



STATEMENT
MARCH 31, 1997

1997 started on a positive note for Schibsted. Circulation and advertising volumes developed in a satisfactory manner, whereas the broadcast interests have had an uneven development. The activities of the magazine Dine Penger are consolidated as of January 1, and represent an additional line of business for the Print Media business area. Scandinavia Online has been established in Norway, but the transaction with Telenor is still being reviewed by the competition authorities.

PRINT MEDIA

In 1997 the Easter holiday took place in March resulting in fewer publishing days for the newspapers compared to 1996. This had an impact on both advertising and circulation revenues.

The morning edition of Aftenposten had an increase in circulation of 4,700 copies, up from 289,400 in the first quarter of 1996 to 294,100 during the first quarter of 1997. The Sunday and evening editions had minor increases.

The decrease in circulation for the casual sales papers appears to have levelled off, and during the first quarter VG had an increase in the average weekday circulation of 10,900 copies, up from 345,400 in the first quarter of 1996 to 356,300 during the first quarter of 1997. Strong circulation figures during Easter makes comparison difficult and the future circulation development is still uncertain. The Sunday edition had an increase in circulation of 4,600 copies.

The success at Aftonbladet continues and the newspaper has strengthened its position as the largest newspaper in Sweden and Scandinavia. The average circulation increased by as much as 40,400 copies compared to the corresponding period in 1996 and the average weekday circulation was 411,300 copies during the first quarter of 1997. Expressen's circulation has been approximately 75-80,000 copies less than that of Aftonbladet during the first quarter. Aftonbladet's Sunday edition increased its circulation by 25,500 to 509,900 copies during the same period. The increased circulation and a 5% higher average circulation price (due to additional days with supplements) led to a SEK 31.9 million increase in circulation revenues. For competitive reasons both Aftonbladet and Expressen launched evening editions in the Stockholm market in February. This will result in higher expenses without any significant increase in revenues and Aftonbladet's evening edition is expected to have a SEK 35 million negative impact on earnings on an annual basis.

The advertising market had a slow start in 1997 in both Norway and Sweden. Norway has improved throughout the quarter, while the Swedish advertising market has continued below 1996 levels. Aftenposten and VG had small reductions in advertising volume during the first quarter due to fewer publishing days, while Aftonbladet had a general decline of 8% compared to the same period in 1996. While the decline in advertising volume was offset by positive advertising mix for the Norwegian newspapers leading to more or less unchanged advertising revenues compared to the first quarter of 1996, Aftonbladet had a 8% reduction in advertising revenues.

The new free sheet in the Oslo area does not so far appear to have had any significant impact on Aftenposten's and VG's circulation and advertising revenues.

The purchase agreement for newsprint for 1997 was concluded at prices approximately 16% below 1996 prices. For Aftenposten and VG this price reduction, combined with fewer publishing days and correspondingly lower consumption of newsprint, led to a NOK 12 million reduction in newsprint costs. Aftonbladet's newsprint cost increased slightly compared to the corresponding period in 1996 due to increased circulation and a higher number of pages.

Aftenposten's operating profit was NOK 83 million for the first quarter, unchanged from the first quarter of 1996. VG's operating profit increased by NOK 3 million to NOK 56 million. The operating profit for Aftonbladet was SEK 19 million compared to SEK 13 million for the first quarter in 1996. Aftonbladet's operating margin of approximately 5% is low compared to Schibsted's Norwegian newspapers; especially in comparison to VG's operating margin of 17%. This is mainly due to a lower sales price per copy, lower advertising prices and higher newsprint costs caused by a larger number of pages and more expensive paper used in the newspaper's numerous inserts. Aftonbladet's result for 1997 is expected to be better than the 1996 result despite the launch of the evening edition.

Print Media's revenues increased by NOK 340 million to NOK 1,141 million. Aftonbladet, which was consolidated as of May 1, 1996 accounts for NOK 317 million of this increase. The operating profit increased by NOK 13 million to NOK 147 million.

The regional newspapers' share of the result declined compared to 1996, mainly due to Bergens Tidende's launch of a Sunday edition.

The negotiations for the acquisition of Dine Penger were concluded during the first quarter. Schibsted has acquired the publishing rights to the magazine and the former owners have committed themselves to continue to work for the magazine. The acquisition cost is related to the magazine's profits from 1996 to 2000, but is estimated at NOK 60 million. Dine Penger is the most widely read magazine on personal financial matters in Norway and is a highly successful niche product, which may also be an interesting investment as it relates to the group's multimedia efforts.

The construction of Schibsted's new printing plant in Nydalen is proceeding according to plan, and it is expected to commence operations during first quarter of 1999.

TV/FILM

Focus during the first quarter has been on integrating the new areas of activity which were added through the acquisition of the Metronome companies. Metronome's production activities are managed through Metronome Film & Television in Sweden (formerly Mutter), while the movie theatres and the foreign film rights will be co-ordinated through a closer cooperation with the Swedish rights company Sandrews. The TV/Film business area had revenues totalling NOK 90 million

during the first quarter of 1997 compared to NOK 61 million for the same period in 1996. The increase in revenues is mainly due to the Danish companies which were not included during the corresponding period in 1996. The operating profit was NOK 0.3 million compared to a loss of NOK 10 million for the first quarter of 1996. The improvement is mainly due to the fact that TV Pluss was consolidated during the first quarter of 1996 and posted a loss of NOK 11.7 million during that quarter.

