1997
Annual Report

SCHIBSTED

SCHIBSTED

ADDRESS LIST

JOINT FUNCTIONS

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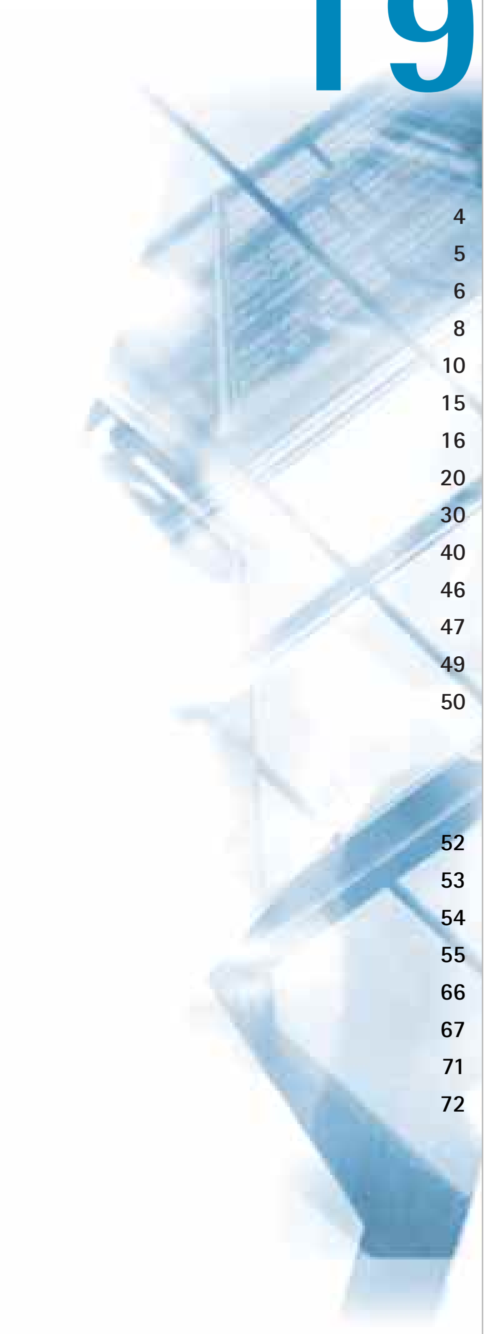
1997



Contents

The Schibsted Group

Schibsted is today the largest media group in Norway and one of the leading media groups in Scandinavia. The business activities include newspapers and publishing, TV channels, TV production and distribution of film rights in addition to providing content on the Internet.

Schibsted's existing activities and future expansion are founded on the Group's vision statement: *Schibsted shall become Scandinavia's leading media company by being the preferred supplier of content for readers, viewers and advertisers, irrespective of choice of media.*

The Group's activities are organised in three business areas: Newspapers, TV/Film and Multimedia.

Newspapers:
In Norway, the Group owns the two largest daily newspapers, VG and Aftenposten and has significant ownership interests in six major regional newspapers. In addition, Schibsted controls Aftonbladet in Sweden, the largest daily newspaper in Sweden and Scandinavia.

TV/Film:
The Group has a 1/3 ownership interest in TV 2, Norway's leading commercial TV channel and the most profitable commercial TV channel in Scandinavia. As a group, Schibsted's TV and film production companies are the largest producer of TV commercials in Scandinavia and among the leading independent producers of TV programs in each of the Scandinavian countries. Schibsted has become a leading Scandinavian company within film rights and film distribution after Schibsted and Sandrews agreed to combine their activities in the 50/50 owned Sandrew Metronome.

Multimedia:
Within multimedia, Schibsted is the main owner of Scandinavia Online - SOL - which has a presence in Norway, Sweden and Denmark. SOL's goal is to become the most visited Internet site in Scandinavia by offering useful and entertaining products with revenues from both subscription and advertising. Telenor and Telia are partners in the Group's online activities.

The Group is active in publishing through Chr. Schibsted Forlag and the SMS Publishing group in Sweden and in periodicals through the personal finance magazine Dine Penger. Scan-Foto is the Group's photo agency.

The majority of the Group's activities are still in Norway. However, the expansion during the last few years has taken place mainly outside Norway. In line with the Group's vision, future expansion will also, to a large extent, take place outside Norway.

1st quarter:

- Schibsted and Telenor establish Scandinavia Online in Sweden.
- Schibsted acquires Dine Penger, the largest financial publication in Norway.
- The negative circulation trend experienced by VG in 1995 and 1996 is reversed.

2nd quarter:

- Schibsted sells 29.33% of the shares in TVNorge to TV 2.
- The Competition Authority approves the sale of Schibsted Nett to Telenor and the Scandinavia Online joint venture.

3rd quarter:

- Anders Gerdin is appointed new editor-in-chief and publisher of Aftonbladet.
- Schibsted establishes Scandinavia Online in Denmark as a 100% owned subsidiary.

4th quarter:

- Schibsted increases its ownership in Kanal 2 in Estonia to 86% of the capital.
- The newsprint contract for 1998 results in a price increase of 3% compared to 1997.
- A new seven-year USD 300 million revolving credit replaces the NOK 700 million facility.
- The Competition Authority approves TV 2's acquisition of shares in TVNorge.

1st quarter 1998:

- Schibsted and Sandrews combine their activities within film rights and film distribution in the 50/50 owned Sandrew Metronome.
- Schibsted, Telia and Telenor enter into an agreement to co-operate on Internet activities in Sweden.
- Metronome and TV Spartacus win a NOK 320-350 million contract with TV 2 in Norway for the production of a new daily drama series, one of the largest contracts ever awarded to a European TV production company.
- Schibsted sells Eventyrkanalen, and stake in Nydalen Studios, to TV 2.
- Aftenposten and TV 2 enter into an agreement to co-operate on classified advertising with Aftenposten's acquisition of 50% of Net2 Interaktiv, TV 2's text TV company.

President &
Chief Executive Officer
Kjell Aamot

The Chief Executive Officer

The Schibsted Group, with roots dating back to 1839, has been through major changes during the 1990s. At the start of the decade, the Group was a family company focused on the newspapers Aftenposten and VG as well as the book publishing house Chr. Schibsteds Forlag. The market place was limited to Norway and the competitors were Norwegian newspapers and publishing houses. Today, the situation is very different. I am pleased to say that Aftenposten and VG still represent the financial backbone in the Group. However, the ownership of Schibsted, the market place, the competitive situation and the structure of the Group are hardly recognizable.

The privately owned family company rich in traditions has been replaced by a publicly traded company and almost 70% of the shares have changed ownership since 1992. Such a process has led to the demise of many companies but for Schibsted this development has helped improve the Group's position and competitive strength. With the establishment of the trust, "Stiftelsen Tinius", the idealistic heritage has been preserved. The democratic values are emphasized, and editorial independence and integrity have been established as undisputed guidelines for the future development of the Group. At the same time, the new shareholders have proved to be an inspiration for management by clearly stating their expectations and demands. We believe that the fine balance between "stock exchange" and "cathedral" which is manifested in the shareholder structure, is one of Schibsted's key competitive advantages, especially outside Norway.

While the newspaper market is domestic, the players in the TV/Film area compete in a Nordic market place. The interaction between the large Scandinavian media groups has until recently been characterized by social and experience-based relationships. This is changing as the media groups are becoming partly competitors or joint venture partners. Multimedia emerges as a global market place and the Nordic countries and the United States are at the forefront of this development. In addition to the competition from the traditional media groups, we also face new competitors as the information technology, telecom and media industries converge.

In 1996 we formulated our vision towards the millennium: *Schibsted shall become Scandinavia's leading media company by being the preferred supplier of content for readers, viewers and advertisers, irrespective of choice of media.*

By "leading" we mean the media company which provides high quality products and credibility in the market, provides the best returns to the shareholders over time and is the most attractive company for the best qualified employees. If we succeed in this, achieving our targets for growth rates, productivity, market share and profitability will to a large extent follow.

As a consequence of the changes in the media industry, media companies have become more difficult to evaluate as an investment alternative. Developments in the broadcast media are much more volatile and unpredictable than for newspapers. Success one year can be followed by failure the next. Continuous operations are replaced by project based activities as can be seen within TV production and in the competition for TV rights. The situation is further complicated in the analysis of activities within Internet and multimedia. This area is still characterized by research and development, but strategic positions are in the process of being established and the markets and products evolve rapidly. What currently may appear as a "black hole" may prove to be the decisive factor for future growth and value created for media companies.

As a result, the analysis of media companies is no longer an exercise in choosing among quantifiable assumptions. This task is increasingly becoming more complex as investors and analysts have to make non-quantifiable assumptions about a highly unpredictable future. They must rely less on spreadsheets, and will have to make their investment decisions on the basis of their belief, or lack thereof, in a company's ability to attract and to utilize expertise to understand the dynamics involved in the development of the media world. This also represents a challenge for the media companies. Demands and expectations on management and employees are reinforced in an industry where the most important success criterion is the employees' skills and expertise.

The Norwegian Minister of Industry cited the thoughts of his American colleague with respect to the future in the United States: "In five years, 50% of the American labor force will be employed by companies which are not in existence today." Even if this was a general quote about a market distant from Norway, it is also relevant for the Nordic media market. Successes in our business have increasingly become dependent on "perishable products". They are of limited value the following day.

Even in such a fast changing environment we believe we are among the privileged. In our opinion we have an optimal ownership structure as a focused media company and we have substantial financial strength. We have a favorable balance between newspapers with strong cash flow, significant activities within the fast growing commercial TV sector and a favorable strategic position in the, so far, investment intensive multimedia market. And last, but not least: We are in the midst of becoming the most attractive media company in the competition for the best human resources. This will be of vital importance for our future success.

Kjell Aamot
Chief Executive Officer

Key Figures

	1997	1996	1995	1994	1993
Total revenues (NOK 1 000)	5 359 886	4 569 156	3 347 820	3 041 797	2 752 823
Operating profit (NOK 1 000)	644 722	577 962	409 007	415 954	317 524
Pre-tax profit (NOK 1 000)	728 218	579 215	498 260	460 880	427 457
Operating margin	12.0%	12.6%	12.2%	13.7%	11.5%
Profit ratio	9.1%	8.9%	10.3%	10.4%	11.5%
Equity ratio	49.8%	48.1%	59.6%	56.0%	50.6%
Return on equity	23.6%	23.0%	23.5%	25.8%	27.6%
Return on total assets	18.0%	18.3%	20.3%	21.6%	19.2%
Current ratio	0.82	0.91	1.04	0.94	0.84
EPS (NOK)	7.05	5.79	4.99	4.56	4.55
Cash flow per share (NOK)	10.00	9.50	8.01	7.47	6.71
CIRCULATION ACCUMULATED					
Aftenposten, morning edition, weekdays	286 163	283 915	282 018	279 965	278 669
Aftenposten, evening edition, weekdays	191 269	188 635	186 003	188 544	198 647
Aftenposten, Sunday	230 118	223 501	218 384	217 766	225 575
VG, weekdays	370 115	356 861	371 238	386 137	377 575
VG, Sunday	294 019	279 571	279 362	279 030	255 809
Aftonbladet, weekdays	407 900	381 200	362 000	359 000	342 000
Aftonbladet, Sunday	510 183	484 400	473 400	462 000	430 000
ADVERTISING VOLUME – ACCUMULATED (COLUMN METERS)					
Aftenposten	57 859	52 126	48 062	41 663	38 488
VG	7 901	7 419	6 802	6 522	6 068
Aftonbladet	11 072	11 143	9 367	8 612	8 295

	1997	1996	1995
NEWSPAPERS			
Total revenues (NOK 1 000)	4 820 429	4 046 096	2 915 900
Operating profit (NOK 1 000)	632 698	502 067	420 951
Pre-tax profit (NOK 1 000)	723 627	590 034	522 469
Operating margin	13.1%	12.3%	14.4%
Profit ratio	12.5%	12.2%	14.8%
Return on total assets	22.8%	22.2%	26.0%
TV/FILM			
Total revenues (NOK 1 000)	364 463	308 429	347 040
Operating profit (NOK 1 000)	654	(13 867)	(44 970)
Pre-tax profit (NOK 1 000)	35 220	(48 840)	(24 044)
Operating margin	0.2%	(4.5%)	(13.0%)
MULTIMEDIA			
Total revenues (NOK 1 000)	188 507	209 934	74 532
Operating profit (NOK 1 000)	(90 371)	10 995	(13 930)
Pre-tax profit (NOK 1 000)	(103 882)	6 376	(14 357)
Operating margin	(47.9%)	5.2%	(18.7%)

DEFINITIONS:

Operating margin:
Operating profit/Total revenues

Profit ratio:
Net profit/Total revenues

Equity ratio:
Total equity incl. minority inter./Total assets

Return on equity:
Net profit/Average equity

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

Current ratio:
Current assets/Current liabilities

EPS:
Net profit/Total shares

Cash flow per share:
(Pre-tax profit + depreciation
+/- net changes in pensions + royalty*
+/- share of ass. companies
- taxes payable)/Total shares

**) Aftenposten AS up until 1996*

THE BOARD OF DIRECTORS' REPORT
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MANAGEMENT'S REPORT

The Board of Directors' Report 1997

The year 1997 was a very good year for the traditional activities of the Schibsted Group. The strong Norwegian economy contributed to continued growth in the advertising market for the print and broadcast media while circulation continued to increase for the Group's newspapers. The year has been dedicated to the consolidation and further development of the corporate strategy which focuses on content within all types of media within Scandinavia. In Norway, the personal finance magazine "Dine Penger" was acquired. In Sweden and Denmark, Scandinavia Online (SOL) was established. The Group also expanded further into the East European markets through additional acquisition of interests in Kanal 2 in Estonia. To secure a co-ordinated development of the Group's interests in Norwegian television channels, the Group's ownership in TVNorge was sold to TV 2.

