



Operating revenues NOK 10.8 billion (1995 pro forma).

Laila Lindström, Line Operator, Procordia Food

Anders Eriksson, Juice Line Operator, Procordia Food

provide specific synergies within the Procordia Food system and have an impact on the result from 1996.

ABBA SEAFOOD

The business area recorded sales totalling NOK 1,508 million in 1995. This is a 4 % reduction from 1994. The result in 1995 was unsatisfactory and considerably weaker than in 1994. Abba Seafood was insufficiently able to compensate for higher raw materials prices with increased prices to the trade. In 1995 there was a substantial increase in raw material prices for mackerel, mussels and monkfish roe and at times there also was a shortage of certain types of fishes.

The Swedish market for processed fish products in recent years has been characterised by tougher price competition. At the same time there has been a substantial increase in the retailers' own brands. Abba Seafood, however, has maintained or increased its market shares in caviar, herring and fish quenelles in Sweden. Conditions were much more difficult for Abba Seafood in other markets in 1995. In particular Abba Seafood faced fierce price competition in Germany.

The businesses which were acquired at the end of the 1980's and early 1990's continued to report poor profitability. This is particularly the case for some of the businesses in Denmark and the businesses outside the Nordic region. In line with Orkla's plans when acquiring Abba Seafood, operations will be rationalised and further concentrated in the Nordic region. This will involve a reduction in the number of products and markets in which Abba Seafood operates.

INDUSTRY

The business area Industry consists of the units Regal Mølle, Idun Industri, Sunda, Odense Marcipan and Dragsbæk group (50 % owned). The three first mentioned units are based in Norway and the latter two in Denmark. Important products include flour, cereals, baking yeast, other baking products, sweet spreads, marzipan and margarine. The products are sold to bakeries, patisseries, the grocery trade and to other food manufacturers. Total sales in 1995 amounted to NOK 1,702 million, while the corresponding figure in 1994 was NOK 1,584 million. Despite increased competition and stronger retailers the area reported a good result in 1995.

BAKERS

Operating revenues for 1995 increased to NOK 707 million (+21%). Acquisitions both in 1994 and 1995, as well as increasing market shares, explain the strong growth in operating revenues. Important success factors for Bakers are freshness, product development, a wide product range and delivery ability. These factors are also cost drivers which combined with temporary poor profitability in the latest acquired companies gave lower operating margins in 1995.

Ringnes Pils
Pripps Blå
Three Towns
Ramlösa
Farris
Vichy Nouveau
Coca-Cola
Lapin Kulta
Pommac
Mozell
Lysholmer
Zingo

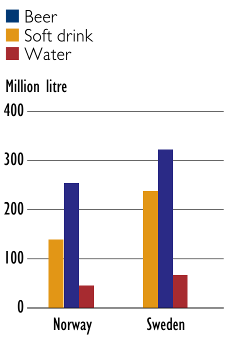
Orkla Beverages

On 2.4. 1995 Orkla and Volvo signed an agreement to merge its beverages operations Pripps and Ringnes to form a jointly-owned beverages company, Pripps Ringnes AB. The company was established 1.10. 1995. Orkla has a financial interest of 45 % in the company and is the industry partner in the joint venture. The interest is included in Orkla's accounts from 1.1. 1995 with 45 % of all profit and loss and balance sheet items. Pripps Ringnes is the leader in the Swedish and Norwegian beer and carbonated soft drinks markets. The company also has strong positions in beer in the Baltic States and the St. Petersburg area through Baltic Beverages Holding (BBH), a joint venture (50 % interest) with the Finnish company Oy Hartwall Ab.

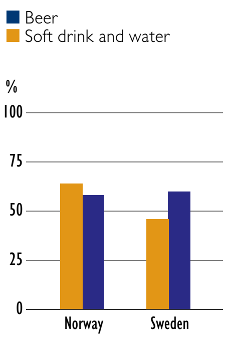
A condition for approval of the merger by the EU competition authorities was that Orkla and Volvo should divest the beer operations of Hansa in Norway by the end of 1996. The EU's competition authorities stated that the merged company would have had an excessive share of the Norwegian beer market. Thus Hansa is recorded in the accounts as a financial investment.

On 30.11. 1995 the beverages businesses in Poland were sold, realising a gain of NOK 219 million. The businesses were excluded from the merger between Pripps and Ringnes but were consolidated in Orkla Beverages up to 31.8. 1995 with an operating result of NOK -29 million, against NOK -43 million for the whole of 1994.

LITRES SOLD BY PRODUCT GROUP

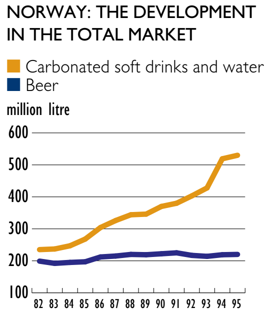


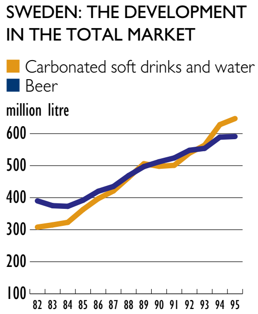
MARKET SHARE BY PRODUCT GROUP



Casper Tollefsen, Bottling Operator, Ringnes

Johanna Slussnäs, Bottling Operator, Pripps Stockholm





The operating profit, before non-recurring items, of Orkla Beverages was NOK 245 million, an increase of NOK 82 million from 1994.

Including items of a non-recurring nature, the operating result for Orkla Beverages was NOK 420 million.

PRIPPS RINGNES*)

The Pripps Ringnes group's operating revenues were NOK 6,816 million for 1995, the first joint financial year. This is an increase of 3.4 % in relation to the previous year. The operating profit before non-recurring items was NOK 609 million, an improvement of 11 % compared with the pro forma result for 1994. The improvement in profits was due to good progress in Norway and the Baltic states/Russia, although there was a downturn in Sweden.

On 30.11. 1995 The Coca-Cola Company (TCCC) decided to terminate the agreement with Pripps Ringnes on licence production and distribution of their products in the Swedish market. Pripps Ringnes is disputing the legality of the termination notice and the parties are now discussing various alternatives for future cooperation. Production, distribution and sale of the TCCC products will continue while these discussions take place, and at least until the end of the 1996 summer season. In order to cover restructuring costs arising from a possible new contractual agreement, a provision of SEK 200 million has been made in Pripps Ringnes' accounts for 1995 in this connection.

Pripps Ringnes' 75 % interest in Coca-Cola Cold Drink AB in Sweden and 45 % interest in Coca-Cola Kald Drikk in Norway was sold to TCCC in 1995, giving rise to a gain of SEK 90 million. Both companies are involved in post mix and vending, which is not part of Pripps Ringnes' core business. The operating profit for Pripps Ringnes including items of a non-recurring nature was thus NOK 511 million.

On 20.10. 1995 Pripps Ringnes acquired 20.5 % of the shares in Oy Hartwall Ab in Finland for some NOK 300 million. In addition Pripps Ringnes AB and Hartwall Bolagen AB signed an agreement on reciprocal pre-emption rights over each others shares. Hartwall is the market leader in beer, carbonated soft drinks and water in Finland, and owns BBH together with Pripps Ringnes. The acquisition confirms and reinforces the cooperation which has already been established between the two companies in Russia and the Baltic.

SWEDEN

Sales by the Swedish business increased by 2% to NOK 3,494 million. The operating profit was NOK 200 million, which represents a decrease compared with 1994 of NOK 102 million. The reduction mainly relates to cost increases on raw materials as a result of Swedish membership of the EU and a weak development in the Swedish krona exchange rate. In addition a not insignificant proportion of consumers in Southern Sweden have switched their purchases to Denmark, due to lower beer duties in Denmark and liberal rules on the import of beer to Sweden.

Preliminary figures for the Swedish beer consumption indicate a slight decrease in the total market, but Pripps Ringnes' market share remains at about 45 %. Two important beer launches took place in 1995. In the market for beer with high alcohol content, the launch of Pripps Extra Strong led to the immediate establishment of a good market share. In addition, the company took over distribution of Lapin Kulta, the most important brand of Pripps Ringnes' partner Oy Hartwall Ab.

The total market for mineral water (carbonated soft drinks and water products) rose by 4 %, and Pripps Ringnes' market

**) All figures for Pripps Ringnes are reported on a 100 % basis.*

share of 60 % was slightly lower than for 1994. Water with flavouring added has increased its share of the water market. This is an area where Pripps Ringnes, particularly with its latest launch, Vichy Nouveau Grape, has established a strong position. Low price water has, however, gained market shares. Festis was successfully relaunched in the growing market for non-carbonated beverages and, in line with Pommac, is considered to have potential in several markets. A new materials handling hall was opened at the Bromma brewery which will significantly improve materials flow. During the year in-house production of PET bottles commenced at Bromma, partly using recycled material from PET bottles.

NORWAY

Operating revenues in the Norwegian market totalled NOK 3,061 million, an increase of 2 % in relation to 1994. After several years of costly restructuring programmes, profits improved substantially over the last year, and the operating profit for 1995 was NOK 343 million (+52 %). Cost savings at the new plant in Gjelleråsen outside Oslo, which undertakes production of carbonated soft drinks and distribution of beer, carbonated soft drinks and water for Eastern Norway, have had a full impact. In addition, there was a switch during 1995 towards increased sales of higher margin products such as premium beer and water products.

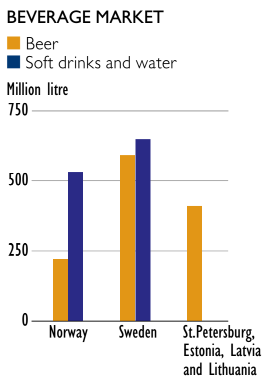
There was a slight increase in the market for beer. Pripps Ringnes' share of the beer market was around 64 %. Following a new bottle design for Lysholmer and the launch of Lysholmer Ice, which is produced using a new cooling technique, the market position for premium beer has been strengthened. Growth in the market for mineral water (carbonated soft drinks and water products) was around 2 % in 1995, while consumption of spring water has increased by 30 %.