TV 2 continues to perform well and experienced an improved operating profit, thereby contributing NOK 10.6 million to Schibsted's result, up from NOK 8.6 million for the first quarter of 1996. TVNorge's performance, however, was very poor, and the channel contributed negatively with NOK 17.9 million to Schibsted's result. The negotiations between TV 2 and TVNorge regarding co-operation in programming continue. Through the expansion of its local TV network, TVNorge has increased its distribution from 64% at year end to 70% at the end of April.

MULTIMEDIA

Schibsted's Internet access activities were sold to Telenor as of January 1, 1997. Scandinavia Online (SOL) was established as a company jointly controlled by both Schibsted and Telenor. The merger and the development of SOL's strategy has had high priority during the first quarter. Scandinavia Online focuses primarily on the development of content and product- and service platforms on the Internet, but also takes on significant consultant projects for customers in connection with, for instance, the development of web sites. A sister company, SOL AB, has been established in Sweden during the quarter. SOL AB, which is owned 66% by Schibsted and 34% by Telenor, plans to launch its services in September of 1997. The initiative in the Swedish market is expected to require significant investments. SOL AB will, to a great extent, be able to draw on the experience gained in the Norwegian sister company and can utilise systems developed in Norway. From an accounting point of view, the activities of both companies are consolidated on a pro rata basis in Schibsted's financial statements. In the first quarter of 1997, Schibsted's multimedia activities had revenues of NOK 11 million and a negative operating result of NOK 14 million. Going forward, the multimedia initiative, both for SOL and for Schibsted in general, will focus on building alliances and the development of niche products and platforms for trade and other services provided through the Internet.

The competition authorities decided in early 1997 to review the sale of Schibsted Nett to Telenor, mainly due to a possible impairment of competition in the access market. The competition authorities will conclude their review by the end of June.

FINANCIAL HIGHLIGHTS

The group's revenues for the first quarter of 1997 totalled NOK 1,242 million. This is an increase of 43%, or NOK 343 million, compared to the first quarter of 1996. Aftenbladet, which was not a part of the group during the first quarter of 1996, accounts for NOK 317 million of this increase.

The operating profit was NOK 160 million for the period, up from NOK 120 million in 1996. In addition to Aftenbladet which now is consolidated, this increase is mainly due to reduction in newsprint prices, neutralisation of the royalty charge at Aftenposten and improved results for the TV/Film area.

The net financial result was NOK 7 million for the quarter, down from NOK 20 mill. in the corresponding quarter in 1996. Financial income is impacted by a gain from the sale of shares of NOK 12.5 million while financial expenses are higher due to increased external borrowings. The result from shares in associated companies is negatively impacted by the loss in TVNorge.

Cash flow from operations was NOK 158 million during the first quarter compared to NOK 133 million for the same period in 1996.

The pre-tax profit for the quarter was NOK 166 million, up from NOK 140 million in the first quarter of 1996. The tax rate is estimated to approximately 31%.

INVESTMENTS

Investments for the first quarter totalled NOK 182 million, of which NOK 60 million is related to the acquisition of Dine Penger, approximately NOK 60 million to the new printing plant and approximately NOK 20 million to the new office building under construction in Apotekergaten.

FUTURE PROSPECTS

Macroeconomic prospects are expected to remain favourable, with low interest rates, growth in GNP and low unemployment. The relatively moderate wage settlements concluded so far are positive as far as the risk of higher inflation is concerned. These factors indicate that the near future will be positive for Schibsted's Norwegian activities, and in particular the newspapers. The circulation and advertising volume for Aftenposten appear to have stabilised at a high level, VG's circulation decline has stopped and the advertising revenues are at a high level. The increase in Aftenbladet's circulation is expected to have a positive impact on advertising volumes. In the TV/Film area, the reorganisation of both the production and infrastructure companies has been completed and TVNorge's development should improve. Multimedia will most likely have losses in 1997 comparable to those in 1996 (not including the gain from the sale of the access activities), due to continued losses in Norway, the entry into Sweden and the planned entry into Denmark.