The Business Areas

The structure of the Group was changed in 1997. The Print Media business area has traditionally included all print media companies in addition to companies with activities closely related to the newspapers. At the end of 1997 the name of the Print Media business area was changed to Newspapers and all niche oriented companies have been transferred to the Multimedia business area. This makes it possible to better focus on developments within the individual companies while opening up for wider co-operation between the niche companies and the typical online companies. As a result, Chr. Schibsted Forlag, SMS, Scan-Foto and Dine Penger have been transferred to the Multimedia business area.

The Newspaper business area experienced a positive year in 1997, both in terms of revenues and profits. The position of Aftenposten is strong in both the readership and the advertising markets and the newspaper continues to benefit from a strong advertising market in general and from a strong growth in classified advertising specifically. The establishment of vis@visen in co-operation with the regional newspapers and SOL is expected to contribute to a strong position in the classified advertising market on the Internet in the future. Aftenposten once again produced the best result in the history of the company. VG had a very good year as well with growth in both circulation and advertising revenues. Consequently, VG was also able to report the best result in the history of the company. In 1997, Aftonbladet strengthened its position as the largest daily newspaper in Sweden and in Scandinavia.

As of January 1, 1998, the printing plant at Linderud in Oslo was sold. At the same time, a two-year lease was signed for the facilities in order to secure production of the newspapers until the new printing plant becomes operational.

In February 1998 an agreement was signed between Aftenposten and TV 2 concerning a joint effort in the classified advertising market within Teletext and Internet through the company Net2 Interative.

Within the TV/Film business area, TVNorge became the established network channel for the privately owned local television stations in Norway. This has resulted in TVNorge currently reaching more than 75% of the Norwegian population. Schibsted sold its share of TVNorge to TV 2 in 1997 when a majority in the Norwegian Parliament accepted such ownership. TV 2 now owns 49.3% of TVNorge. At the same time, a co-operation agreement was signed between the two channels, transferring the programming responsibilities for TVNorge to TV 2. TV 2 maintained its strong position in the viewer and advertising markets throughout 1997, while TVNorge reduced its losses and increased its share of the viewer market towards the end of the year. The TV 2 group (including its share of TVNorge) increased its profit before taxes by 22%. Outside Norway, Schibsted increased its interests in Kanal 2 in Estonia and by the end of 1997 Schibsted controlled about 86% of the capital interests in this company. Schibsted's television production company, Metronome Film & Television, continued the expansion in Scandinavia and the number of production assignments increased considerably. However, due to more intense competition, the profits for 1997 were lower than anticipated. In early 1998, an agreement was reached between Metronome Film & Television, the Swedish production company TV Spartacus and TV 2 for the production of a daily drama series for TV 2. In early 1998, TV 2 acquired Nydalen Studios and Eventyrkanalen from Schibsted/Egmont and Schibsted, respectively.

At the start of 1998, Schibsted entered into an agreement with Sandrew of Sweden regarding a merger of the two companies' activities within film rights and film distribution in the Nordic countries. The activities of the new company will include acquisition of film rights and the distribution of film rights for TV in all the Nordic countries, video distribution and film distribution to movie theatres in all the Nordic countries, as well as movie theatre operations in all the countries except Norway. The transaction also includes an agreement with Tele Danmark whereby Schibsted acquires Tele Danmark's businesses within film rights and video distribution for Denmark. The establishment of the new company involves an investment by Schibsted of about NOK 150 million.

The Multimedia business area continued to expand in 1997 through the establishment of Scandinavia Online in both Sweden and Denmark. In Norway, SOL is in the process of cementing its position as the largest Norwegian content provider on the Internet and several new membership services were introduced during the year. The traffic on SOL's sites grew from approximately 1.5 million page views per week at the beginning of the year to approximately 4 million page views per week by the end of the year. The Internet market continues to be in a research and development phase which cannot be translated into revenue generating products in the short term. The negative operating profit for 1997 reflects this fact. In addition, the advertising revenues did not develop satisfactorily, partly due to the fact that the major brand advertisers are still hesitant in their use of the Internet as an advertising medium.

In 1998, an agreement was reached between Telia, Telenor and Schibsted whereby the three companies will co-operate on Internet activities in Sweden and the rest of Scandinavia. As part of the agreement Telia will participate in SOL Sweden and Norway and a comprehensive, jointly owned, electronic city guide will be established for Stockholm. The city guide will be based on Schibsted/SOL AB's license from CitySearch, Inc. and Telia's Yellow Pages.

Financial Highlights

The Group's revenues for 1997 were NOK 5,360 million, an increase of 17.3% compared to 1996. The operating profit was NOK 645 million, compared to NOK 578 million for 1996 and the operating margin was 12%, down from 12.6% in 1996. Within the Newspaper business area, Aftenposten's operating margin increased considerably in 1997 to 17.8% while VG and Aftonbladet also contributed to an improved operating margin overall. The operating margin for the TV/Film business area was slightly positive while the Multimedia business area contributed with a negative operating result as expected. Considering the continued offensive investments within Multimedia, the operating margin and net profit for the year are satisfactory.

Net financial income and expenses were NOK 86 million, a substantial increase from NOK 5 million in 1996. The main reason for this improvement is the sale of the Group's ownership in TVNorge to TV 2.

The tax rate for 1997 was 33% compared to 31% in 1996. This increase is mainly due to the substantial losses in partly owned companies. These losses will contribute to reduced taxes for the Group when these companies generate profits.

The net profit was NOK 488 million up from NOK 401 million in 1996, an increase of 21.6%.

The Group's investments in 1997 totalled NOK 669 million, compared to NOK 1,424 million in 1996. NOK 249 million were invested in the new printing plant, NOK 72 million in a new office building, NOK 187 million represent maintenance and operational investments and NOK 161 million were investments relating to acquisitions and the purchase of shares in other companies.

In the autumn of 1997 Schibsted signed a 7-year USD 300 million multicurrency revolving credit agreement which replaced the NOK 700 million revolving credit established in 1996. The revolving credit will be used in connection with the Group's future expansion. Operating cash flow in 1997 amounted to NOK 691 million. The Group's total liquidity reserves of cash, short term financial investments and unused available credit facilities were approximately NOK 2,480 million at the end of 1997.

The Group's equity as a percentage of total assets was 49.8% at year end, up from 48.1% at the end of 1996. Pro rata consolidation of jointly controlled companies contributed to a reduced equity ratio in both 1996 and 1997. The Board of Directors will propose that the Annual Shareholders' Meeting authorises a stock repurchase program.

THE COMPOSITION OF THE COMPANY'S BOARD OF DIRECTORS IS AS FOLLOWS:
(SHAREHOLDINGS AT 31.12.97)

Tinius Nagell-Erichsen, chairman**	18 083 520
Ole Lund, deputy chairman	0
Berit Bjerg*	214
Hilde Harbo*	214
Cato A. Holmsen	0
Bjørn Atle Holter-Hovind	0
Håkon Kjernsmo*	0
Einar Kloster	3 000
Gunnar Nordby*	214
Kristian Wilhelmsen	0
Jan Reinås	0

** Employee representative*
*** Shares controlled through the company Blommenholm Industrier AS.*

Organisation

The number of employees in the Group at the end of the year was 2,780 compared to 2,530 at the end of 1996. About 600 were employed outside Norway.

The Group's management trainee program, Amandus, has been welcomed with great interest among potential candidates. Trainees are recruited directly from universities and from within the Group. The purpose of the program is for the trainees to learn about the Schibsted Group through placement within several corporate activities during a two-year period. In 1998, the program will be expanded to include candidates from Eastern Europe.

Construction of the new printing plant at Nydalen, Oslo is proceeding on schedule and within budget. Full operation is expected in the first quarter of 1999 while test runs will start in the autumn of 1998. In connection with the full operation of the new printing plant, manpower requirements will be reduced by 50 employees compared to the current level. Responsibility for operations at the current printing plant at Linderud was transferred from Aftenposten to Schibsted Trykk as of January 1, 1998.

With respect to information technology activities, the Group is well on its way with the preparations for the Year 2000 date conversion. Especially the newspapers, with large accounting and production systems, are vulnerable with respect to accommodating dates beyond 1999. The larger accounting systems are being replaced independent of the Year 2000 problem while substantial work is being done in making the necessary modifications in the production systems.

Although the Group benefited from the positive development in the Norwegian economy, the good result achieved in 1997 is to a large extent due to the positive and offensive attitude of the Group's employees at all levels. The Board of Directors wishes to thank all employees for their efforts and expresses its appreciation for the results achieved.

The Environment

The Group companies operate within the framework of current environmental regulations.

All chemicals used in connection with photographic activities within the newspaper production are recycled in closed systems and disposed of in accordance with regulations. At the printing plant at Linderud, all chemicals are collected and disposed of separately. In addition, at the printing plant, contracts are in place for sorting, handling and disposal of waste in an environmentally responsible manner. As a result, all waste paper is recycled. Avisretur AS is responsible for the handling and recycling of unsold newspapers for, among others, VG, Dagbladet and Aftenposten. An extensive energy saving program will be initiated in 1998 for the office buildings in the centre of Oslo.

Ownership structure and shareholder policy

The quoted value of the Schibsted shares on the Oslo Stock Exchange at the beginning of 1997 was NOK 117.50. At the end of the year, the value was NOK 126.50, an increase of 8.9%, adjusted for dividends. The Oslo Stock Exchange All Share Index increased by 31.5% during the same period. Since the introduction at the Oslo Stock Exchange in 1992 the Schibsted share has risen by 379% while the Oslo Stock Exchange All Shares Index increased by 216%.

The Group's shareholder structure has been stable during the year. The largest shareholder, Mr. Tinius Nagell-Erichsen still controls 26.1% of the shares.

At the end of 1997 the Group initiated an employee stock purchase plan according to Norwegian tax regulations for the employees in Norway. 2,460 employees were offered shares at a discounted price and 1,550 employees accepted the offer.

The Board of Directors' aim is to maintain the dividend policy which was established when Schibsted was listed on the Oslo Stock Exchange in 1992; a steady growth in dividends subject to the goal of financing the Group's expansion without the need for new equity. In line with this goal, the Board of Directors proposes to the Annual General Meeting a dividend of NOK 1.75 per share.

Ownership structure

SHAREHOLDERS PER 31.12.97

	Number of shares	*Percent*
Blommenholm Industrier AS	18 083 520	26.11%
Folketrygdfondet	4 705 500	6.79%
The Chase Manhattan Bank	3 446 605	4.98%
State Street Bank & Trust Co.	3 389 458	4.89%
Orkla ASA	2 962 231	4.28%
Guri Scotford's Schibsted Trust	1 929 000	2.79%
Storebrand Livsforsikring AS	1 639 100	2.37%
Kommunal Landspensjonskasse	1 604 550	2.32%
The Chase Manhattan Bank	1 570 240	2.27%
Morgan Guaranty Trust Co. of N.Y.	1 464 371	2.11%
Boston Safe Dep & Trust	1 148 255	1.66%
Cathrine Benton	1 130 000	1.63%
Vital Forsikring ASA	1 007 900	1.46%
Gjensidige Livsforsikring	924 950	1.34%
Verdipapirfondet Avanse	776 500	1.12%
Nordbanken	590 800	0.85%
Verdipapirfondet Avanse	584 400	0.84%
Morgan Stanley and Co. Intl. Ltd.	560 164	0.81%
Brown Brothers Harriman & Co.	522 000	0.75%
Skandinaviska Enskilda Banken	502 200	0.73%
20 largest shareholders	48 541 744	70.10%
Total	**69 250 000**	**100%**

Future prospects

The Norwegian economy is still very strong and the rate of unemployment is low and declining. The danger of an overheating of the economy is substantial and the interest and currency markets have already discounted increased prices and wages during the next few years compared to the past. It is especially the lack of qualified manpower within specific areas of competence which may contribute to substantial wage increases. Growth in private consumption continues and the sale of new cars has reached record highs. Real estate market activity is high and further price increases are expected in 1998. The effect on the economy of the change in government will first be known when the budget for 1999 is presented. It is still uncertain what impact the recent disturbances in the international financial markets will have on the Norwegian economy. However, overall, it is expected that the revenues generated by the Group's Norwegian activities will remain at a high level for some time to come.