Ringnes has a strong position in the market based on its natural mineral water Farris and spring water Imsdal, which does not contain carbon dioxide. During the year Farris Lime was introduced, which made a strong contribution to an increase in the market share for flavoured water. At the beginning of 1996 Vichy Nouveau was launched in Norway. This is the first common brand to be launched as part of the work to build Nordic brands. Continued investments are being made to improve productivity at the Gjelleråsen distribution centre outside Oslo. At present an automatic high-stacked warehouse is under construction for start-up during 1996.

BALTIC BEVERAGES HOLDING (BBH)

Operating revenues for 1995 on a 50 % basis were NOK 274 million, an increase of 79 % in relation to 1994. The operating profit rose from NOK 36 million in 1994 to NOK 71 million in 1995.

The business achieved a substantial growth in volume and profits in 1995, primarily in Russia. In spite of only a slight increase in the total market for beer in the Baltic States/Russia, volumes achieved by the BBH companies rose by approximately 29 % as a result of investments in recent years. All four companies in BBH developed positively during 1995. Three of the companies, Baltika in St. Petersburg, Saku in Estonia and Aldaris in Latvia, are market leaders in their respective markets. Kalnapilis in Lithuania has, in the space of one year, advanced from the number four to number two position in its market. Baltika brewery has grown to Russia's largest brewery during the year. The expansion in Eastern Europe will continue and further acquisitions are under consideration.



Omo
Zalo
Jif
Organics
Dove
Solidox
La Mote
Peter Möller
Stratos
Laban
KIMs
Ballerina
Bixit

Orkla Brands

Orkla Brands includes businesses operating in detergents, personal products, confectionery, snacks, biscuits, household textiles and cod liver oil. In addition the edible oils and steel drum businesses were part of this area in 1995, but have been transferred to Orkla's Chemicals area from 1.1. 1996. Orkla Brands is now fully concentrated on branded products. The holding of 41.6 % in Jotun is reported as an associated company.

Orkla Brands had a good year in 1995. Market shares overall were strengthened in Norway and the Nordic region after several successful product launches and major expenditure on consumer marketing. There was an improvement in profits for both the branded goods and the edible oils business.

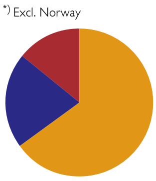
The basis for continued good relationships with the retailers has been strengthened through particular focus on delivery service, improved profitability for the trade in certain important product groups, and joint projects to reduce costs throughout the value chain.

Orkla Brands is continuing efforts to improve competitiveness in all its businesses. An example is the measures to increase the efficiency of administrative support functions.

OPERATING REVENUES BY MARKET

Norway 65 %
Scandinavia*) 21 %
Outside Scandinavia 14 %

*) Excl. Norway



Total revenues NOK 5.7 billion

RESULTS

Operating revenues in 1995 rose by 5 % to NOK 5,666 million, and the operating profit increased by 19 % to NOK 500 million. Most businesses recorded a positive development in profits. This was particularly the case for Snacks, Confection-

Karin Eriksen, Production Worker, Sætre

Eva Sæthre, Operator in the detergents production, Lilleborg

ery and Edible oils. In the case of the branded goods businesses, higher sales can be attributed to increased market shares and growth in the markets. Price developments have varied between the product areas, but net prices for branded goods were, on average, in line with the previous year.

DETERGENTS

The market for household detergents recorded value growth of 2 % in 1995, which was lower than for the previous year. Market shares are stable and the division's result was in line with 1994.

Exports have risen considerably. Profitability is still modest, but will be acceptable once the new plant in Ski is completed in mid-1997 and costs have been brought further down, providing opportunities for increased exports.

At the start of 1996 Orkla Brands was awarded the Swan environment mark for its products in all main categories, following adjustments in product formulas and packaging.

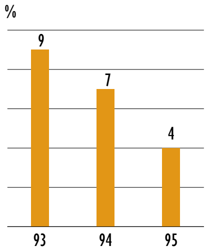
Industrial detergents continued to increase market shares in Norway, and based on efficient production there is a good potential for export sales.

PERSONAL PRODUCTS

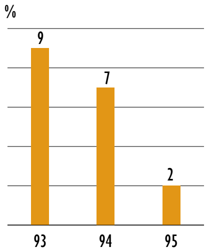
Several major launches in the last two years have led to increased market shares in 1995 in important segments such as shampoo/conditioners and skincare. This, together with continued good growth in the total market, contributed to an improvement in profits in relation to 1994.

An extensive productivity programme is being implemented at the plant in Kristiansund, which is contributing to the continued production of Neutrogena products for both the Norwegian market and export to Europe.

MARKET GROWTH PERSONAL PRODUCTS (VALUE)



MARKET GROWTH DETERGENTS (VALUE)



CONFECTIONERY

Following a decrease in 1994 in connection with restructuring to wholesale distribution, market share increased in 1995 to the level prior to the reorganisation. There was 1 % volume growth in the total market.

Profitability has improved slightly, but remains unsatisfactory. A number of organisational changes have been made with a view to strengthening marketing efforts and reducing production and sales costs. The confectionery manufacturer Needlers in Britain was sold at a loss at the end of 1995. The foreign operations incurred an operating loss of NOK 11 million in 1995, against NOK 28 million in 1994.

SNACKS

There was 5 % value growth in the snacks market in Norway and 3 % in Denmark. In both markets the market share increased, mainly due to acquisitions. In Norway Nøttolf was acquired at the start of 1995. In Denmark Party Food was aquired with accounting effect from 1.8. 1995. The acquisition led to a reduction in fixed costs and provided production capacity for potato crisps in Denmark. Kims previously contracted out production of potato crisps to Germany. There was a marked improvement in results and only a quarter of the advance is due to the acquired businesses.

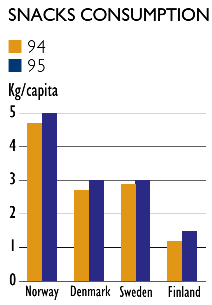
The launch of Kettle chips under the Frank Farmer brand has been a success in both Norway and Denmark. In addition a completely new standard potato crisps range was launched in Norway towards the end of the year. Sales figures from the stores indicate that this has achieved good consumer acceptance.

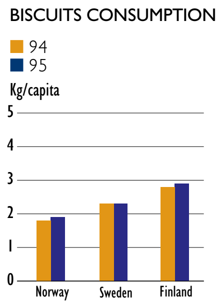
It has been decided to transfer production at the plant in Skien to the production plant at Skreia during the first half of 1996, which will lead to a reduction in operating costs.

BISCUITS

Market shares have increased in Norway and Finland following several successful launches. Similarly in Sweden several major launches have contributed to the market share being maintained, despite aggressive price competition. The downturn in the Swedish market has also affected the biscuits market, which experienced a volume decline of 1 %. This is the main reason why the result in 1995 was slightly weaker than the previous year.

In May there was a fire at the biscuits plant at Kolbotn outside Oslo. In spite of relatively extensive damage, it proved possible to resume production after a shutdown of only one week. The accident thus had no significant effect in market terms and the damage was fully covered by insurance.





OTHER ACTIVITIES

La Mote's household textiles again increased their market share in 1995. Sales increased in Sweden following a significant strengthening of the sales network and strong growth is envisaged in 1996.

Peter Möller recorded a sales increase of 25 % in Norway following, among others, a successful launch for Möller's Dobbel - an Omega-3 and vitamin product in capsule form.

There were good market conditions for the edible oils business in 1995, and combined with successful raw material purchases this led to the results for the year being even better than the good result in 1994. Market conditions weakened, however, towards the end of 1995. The steel drum business recorded a result in line with the previous year. The business area edible oils and steel drums recorded total sales of NOK 1.5 billion and will be transferred to the Chemicals area from 1.1. 1996.

Jotun (associated company) recorded a sales advance for all its divisions in a market which experienced a large increase in raw materials prices and a reduction in gross margins. Nevertheless the result was slightly better than in 1994, mainly due to earlier provisions for warranty liabilities being reversed.

Hjemmet
Norsk Ukeblad
Familien
Vi Menn
Villmarksliv
Drammens Tidende og Buskeruds Blad
Haugesunds Avis
Sunnmørsposten
Varden
Tønsbergs Blad
Fredriksstad Blad

Knut Råme, Offset-Printer, Hjemmet Mortensen

Jaroslaw Zagierski, Project Manager, Orkla Media Poland

Orkla Media

Orkla Media is Norway's second largest private sector media company, with businesses within newspapers, magazines and direct marketing.

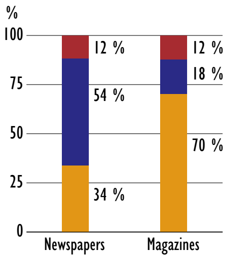
RESULT*)

Operating revenues totalled NOK 1,791 million in 1995. This is an increase of 4 % from the previous year and is mainly due to higher advertising revenues in the Norwegian newspaper sector.

Operating profits rose by NOK 21 million (+15 %) to NOK 161 million. The operating margin improved from 8.1 % in 1994 to 9.0 % in 1995, mainly as a result of higher advertising revenues in the newspaper sector and cost reductions. The increase in profits was restricted by substantial price increases for newsprint and magazine paper.

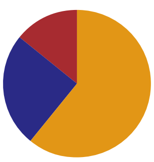
DISTRIBUTION OF OPERATING REVENUES

- Circulation
- Advertising
- Other



OPERATING REVENUES BY SECTOR

- Newspapers 61 %
- Magazines 25 %
- Direct marketing 14 %



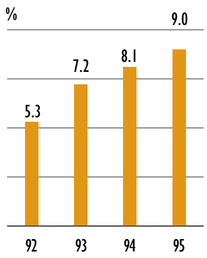
Total revenues NOK 1.8 billion

NEWSPAPERS

During 1995 Orkla Media's 17 directly and indirectly majority owned Norwegian newspapers recorded an aggregate circulation of 296,958 copies which was in line with the previous year. All the newspapers have number one positions in their local markets. The sector recorded an operating profit of NOK 116 million and an operating margin of 10.7 %, against NOK 95 million and 9.9 % in 1994. The improvement in profits is mainly due to a substantial increase in advertising volume for the first time since 1988, with volume growth in 1995 of 9 %.