Oslo, March 31, 1997



PROFIT & LOSS ACCOUNT
SCHIBSTED - CONSOLIDATED

(NOK 1 000)	31.3.97	31.3.96	1996
REVENUES			
Subscription revenues	130 862	122 649	511 205
Retail sales revenues	525 989	264 095	1 793 345
Advertising revenues	435 146	382 718	1 640 165
Other revenues	150 146	99 388	579 632
Total revenues	1 242 143	868 850	4 524 347
OPERATING EXPENSES			
Raw materials	123 884	86 809	485 426
TV/film production expenses	64 575	43 085	216 473
Personnel expenses	372 087	288 548	1 353 539
Other operating expenses	468 444	290 104	1 698 874
Losses on accounts receivables	2 750	2 608	9 397
Ordinary depreciation	50 753	37 798	191 354
Total operating expenses	1 082 494	748 952	3 955 063
Operating profit	159 649	119 898	569 284
FINANCIAL ITEMS			
Financial income	23 299	13 220	49 877
Financial expenses	(11 498)	(2 775)	(37 397)
Share of associated companies	(5 060)	9 956	1 545
Net financial items	6 741	20 401	14 025
<i>Minority interests</i>	<i>(357)</i>	<i>(388)</i>	<i>(4 094)</i>
Profit before taxes	166 033	139 911	579 215
Taxes	51 030	39 175	178 022
Net profit	115 003	100 736	401 193



BALANCE SHEET
SCHIBSTED - CONSOLIDATED

(NOK 1 000)	31.3.97	31.3.96	31.12.96
ASSETS			
Cash and cash equivalents	508 074	444 575	311 490
Accounts receivables	386 072	334 023	460 709
Other current assets	231 552	66 532	241 140
Total current assets	1 125 699	845 130	1 013 339
Other shares and interests	704 363	625 378	723 333
Long-term receivables	469 617	265 039	455 823
Construction in progress	253 496	20 150	169 728
Machinery, equipment and goodwill	777 119	352 414	757 782
Buildings and land	824 113	772 721	822 699
Net pension assets	11 097	31 689	13 148
Total fixed assets	3 039 806	2 067 391	2 942 513
Total assets	4 165 505	2 912 521	3 955 852
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payables	184 086	94 936	193 256
Accrued public dues and wages	304 268	221 080	284 258
Taxes payable	182 791	150 240	173 630
Proposed dividend	103 875	90 025	103 875
Other current liabilities	388 847	432 738	366 752
Total current liabilities	1 163 867	989 019	1 121 772
Other long-term debt	631 201	19 156	561 724
Deffered tax	16 058	2 723	16 685
Pension obligations	285 692	198 056	300 113
Total long-term debt	932 951	219 935	878 522
<i>Minority interests</i>	<i>72 210</i>	<i>2 909</i>	<i>65 448</i>
Share capital (69,250,000 shares of NOK 1)	69 250	69 250	69 250
Legal reserves	384 537	331 148	384 537
Temporarily non distributable reserves		47 877	
Retained earnings	1 427 687	1 151 647	1 436 323
Net profit	115 003	100 736	
Total equity	1 996 477	1 700 658	1 890 110
Total liabilities and shareholders' equity	4 165 505	2 912 521	3 955 852



KEY FIGURES
SCHIBSTED - CONSOLIDATED

	31.3.97	31.3.96	1996
Total revenues (NOK 1,000)	1 242 143	868 850	4 524 347
Depreciation (NOK 1,000)	50 753	37 798	191 354
Royalty (NOK 1,000)		14 754	36 640
Operating profit (NOK 1,000)	159 649	119 898	569 284
Pre-tax profit (NOK 1,000)	166 033	139 911	579 215
Net operating margin	12.9%	13.8%	12.6%
Gross profit ratio	13.4%	16.1%	12.8%
Profit ratio	9.3%	11.6%	8.9%
Equity ratio	49.7%	58.5%	49.4%
Current ratio	0.97	0.85	0.90
EPS (NOK)	1.66	1.45	5.79
Cash flow per share (NOK)	2.29	1.92	9.50
CIRCULATION - YEAR-TO-YEAR			
Aftenposten morning edition, weekdays	294 081	289 437	283 915
Aftenposten evening edition, weekdays	195 849	193 144	188 635
Aftenposten Sunday	234 465	227 749	223 501
VG, weekdays	356 252	345 400	356 861
VG, Sunday	269 654	265 100	279 571
Aftonbladet morning edition, weekdays	411 300	370 878	381 200
Aftonbladet Sunday	509 900	484 738	484 400
ADVERTISING VOLUMES - YEAR-TO-YEAR			
Aftenposten	12 656	13 017	52 126
VG	1 737	1 852	7 419
Aftonbladet	2 507	2 721	11 143
PRINT			
	31.3.97	31.3.96	1996
Total revenues (NOK 1,000)	1 141 431	801 825	4 079 345
Operating profit (NOK 1,000)	146 940	133 921	501 843
Pre-tax profit (NOK 1,000)	177 376	160 394	598 136
Net operating margin	12.9%	16.7%	12.3%
Gross profit ratio	15.5%	20.0%	14.7%
TV/FILM			
Total revenues (NOK 1,000)	90 264	60 786	308 429
Operating profit (NOK 1,000)	333	(9 972)	(13 867)
Pre-tax profit (NOK 1,000)	(13 615)	(6 872)	(48 840)
Net operating margin	0.4%	(16.4%)	(4.5%)
Gross profit ratio	(15.1%)	(11.3%)	(15.8%)
MULTI MEDIA			
Total revenues (NOK 1,000)	10 533	5 551	131 876
Operating result (NOK 1,000)	(14 446)	(13 469)	2 541
Pre-tax loss (NOK 1,000)	(14 746)	(14 051)	(1 726)