The growth in advertising revenues for 1997 was stronger than anticipated. The development for 1998 is also expected to be positive, but at a lower growth rate. Changes in relative market share for the different types of media is expected to be small. Growth of advertising in the electronic media is expected to be very strong but its share will still only represent a small part of the total media market.

Circulation developments for both subscription and casual sales newspapers were good in 1997. The stable and positive trend for subscription newspapers is expected to continue in 1998. It is more difficult to forecast circulation developments for the casual sales newspapers.

Priorities in the TV/Film business area will be to continue the development of the Scandinavian strategy. Focus will be on consolidation of the Group's ownership within film rights and film distribution and on improvement of margins in the production companies.

The Group's investments in multimedia are based on a view of a future where communication and distribution of information will take place differently from today. In this view of the future, current Schibsted activities, both print and broadcast products, will be strongly affected. In the short and medium term, a prioritised task is the improvement and commercialisation of products and services under the

SOL umbrella in all the Scandinavian countries. In addition, the agreement with Telia and the planned merger in Sweden represents a major challenge both in terms of the organisation and the integration of all activities on SOL's technology platform. There continues to be considerable uncertainty with respect to the growth rate in online advertising and subscription revenues and Schibsted anticipates continued substantial operating losses in these areas of activities for all the Scandinavian countries.

Overall, the Board of Directors considers the Group's prospects for 1998 and the following years to be positive.

Schibsted ASA

Schibsted ASA is the parent company for the Schibsted Group. Operating revenues in Schibsted ASA consist primarily of royalty payments from VG, while operating expenses are related to ongoing operation of the Group administration. The operating result in 1997 was a loss of NOK 11.5 million while the pre-tax profit was NOK 425.2 million, mainly due to extraordinary contributions from Aftenposten of NOK 400 million. Group contributions from subsidiaries totalled NOK 387.8 million while Group contributions to subsidiaries amounted to NOK 45.8 million.

The Group's financial management is handled by the wholly owned subsidiary Schibsted Finans AS while Schibsted Eiendom AS and Schibsted Drift AS manage the Group's real estate.

Schibsted ASA had 33 employees at the end of 1997 with the Group's Chief Executive Officer as Managing Director. Working conditions are good and the company does not contaminate the external environment. With regard to compensation for the Group's Chief Executive Officer and the Board of Directors, please see note 3 on page 67.

The company's share capital is NOK 69.250.000. The Chairman of the Board, Mr. Tinius Nagell-Erichsen, indirectly owns 26.1% of the shares while CEO Mr. Kjell Aamot owns 5,214 shares.

Allocation of Schibsted ASA's result for the year

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

(NOK 1 000)		
Net profit	NOK	333 548
Group contributions received	NOK	387 839
Group contributions paid	NOK	(45 745)
Available for allocation	**NOK**	**675 642**
PROPOSED ALLOCATION:		
Dividend	NOK	(121 188)
Retained earnings	NOK	(554 454)
Total allocation	**NOK**	**(675 642)**

Oslo, February 26, 1998

Tinius Nagell-Erichsen
Chairman of the Board

Ole Lund   Berit Bjerg   Hilde Harbo   Einar Kloster

Cato A. Holmsen   Jan Reinås   Bjørn Atle Holter-Hovind

Håkon Kjernsmo   Gunnar Nordby   Kristian Wilhelmsen

In front, from the left:
Ole Lund
Berit Bjerg
Kristian Wilhelmsen
Tinius Nagell-Erichsen

Staircase, from the left:
Einar Kloster
Jan Reinås
Bjørn Atle Holter-Hovind
Cato A. Holmsen
Gunnar Nordby
Håkon Kjernsmo

The Board of Directors

Tinius Nagell-Erichsen (64), *Chairman of the Board*
M. Sc. Econ. LSE; Member of the Board of Aftenposten AS, Chairman of the Board of Fædrelandsvennen AS. Former journalist in Aftenposten and other papers, Manager of Verdens Gang AS and Managing Director of Aftenposten AS. Chairman of the Norwegian Newspaper Employers Federation for several periods between 1972 and 1987. Chairman of the Board of Management of Schibsted for several periods. Member of the Board of Verdens Gang AS 1966-77 and 1984-96, chairman 1978-1983.

Ole Lund (63), *Deputy Chairman*
Law graduate 1959, lawyer 1968. Partner in the law firm Lund, Gundersen & Co. Former Managing Director of the Nordic Shipowners Association (Nordisk Skibsrederforening) 1978-86 and Chairman of the Board of Den Norske Bank. Chairman of the Board of the Oslo Stock Exchange and Protector Forsikring ASA. Member of the Board of Bergesen d.y. ASA, AS Uglands Rederi and Hotel Continental, Oslo.

Berit Bjerg (56)
Employed in Aftenposten AS since 1987. Sales representative in the Advertising Department, Real Estate. Head of the Union of Press Employees in Aftenposten since 1992.

Hilde Harbo (38) *(not in picture)*
Politics graduate. Employed in Aftenposten AS since1985 and a member of the political editorial staff since 1989. Former positions: Deputy head of Aftenposten's Editorial Staff Union. Deputy employee member of the Board of Schibsted 1990-93.

Cato A. Holmsen (57)
Engineering graduate from ETH Zurich. Additional studies at University of Newcastle and IMEDE 1973. Deputy CEO of Scancem AB and Managing Director of Scancem International ANS. Member of the Board of Aftenposten AS, Eiendomsspar AS, Victoria Eiendom AS and Aker Maritime ASA.

Bjørn Atle Holter-Hovind (53)
Business graduate (Universität Mannheim) and MBA from INSEAD, (Fontainbleau). Independent businessman. Chairman of the Board of B. Skaugen AS and B. Skaugen Shipping AS. Member of the Board of Bergens Tidende AS, Verdens Gang AS, Scandinavian Online AS and Intersport International, Switzerland.

Håkon Kjernsmo (55)
Certified typographer 1962. Employed in Verdens Gang AS since 1991. General Secretary of VG's Printing Union. Member of the Board of Oslo Graphic Union. Member of the national committee of Norwegian Union of Graphical Workers.

Einar Kloster (60)
MBA (Dartmouth College, USA). Independent businessman, former President and CEO of Philips Lighting Holding, Holland. Chairman of the Board of Norsk Hydro ASA. Member of the Board of Aftenposten AS, Leif Høegh & Co ASA and others.

Gunnar Nordby (55)
Certified typographer 1962. Employed in Aftenposten AS since 1955. General Secretary of Aftenposten's Printing Union. Member of management and national committee of Norwegian Union of Graphical Workers.

Jan Reinås (53)
Economist with additional studies in planning, structuring, transport economy and market oriented leadership. INSEAD: Executive MBA. President and CEO of Norske Skog AS. Former Managing Director of Fosen Trafikklag, Trondheim Trafikkselskap and SAS Norge. Group Chief Executive of SAS, Chairman of the Board of Treforedlingindustriens Bransjeforening. Member of the Board of SAS Norge, PIL, NHO, CEPI. Member of Bedriftsforsamlingen, Statoil and AS Union. Former Chairman of the Board of Sparebanken MidtNorge, Postverket and NSB.

Kristian Wilhelmsen (56)
Certified public accountant and independent businessman. Own auditing firm 1968-1985. Managing Director of Lyons Seafood Ltd. in England (1985-1988) and member of the Board since 1995. Deputy chairman of the Board of Verdens Gang AS. Member of the Board of Sparebanken Jevnaker/Lunner and others.

President &
Chief Executive Offiser
Kjell Aamot

Executive Vice President &
Chief Financial Officer
Sverre Munck

Management's Report

The Group management is responsible for the development and execution of the Group's overall strategy. This includes co-ordination of activities within and across business areas as well as the Group's international expansion. In addition, the Group management is responsible for group functions such as financial management and real estate management.

The macro-economic situation

The widespread impact of the financial crisis in Asia shows how globalized the world economy has become. Schibsted's activities, which are mainly domestic in nature, are not directly impacted by the Asian crisis. However, if the Scandinavian economies are negatively impacted through slower growth, or a decline in households' disposable income, the result will be lower demand for local media products. Independent of the Asian crisis there are indications that the Norwegian economy is close to overheating, and should one or more negative economic trends disturb the Norwegian economy an economic downturn may be the result.

The Group is vulnerable to downturns in the Norwegian economy and cannot rely on domestic economic growth to ensure profitability. In order to contribute to the Group's continued profitablility, focus will be on cost containment as well as further diversification into faster growing segments of the media market both in Norway and abroad.

The wired society

Advances within communication and information technologies during the last few years are in the process of creating the conditions required for a society in which information, products and services will be distributed in new ways. The Nordic countries, and in particular Norway, are already well advanced with respect to the use of these technologies. The uncertainty is related to the speed at which the technical opportunities can be transformed into profitable products and services. The media players themselves will have a decisive role in this process and the media companies which make the right choices will end up becoming tomorrow's winners. While the situation in many ways is difficult to assess, the Group has chosen an aggressive strategy by developing a wide range of product offerings, either alone or in co-operation with telecommunication companies in Norway and Sweden. The Group's initiatives are partly defensively motivated, such as the need to protect the newspapers' position in the advertising markets. However, Schibsted also has identified opportunities within markets in which the Group currently does not have a significant presence, such as online services related to trade in products and services and subscription products within focused consumer segments.

Between 10% and 15% of the Group's employees are currently working with products which can be distributed electronically, half of them within the traditional media companies. This clearly illustrates the convergence taking place between the various media and is the motivating factor behind Schibsted's strategy of following advertisers, viewers and readers irrespective of the choice of media. About 15% of the Group's current free cash flow is being invested in this area, a level which we believe to be appropriate and which must be viewed in relation to the dramatic impact new technologies may have on the Group's existing products, both print and broadcast.

The new technology, as we know it through the Internet, will also require a clarification of fundamental publishing issues. Schibsted has initiated a project with the aim of clarifying and establishing guidelines for the editorial policies in the new media. This project will in particular be related to Schibsted's traditions with regard to editorial independence and integrity as well as the unique characteristics of the new media.

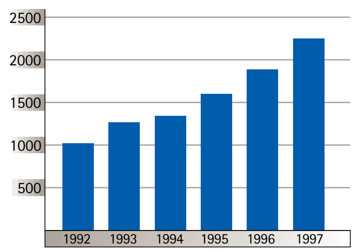
Investment philosophy

Subsequent to the listing of the Group on the Oslo Stock Exchange in 1992, Schibsted has employed the majority of its free cash flow within ongoing activities; mainly in the improvement of newspaper production processes and new printing facilities. In addition, investments have been made through the acquisition and establishment of new activities. Most of these investments have taken place within the Newspaper business area while the TV/Film and Multimedia business areas are of more recent date and have, so far, required smaller investments. Nevertheless, these activities are the subject of substantial and legitimate interest.

The investments in the Group's newspapers have been characterized by maintenance investments and improvements which are required in order to keep up with new technical developments within newspaper production. These new developments provide new market opportunities for our own newspapers as well as the competition. Investment requirements in this area are expected to be lower during the next 10 to 15 years as the new printing plant at Nydalen in Oslo will represent a "state-of-the-art" facility during this period. The Group therefore anticipates an increase in the ability to make strategic investments based on internally generated cash.

In spite of investments totaling NOK 3.9 billion, Schibsted has experienced a continuous improvement in its equity base since the listing on the Oslo Stock Exchange in 1992. With an average equity ratio of 50-60%, the Group's cost of capital is high and the required return on new investments is correspondingly high. The media industry is unquestionably a growth area with opportunities for profitable growth and acquisitions. However, we often find that the growth potential is already built into the valuation of both large and small media companies. This is

Equity
(NOK million)



The new printing plant under construction at Nydalen in Oslo, at an estimated cost of NOK 1.4 billon. The plant will become operational during 1st quarter 1999.

partly due to the positive development in the stock markets during the last few years.

Based on the solid balance sheet and strong cash flow, further expansion of the Group will be financed by internally generated cash and through increased borrowings rather than new equity. Correspondingly, Schibsted will consider share repurchases should attractive investment opportunities not materialize. Norwegian law will open up for share repurchases from January 1, 1999. Shareholder value is created when existing and new projects generate returns in excess of the Group's cost of capital. During periods with positive cash flow and few acquisitions, repurchase of shares may represent an attractive means to maximize the return on equity.