**) Hjemmet Mortensen (50 %) is here treated as joint venture. In the Group accounts it is reported according to the equity method.*

OPERATING MARGIN



Newsprint prices rose considerably in 1995 and countered the positive development in the advertising market.

Product development, productivity improvements and raising the level of expertise in Orkla Media's newspapers was maintained in 1995 and led to positive results.

An analysis has been carried out of the future printing structure for the newspaper sector, which concludes that joint printing plants for Orkla Media's newspapers on the western and eastern side of the Oslo fjord should be established prior to the year 2000. The target print start for the plant on the western side of the Oslo fjord, which will cover eight of the newspapers, is early 1998.

MAGAZINES

The sector recorded an operating profit of NOK 40 million and an operating margin of 8.7 %, against NOK 38 million and 7.8 % respectively in 1994. Prices of magazine paper also increased substantially in 1995. Measures to reduce costs and improve productivity counteracted this and led to an improvement in profits and margins.

The total circulation of the Norwegian magazine market fell by 5 % and the aggregate circulation of the Hjemmet Mortensen magazines developed in line with this. The Hjemmet Mortensen magazines maintained their frequency adjusted share of circulation at 53 %.

Advertising volume in the Norwegian magazine sector rose by 1 %, while in the Hjemmet Mortensen magazines it increased by 5 %. The market share measured by volume thus increased from 44 % in 1994 to 47 %.

It has been decided to group all the publishing activities at one building in Nydalen in Oslo from autumn of 1996.

The magazine Motejournalen has been closed down, while the telemarketing company Telecom Scandinavia (51 %) was sold in 1995.

DIRECT MARKETING

The sector improved its operating profit to NOK 19 million and operating margin to 7.2 %, against NOK 17 million and 5.9 % respectively in 1994.

The sector strengthened its position as the leader in Norway in dialogue marketing through the acquisition of the direct mail company Sandberg with effect from 1.1. 1996.

INTERNATIONALISATION (POLAND)

Since the autumn of 1993 Orkla Media has expanded in the Polish media market and at the end of 1995 held strategic positions in nine regional number one newspapers, of which four were majority owned. Orkla Media's newspapers have an aggregate market share in the range 10–12 %.

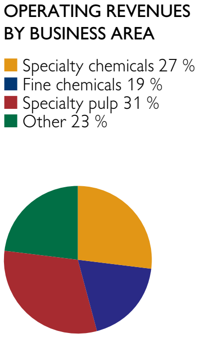
During 1995 Orkla Media acquired a majority holding in one existing and two new newspaper companies.

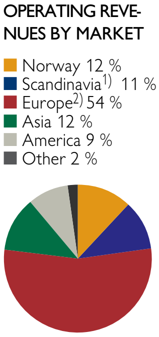
1995 was, as for the rest of the Polish newspaper sector, a difficult operating year for Orkla Media's newspapers. Circulation fell at the beginning of the year before stabilising in the last four months. This was due to substantial price increases in real terms, reduced distribution quality and increased competition. As in the Norwegian market the Polish newspapers experienced a substantial increase in paper prices in 1995.

Orkla Media's newspapers and magazines in Poland have been consolidated in the accounts as associated companies in 1995. Orkla Media's majority owned businesses will be consolidated as subsidiaries in 1996.

Borregaard's specialty pulp is used as a raw material in textile fibres such as rayon and artificial silk. Lignin-based dispersion agents are used in textile dyestuffs. (Photo above)

Vanillin from Borregaard is used as flavouring in ice-cream and other foods. Specialty pulp is used as a thickening agent in ice-cream and other products. (Photo to the right)





Total revenues NOK 3.6 billion

1) Excl. Norway
2) Excl. Scandinavia

Chemicals

Borregaard is an international chemicals company with strong positions in selected niches of Specialty Chemicals, Fine Chemicals, Specialty Pulp and Ingredients. The company's core areas consist of lignin-based binding and dispersion agents, fine chemicals for the pharmaceutical industry, food manufacturing industry and the production of agro-chemicals, specialty pulp for chemical applications and oils, fats and proteins to the food manufacturing industry and feed production. Borregaard's new core area, Ingredients, was established through the transfer of the edible oils division of Orkla Brands to Borregaard on 1.1. 1996. Borregaard has production units in 11 countries in Europe, USA and Asia. Expansion in Asia continues and sales to this region increased in 1995.

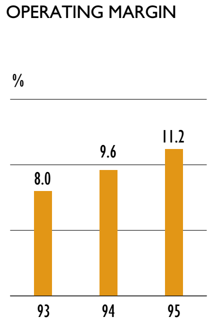
1995 was the first full year of operations for Borregaard Synthesis, the new business area in fine chemicals. A new plant outside Shanghai in Jiangsu province of China, representing an investment of NOK 50 million, commenced commercial operation on 1.1. 1996. The plant produces chemicals for use in agricultural pesticides and is expected to achieve annual sales of around NOK 100 million. Borregaard is the majority owner (55%), technology supplier and supplier of raw materials from the diphenol operations in Italy.

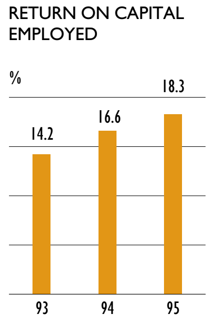
A new production plant for lignin-based products in the USA was opened in April. The investment was around NOK 90 million. The plant will mainly serve the markets on the US West Coast, Latin America and South-East Asia.

Borregaard is investing NOK 190 million in a new plant located in Sarpsborg, Norway in order to be able to deliver highly processed pulp from the beginning of 1997. The investment is in line with Borregaard's specialisation strategy and will position the Chemicals area in the upper segment of the

Geir Ræstad, Process Operator, Borregaard

Linda Chen, Area Manager, Borregaard





market for specialty pulp. The investment will at the same time have a positive environmental impact through a further reduction in emissions of COD (oxygen consuming organic materials).

As part of measures to secure the production of strategic raw materials for its core areas, Borregaard has decided to rebuild the sodium hydroxide plant. Subject to a permit being granted, construction will begin in the spring of 1996 with completion in 1997. The investment will eliminate emissions of mercury to the atmosphere and water. Over time all storage and transportation of chlorine will be avoided because chlorine production will be processed and sold as hydrochloric acid.

RESULTS

Borregaard's operating revenues increased by 16 % to NOK 3,601 million in 1995. The operating profit, exclusive of capital gains, rose from NOK 299 million in 1994 to NOK 403 million in 1995. The greatest advance in profits was recorded by specialty pulp due to the positive trend in the pulp market. The remaining core areas recorded a weak development in results overall, in spite of a slight but positive increase in volume. A large part of this can be attributed to the development in exchange rates where, among others, the USD rate fell by 10 % versus NOK.

SPECIALTY CHEMICALS

Borregaard LignoTech is a leading international supplier of binding and dispersing agents. The products, which are based on lignin, are produced by modifying the sidestreams from pulp production. Raw materials are obtained from the company's own spent process liquor, as well as through long-term partnerships with other pulp producers.

The products are used as binding agents in animal feeds and ceramic products, as well as dispersing agents in concrete, textile dyestuffs, agricultural chemicals and drilling mud. Market-oriented research and development has made it possible to expand sales to new geographic areas and increase the proportion of specialised products. The business operates worldwide, with production in seven countries in Europe besides the USA, and sales to more than 70 countries.

Operating revenues rose in 1995 by 5% to NOK 994 million. Most segments recorded an increase in volume, particularly in Asia. In spite of the increase in volume the area recorded a reduction in profits due to an unfavourable development in exchange rates and a less advantageous product mix in feed binding agents. The investment in the new plant in the USA did not have full impact on 1995 results.

The build-up of resources in sales, marketing and research and development involved higher costs.

FINE CHEMICALS

The Fine Chemicals area consists of Borregaard Fine Chemicals and Borregaard Synthesis. While specialty chemical products are sold on the basis of performance, fine chemicals are specific, defined chemical substances. Operating revenues increased in 1995 by NOK 267 million to NOK 705 million. Most of this relates to the full year effect of units acquired. The area recorded a weak result in 1995.

Borregaard Fine Chemicals is a leading international supplier of advanced fine chemicals to the pharmaceutical industry. The products are divided into two main groups. One product group is sold to several customers and consists mainly of intermediates for non-ionic X-ray contrast agents. BFC is the international market leader in this area. Demand has been good and investments in a new plant form the basis for further growth. The other product group consists of more advanced intermediates

Hilde Oppedal, Researcher, Borregaard

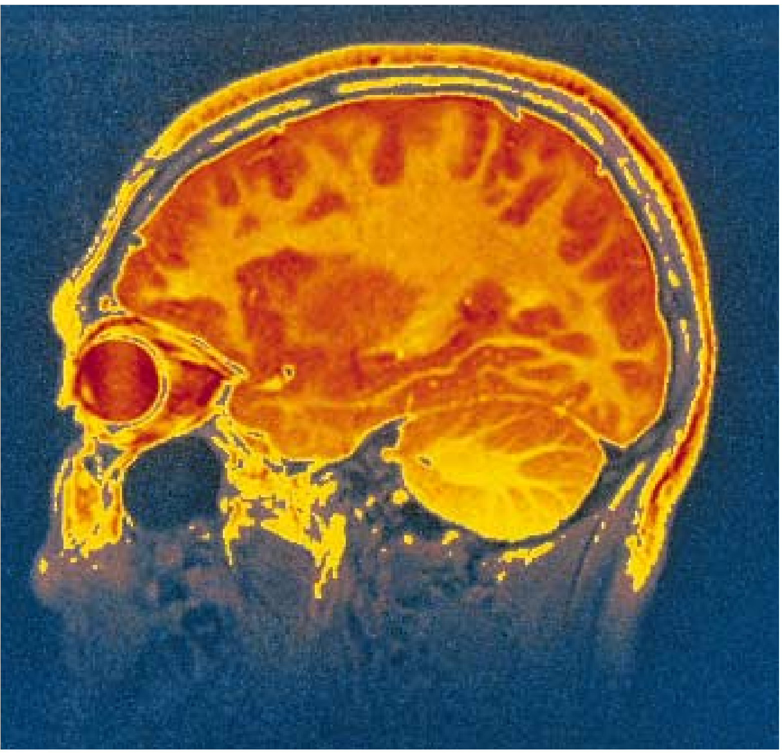
Arne Henriksen, Production Assistant, Borregaard

developed for individual customers, involving extensive R&D efforts by Borregaard. In 1995 there was some discontinuation and timing differences in sales of individual advanced intermediates. The operating result is in line with the previous year.

Borregaard Synthesis comprises EuroVanillin, Borregaard Italia and Borregaard Taicang Chemicals. EuroVanillin is the world's second largest vanillin producer and the only one able to offer both lignin and guaiacol based vanillin, as well as ethyl vanillin. Vanillin is used by the food manufacturing industry as a flavouring and fragrance material, and as an intermediate in the manufacture of pharmaceuticals. The development in profits in 1995 did not match expectations, due to a reduction in production and lower prices as a result of unfavourable currency conditions and tougher competition.

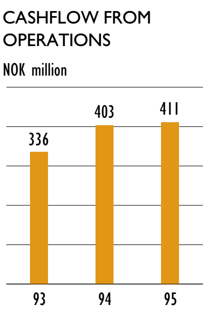
Borregaard Italia is the world's second largest producer of diphenol. The business consists of the production and processing of fine chemicals for the pharmaceuticals industry, the food manufacturing industry and the production of agro- and photo-chemicals. The market for diphenols is satisfactory. Both prices and volumes have increased and the company achieved a good development in profits. It has been decided to expand diphenol production capacity by 25 % during 1996. This will lead to a brief production shut-down and a slightly lower result in 1996.

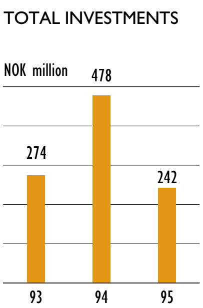
Borregaard Taicang Chemicals in China began production towards the end of 1995 and is included as an associated company. The investment must be viewed in a long-term perspective and no significant profit contribution is expected in 1996.



Borregaard is the market leader in advanced fine chemicals for X-ray contrast media. The operations in Italy produce chemicals used in developing X-ray photographs. (Photo above)

The Chemicals area produce meal, proteins and fats for animal feeds. The area supplies binding agents for feed pellets and produces a lignin modified soya meal, SoyPass. (Photo to the right)





SPECIALTY PULP

Borregaard ChemCell is a leading supplier of specialty pulp for chemical applications in Europe. The chemicals competence in Borregaard provides the basis for specialising in products with a high degree of processing and with properties suited for chemical industrial applications. This means that the business has become less cyclical, at the same time as earnings have improved and stabilised. The business focuses on the application of the cellulose molecule, which is a natural biodegradable polymer. Investments in highly processed pulp represent a continuation of the company's concentration on pulp products with a higher degree of specialisation.

Operating revenues increased by 22 % to NOK 1,287 million compared with 1994 and the area achieved a significant improvement in profits in 1995. The improvement is mainly due to the development in the pulp market with higher sale prices. In addition the proportion of processed pulp has increased. Timber costs in Norway rose compared with 1994, but were partly compensated by a higher proportion of imports (45 %). Even though Borregaard is experiencing good demand for its own products, there is uncertainty as to future price levels in the market.

OTHER AREAS

Borregaard is the Nordic region's largest manufacturer of ethanol for technical applications. Through Kemetyl AB, Borregaard is Sweden's largest supplier of technical ethanol and ethanol based products for the consumer and industrial market. The operating parameters for the sale of ethanol from Norway to Sweden have changed considerably due to the fact that Norway is not a member of the EU and thus is exposed to customs duties equivalent to 90 %. In 1995 Borregaard obtained temporary quotas for ethanol sales to the EU. There is still uncertainty as to whether such quotas will be issued in 1996. The overall result from the ethanol business was in line with the previous year.

Borregaard Basic Chemicals achieved an improvement in profits due to a general upturn in sodium hydroxide prices and increased sales of hydrochloric acid. Borregaard Trading increased its operating revenues in 1995 as a result of higher volume and a favourable product mix.

Borregaard NEA recorded an improvement in profits for special qualities of mechanical pulp and paper. Mechanical pulp from Borregaard Vafos holds a leading position in the European cardboard industry, and paper from Borregaard Hellefos has a strong position in the European market for paper for paperback books.

Borregaard Energi recorded a slightly lower result in 1995, mainly due to lower production.

Borregaard Skoger had an operating profit in line with the previous year. The group is one of the largest private forest owners in Norway. Annual logging quantities are around 120,000 sm^3. The boards of Statsskog SF and Borregaard Skoger have agreed in principle to establish a joint operating and marketing company in Hedmark in Norway. The objective is to strengthen the technical and financial base in order to be able to respond to future challenges faced by the forest industry. The aim is that the new company should be operational on 1.1. 1997.

PRODUCTS AND APPLICATIONS

Specialty chemicals	Dispersing agents in concrete, textile dyes, agrochemicals and oil well drilling muds. Binding agents for animal feed, ceramics and briquetting.
Fine Chemicals	
Pharmaceuticals	Intermediates for X-ray contrast media and other pharmaceuticals.
Vanillin/Ethyl vanillin	Flavourings and fragrances, raw materials for pharmaceuticals.
Diphenols	Photo chemicals. Intermediates for the pharmaceutical, agro and fragrance industry. Agrochemicals.
Specialty pulp	Thickening agents, binders and stabilisers in foods, glue, drilling muds, concrete, laquers and dyes. Active ingredients in detergents. Photopaper. Rayon filament and rayon staple fiber. Moulding plastics.
Ingredients	
Oils, fat, proteins	Food ingredients and feed ingredients.

Other areas	
Ethanol	Paints and lacquers, cosmetics, car care products, consumer and industrial products.
Sulphuric acid	Fertilisers, pigments, fibres, plastics.
Sodium hydroxide	Pulp and vanillin production
Chlorine	Hydrochloric acid, water treatment, electrochemical industry.
Paper	Book paper
Timber	Saw wood, pulp wood
Hydro electric power	Internal use and external sales

Financial investments

The business area covers the Group's equity and real estate investments. In addition it provides financial services, mainly in stockbroking and corporate finance, through the Orkla Finans group.

MARKET CONDITIONS

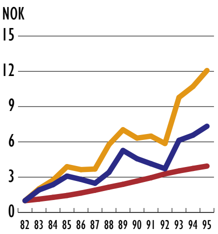
There was a mixed development in international stockmarkets in 1995. The American market was very strong, with a rise in the Dow Jones Index of 33.5 %. There was also a good development in Britain, with a rise of around 20 %, while the German and French exchanges experienced a rather weak year. In Japan there was a flat development in share prices. Similarly in Scandinavia the development in share prices varied, with a rise in Sweden of 18.3 % and a fall by the Finnish exchange of 7.3 %. In Denmark the index rose by 4.9 %. The rise of 11.6 % by the Norwegian market was thus neither particularly good nor bad in an international context.

The strong growth in the world economy slowed down during 1995 in the western industrial countries. This led to low expectations of inflation and a substantial decrease in interest rate levels. Both in South-East Asia and in Eastern Europe strong economic growth continued. The lower growth rate in the OECD countries, where industrial production in certain countries developed negatively, led to a levelling out and in some cases falls in raw materials prices. The decrease in prices was reinforced by inventory adjustments.

Signs of a deterioration in the international economic situation led to a weak development for cyclical shares in 1995, in spite of significantly improved profits. The best price performance was achieved by growth companies, particularly in the technology sector. Interest rate sensitive shares in real estate, insurance and, to some extent, banking also experienced a good

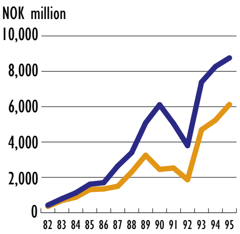
GROWTH OF NOK 1
(31.12.82 - 31.12.95)

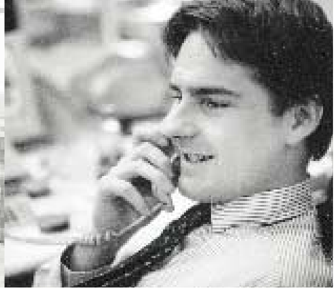
Orkla's investment portfolio
Oslo Stock Exchange
Money Market



MARKET VALUE AND
NET ASSET VALUE
1982–1995

Net Asset Value
Market Value





Ole Dahl, Financial Analyst, Orkla *Johan S. Frid, Broker, Orkla Finans*

price development. Otherwise the year was characterised by increasing merger and acquisition activity, with the take-overs of Vital, Norgeskreditt and Nora Eiendom as the main events.

Higher oil production in recent years means that both the Norwegian balance of payments and public finances are in a strong position, and interest rates have settled at a previously unaccustomed low level in Norway. Confidence from abroad is rising and foreign investors were again in 1995 major net purchasers of Norwegian shares. In spite of the substantial increase in Norwegian financial wealth, foreign ownership on the Oslo Stock Exchange is increasing rapidly. This is probably due to the fact that the major insurance companies have been through a period in which there has been a marked increase in their portfolios of foreign shares at the expense of Norwegian shares. Overall, however, liquidity conditions in the market are considered to be good, with low new issue requirements and increasing liquidity in the private sector.

There were no major transactions among the main holdings in the Investment area's portfolio. The shareholdings in Nora Eiendom and Norgeskreditt, however, were sold in the take-over bids and the holdings in Saga Petroleum and Smedvig substantially reduced during the year. The investment in Resource Group International was increased through the subscription of shares for a total of NOK 55 million in the parent company and NOK 154 million in the subsidiary Norway Seafoods A.S. In the foreign portfolio there were further increases in the Scandinavian portfolio, while the American portfolio was considerably reduced following the sale of the shareholding in Norex America Inc. In total, foreign investments amounted to around 15 % of the portfolio at the end of 1995 against around 13 % in the previous year.