Due to the fast paced development of the media industry, it is important to have the financial flexibility to act swiftly when opportunities arise. The Group has established a USD 300 million revolving credit facility which may be used to finance acquisitions on short notice.

Several projects which were evaluated in 1997 are expected to materialize in 1998. Further international expansion is likely in 1998, and changes in competitors' strategies and ownership structures may have a direct impact on the Group's operations and will require action by Schibsted.

NEWSPAPERS

Executive Vice President
Newspapers
Birger Magnus

Newspapers

Newspapers

PROFIT & LOSS ACCOUNT

(NOK 1 000)	*1997*	*1996*
Total revenues	4 820 429	4 046 096
Operating expenses	4 187 731	3 544 029
Operating profit	**632 698**	**502 067**
Net financial items	49 927	58 020
Share associated companies	44 482	33 467
Minority interests	(3 480)	(3 520)
Pre-tax profit	**723 627**	**590 034**
Taxes	122 234	100 212
Net profit	**601 393**	**489 822**

BALANCE SHEET

(NOK 1 000)	*31.12.97*	*31.12.96*
Current assets	1 269 781	1 484 520
Fixed assets	2 122 720	1 787 314
Total assets	**3 392 501**	**3 271 834**
Current liabilities	1 425 816	1 212 017
Long-term debt	776 419	753 134
Minority interests	63 391	63 151
Equity	1 126 875	1 243 532
Total liabilities and equity	**3 392 501**	**3 271 834**

1997 was a record year for Schibsted's newspapers. Aftenposten achieved the best results ever and experienced growth in circulation as well as in advertising volume and advertising revenues. VG had the highest growth in circulation of all Norwegian newspapers. In Sweden Aftonbladet strengthened its position as Scandinavia's largest newspaper.

The year 1997 was a record year for the Newspaper business area. This business area represents 90% of Schibsted's revenues. Revenues increased to NOK 4,820 million (+19%) and operating profit increased to NOK 633 million (+ 26%).

The strong result was partly due to the generally high level of economic activity in Norway and partly due to an improved competitive position. Aftenposten experienced growth both in circulation and advertising. This resulted in an operating profit of NOK 376 million, an increase of 22.6% over 1996. VG reversed a negative circulation trend from 1995 and 1996 and achieved an increase in daily circulation of 13.254 copies (3.7%) Operating profit for VG was NOK 230 million. Aftonbladet continued its growth with a circulation increase of 6.7%. This gave Aftonbladet a lead over Expressen of 70,000 copies a day and an operating profit of SEK 45 million, in spite of costly competition from Expressen.

The circulation market in Norway

In contrast to the circulation development in most countries, the newspapers in Norway have managed to preserve their strong position in a turbulent media market. In 1997 the Norwegian newspaper market experienced a growth in circulation of 1%.

Newspaper circulation in Norway has so far not been influenced to any great extent by the development of new electronic media even though the casual sales newspapers have felt the competition from an increasing number of tabloid style TV channels. The competition for the readers' time is increasing and a critical issue will therefore be the ability to attract future generations of newspaper readers.

The advertising market in Norway

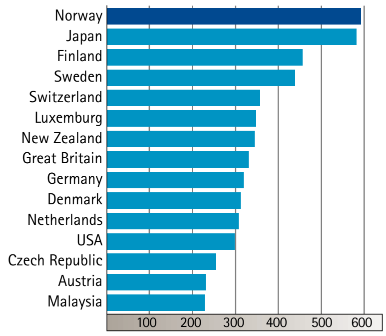
The high level of economic activity in Norway has resulted in considerable growth in the advertising market. The newspapers have so far experienced little competition from Internet based products and have been able to maintain their overall market share. This situation is confirmed by Aftenposten's positive advertising volume development. Aftenposten's advertising volume for 1997 was close to the record year 1987, which was the all time high. The four largest regional newspapers Bergens Tidende, Adresseavisen, Stavanger Aftenblad and Fædrelandsvennen had increases in advertising volumes of 1%, 1.8%, 10.8% and 4.5%, respectively. The casual sales newspapers VG and Dagbladet had advertising volume increases of 6.5% and 18.7%, respectively.

The Swedish newspaper market

In spite of increased domestic demand and economic activity the Swedish newspaper market experienced only a limited growth and variable financial results in 1997. Circulation development was negative for newspapers again in 1997 and in total the newspaper circulation in Sweden declined by 1.4% compared to 1996.

All the casual sales newspapers experienced a decline, with the exception of Aftonbladet which had an increase of 27,100 copies per day and reached a record circulation of 422,900 copies per day. Aftonbladet thereby strengthened its position as the largest newspaper in Scandinavia.

Circulation per 1000 inhabitants



Source: FIEJ

Norwegian circulation market 1997

	Sundays	Weekdays
VG	294 019	370 115
Aftenposten, Morning edition	230 118	286 163
Dagbladet	169 428	204 850
Aftenposten, Evening edition		191 269
Bergens Tidende	83 564	94 051
Adresseavisen		93 538
Stavanger Aftenblad		71 637
Dagens Næringsliv		60 027
Fædrelandsvennen		46 893
Dagsavisen Arbeiderbladet		40 771
Romerikes Blad	42 326	42 123
Bergensavisen		30 735
Asker og Bærums Budstikke		31 933
Harstad Tidende		15 556
Other newspapers		1 384 701
Total		**2 917 469**

Source: NAL

Aftenposten AS

Circulation growth and a substantial increase in advertising volume and advertising income resulted in a significant improvement in the operating profit for Aftenposten in 1997. The newspaper achieved its best result ever. Its position in the media market was strengthened during 1997 in spite of substantial and increasing competition.

Aftenposten's core activities are the publication of two daily editions on weekdays and one edition on Saturdays and Sundays. In addition, Aftenposten is in charge of the distribution of several other newspapers in the Oslo region. Aftenposten Interaktiv, the electronic edition on the Internet, has been undergoing continuous product development. This news service retained its position as one of the Internet sites with the largest number of visitors among the Norwegian newspaper sites on the Internet. Aftenposten has also established a classified database, vis@visen, on the Internet in co-operation with Adresseavisen, Bergens Tidende, Fædrelandsvennen, Stavanger Aftenblad and Scandinavian Online. In addition, Aftenposten distributes electronic information from Norwegian and international databases, including its own archives.

Circulation/advertising

Aftenposten once again set a circulation record in 1997 with an average circulation for the morning edition of 286,163 copies, an increase of 2,248 copies over 1996. As a result of continuous product development and strong marketing efforts circulation increased for all editions. The evening edition increased by 2,634 copies to 191,269. The Sunday edition increased by 6,617 copies to 230,118.

The positive development in the advertising market continued in 1997. While Norwegian newspapers overall increased their advertising volume by 4.7%, Aftenposten increased by 11% compared to 1996. The largest increase came in classified advertising, which had a total volume increase of 18.3%. Real estate and recruitment advertising, the classified advertising segments which are the most sensitive to economic cycles, accounted for the largest growth and increased by 33% and 22% respectively. The volume of brand and retail advertising was at the same level as in 1996. Aftenposten's advertising market share among the Oslo newspapers increased to 60% in 1997 from 59.7% in 1996. Aftenposten increased its subscription prices by approximately 3,6% for 1998 compared to 1997 while the advertising prices have been increased by approximately 4%.

Operations

In addition to the production at the printing plant at Linderud in Oslo, considerable efforts were put into the planning and execution of measures to ensure an efficient transfer of the printing operations from Aftenposten AS to the newly established Schibsted Trykk AS on January 1, 1998. The last newspaper printed under the auspices of Aftenposten AS was the morning edition on December 31, 1997.

During 1997, an extensive revision of the delivery routes for the evening and Sunday editions was completed, resulting in a substantial increase in the number of delivery staff employed by Aftenposten. This was necessary in order to make sure the delivery staff will be able to handle the large newspaper formats and the substantial amount of advertising inserts.

Starting on January 2, 1997, the afternoon edition has been printed in a tabloid format. Both readers and advertisers have reacted positively to the change. The Sunday edition was developed further both as a reader product and an advertising medium throughout 1997. Parallel with the development of the existing editions, Aftenposten launched supplements for real estate and recruitment classifieds in 1997. These supplements are distributed to all non-subscribers in large parts of the Oslo area.

Aftenposten

Aftenposten AS

PROFIT & LOSS ACCOUNT		
(NOK 1 000)	*1997*	*1996*
Subscription revenues	503 625	473 120
Casual sales revenues	84 135	79 293
Advertising revenues	1 338 169	1 189 943
Other revenues	190 458	183 986
Total revenues	**2 116 387**	**1 926 342**
Operating expenses	**1 740 630**	**1 619 441**
Operating profit	**375 757**	**306 901**
Net financial items	44 347	32 940
Pre-tax profit	**420 104**	**339 841**
Taxes	60 827	57 610
Net profit	**359 277**	**282 231**

BALANCE SHEET		
(NOK 1 000)	*31.12.97*	*31.12.96*
Current assets	628 228	933 639
Fixed assets	655 417	524 783
Total assets	**1 283 645**	**1 458 422**
Current liabilities	778 086	707 821
Long term debt	139 773	129 640
Equity	365 786	620 961
Total liabilities and equity	**1 283 645**	**1 458 422**

Since the introduction of Aftenposten Interaktiv in 1995, it has established a firm position as one of the four news services on the Internet with the highest number of visitors. At the same time, substantial effort has been put into further development of electronic classified advertising. This effort is focused around vis@visen, the strategic co-operation between Aftenposten, the regional newspapers and SOL. During 1998, this work will result in new and improved classified advertising services on the Internet. Aftenposten has taken a leading role in this work.

Aftenposten plans further strengthening of the electronic classified advertising services. As a part of this strategy, Aftenposten in February 1998 bought a 50% ownership in Net 2 Interaktiv AS, TV 2's text-TV company. Through this company, Aftenposten's classified advertising will be available on TV 2's text-TV and Web site.

In 1997, Aftenposten started a Year 2000 project. The analysis phase, which was used to identify which of Aftenposten's well over 100 computer systems may cause problems at the turn of the century, is now completed. The implementation of the required changes has already started on some production-critical systems. All systems which may experience problems will be changed or altered by the end of 1998.

Financial highlights

Revenues increased by 9.9% to NOK 2,116 million while operating expenses increased by 7.5% to NOK 1,741 million. The operating profit for 1997 for Aftenposten AS was NOK 376 million (307). Pre-tax profit was NOK 420 million (340) and the operating margin was 17.8% (15.9%). The improved result was primarily due to increased advertising volume and advertising revenues. The focus is now on preparing the company for a future economic downturn by curbing the growth in fixed costs. After taxes of NOK 61 million (58), profit for the year was NOK 359 million (282).

Organization and environment

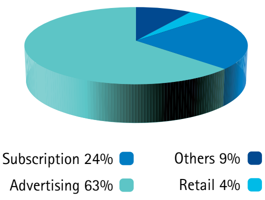
The number of employees as of December 31, 1997 was 1,372 (1,338). This represents 1,297 (1,262) man-years. In addition there were 3,939 (3,490) employees in the external distribution system. As of January 1, 1998, 331 employees/312 man-years were transferred from Aftenposten AS to Schibsted Trykk AS.

In order to be better prepared for the future, an extensive educational training program has been initiated. In addition to a general improvement in the level of professional qualifications, project management expertise as well as business know-how have been given priority. The effort in these areas will be further expanded in 1998.

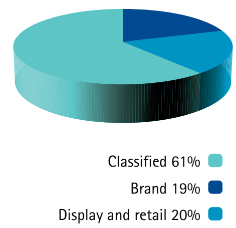
Future prospects

Aftenposten anticipates continued favorable economic conditions and increased competition in 1998. The growth of electronic media, primarily the Internet, is taking place at a higher pace and more forcefully than previously. Low barriers to entry have contributed to the entry of a large number of companies, especially in the reader and advertising markets. Competition from TV is intensifying. In addition to the established nationwide channels, new local TV channels are competing intensely for more viewers and a larger share of the advertising market. During a period of favorable economic conditions, the willingness to invest in new ventures is also increasing among the traditional newspaper companies. Aftenposten is meeting this competition aggressively.