Net sales of shares amounted to approximately NOK 300 million in 1995. The aggregate return on the entire portfolio was 12.7 %, which is 1.1 %-points better than the rise in the Oslo Stock Exchange All Share Index. At the end of the year the market value of the portfolio was NOK 8,761 million and the net asset value NOK 6,125 million.

RESULTS

The Investment area recorded a profit before tax of NOK 498 million against NOK 350 million in 1994. Gains totalling NOK 481 million were realised on the portfolio and dividends received amounted to NOK 200 million. Unrealised gains on the portfolio rose during the year by NOK 356 million to NOK 3,019 million per 31.12. 1995.

Orkla Finans recorded a profit of NOK 36 million against NOK 39 million in the previous year. There was a high level of activity and total revenues rose by 8.8 %. The company maintained its position as one of the leaders in financial services in Norway. There was a strong improvement both for share trading and corporate finance.

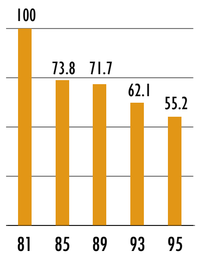
In spite of the structural problems in some of the leading European countries, the world economy is generally considered to be developing positively with low interest rate levels and little inflationary pressure. These operating parameters, combined with the moderate pricing of Norwegian shares, provide a basis for a moderately positive development in the Norwegian stockmarket.

MAIN SHARE HOLDINGS AT 31.12. 1995

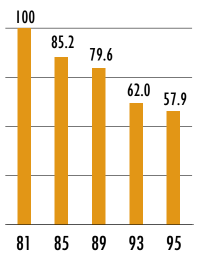
	Share of portfolio (%)	Ownership (%)	Market value (NOK million)
UNI Storebrand	15.4	11.8	1,345
Elkem	10.3	25.0	902
Hafslund Nycomed	9.2	4.8	805
Dyno	7.8	18.2	683
Kværner	6.3	5.6	550
Smedvig	2.9	7.4	254
Bergesen d.y.	2.8	3.4	244
Norsk Hydro	2.3	0.3	198
Total main share holdings	56.9		4,981

Lilleborg is continuing its work to switch to environmentally-friendly forms of packaging. Refills for liquid fabric detergents and micropowders have contributed to a significant reduction in the use of packaging. Similarly, consumers have become aware of the environmental advantages of refill packs of liquid toilet soap. Lano refill has been on the market since 1993, and was followed by Dove in 1995. The refill bags contain 90% less plastic than the dispenser bottles and give 90 % less waste by volume.

ENERGY CONSUMPTION
per unit produced
Index (1981 = 100)



WATER CONSUMPTION
per unit produced
Index (1981 = 100)



The development between 1981 and 1995 of energy and water consumption at the Eslöv plant which, with some 1,000 employees, is Procordia Food's largest production unit. Potato products, ready meals and pickled cucumbers/beetroot represent the main part of sales.

Environment

PRINCIPLES

Orkla aims in its activities to integrate production, distribution and consumption of the Group's products in an environmentally-sustainable development. This is an important condition for business success. It means, among other things, that the principle "from the cradle to the grave" should guide our companies. Our purchases, our production, packaging and distribution should, together with the use made by customers and consumers of our products, contribute to reducing adverse effects on the environment. Measures to improve the efficient utilisation of energy and raw materials will be intensified. The highest quality professional and management resources will be devoted to the response to environmental challenges, and dialogue with the authorities, environmental organisations and the public will be open and sincere.

POLICY AND CHALLENGES

Interest in environmental issues is growing in general, not least among demanding customers and in the finance markets. This puts greater requirements on the organisation with regard to our environmental efforts and our reporting.

In our organisation the environment is a line responsibility. In the Group's overall strategic plan it is stated that the individual business areas should specify their policy, prioritise tasks and set targets for what they will achieve in the priority areas, and monitor developments against the targets which have been set. The establishment of a common environmental forum will enable those professionally responsible to compare their approaches, exchange experience and discuss joint efforts. Certain matters are dealt with through group projects or on the basis of established cooperation.

Borregaard is the largest producer and user of energy in the Orkla Group, and has the best knowhow on energy-related questions. Borregaard Energi undertakes the purchase and sale of energy for the Group as a whole which provides economies of scale in terms of both price and internal utilisation. Similarly measures relating to systematic energy conservation are supported and coordinated through Borregaard Energi.

For a group with Orkla's range of business areas and products, developing consistent environmental reporting for the Group as a whole represents a complex challenge.

Borregaard LignoTech has established strict environmental requirements at its new plant for lignin-based products at Mt. Vernon, south of Seattle, USA. As the entire process is closed, chemicals are recycled in such a way that the plant has no discharges to water.

Orkla acknowledges that it will take time to develop a good reporting system in qualitative terms for the Group's overall environmental challenges and measures. In future reporting our aim is to include figures for total waste and for the proportion of waste which is recycled. We also aim to improve the quality of our quantitative reporting of packaging and transport. The Group's international operations will be included in the overall report.

BUSINESS AREA PRIORITIES

The Group's philosophy and goals provide a basis for the individual business areas' planning and prioritisation of their environmental programmes.

The branded consumer goods businesses prioritise their environmental measures partly on the basis of the impact of production and distribution on their surroundings and partly on the basis of consumers', customers' and society's attitudes to the products and the producer's environmental work.

On the production and distribution side this breaks down into targets for the economic use of natural resources, an increase in the total use of more environmentally-friendly materials in the products, better internal control systems, quality standards and emission controls. The transition to packaging which less adversely effects the environment and emphasis on reuse, together with a reduction in landfill waste from production and processes, are also important.

The significant interest of customers and society in environmentally-correct products is an important driving force behind work to develop raw materials and processes with less environmental effects. At the same time efforts are being made to be able to offer products with specific environmental qualities, and considerable attention is being devoted - in line with general consumer interest - in all the branded consumer goods companies to develop better and more economic packaging solutions.

The chemicals business has the following main priorities for its environmental programmes:

- Safe, optimal operation of the process plants within specified permits and operating conditions, and within the requirements set out in the national and international environmental programmes with which the company is affiliated.
- Efficient energy consumption and focus on costs and the environmental impact of the business area's transport.
- Rational and efficient timber production in Borregaard Skoger combined with a high quality environment for leisure pursuits and the maintenance of biological diversity.

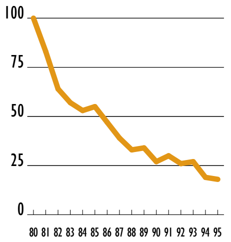
STATUS

Orkla Foods is increasing its enviromental focus and is placing particular emphasis on packaging waste. The food products business is generally characterised by limited emissions from the production processes to their immediate environment. External emissions are carefully monitored, however, and continuous efforts are made to reduce them. A large part of environmental work is concentrated on internal HES processes and factors, as well as establishing systems to measure dust, noise, lighting conditions and hazards.

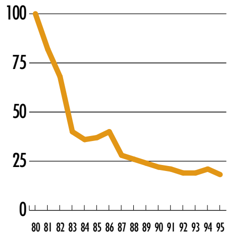
The Orkla Brands area's detergents and personal products are continuing efforts to reduce the use of materials with adverse environmental effects and switch to materials which are, as far as possible, biologically degradable. Further efforts are also being made to produce more concentrated products in order to reduce total chemical consumption. Efforts are also being made to increase the number of detergent products with the Nordic environmental Swan mark. Refill packs for liquid toilet soap save 90 % plastic. On the industrial detergents side, Lilleborg will launch in the near future a new range designed for those suffering from allergies. The products will contain no fragrances or colourings, and the series is developed in cooperation with Norway's Asthma and Allergy Association. The head office at Lilleborg introduced the "Green Office" concept in 1995. On the production side a new plant for liquid detergents is being planned at Ski outside Oslo. Environmental aspects have been much in focus and the objective is to build a plant which in principle involves emissions neither to the atmosphere nor to water. It is also planned to reduce waste to a minimum and to sort at source.

In the beverages business efficient recycling or reuse of both beverage and transport packaging has been much in focus. The breakdown in the Swedish beverages business between reuse and recycling of consumer packaging is close to 50/50, while 99 % of the corresponding packaging in Norway is reused. The return ratio is also very high at 98 %.

DISCHARGE OF ORGANIC MATERIAL (COD) TO WATER
Index (1980 = 100)

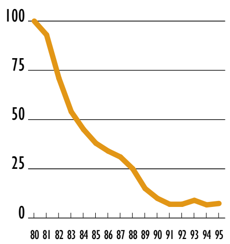


EMISSION OF SULPHUR DIOXIDE
Index (1980 = 100)



Orkla's biscuits area has contributed to the development of new, environmentally-friendly plastic films in its product packaging. Laminated or single polypropylene films have replaced laminates consisting of materials such as aluminium, paper and plastic with PVDC coatings. The new films can be recycled, or burned without releasing harmful gases. The coating uses a water-based acrylic finish and water-based print colours, which represent a further environmental advantage.

DISCHARGE OF CHLORO-ORGANIC COMPOUNDS (AOX) TO WATER
Index (1980 = 100)



During 1995 Orkla Media mainly concentrated its environmental programme on its printing plants. Among other things, the Hjemmet Mortensen printing plant has undertaken external audits of emissions to water and landfill such as photo chemicals and detergents, and undertaken regular measurements of atmospheric emissions. With regard to the internal environment, regular measurements have been made of the toluene concentration in rotogravure print production, and ozone measurements in offset production. All measurements have been well within the authorities' requirements. In the newspapers, especially in the older printing plants, particular emphasis has been placed on measuring and reducing exposure to dust. The establishment of a new, joint printing plant on the west side of the Oslo fjord will significantly reduce the need for preventive environmental measures, at the same time as total consumption of energy and transportation costs will be reduced.