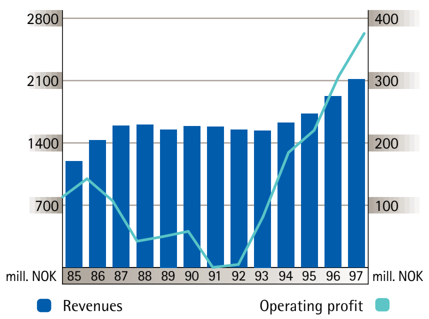
Aftenposten
Revenues 1997



Aftenposten
Advertising revenues 1997



Aftenposten
Revenues and operating profit 1985–97



Verdens Gang AS

PROFIT & LOSS ACCOUNT

(NOK 1 000)	1997	1996
Subscription revenues	7 447	7 811
Casual sales revenues	1 025 380	987 349
Advertising revenues	342 866	298 726
Other revenues	6 523	9 738
Total revenues	**1 382 216**	**1 303 624**
Operating expenses	**1 152 138**	**1 101 271**
Operating profit	**230 078**	**202 353**
Net financial items	31 577	35 049
Pre-tax profit	**261 655**	**237 402**
Taxes	42 487	38 041
Net profit	**219 168**	**199 361**

BALANCE SHEET

(NOK 1 000)	31.12.97	31.12.96
Current assets	355 581	294 969
Fixed assets	745 374	660 738
Total assets	**1 100 955**	**955 707**
Current liabilities	375 669	328 960
Long term debt	53 156	41 306
Equity	672 130	585 441
Total liabilities and equity	**1 100 955**	**955 707**

Verdens Gang AS

Verdens Gang AS publishes Norway's largest newspaper - VG. VG is a national newspaper with a daily readership level of more than 1/3 of the population in all parts of the country. Nine regional editorial offices provide a wide variety of stories including local news items of general interest. The newspaper's circulation is based on casual sales only. In order to be available in the early morning hours nation-wide, the newspaper is printed in Stavanger, Trondheim and Harstad in addition to Oslo. VG's Internet site has established itself as the most visited newspaper site in Norway. During 1997 "www.vg.no" has been given a new design and layout and the staff has grown from 5 to 20 people. A continuously updated news-service has also been developed. Continuous product development is required if VG is to maintain its strong position on the Internet.

Circulation/advertising

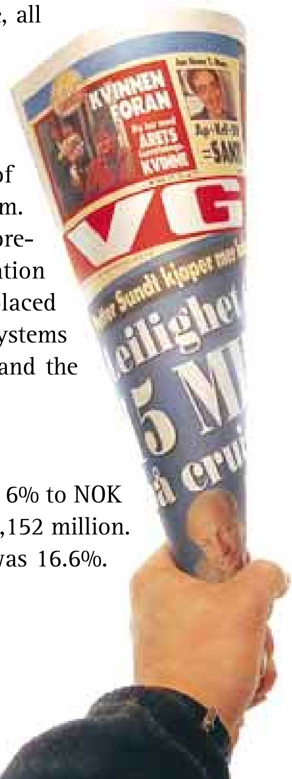
The negative circulation trend experienced by VG in 1995 and 1996 was reversed in 1997. Weekday circulation increased by 13,254 copies (3.7%) to 370,115 copies. Sunday circulation increased by 14,448 copies (5%) to 294,019 copies. Circulation increased all over Norway, but the largest increase in percentage terms was in northern Norway. This is primarily due to earlier distribution after the newspaper started printing in Harstad.

The Oslo newspapers increased their total advertising volume by 10% in 1997. VG's advertising volume increased by 6.5% while advertising revenues increased by NOK 44 million (+ 14.8%) to NOK 343 million. The demand for color advertising has increased significantly the last several years and VG printed an average of 10 color advertisements per day in 1997. Due to the limit on the number of pages which VG can print with colors, VG has on a number of occasions not been able to meet the demand for color advertising. The new printing plant which will be in operation by early 1999 will solve this problem. The cover price for VG has been unchanged since 1993. VG increased its advertising prices by approximately 4% in 1998 compared to 1997.

Operations

Since VG has decentralized printing, a prioritized task in 1997 has been to reach agreements with other printing plants. A long-term printing contract, in effect from 1999, was signed with Fædrelandsvennen in Kristiansand. VG also has printing contracts with Harstad Tidende, Adresseavisen and Bergens Tidende, all of which will be able to print VG with 64 pages in color.

In 1997, the production of VG became fully electronically based. An extensive educational program has been completed and the result is a more uniform and effective production.



Significant resources have also been allocated to the analysis of which computer systems will be able to handle the Year 2000 problem. During 1998, the editorial production system will be upgraded to prevent problems. The data system which determines the daily circulation and stores all information relating to the retail outlets will be replaced by a new system which will be operational in late 1998. Several systems will be upgraded in order to manage the transition to Year 2000 and the majority of the adjustments will be in place during 1998.

Financial highlights

1997 was a good year for Verdens Gang AS. Revenues increased by 6% to NOK 1,382 million, while operating expenses increased by 4.6% to NOK 1,152 million. Operating profit was NOK 230 million and the operating margin was 16.6%. Pre-tax profit was NOK 262 million.

Organization

At year-end, 502 people were employed by VG, 64 of whom were part time employees.

Efforts to integrate the journalistic and graphic environments in the central editorial offices continued in 1997. In February 1997, the newspaper was fully converted to electronic page production.

The company has completed 14 seminars during the year with participation by 455 employees. Focus has been on the company's competitive situation and the importance of having all parts of the organization contribute to VG maintaining the position as the leading newspaper in Norway.

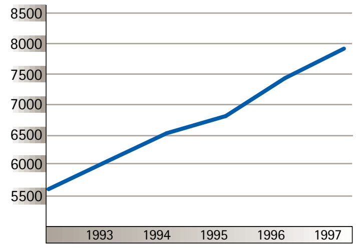
Future prospects

Competition continues to intensify. The interest in the Internet is increasing although the growth rate for advertising has been somewhat slower than anticipated. It looks as if the established media, to a large extent, are able to maintain their position in the market. Multimedia activities continue to generate negative cash flow and the establishment of local TV channels has also proved to be very costly. Free newspapers have not been an immediate success in spite of the growth in the advertising market. VG has so far met the new competitive situation in a way which has resulted in positive contributions from increased circulation and advertising revenues.

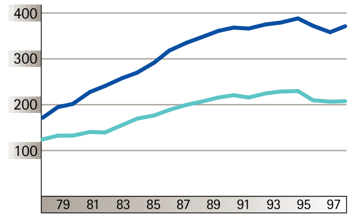
The major challenge for the future will be to utilize the color printing potential of the new printing presses in the most effective way. Faster printing presses and more printing locations will also lead to improved distribution.

Areas of increased focus will be continuous product development combined with improved production, distribution and marketing.

Verdens Gang
Advertising volume 1992 –1997
(column meter)



Circulation 1978 – 1997



Aftonbladet AB

1997 can be summarized as the year when Aftonbladet consolidated its position as the largest newspaper in Sweden and in Scandinavia. It was also the first full year with Schibsted as the main owner.

Total revenues for the casual sales newspapers in Sweden declined for the eight year in a row. During the 1990s, the decrease has been 23% while Aftonbladet increased its circulation by 9% and the newspaper has now reached its highest circulation since 1979. Discussions about the imminent death of the casual sales newspapers appear to be exaggerated. It is still possible to produce a casual sales newspaper which defends its position in the market place despite tougher competition.

Executive Vice President in Schibsted
and Chairman of the Board of Aftonbladet
Thorbjörn Larsson

Circulation

Aftonbladet's circulation in 1997 was 422,900 copies per day, an increase of 7.4%. At the same time Expressen's circulation continued to decline. The gap between the two newspapers' circulation was, on average, 70,000 copies per day in favour of Aftonbladet, compared to 5,000 in 1996.

Aftonbladet developed fewer new products in 1997 than during the previous years. In the autumn of 1997, Aftonbladet launched two new supplements for the Stockholm area and a national Saturday supplement on personal finance. The cover price was unchanged in 1997.

In February 1997, Expressen, the main competitor, announced its intention to publish an afternoon edition in Stockholm. Aftonbladet's evaluation that this product would not be in demand by readers turned out to be correct. Despite the high cost, Aftonbladet found it necessary to match Expressen's initiative.

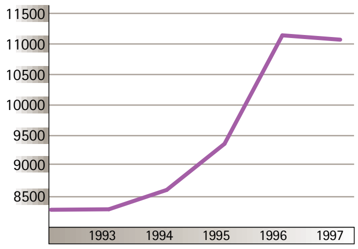
AFTONBLADET

Aftonbladet Hierta Consolidated

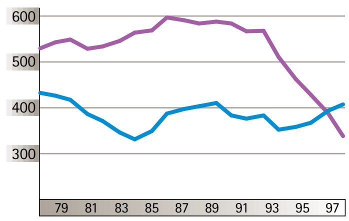
PROFIT & LOSS ACCOUNT		
(SEK 1 000)	*1997*	*1996*
Subscription revenues	3 026	3 271
Casual sales revenues	1 203 056	1 106 188
Advertising revenues	249 182	240 564
Other revenues	14 129	4 258
Total revenues	**1 469 393**	**1 354 281**
Operating expenses	**1 424 649**	**1 337 812**
Operating profit	**44 744**	**16 469**
Net financial items	4 999	1 430
Pre-tax profit	**49 743**	**17 899**
Taxes	14 910	9 749
Net profit	**34 833**	**8 150**

BALANCE SHEET		
(SEK 1 000)	*31.12.97*	*31.12.96*
Current assets	241 967	210 759
Fixed assets	244 453	262 127
Total assets	**486 420**	**472 886**
Current liabilities	155 717	159 814
Long term debt	120 775	141 123
Equity	209 928	171 949
Total liabilities and equity	**486 420**	**472 886**

Aftonbladet
Advertising volume 1992 –1997
(Column meters)



Circulation 1978 – 1997



Aftonbladet ■ Expressen ■

Source: Tidningsutgivarna

Aftonbladet is now available in the morning in most of the country. This is part of a long term strategy to expand the selling time for the newspaper and decentralized printing is an important tool in this effort. Aftonbladet is now printed on six different locations in Sweden.

Environmental issues have always been important to Aftonbladet. All unsold newspapers are collected for re-cycling and during 1997, the newspaper could use the environmental mark “Svanmärket” for the first time.

Advertising

Between 1.3 and 1.6 million people read Aftonbladet on a daily basis, corresponding to more than 20% of the adult Swedish population. It is mainly the brand advertisers which take advantage of the nationwide coverage of the newspaper and many of these choose the casual sales newspaper advertising package “Impact”, which continues to show good growth.

The total advertising market grew by an estimated 6% in 1997. The TV market, which is still in a growth phase, took the majority of this increase. Aftonbladet’s advertising volume was more or less unchanged from 1996 to 1997 while advertising revenues increased by 4% to SEK 249 million. Aftonbladet had a 35.2% share of the casual sales newspaper advertising revenues. Aftonbladet increased its advertising prices by approximately 5% for 1998 compared to 1997.

The next step in the development of the newspaper is increased availability of four color printing. As of today, the least common denominator for the six printing plants is 24 pages in color. This number of color pages is inadequate to meet increased editorial requirements and strong demand from the advertisers. The goal is that Aftonbladet will be printed with at least 44 color pages during 1999.

1997 was not the big breakthrough year for advertising on the Internet. Total advertising revenues for 1997 are estimated at SEK 50 million. The number of readers of Aftonbladet’s Internet site has been substantial and each visitor reads multiple pages. The number of visitors per day increased from 19,000 in December 1996 to more than 100,000 in December 1997. As a result, Aftonbladet is twice as large on the Internet as the closest competing newspaper, Dagens Nyheter.

During 1997, “Mediearkivet.se” was introduced in co-operation with Göteborgs-Posten and Svenska Dagbladet. This database makes electronic archives of the three newspapers available for readers at a low cost. “Mediearkivet.se” also includes the archives of, among others, the national news agency TT and Dagens Eko. There has been a great interest in this service.

Financial highlights

Revenues increased by 8.5% to SEK 1,469 million while operating expenses increased by 6.5% to SEK 1,425 million. The operating profit was SEK 45 million and the operating margin was 3%. Pre-tax profit was SEK 49.7 million. These figures include SEK 30 million in additional costs relating to the afternoon edition of the newspaper.

Outlook for the future

It is difficult to evaluate the future of electronic media. Aftonbladet considers the Internet an opportunity to build the newspaper’s profile and reach new target groups at a low cost. High flexibility and interaction with the readers opens up for fast adjustment to developments in the market.

During the last several years, the Swedish daily newspapers have experienced low profitability. Furthermore, many newspapers' dependence upon government support has been important to the proliferation of newspapers, but has contributed to a delay in the newspaper industry's adjustment to new market conditions. The aggregate result for all Swedish newspapers was negative in 1996 and 1997 did not result in any significant improvement. A positive advertising market and a modest price increase for newsprint makes the outlook for 1998 a little brighter.

Aftonbladet continues its efforts to improve profitability and cement its position as the largest newspaper in Scandinavia. The most important means to reach this goal are a continuously improved product, more efficient distribution and aggressive marketing efforts.

In the fall of 1997, Mr. Anders Gerdin became Aftonbladet's new editor-in-chief and publisher while the former editor-in-chief, Mr. Thorbjörn Larsson, was appointed Chairman of the Board.