At Borregaard in Sarpsborg, the main plant complex for the chemicals business, a new biological treatment plant and biofuels plant for burning bark and organic sludge were commissioned in 1995. These plants, which have cost a total of some NOK 200 million, have led to a significant reduction in emissions to the Glomma River, as well as producing heat energy which is used in the plants' energy balance. It has also been decided to rebuild the chloralkali plant as a mercury-free sodium hydroxide plant with membrane technology. This will lead to the ending of all emissions of mercury to water and the atmosphere. In time conversion of chlorine for sale as hydrochloric acid will remove the need to store and transport chlorine. Subject to a permit being granted, construction is planned to start in 1996 with completion in 1997. Finally it has been decided to invest in a new plant stage for highly-processed pulp, which will further reduce emissions to the Glomma River. Borregaard's lignin production contributes, according to a study carried out by Det Norske Veritas, to reducing total CO_2 emissions. Attention has been focused on process improvements as a way to achieve further CO_2 reductions. In 1995 Borregaard Skoger commenced a cooperation project with the World Wide Fund for Nature/Siste Sjanse which, among other things, involves the registration of so-called key biotopes.

Borregaard Skoger is working to locate and protect biotopes which are important to the survival of threatened species. WWF is carrying out the field work. The picture is taken from a registration project in Gravberget in the summer of 1995. In a forest area extending to 161 square kilometres, 21 key biotopes were discovered, of which several contained species of fungi and moss classified as threatened in Norway. These biotopes will be protected for traditional forestry operations. The biotope registration will be continued.

ENERGY AND WATER

The Orkla Group's companies have an aggregate energy consumption of 3.5 TWh, of which 2.6 TWh relates to the business in Norway. The most energy-intensive plant, Borregaard in Sarpsborg, is at the same time a process heat-intensive operation, which can use oil, other combustion energy and electric power. Operation of the biological treatment plant and the biofuels plant, which burns bark and sludge, has provided a quantity of energy corresponding to 9,000 tonnes of fuel oil.

Continuous efforts are made to increase the energy output of the Group's own hydropower stations. A new production unit at Trælandsfoss power station increased the output from the waterfall by 10 GWh in 1995.

Orkla's Norwegian branded consumer goods businesses use approximately 4.7 million m^3 of water each year, of which some 2 million m^3 is used in the beverages production, roughly 1 million m^3 in the food products business and approximately 1.6 million m^3 in Orkla Brands, where the edible oils division is the largest user. Volumes have been relatively stable over the last three years. The chemicals business uses large quantities of water each year. Most of the water is released back into the river after cleaning, which is becoming increasingly more efficient. Both emissions of organic dry matter and chloro-organic compounds have over time been substantially reduced.

PACKAGING

Measures in the Group companies to switch to more environmentally-friendly packaging are continuing. In transportation packaging, the switch from cardboard boxes to pallet stabilisers, the use of corrugated board boxes with unbleached surfaces and the development of packaging/pallet combinations which use transportation in an optimal manner are examples with a positive environmental impact.

With regard to product packaging, liquid soap refills have been mentioned. Refills for Lano were launched in 1992, but with limited success. The trend has now changed and liquid Lano refill is among the best selling varieties. The use of refill bags saves 90 % plastic. In 1995 Dove was therefore also launched with a refill. Another example is the switch by the biscuits area to single or laminated polypropylene film, which can be recycled or burned without giving off harmful gases. Orkla's companies will further increase the environmental focus on packaging in future. The Group is also represented on the boards and committees of several of the materials companies which have been established to contribute to increased collection and recycling of various types of packaging.

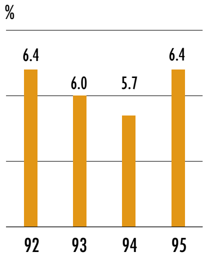
HEALTH, WORKING ENVIRONMENT AND SAFETY

In 1995 the Group completed the ORKUS project in cooperation with LO, NHO, UNI Storebrand and the Central Bureau of Statistics. The purpose has been to undertake a thorough study of important factors in the internal environment in various parts of the Group. The results from the project are now being used in the Group companies.

Sick leave has risen from 1994. The downward trend in recent years has thus been broken. The increase coincides with two influenza epidemics in the first and fourth quarters of the year and has also taken place in companies which have been affected by major organisational changes that may have been felt to be an extra burden on the employees. Developments are being followed closely in order to determine whether the higher sick leave is due to non-recurring effects or whether this reflects a trend. Similarly the H-value - the number of injuries per million working hours - was higher than the previous year. The development in both sick leave and in H-values indicates a need for further systematisation of improvement measures in this field.

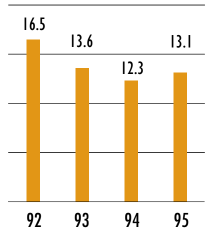
During 1994 standby organisations were established in the Group companies to handle incidents and accidents. Exercises carried out by the standby organisations during 1995 have provided valuable input for improvements in the systems and routines.

DEVELOPMENT IN SICK LEAVE*)
%



*) For the Group's activities in Norway

DEVELOPMENT IN H-VALUE *)
Number of injuries per million working hours



Group organisation

EXECUTIVE GROUP MANAGEMENT

STAFF

BRANDED CONSUMER GOODS

ORKLA FOODS

Chairman: Finn Jebsen
(Orkla Foods)
Man.director: Bent Fuglesang
(Orkla Foods)

Chairman: Olaf Eie (Bakers)
Man.director: Roar Hoel (Bakers)

ORKLA BEVERAGES

Pripps Ringnes (45%)

Chairman: Jens P. Heyerdahl d.y.
Man.director: Paul Bergqvist

ORKLA BRANDS

Chairman: Jens P. Heyerdahl d.y.
Man.director: Finn Jebsen

ORKLA MEDIA

Chairman: Odd Vigmostad
Man.director: Jan Lindh

CHEMICALS

CHEMICALS

Chairman: Jens P. Heyerdahl d.y.
Man.director: Egil M. Ullebø

FINANCIAL INVESTMENTS

FINANCIAL INVESTMENTS

Exec. V.-President: Tom Vidar Rygh
Chief Executives: Tom Vidar Rygh
(Portfolio Investments)
Inge K. Hansen (Financial Services)

EXECUTIVE GROUP MANAGEMENT

Jens P. Heyerdahl d.y. (53)
Law Graduate, MBA
President and
Group Chief Executive

Olaf Eie (52)
Business Graduate
Executive V.-President

Finn Jebsen (46)
Business Graduate, MBA
Executive V.-President

Tom Vidar Rygh (38)
Business Graduate
Executive V.-President

Odd Vigmostad (63)
Business Graduate
Executive V.-President

STAFF

Halvor Stenstadvold (52)
Political Science Graduate
Executive V.-President
Group Staff

Bjørn Erik Næss (41)
Chief Financial Officer
Finance/Accounting

Morten Ringvold (42)
Legal

Rolf Straume (40)
Corporate Development

Jon Trøften (63)
Information

Geir Aarseth (49)
Personnel//Organisation

Lisbeth Lindberg (37)
Investor Relations

Representatives

CORPORATE ASSEMBLY

Elected by the shareholders

Øystein Eskeland (220)
chairman

Lucy Smith (436)
deputy chairman

Svein Erik Amundsen (83)

Ebbe C. Astrup (49,578)

Westye Egeberg (506)

Svein R. Hagen (0)

Ragnar Halvorsen (1,445)

Chr. Haneborg (3,192)

Hans Herman Horn (3,300)

Synnøve Liaaen Jensen (38)

Leif Kjær (4,582)

Borger A. Lenth (115)

Tore Lindholt (0)

Leiv L. Nergaard (0)

Egil Offenberg (416)

Inger E. Prebensen (0)

Anders Ringnes (4,450)

Bjørn Savén (0)

Cathrine Mellbye
Schultz (2,427)

Tore Steen (1,597)

Halvor Svenkerud (773)

Halgrim Thon (4,355)

David Vikøren (600)

Stein Wessel-Aas (0)

Deputies

Egil Alnæs jr.

Bjørn R. Berntsen

Thor Falkanger

Eilif Holte

Truls Nyquist

Mari Pran

Fabian Stang

Olaug Svarva

Elisabeth Wille

Election committee

Øystein Eskeland (220)

Tore Lindholt (0)

Svein R. Hagen (0)

Elected by the employees

Louis Belaska (0)

Jon-Ivar Fjeld (0)

Thorhild Fredly (0)

Anne Margrethe Grimsvang (0)

Britt-Karin Gundersen (0)

Bjørn Haraldsen (4)

Bjørn Johansen (0)

Harald Johansen (78)

Hans Johnsen (0)

Kristin Kvikstad (0)

Sverre Olsen (4)

Jan Rønning (0)

Deputies

Asbjørn Bråtekas

Anders Døvik

Bjørn Tore Eriksen

Odd Hansen

Randi Hansen

Steinar Johansen

Ann-Karin Karlsen

Anne-May Kristiansen

Tore H. Larsen

Gunn Liabø

Arvid Liland

Jan Lillebo

Trine Mæland

A proposal will be submitted to the Annual General Meeting in May this year to reduce the Corporate Assembly from 36 to 21 members, of whom 14 will be elected by the shareholders and 7 by the employees. In addition, it will be proposed that three observers are elected by the employees. The members of the Corporate Assembly elected by the employees are standing for re-election in 1996. In order to implement the above change, it will be proposed to the Annual General Meeting that an election is also held for the shareholder-elected members this year.

THE BOARD OF DIRECTORS

Svein Ribe-Anderssen (159)
chairman

Odd Gleditsch jr. (100)

Jens P. Heyerdahl d.y.
(120,827)

Truls Holthe (6,149)

Roger Johansen*(18)

Kjell Kjønigsen* (4)

Knut Leversby (5)

Harald Norvik (11)

Stein Stugu* (0)

Board observers elected by the employees

Jonny Bengtsson (0)

Egil Friberg (8)

Deputy board members elected by the employees

Liv Brynhildsvoll (0)

Håkon Olav Edgren (8)

Terje Vidar Hansen (0)

Vilhelm Johannesen (4)

Jan A. Jørgensen (30)

Jon Cato Landsverk (0)

Arvid Strand (0)

Torbjørn Wold (0)

Figures in brackets indicate the number of shares owned at 31.12.1995, including shares owned by spouse and dependent minors.

AUDITOR

Arthur Andersen & Co.
Finn Berg Jacobsen
State Authorized Public
Accountant

* Elected by the the employees

INDUSTRIAL DEMOCRACY AT ORKLA

Active participation by the employees in the governing bodies both at Group level and in the individual subsidiaries are important elements in the decision making processes at Orkla. A common aim has been to evolve representational schemes which adequately secure a broad base for involvement and genuine influence.

The employees elect three of Orkla's 9 Board members and two observers. One third of the Corporate Assembly's members are elected by the Group's employees.

On a Group basis, the employees have two Committees of Representatives - for those belonging to unions which are members of LO and of other employee organisations, respectively, both with their own executive committees. From January 1996 the industrial democracy arrangements have been extended to include, in addition, the Swedish and Danish companies in the Group. The arrangement ensures a broad representation for the Group's employees, both by company and organisation. The executive committees of the Committees of Representatives have regularly meetings with the Group's management on issues relevant to the Group.

In addition to the Group schemes mentioned here, the employees have representatives on the boards of directors of the individual subsidiaries.

The summaries show the members of the governing bodies at Group level as at January 1996.

THE COMMITTEE OF REPRESENTATIVES FOR UNIONIZED MEMBERS OF LO*

Executive committee

Stein Stugu
chairman

Egil Friberg
deputy chairman

Bjørn Johansen
treasurer

Aage Andersen
secretary

Gunn Liabø
committee member

Bjørn K. Tonning
committee member

Arve Schevik
committee member

Ann-Karin Karlsen
1st deputy

Terje V. Hansen
2nd deputy

Harald Johansen
3rd deputy

*) The Norwegian Federation of Trade Unions

Committee of representatives

Jostein Aukland

Leif Erling Danielsen

John Helge Delbekk

Steinar Halvorsen

Inge Hansen

Odd Hansen

Randi Hansen

Roald Hansen

Terje V. Hansen

Torstein Hårsaker

Harald Iversen

Stein Frode Jensen

Bjørn Johansen

Harald Johansen

Kjell Johansen

Steinar Johansen

Jan A. Jørgensen

Kjell Kjønigsen

Gunn Liabø

Jan Lillebo

Svein Listaul

Trygve Mork

Mariann Olsen

Arne Panengstuen

Svein Rannekleiv

Inge Rønneberg

Arne Rønning

Stein Stugu

Per Gunnar Støa

Ove Sylte

Bjørn K. Tonning

Terje Tveter

Roger Vangen

Tove Vig

John Egil Øygard

COMMITTEE OF REPRESENTATIVES FOR MEMBERS OF OTHER EMPLOYEE ORGANISATIONS

Executive committee

Roger Johansen
chairman

Arvid Strand
deputy chairman

Arild Bolstad
secretary

Anne Margrethe Grimsvang
treasurer

Morten Brennemo
committee member

Irene Torstenson
committee member

Jon Cato Landsverk
deputy

Tom Stokstad
deputy

Committee of representatives

Anne Lise Brevik

Berit Eriksen

Kjell M. Halvorsen

Bjørn Hansen

Arild R. Ingebretsen

Øyvind Johansen

Kristin Kvikstad

Jon Cato Landsverk

Trine Torp Larsen

Arvid Liland

Terje Nygaard

Rolf Pedersen

Svein Erik Pedersen

Fredrik Schreier

Alfild Strandabø

Anders Sveinsen

Morten Sørensen

Øystein Ustumo

Sigurd Vik

Tor Wangen

Wenche L. Aarsten

Reidar Aaserød

Group directory

THE PARENT COMPANY

Orkla ASA
P.O.Box 308
N-1324 Lysaker
Tel. +47 22 50 10 80
Telefax +47 22 50 16 91

Orkla ASA
P.O.Box 162
N-1701 Sarpsborg
Tel. +47 69 11 80 00
Telefax +47 69 11 87 70

Orkla ASA
P.O.Box 8
N-7332 Løkken Verk
Tel. +47 72 49 67 00
Telefax +47 72 49 63 20

The registered office is in Sarpsborg. The Group Management is located at Lysaker.

Representation in Singapore
Orkla Asia Pte Ltd
400 Orchard Road
10-04 Orchard Towers
Singapore 238875
Tel. +65 7 37 08 37
Telefax +65 7 37 89 96

BRANDED CONSUMER GOODS

ORKLA FOODS

Orkla Foods A.S
P.O.Box 711
N-1411 Kolbotn
Tel. +47 66 81 61 00
Telefax +47 66 80 63 78

Stabburet Wholesale Products

Stabburet A/S
P.O.Box 711
N-1411 Kolbotn
Tel. +47 66 81 61 00
Telefax +47 66 80 63 67

Stabburet A/S
Fredrikstad

Stabburet A/S
Gressvik

Stabburet A/S
Brumunddal

Stabburet A/S
Rygge

Stabburet A/S
Ualand

Stabburet A/S
Vigrestad

Stabburet A/S
Division Idun Rygge, Rygge

Stabburet A/S
Gimsøy Kloster, Skien

Stabburet A/S
Stranda

Stabburet Polska Sp.z.o.o.
Warszawa, Poland

Stabburet Fresh Products

Stabburet A/S
Kolbotn

Stabburet A/S
Brumunddal

Procordia Food

Procordia Food AB
S-241 81 Eslöv
Sweden
Tel. +46 413 65 000
Telefax +46 413 14 984

Empaco Co AB
Åhus, Sweden

Procordia Food
Fågelmarafabriken
Fågelmara, Sweden

Procordia Food
Vansbrofabriken
Vansbro, Sweden

Procordia Food
AB Vätternpotatis
Ödeshög, Sweden

Procordia Food
Tollarpsfabriken
Tollarp, Sweden

Procordia Food
Ölandsfabriken
Färjestaden, Sweden

Procordia Food
Örebrofabriken
Örebro, Sweden

Procordia Food
Kumlafabriken
Kumla, Sweden

A/S Beauvais
Tåstrup, Denmark

Beauvais Industri A/S
Svinninge, Denmark

Beauvais Industri A/S
Skrave, Denmark

Beauvais Industri A/S
Frörup, Denmark

Felix Abba Oy
Åbo, Finland

AS Pôltsamaa Felix
Pôltsamaa, Estonia

Österberg & Löfquist AB
Stockholm, Sweden

Felix Austria GmbH
Mattersburg, Austria

Abba Seafood

Abba Seafood AB
P.O.Box 206
S-401 23 Göteborg
Sweden
Tel. +46 31 701 44 00
Telefax +46 31 701 44 90

Abba Seafood AB
Kungshamn, Sweden

Abba Seafood AB
Uddevalla, Sweden

Abba Skaldjur AB
Hovenäset, Sweden

Abba Seafood A/S
Nørresundby, Denmark

Abba Seafood GmbH
Hamburg, Germany

Abba Seafood A/S
Fredrikshavn, Denmark

Abba Seafood A/S
Løgstør, Denmark

Abba Seafood A/S
Nykøbing, Denmark

Abba Seafood GmbH
Harrislee, Germany

Industry Division

Regal Mølle a.s
P.O.Box 4349 Torshov
N-0402 Oslo
Tel. +47 22 89 34 00
Telefax +47 22 89 34 30

Regal Mølle a.s
Division Bjølsen Valsemølle, Oslo

Regal Mølle a.s
Division Christianssands Møller
Kristiansand S

Regal Mølle a.s
Division Moss Aktiemøller, Moss

Regal Mølle a.s
Division Tou Mølle, Tau

Idun Industri A.S
P.O.Box 4214 Torshov
N-0401 Oslo
Tel. +47 22 22 12 50
Telefax +47 22 22 07 11

Idun Industri A.S
Rakkestad

Vestlandske Bakeriartikler
Kokstad

Sunda A.S
Oslo

Odense Marcipan A/S
Odense C, Denmark

Dragsbæk Margarinefabrik A/S
Thisted, Denmark

Margarinfabriken Blume I/S
Randers, Denmark

Kjarnavôrur HF
Hafnarfjördur, Iceland

Bakery Products

Bakers AS
P.O.Box 43 Økern
N-0508 Oslo
Tel. +47 22 88 03 00
Telefax +47 22 65 82 12

Bakers Økern AS
Oslo

Bakers Bærum AS
Rud

Bakers Larvik
Larvik

Bakers Arendal
Arendal

Bakers Heba
Brumunddal

Møllhausen Bakeri AS
Kløfta

Bakers Bryne AS
Bryne

Bakers Martens AS
Kokstad

Kvalitetsbakeren A/S
Nesttun

Bakers Trøndelag AS
Trondheim

ORKLA BEVERAGES

Pripps Ringnes AB
S-161 86 Stockholm
Sweden
Tel. +46 8 757 70 00
Telefax +46 8 28 98 61

AB Pripps Bryggerier
Bromma, Sweden

AB Pripps Bryggerier
Västra Frölunda, Sweden

AB Ramlösa Hälsobrunn
Helsingborg, Sweden

Ringnes a.s
P.O.Box 7152 Majorstua
N-0307 Oslo
Tel. +47 22 06 95 00
Telefax +47 22 06 97 70

Ringnes Bryggeri
Oslo

Ringnes Gjelleråsen
Nittedal

Ringnes Arendals Bryggeri
Arendal

Ringnes E.C. Dahls Bryggeri
Trondheim

Ringnes Nordlandsbryggeriet
Bodø

Ringnes Tou Bryggeri
Forus

Ringnes Farris
Larvik

Ringnes Imsdalen
Koppang

Baltic Beverages Holding AB
Stockholm, Sweden

ORKLA BRANDS

Lilleborg A.S
P.O.Box 4236 Torshov
N-0401 Oslo
Tel. +47 22 89 50 00
Telefax +47 22 15 74 89

Lilleborgs Divisjon for Storforbrukere
Ski

Ello
Kristiansund N

Elico
Oslo

Otarès Norge A/S
Division Sandvika

Meling & Co.
Division Bergen

Renimex
Division Kristiansand

La Mote AS
Oslo

La Mote AB
Askim, Sweden

Peter Möller
Oslo

Göteborgs Kex AB
P.O.Box 73, S-442 21
Kungälv, Sweden
Tel. +46 303 20 90 00
Telefax +46 303 20 90 50