Schibsted Trykk AS

Schibsted's printing facility at Nydalen in Oslo will be finished according to plan by the end of 1998 and full production is expected to start during the first quarter of 1999. The new printing plant will cover an area of 41,000 square meters and will have capacity to produce 4.5 million newspapers per week. This corresponds to the consumption of 55,000 tons of newsprint per year and represents an increase in production capacity of about 20% compared to the current facility at Linderud. The new facility will lead to increased four color capacity, reduced newsprint consumption due to less waste and a general improvement in quality. Initially, the printing plant will produce Aftenposten's two daily editions and the main bulk of VG's total pressrun. However, the printing plant will have spare capacity to serve external clients.

As of January 1, 1998, Schibsted Trykk took over printing contracts and the printing presses from Aftenposten. Schibsted Trykk is now responsible for the operations at Linderud. The 331 employees working in the printing department were transferred from Aftenposten AS to Schibsted Trykk. When the new printing plant at Nydalen is in normal production, it is anticipated that the required manpower will decline by about 50 positions compared to the current requirement. This reduction will be accomplished through early retirement and will result in a one-time charge of about NOK 85 million. This will be expensed in the Group's accounts for 1998 with NOK 21 million on a quarterly basis.

Total investment in the printing plant is estimated at about NOK 1.4 billion of which about NOK 470 million is invested in building and real estate through Schibsted Eiendom AS and about NOK 930 million is invested in printing presses, mailroom equipment etc. through Schibsted Trykk.

The new printing plant at Nydalen in Oslo will cover an area of 41,000 square meters and will have capacity to produce 4.5 million newspapers per week.

The investment in real estate, which cannot be depreciated, amounts to NOK 72 million while the NOK 400 million investment in buildings (after deduction of the residual value) will be depreciated over a 20-year period.

Investment and estimated depreciation:

(NOK)	*Cost*	*Depreciation period*	*Annual depreciation*
Real estate	72 mill.		
Building	400 mill.	20 years	18 mill.
Printing equipment	580 mill.	20 years	29 mill.
Mail room equipment	200 mill.	12.5 years	16 mill.
Additional equipment	150 mill.	10 years	15 mill.
Total	**1 402 mill.**		**78 mill.**

Total ordinary depreciation relating to the new printing facility will amount to NOK 78 million a year from January 1, 1999. In comparison, ordinary depreciation of the old printing plant amounted to about NOK 25 million a year.

In connection with the start up and testing of the new printing facility additional one time expenses relating to the operation of two facilities, overtime and newsprint consumption will be incurred. These expenses are estimated at NOK 40 million in 1998 and NOK 5 million in 1999.

Tax implications

From a taxation point of view, the new building will be depreciated at a rate of 5% per year while the machinery and equipment will be depreciated at a rate of 20% per year. Assuming that the printing plant commences operation in 1998, the tax depreciation will be approximately NOK 200 million in 1998 and will decline by 20% per year thereafter. Taxable depreciation will be NOK 170 million in excess of ordinary depreciation in 1998 assuming that ordinary depreciation is charged for the last 4 months of 1998. As a result the Group will be able to record as income a previously accumulated tax benefit of NOK 50 million. The Group's tax expense will be reduced by the same amount.

Impact on Aftenposten's and VG's annual accounts

As of January 1, 1998, Schibsted Trykk AS has taken over the employer responsibilities for the employees working in the print operation. As a result Aftenposten will have a reduction in personnel expenses of NOK 158 million while loss of revenues and increase in other operating expenses will result in a reduction in the operating result of approximately NOK 20 million in 1998 compared to 1997. The effect on VG for 1998 is a reduction in printing expenses of approximately NOK 10 million due to changed allocation of the total cost. The net effect for 1999, and in the years ahead, is not known, as the printing contracts between Schibsted Trykk and the newspapers have not been finalized. However, increased printing expenses for Aftenposten and VG may be expected due to increased interest expenses and depreciation charges.

Sale of the printing plant and real estate at Linderud

Schibsted Eiendom sold the buildings and property at Linderud in Oslo as of January 1, 1998. The price of NOK 110 million resulted in a net gain of NOK 28.5 million. Schibsted Trykk is renting the building at an annual rental expense of NOK 16 million for a period of two years with an option to renew in the event of unforeseen problems at the new printing plant.

TV/FILM

Executive Vice President
TV/Film
Jan Erik Knarbakk

TV/Film

TV/Film

PROFIT & LOSS ACCOUNT

(NOK 1 000)	*1997*	*1996*
Total revenues	364 463	308 429
Operating expenses	363 809	322 296
Operating profit	**654**	**(13 867)**
Net financial items	(11 319)	(3 012)
Share associated companies	45 885	(31 387)
Pre-tax profit (loss)	35 220	(48 839)
Taxes	10 723	6 159
Net profit	**24 497**	**(54 998)**

BALANCE SHEET

(NOK 1 000)	*31.12.97*	*31.12.96*
Current assets	181 486	143 068
Fixed assets	424 927	479 039
Total assets	**606 413**	**622 107**
Current liabilities	130 285	98 224
Long-term debt	417 125	494 013
Minority interests	4 599	2 297
Equity	54 404	27 573
Total liabilities and equity	**606 413**	**622 107**

In 1997 Schibsted established itself as one of the leading Scandinavian players within TV and film. The Group enhanced its market position in the Nordic markets both as a producer of TV programs and TV commercials, and as a distributor of film rights. TV 2 in Norway expanded its activities and cemented its position as the leading Norwegian privately owned TV channel. The financial results for the TV/Film business area improved substantially compared to previous years.

The main events in the TV/Film business area in 1997 were:

• The revenues of the Group's production companies for TV programs and TV commercials, Metronome Film & Television, increased in Norway, Sweden and Denmark. The Metronome group gained market shares from its main competitors and established itself as the second largest independent TV producer and the largest producer of commercials in Scandinavia. However, the financial results were lower than anticipated. In early 1998, Metronome and a Swedish partner signed one of the largest contracts with a TV channel ever signed by a European production company.

• Through structural changes in the Norwegian TV market, TVNorge became the network channel for the privately owned local TV stations in Norway. This co-operation, which Schibsted helped bring about, will provide a strong foundation for the privately owned local TV channels. TV 2, which is Schibsted's main focus in Norwegian TV-channels, subsequently acquired 49.3% of TVNorge and also became responsible for the channel's programming. As a result, TV 2 strengthened its position as the main national advertising based alternative to the public broadcaster NRK, while TVNorge had a need for TV 2's competence as owner and partner. TV 2 experienced another good year with respect to its operating results. TVNorge reduced its operating losses in 1997, but the channel reported a significant loss.

• When it became clear that Estonia would be included in the first group of East European countries to negotiate for membership in the European Union, Schibsted increased its holdings in the Estonian TV channel, Kanal 2. Schibsted is now the only foreign shareholder, controlling 86% of the capital in the company.

• Towards the end of 1997, Schibsted initiated negotiations with the Swedish Anders Sandrews Stiftelse regarding a merger of Schibsted's and Sandrews' activities within distribution of films for TV, movie theatres and video in Norway, Sweden, Denmark and Finland. Sandrews is the second largest company in this area in Sweden. In February 1998 the negotiations resulted in an agreement to establish a new pan-Scandinavian group, Sandrew Metronome. The new group, which combines two of the best known brand names in this area, will initially be the third largest distributor of national and international feature films and the second largest private owner of movie theatres in the Nordic countries.

• Schibsted continued to reduce its exposure within TV and film technical infrastructure in 1997.

Organisation

Schibsted's TV/Film business area is organised around a holding company, *Schibsted TV & Film Holding AS* and four sector companies which represent Schibsted's interests through wholly owned and partly owned companies.

Metronome Film & Television AB holds Schibsted's ownership interests within TV and film production. The company also has the operating responsibility for all Schibsted owned production companies for TV and film in Scandinavia.

Schibsted Broadcast AS is the owner of Schibsted's interests in television.

Schibsted Film AS has until the end of 1997 administered Schibsted's interests in wholly owned and partly owned companies within the distribution of feature film rights for TV, movie theatres and video. As of early 1998, when Schibsted and the Swedish company Sandrew decided to merge their interests within this sector, all activities which earlier were organised in Schibsted Film, were consolidated in the new, jointly owned company Sandrew Metronome AB.

Schibsted TV & Film Infrastruktur AS is responsible for Schibsted's ownership in TV and film technical companies.

Financial highlights

By the end of 1997, the TV/Film business area had direct or indirect ownership interests in 45 TV and film companies in Norway, Sweden, Denmark, Finland, Estonia, Austria and England. Total revenues for these companies were NOK 1.8 billion, or about NOK 857 million based on Schibsted's pro rata ownership interests.

Revenues for consolidated subsidiaries were NOK 364.5 million, an increase of NOK 56 million or 18% compared to 1996. Operating profit was NOK 0.6 million, an improvement of NOK 14.5 million compared to 1996.

The production companies for TV and commercials contributed to the operating profit with net profit of about zero. Both revenues from increased distribution of TVNorge and the infrastructure companies had a positive impact while the majority owned companies within film distribution had a negative impact on the operating profit.

Share of income from associated companies resulted in a pre-tax profit for the business area of NOK 35.2 million in 1997, an improvement of about NOK 84.0 million compared to 1996.

During the part of 1997 in which Schibsted held its ownership stake in TVNorge, Schibsted's share of TVNorge's losses was NOK 28.7 million while the sale of the TVNorge stake to TV 2 resulted in a gain of NOK 58.7 million. The net positive effect on Schibsted's accounts related to TVNorge was NOK 30 million for the year.

TV and Film Production

Metronome Film & Television AB

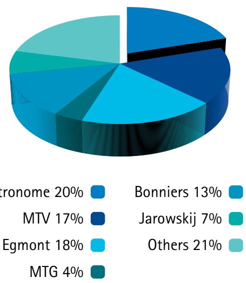
As a part of the strategy to become one of the leading providers of content in Scandinavia, irrespective of the choice of media, Schibsted started its first TV production company in Norway at the end of 1993. The Group has since expanded significantly in this area in Scandinavia.

Today, Stockholm is the centre for Schibsted's TV and film production. Metronome Film & Television AB, which is 95% owned by Schibsted, is the holding company for a group of 12 production companies for TV programs and commercials in Norway, Sweden and Denmark. At year-end 1997 the Metronome companies constituted the second largest independent TV producer and the largest producer of commercials in Scandinavia.

Metronome Film & Television's production companies accounted for about 26% of all domestic productions for TV channels in Norway produced by independent production companies. The market share in Denmark and Sweden was about 26% and 6% respectively.

The Scandinavian market for TV productions was highly competitive in 1997 and margins were under pressure. This was especially the case in Sweden. 1997 was also a year of major effort in Denmark and Metronome established itself as one of the leading Danish TV production companies. The Metronome Film & Television group had revenues in 1997 of NOK 269.5 million, an increase of 13% compared to

Scandinavian market shares 1997
Production of television programs and commercials



TV-hits:
“Jeopardy” in Sweden (left) with Magnus Härenstam and in Norway (above) with Trygve Rönningen.

Right: A scene from “The Seven Sisters”.

1996. Operating profit was NOK 130,000, down from NOK 14.5 million in 1996. Pre-tax profit was NOK 123,000 down from NOK 15.6 million in 1996.

With the exception of news, Metronome Film & Television engages in the production of most types of TV programs. The group includes companies and creative groups specialising in documentary and factual programs, feature and entertainment concepts, magazine programs and drama. Most of the privately owned TV channels in Scandinavia are customers of the group.

The Metronome group bases its activities on a large degree of independence and responsibility for the creative groups in each of the Nordic countries, and produces TV and commercials under a variety of brand names. In TV production, Rubicon TV and Nordic Entertainment are the best known brand names in Norway, Meter is a well-known brand name in Sweden and Metronome Productions is an important supplier of programs for TV in Denmark. Moland Film Co. is a large producer of commercials and a well-known brand in Norway and Denmark while Mekano is one of Sweden’s best known producers of commercials.

Metronome’s group management is responsible for the co-ordination of activities between the countries, determines the development and growth of the overall group, has the controller function and utilises the group’s knowledge and expertise across the various companies. Idea generation and the execution of the individual program productions are, to a large extent, the responsibility of each individual national production company.

A main part of the group’s TV production is focused around the game show “Jeopardy”, which is produced by Metronome companies for TV 4 in Sweden, TV 2 in Norway and TV 2 in Denmark based on a license agreement with the American production company King World. The program was introduced in Sweden six years ago and after more than 1000 programs, “Jeopardy” is still one of the most popular TV programs in Sweden. “Jeopardy” has also achieved strong ratings in Norway and Denmark. Based on a common format, the programs are adjusted to the local markets, and the three national production groups under the Metronome umbrella co-operate closely to ensure that the production of "Jeopardy" achieves optimal efficiency in each country. The Scandinavian "Jeopardy" productions have made the Metronome Film & Television companies the "Nordic TV champions" in the production of game shows.