Sætre AS
Kolbotn

Esskå, division of Sætre AS
Sagstua

Kantolan OY
Hämeenlinna, Finland

Sætre AS
P.O.Box 4272 Torshov
N-0401 Oslo
Tel. +47 22 89 25 00
Telefax +47 22 89 50 93

KIMs A/S
Søndersø, Denmark

KIMs, Skreia, division of Sætre AS
Skreia

Nidar AS
N-7005 Trondheim
Tel. +47 73 58 30 00
Telefax +47 73 91 78 28

Wiversales B.V.
Rijsbergen, The Netherlands

Wiversales Belgium B.V.B.A.
Wuustwezel, Belgium

ORKLA MEDIA

Orkla Media A.S
P.O.Box 250
N-1324 Lysaker
Tel. +47 22 51 01 51
Telefax +47 22 50 95 94

Newspapers

Orkla Communication A.S
P.O.Box 250
N-1324 Lysaker
Tel. +47 22 51 01 51
Telefax +47 22 50 95 94

Moss Avis A/S
Moss

A/S Fredriksstad Blad
Fredrikstad

A/S Varden
Skien

A/S Gjengangeren
Horten

Sandefjords Blad AS
Sandefjord

Tønsbergs Aktietrykkeri
(Tønsbergs Blad)
Tønsberg

Drammens Tidende og Buskeruds Blad A/S
Drammen

A/S Laagendalsposten
Kongsberg

Telen A/S
Notodden

Røyken og Hurums Avis AS
Slemmestad

Telemark Trykk A.s
Notodden

A/S Buskerud Distribusjon
Drammen

Sunnmørsposten AS
Ålesund

Sunnmøringen A/S
Stranda

Fjordenes Tidende
Måløy

A/S Haugesunds Avis
Haugesund

A/S Romsdals Budstikke
Molde

A/S Driva Trykk
Sunndalsøra

A/S Åndalsnes Avis
Åndalsnes

Orkla Media Newspapers AS/
Orkla Media Magazines AS
Lysaker

Orkla Media Newspapers Poland/
Orkla Media Magazines Poland
Wroclaw, Poland

Magazines

Hjemmet Mortensen AS
P.O.Box 5001 Majorstua
N-0301 Oslo
Tel. +47 22 94 10 00
Telefax +47 22 33 30 96

Hjemmet Mortensen Trykkeri AS
Oslo

Direct Marketing

Orkla DM AS
P.O.Box 2306 Solli
N-0201 Oslo
Tel. +47 22 52 25 50
Telefax +47 22 52 54 34

Direct Mail A/S
Oslo

Forbruker-Kontakt A.S
Oslo

Selektiv Markedsføring A.S
Grimstad and Oslo

Selektiv DM AS
Oslo

DM-Distribusjon AS
Grimstad and Oslo

Media Data AS
Oslo

Sandberg AS
Oslo

CHEMICALS

Borregaard
P.O.Box 162
N-1701 Sarpsborg
Tel. +47 69 11 80 00
Telefax +47 69 11 87 70

Borregaard Industries Limited
P.O.Box 162
N-1701 Sarpsborg
Tel. +47 69 11 80 00
Telefax +47 69 11 87 70

LignoTech (UK) Ltd.
Cheshire, United Kingdom

LignoTech Sweden AB
Vargön, Sweden

LignoTech Finland OY
Tampere, Finland

LignoTech Deutschland GmbH
Karlsruhe, Germany

LignoBond
Verkaufsgesellschaft mbH
Karlsruhe, Germany

LignoTech
Verkaufsgesellschaft mbH
Düsseldorf, Germany

LignoTech Schweiz AG
Luterbach, Switzerland

LignoTech USA, Inc.
Wisconsin, USA

LignoTech USA, Inc.
Mount Vernon, USA

LignoTech USA, Inc.
New Jersey, USA

LignoTech Iberica S.A
Torrelavega, Spain

Borregaard S.E.A. Pte Ltd.
Singapore Science Park,
Singapore

Borregaard France
Paris, France

Borregaard Fine Chemicals A.S
Sarpsborg

EuroVanillin KS AS
Sarpsborg

Borregaard Italia S.p.A.
Madone, Italy

Borregaard Taicang Chemicals Co. Ltd.
Jiangsu Province, China

Borregaard Industries Limited Shanghai Rep. Office
Shanghai, China

Borregaard North America, Inc.
New Jersey, USA

Borregaard GmbH
Frankfurt/Main, Germany

Borregaard Industries Limited
Japan Branch
Tokyo, Japan

Denofa AS
Oslo

Denofa AS
Fredrikstad

Fredrikstad Blikk &
Metallvarefabrikk A.S
Fredrikstad

Borregaard NEA AS
Lysaker

Borregaard Trælandsfos AS
Kvinesdal

Borregaard Hellefos AS
Hokksund

Borregaard Vafos AS
Kragerø

A/S Tronstad Brug Ltd.
Sylling

A/S Børresen
Sylling

Borregaard UK Ltd.
Surrey, United Kingdom

Borregaard Skoger A.S
Elverum

Orkla Exolon AS KS
Orkanger

Kemetyl AB
Haninge, Sweden

FINANCIAL INVESTMENTS

PORTFOLIO INVESTMENTS

Orkla ASA
Fondsseksjonen
P.O.Box 308
N-1324 Lysaker
Tel. +47 22 50 10 80
Telefax +47 22 50 23 80

FINANCIAL SERVICES

Orkla Finans A.S
P.O.Box 1724 Vika
N-0121 Oslo
Tel. +47 22 40 08 00
Telefax +47 22 33 14 41

- Securities brokerage
- Insurance brokerage
- Portfolio management
- Fund management

OTHER ACTIVITIES

Chr. Salvesen & Chr. Thams's
Communications Aktieselskab
P.O.Box 8
N-Løkken Verk
Tel. +47 72 49 67 00
Telefax +47 72 49 63 20

Hemne Orkladal Billag AS
7200 Kyrksæterøra
Tel. +47 72 45 14 11
Telefax +47 72 45 21 73

Viking Fottøy A.S
P.O.Box 33 Alnabru
N-0614 Oslo
Tel. +47 22 07 24 00
Telefax +47 22 07 24 99

Viking Sko AB
Varberg, Sweden

Viking Jalkineet OY
Vantaa, Finland

Herold Halle Viking A/S
Ringsted, Denmark

Photographs: Product photos p. 1-64, black and white p. 3-60: William Cummings
Product photos p. 57 and 59: Terje Martiniussen
Product photo p. 58 and black and white p. 1-2: NPS
Black and white p. 1-2: Svein Erik Dahl and Hans Ivansson
Black and white p. 2-48: Torbjörn Malvå

The Orkla Group

Orkla is one of the largest listed companies in Norway and has its main activities within the areas Branded Consumer Goods, Chemicals and Financial investments. The Group's principal goal is "Security and growth through profitability". Orkla has shown a substantial growth in recent years, mainly through acquisitions of businesses in Scandinavia. In 1995 48 % of total revenues were derived outside Norway.

	1995	1994	1993
Operating Revenues 1)	21,529	20,698	17,858
Operating Profit 1)	1,745	1,541	1,270
Operating Margin 2)	8.1	7.4	7.1
Earnings per Share 3)	29.8	24.0	20.8
Total Assets 1)	26,540	21,402	19,492
Equity Ratio 2)	31.4	34.8	34.7

1) NOK million
2) %
3) NOK

CONTENTS

FINANCIAL CALENDAR 1996

Annual General Meeting	May 8
Shares quoted ex. dividend	May 9
Dividend payment to shareholders	May 29
Financial statements for the first four months to be published	June 6
Financial statements for the first eight months to be published	October 3

(subject to change)

Financial information about Orkla can be found at the internet address: http://www.hugin.no

1995 in brief

- A good year for Orkla.
- 24 % growth in earnings per share.
- Orkla acquired Procordia Food and Abba Seafood. Pripps Ringnes AB was established through the merger of Orkla's and Volvo's beverages businesses. These transactions strengthened the Nordic market positions substantially, and Orkla became the leading supplier to the Nordic grocery market.
- The Chemicals area continued its international expansion with the opening of a production plant for lignin based products in USA, and a plant for the production of agrochemicals in China.
- Both the market value and unrealised gains in the investment portfolio increased, and the Investment area's recorded profit improved.
- Orkla continued to strengthen the competence within marketing of branded goods and industrial sales. Employees from the new, Swedish activities were immediately participating in Orkla's educational programmes.

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Orkla ASA P.O.Box 308 N-1324 Lysaker Telephone +47 22 50 10 80 Telefax +47 22 50 16 91 Enterprise number N 910 747 711

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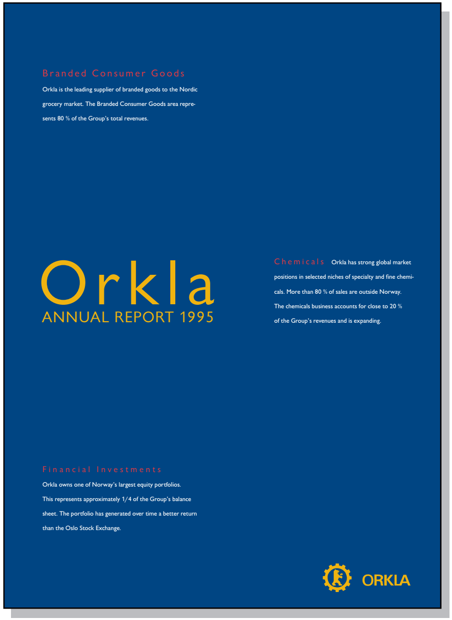
Branded Consumer Goods

Orkla is the leading supplier of branded goods to the Nordic grocery market. The Branded Consumer Goods area represents 80 % of the Group's total revenues.

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Chemicals Orkla has strong global market positions in selected niches of specialty and fine chemicals. More than 80 % of sales are outside Norway. The chemicals business accounts for close to 20 % of the Group's revenues and is expanding.

Financial Investments

Orkla owns one of Norway's largest equity portfolios. This represents approximately 1/4 of the Group's balance sheet. The portfolio has generated over time a better return than the Oslo Stock Exchange.

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