Metronome has also established itself as an recognised producer of drama for TV. In co-operation with the Swedish production company TV Spartacus, the Metronome company Rubicon TV has developed and produced a weekly drama series for TV 2 in Norway throughout 1996 and 1997. "Familiesagaen De syv søstre" ("The Seven Sisters"), with 190 episodes produced so far, has been a success for the Norwegian channel and has provided the Metronome group with valuable experience for this type of TV productions.

In February 1998, Metronome and TV Spartacus succeeded in obtaining a new contract for the production of a daily drama series for TV 2 in Norway. Production of this new daily drama series will begin in the summer of 1998 and will be aired on TV 2 in the autumn of 1998. The contract, which has a total value of between NOK 320 and 350 million, runs over a period of five years and calls for the production of 900 episodes. This is one of the largest contracts ever awarded to a European TV production company.

TV Channels

TV 2 AS, Norway

TV 2 – Consolidated

(NOK million)	*1997*	*1996*
Revenues	1070	898
Operating expenses	860	775
Share ass.companies	54	0
Operating profit	155	123
Net financial items	7	10
Taxes	67	40
Net profit	**95**	**94**

TV 2 in Norway was Schibsted's first major TV and film engagement and is still the main focus of activity within TV channels. Schibsted took the initiative when a consortium applied for the concession for TV 2 in 1991. Schibsted was instrumental when the channel was planned and launched and has been the largest Norwegian shareholder in TV 2 since its inception. Schibsted owns 33.3% of TV 2 which is the maximum ownership permitted by Norwegian authorities.

1997 was another year of major progress for TV 2. The channel maintained its share of both the viewer and advertising markets and confirmed its position as the major national advertising based TV channel in Norway and the main alternative to the state owned NRK. TV 2 increased its market share by 1% to 24.1% in the highly competitive cable and satellite universe, while the channel had a 0.5% decrease to 31.4% in the national universe, which is dominated by NRK 1 and TV 2, both of which have national coverage.

The overall viewer figures declined in 1997 for the first time since the inception of commercial TV in Norway. Norwegian viewers spent an average of 2 hours and 24 minutes a day viewing TV in 1997, six minutes less than the previous year.

Strategic development of TV 2 was in focus during 1997, mainly due to the acquisition of 49.3% in TVNorge. This acquisition took place after the Norwegian Parliament, Stortinget, in June abolished TVNorge's distribution limitation of 75%. This decision, which had a significant majority behind it, opened up for TVNorge becoming the network channel for the privately owned local TV stations in Norway. This was unquestionably a decision which will be of great importance to the future development of local TV-channels.

At the same time, the Parliament also unconditionally accepted TV 2's ownership in TVNorge. As a result, TV 2 acquired 49.3% of the shares in TVNorge from Schibsted and A-pressen. In addition, TV 2 reached an agreement with TVNorge's majority owner, the Luxembourg based Scandinavian Broadcasting System, to transfer the programming responsibility for TVNorge to TV 2. This agreement was

evaluated and approved by the Competition Authority.

The ownership in TVNorge and the programming responsibility for the channel, further establishes TV 2 as the foundation for privately owned TV in Norway. At the same time, the local TV stations which are in various stages of development, are secured a stable partner with extensive TV expertise and significant national ownership.

TVNorge increased its distribution substantially during 1997. At the beginning of the year 64% of the population could see TVNorge. At the end of 1997 TVNorge, together with the local TV channels, could be viewed by 77% of the population. TVNorge's market share in the cable and satellite universe declined by 0.7% to 10.6% while the market share in the national universe increased by 1.1% to 8%. The advertising revenues for the channel improved throughout the year and the losses declined compared to 1996. Still, TVNorge experienced a substantial loss in 1997.

TV 2 established several subsidiaries in 1997 with a basis in internal expertise and know-how:

Nyhetssentralen Byrå 2 delivers regular news bulletins for radio stations based on the channel's news department. TV 2 has established its own weather forecast service through a company named *The Storm Weather Centre*. This company provides weather services to, among others, VG, Norway's largest newspaper. *Autograf Broadcasting Systems* has its basis in the news graphics system developed by TV 2. This company exports TV 2's graphics products to TV channels outside Norway. These new and smaller companies have so far had limited impact on TV 2's results. The TV 2 group also includes the wholly owned record company *Norske Gram*, which had a weak year in 1997.

In co-operation with the state owned companies NRK and Telenor, TV 2 engaged in a home shopping channel, *Nordic Shopping Channel*. Later, NRK withdrew from the project. In the autumn of 1997, the channel started airing programs from London aimed at Norwegian viewers.

In early 1998, Aftenposten bought 50% of TV 2's text TV company Net 2 Interaktiv and Aftenposten and TV 2 will co-operate in the future development of this company.

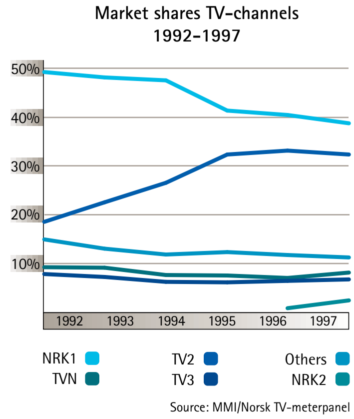
In 1997 the channel TV 2 had revenues of NOK 1,034 million, an increase of 17% compared to 1996. Operating profit for the channel was NOK 215 million, and pre-tax profit was NOK 222 million. Revenues for the TV 2 group were NOK 1,070 million, operating profit was NOK 155 million and pre-tax profit was NOK 162 million.

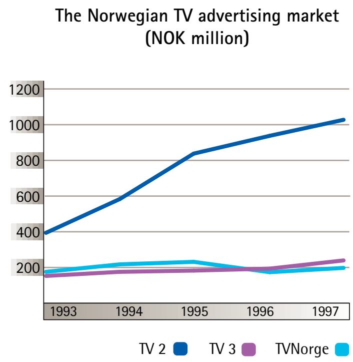
Kanal 2, Estonia

Schibsted has been a shareholder in the Estonian TV channel Kanal 2, since 1995. When it became clear that Estonia would be included in the first group of East European countries to negotiate for membership in the European Union, Schibsted increased its ownership in the TV channel, Kanal 2.

Schibsted acquired the other non-Estonian shareholders' stakes and now controls 86% of the capital in the company. Estonian law limits the ownership of non-Estonians in broadcasting companies and Schibsted controls 49.5% of the voting shares.

The Estonian advertising market experienced good growth in 1997. Developments in the TV advertising market were stronger than in other media, with





an increase of 50% compared to 1996. Kanal 2's average viewership share was 13.5% in 1997, a slight decrease compared to 1996. However, advertising revenues increased by about 62%. The strongest competitors are the Estonian state channel ETV with about 25% of the viewers and the Kinnevik-dominated TV 3 with about 14.5% of the viewers.

Kanal 2 had revenues of NOK 16.4 million in 1997 and an operating loss of NOK 1 million. Pre-tax loss was NOK 2.5 million.

The TV market in Estonia went through a structural change towards the end of 1997 when a decision was made to exclude advertising from the state owned public service channel. As of January 1, 1998, the state channel is free of advertising. The privately owned channels compensate the state channel's loss of revenues through a monthly fee. Through this agreement, the commercial channels have achieved a more commercially orientated advertising market while the foundation for more realistic price levels for TV advertising has been established.

Film Rights and Distribution

Schibsted Film AS

Schibsted has been active in film rights distribution since 1992. From a modest start in Norway, the Group has gradually developed a distribution system which distributes films to TV channels, movie theatres and video in all the Scandinavian countries.

Originally, Schibsted was one of three independent national partners in this distribution system. The two others were Sandrew in Sweden and Metronome in Denmark. The three organisations operated their own film rights and distribution activities in their respective countries. Profits were generated to the extent possible based on the size of their individual national operations. Later, Schibsted, Sandrew and Metronome entered into a Scandinavian alliance with common ownership of a purchasing organisation, which secured "raw material" from international film producers for the film distribution activities in the three countries.

Schibsted has gradually attempted to further formalise the alliance by utilising the opportunities available to increase its influence in this Scandinavian alliance. The acquisition of an ownership position in the Danish Metronome in the fall of 1996 created a foothold for Schibsted in the Danish market. The co-operation with the Danish telecom group Tele Danmark also contributed to a strengthening of Schibsted's market position in Denmark within the distribution of TV and film rights.

However, from Schibsted's point of view, the structure in the Scandinavian co-operation within distribution of rights and feature films has not been satisfactory. In order to utilise the rights in an optimal way, it is important to gain access to, and thereby income from, as many windows as possible. Active participation in all chains of the distribution in addition to being the distributor provides control over both the rights and the different windows and increases the earnings potential. Up to this point, Schibsted has had a limited and insufficient degree of such control. This is also reflected in the financial results for 1997. Revenues from consolidated companies totalled NOK 64.9 million while operating loss was NOK 11.0 million and pre-tax loss was NOK 17.3 million.

Towards the end of 1997, Schibsted initiated negotiations with Tele Danmark regarding the acquisition of the company's Danish activities and with the Swedish Anders Sandrews Stiftelse concerning a merger of Schibsted's and Sandrews' activities within this area. Sandrews is the second largest company within film distribution and movie theatre operations in Sweden. In mid-February 1998 Schibsted and Sandrew agreed on a merger and a 50/50 owned company, Sandrew Metronome AB. This new company will initially be the third largest distributor of film in the Nordic region. The new pan-Scandinavian company realises Schibsted's Scandinavian ambition in this business area and marks a preliminary end to a five-year strategic process.

The new Sandrew Metronome combines two of the best known brand names in the Nordic countries in this sector. The head office will be in Stockholm with national organisations in Oslo, Copenhagen and Helsinki.

The new company will be active in the purchasing of film rights and distribution of film rights to TV in all the Nordic countries. It will be engaged in the distribution of films to movie theatres in all the countries and operate, or have agreements, for video distribution in all the Nordic countries. The company will also operate movie theatres in all the countries except Norway.

TV and Film Technical Infrastructure

Schibsted TV & Film Infrastruktur

In partnership with the Danish media group Egmont and the Swedish public broadcaster, Sveriges Television, Schibsted is the largest supplier of film technical services in Scandinavia. During the last two years, Schibsted has reduced its exposure to this activity. This development will continue.

It is important that the necessary technical and studio facilities are available for the creative TV and film industry. But, with the maturing of the TV market in the Nordic countries, infrastructure ownership does not have the same strategic value as earlier. The Group seeks to co-operate in this area with other TV and film operators.

In line with the overall strategy for this sector, the Schibsted and Egmont 50/50 owned TV and film studio facility in Oslo, Nydalen Studio, was sold to TV 2 at the end of 1997. TV 2 also acquired Eventyrkanalen from Schibsted. Eventyrkanalen is a modern, digitally based transmitting station for TV and is, among other things, responsible for the technical aspects of the distribution of TVNorge's programs.

Revenues for the consolidated companies within this sector were NOK 10.3 million in 1997. Operating profit was NOK 4.0 million, an improvement from 1996 of NOK 7.9 million. Pre-tax loss was NOK 9.6 million, an improvement of NOK 6.5 million from 1996.

Future Prospects

The TV and film markets in Scandinavia are changing rapidly as is the case for the rest of Europe. The challenges are numerous. Schibsted faces these challenges from an increasingly strong market position.

Digitalisation is a key concept in the future development of TV. New technology which results in simpler and less expensive distribution will unquestionably lead to an increase in the number of TV channels sending from or towards Scandinavia - a development which will be found all over the world.

For Schibsted, as a content provider, the digitalisation of TV represents major opportunities. A "surplus" of TV channels, which many have predicted will be a result of digital technology, will in all likelihood bring about a corresponding "deficit" of content. It is becoming easier and less costly to start TV channels directed at more segmented target groups, even in relatively small markets. Demand for efficiency and rationalisation within the production process will emerge among

TV-producers as well. However, the requirements for creative, engaging, high quality content is not likely to change fundamentally in a picture-based medium like TV.

Schibsted believes that content will be increasingly in demand in a digital TV world with increased competition. Schibsted's intentions are therefore to continue its investments in the TV content area through production of programs and commercials, and through the distribution and exploitation of internally generated rights and externally acquired rights in all available windows.

The growth for Metronome Film & Television is expected to continue in 1998. The Metronome group is now in tough competition with the listed Kinnevik-dominated MTV group for the position as the largest independent production company in Scandinavia. A main goal for the Metronome group in 1998 is to improve profitability, while maintaining a high level of quality for the group's TV and film productions. In order to strengthen the Nordic TV production leadership position, an alternative may be to establish co-operation with partners outside the Nordic countries.

For 1998, it is anticipated that Schibsted's position as a distributor of films to movie theatres and video, and as distributor of film rights to TV, will be considerably strengthened in the Nordic market as a result of the new Sandrew Metronome company. The corporate cultures in the four Nordic countries are to be integrated and certain restructuring costs must be expected. However, the new pan-Scandinavian group is expected to have a market position in all the Nordic countries which will produce synergies and opportunities for profitable utilisation of film rights. Closer co-operation with international players in this sector is a possibility.

As a major owner of TV 2 in Norway, Kanal 2 in Estonia, and indirectly in TVNorge (through the ownership in TV 2), Schibsted takes great interest in the transition of analog TV channels towards digitalisation. Schibsted has communicated a Scandinavian ambition with respect to ownership of TV channels in the Nordic countries. This ambition stands firm. However, the Group is first of all concerned with the strengthening of existing brands during a period when analog technology still dominates the TV world.

Changing people's media habits is complicated and this issue is frequently underestimated in connection with the introduction of new TV channels. As the digital technology is implemented, Schibsted will actively contribute to ensure that the channels in which the Group has ownership interests maintain and improve their established market positions. As it relates to digitalisation, Schibsted will co-ordinate certain activities within TV and multimedia.

MULTIMEDIA

Executive Vice President
Multimedia
Birger Magnus

Multimedia

Multimedia

PROFIT & LOSS ACCOUNT		
(NOK 1 000)	*1997*	*1996*
Total revenues	188 507	209 934
Operating expenses	278 878	198 939
Operating profit	**(90 371)**	**10 995**
Net financial items	(6 158)	(4 619)
Share associated companies	(8 320)	
Minority interests	967	
Pre-tax profit	**(103 882)**	**6 376**
Taxes	2 151	2 255
Net profit	**(106 033)**	**4 121**

BALANCE SHEET		
(NOK 1 000)	*31.12.97*	*31.12.96*
Current assets	117 811	47 804
Fixed assets	176 815	24 334
Total assets	**294 626**	**72 138**
Current liabilities	74 827	41 402
Long-term debt	273 709	7 296
Minority interests	842	
Equity	(54 752)	23 440
Total liabilities and equity	**294 626**	**72 138**

The Internet is experiencing strong growth both nationally and internationally. The number of people with access to the Internet in Norway increased by 50% during 1997 while the number of people who use the Internet on a daily basis increased by 180%. Schibsted has gained a strong position by establishing itself as the leading content provider on the Internet in Scandinavia. Scandinavia Online is now established in Norway, Sweden and Denmark.

The development of new electronic media products is taking place at a fast pace. The number of people in Norway who use the Internet on a daily basis increased to 326,000 in 1997. However, for the time being most of the content providers are facing a situation where return on investments is years ahead, among other things due to the fact that the advertising markets on the Internet are developing at a slower pace than previously anticipated.

Schibsted is one of the Scandinavian media companies which has allocated the largest amount of resources to the development of the Internet as a new medium. While the operating losses in the online companies have been higher than initially planned and these activities have been through a challenging learning process, Schibsted is of the opinion that the effort has provided the Group with a strong position as the leading content provider for the Internet in Scandinavia.

- Through the co-operation with Telenor in Scandinavia Online AS (effective as of January 1, 1997) the Group has established the leading content provider on the Internet in Norway and perhaps also the leading technology environment in Scandinavia.

- The co-operation agreement between Telia, Telenor and Schibsted, entered into in January 1998, has made possible a corresponding position in Sweden for Scandinavia Online AB and has also laid the foundation for further joint international expansion.

- Scandinavia Online in Denmark has been established and strategic co-operation agreements are under preparation.

- As a result of this strong Scandinavian position, Scandinavia Online has been selected as the exclusive co-operation partner by several major international companies, among them CitySearch, Inc.

- Hugin is in the process of establishing itself as a leading and profitable Scandinavian provider of electronic company information.

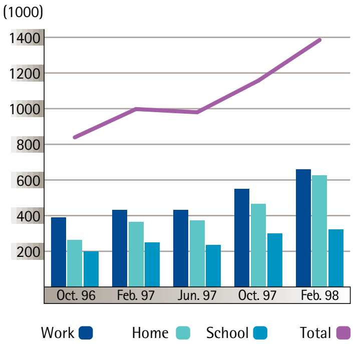
- Schibsted Interactive Studios has been established to develop unique content products.

Schibsted's niche oriented companies have been transferred to the Multimedia business area as of December 31, 1997. This business area will in addition to SOL and Hugin also include Chr. Schibsted Forlag, the SMS Publishing group, Scan-Foto and Dine Penger. These companies have previously been presented as a part of Print Media. This makes it possible to better focus on developments within the individual companies while at the same time opening up for wider co-operation between the niche companies and the online companies.

SOL – a Scandinavian leader

Scandinavia Online has, as the name implies, a Scandinavian ambition. The product concept is to be the preferred gateway to the Internet for individuals and

Access to Internet in Norway



Source: Norsk Gallup Institutt AS

selected corporate clients. This will take place through the delivery of a combination of user-friendly general services and more niche oriented products for selected target groups.

While the products presented to the consumer will have different content in each of the Scandinavian countries, being present in all Scandinavian countries is of considerable value.

- The ability to spread the cost of developing technology over several markets makes a more efficient and offensive effort possible.
- Product concepts may be utilised across borders.
- Scandinavian and international co-operation agreements can be negotiated from a stronger position.

Several of the traditional telecom companies have substantial ambitions towards establishing interactive products. Schibsted has chosen to co-operate closely with Telenor and Telia in order to generate the strongest possible platform from which to deliver the most attractive gateway products and other Internet services.

Schibsted's share of the operating losses in the three SOL companies in 1997 was NOK 97 million compared to an operating loss of NOK 88 million for Schibsted Nett in 1996.

Scandinavia Online AS, Norway

Scandinavia Online AS was established January 1, 1997 as a result of a merger of Schibsted's and Telenor's Internet activities. The Internet access business was separated into a new company, Telenor Nextel (100% owned by Telenor) while all content activities were assembled in SOL. At inception, SOL was owned by Schibsted with 65% and Telenor with 35%. However, the two owners control the company on a 50/50 basis through equal voting rights. During 1997, the employees were offered an opportunity to purchase shares in the company. As a result, at year end 1997 the ownership was divided between Schibsted (63.5%), Telenor (34.2%) and employees (2.3%).

SOL's goal is to participate in developing the Internet to a mass medium and to maintain the leadership position on the Internet in Norway. The company targets both the consumer market as well as the corporate market and offers a large number of Internet services which are useful and/or entertaining. During 1997, SOL established itself as the largest content provider on the Internet in Norway with respect to advertising, the number of page views per week and the number of different users per week. By the end of 1997, SOL had 166 full time employees of whom 143 were employed by the parent company Scandinavia Online AS.

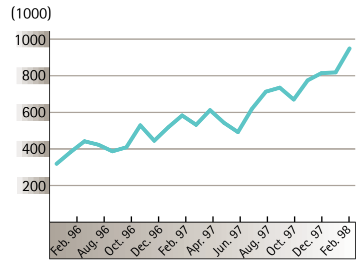
Market developments and SOL's position

The Internet is experiencing strong growth both nationally and internationally. The number of people with access to the Internet in Norway increased by 50% to 1.3 million during 1997 while the number of households with an Internet connection increased by 160% to 330,000. Use of the Internet has also increased substantially. The number of individuals who use the Internet at least once a month increased by more than 80% to 815,000, corresponding to every fifth Norwegian over 13 years of age. The number of people who use the Internet on a daily basis increased by 180% to 326,000.

SOL was by far the most visited Internet site in Norway in 1997. The traffic on SOL increased by more than 200% to more than 4 million page views per week. By the end of the year SOL had, according to MMI (a market research agency), 286,000 different weekly users and 114,000 different daily users. This is 20% and 40% more than number two in the market, respectively.

While the advertising market on the Internet grew by more than 300% in 1997 compared to 1996, it was considerably smaller than what the online companies had expected. The total advertising market was approximately NOK 30-35 million in 1997. SOL had the largest market share with more than 30% of the market.

Use of Internet in Norway per month



Source: Norsk Gallup Institutt AS

Organisation and corporate structure

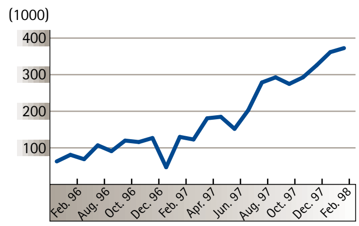
Effective January 1, 1998, SOL's activities were divided into three companies:

1] SOL AS with about 100 employees is the media company responsible for the development and distribution of Internet services to the consumer and corporate markets. SOL's sources of income are advertising, subscriptions and sales commissions from trade on the Internet.

2] Neo Interaktiv with about 20 employees was spun off as of June 1, 1997 and is owned 100% by SOL AS. The company focuses on Web production for external clients and SOL and was profitable in 1997.

3] SOL's technology group was spun off into a separate company, SOL System AS, as of January 1, 1998. The company, which has about 45 employees and is 100% owned by SOL AS, provides the operation of Internet solutions and basic technology such as customer information systems, payment systems, publishing systems and advertising systems to SOL companies and selected external clients.

Use of Internet in Norway per day



Source: Norsk Gallup Institutt AS

Financial results

The Internet market is neither sufficiently mature nor sufficiently large to enable a pure content provider such as SOL to be profitable, and SOL continues to be in an investment phase. SOL had a substantial loss in 1997 as a result of the advertising market developing less positively than expected and the major restructuring work required as a result of the merger between Schibsted's and Telenor's content activities. The group, consisting of the three subsidiaries Scandinavia Online AS, Neo Interaktiv AS and SOL Børs and two associated companies NORbillett and FilmInfo AS, had revenues of NOK 64.2 million in 1997. The pre-tax loss was NOK 80 million. Neo Interaktiv had a profit of about NOK 1 million.

Schibsted expects that the substantial growth in the Internet usage in Norway will continue and that this will result in significant increase in SOL's revenues from advertising, subscriptions and commissions from trade on the Internet. However, the Internet market will still not be of a size sufficiently large to produce a positive result for SOL in 1998, but the loss will be smaller than in 1997. Neo Interaktiv and SOL System are expected to achieve break even.

Scandinavia Online AB, Sweden

Scandinavia Online AB (66% Schibsted and 34% Telenor) was established during the spring of 1997 and the first products were launched in September.

The Swedish launch was based on different conditions than that of the Norwegian. Larger players such as Sweden Post and Telia had already established strong market positions through their own gateways "Torget" and "Passagen". In addition, an organization had to be built. With this as a starting point it was decided to invest in the development of distinct products with competitive potential in selected user segments.

These are the areas concerned:

- Inside Finans, a joint venture with Affärsvärlden and Svenska Dagbladet directed at private investors in the stock market
- The travel market
- Ticketing, including ticketing through the company Ticnet
- Games
- Special services for small and medium sized companies
- A city guide for Stockholm based on a Scandinavian contract with CitySearch

On January 29, 1998, a letter of intent was signed by Schibsted, Telia and Telenor whereby the three partners will establish a joint company which will include the activities of SOL AB and Telia InfoMedia Interactive, including the gateway "Passagen". The new SOL AB will be owned by Schibsted (40%), Telia (40%) and Telenor (20%). This merger will further strengthen SOL's position both in Sweden and Norway. As part of the agreement, Telia will acquire a 10% ownership stake in Scandinavia Online AS, Norway from Schibsted. A separate entity will be established for a city guide in Stockholm based on the CitySearch concept.

The result for 1997 amounted to a loss of NOK 70 million.

Scandinavia Online AS, Denmark

SOL Denmark was established during the second half of 1997. The company will make use of products and technology developed by the other SOL companies. Several important strategic co-operation agreements will be established during the first half of 1998. For the time being, Schibsted owns 100% of SOL DK.

Hugin AS

Hugin AS is a distributor of corporate financial information through traditional and new media. Listed companies use Hugin's services in order to reach the financial market through several different media simultaneously. In a short time, Hugin AS has established itself as one of the leading distributors of corporate information electronically in the Nordic countries and the company has a client base of close to 300 listed companies.

On behalf of clients, Hugin arranges and distributes press releases, electronic annual and quarterly reports in addition to spread sheets and analyst reports through CD ROM, the Internet, E-mail and telefaxes.

Hugin has expanded its activities during 1997 to include all the Nordic countries. The company has established a wholly owned subsidiary in Denmark and a joint venture with Inside Finans AB in Sweden.

Hugin is growing rapidly and had revenues of NOK 7.6 million in 1997 a year of investment and expansion.

Schibsted Interactive Studio AS

Schibsted Interactive Studio AS was established in September 1997. The business concept is to operate an electronic publishing house on the Internet. The company will develop and operate its own product portfolio alone and in co-operation with partners and will be in a development phase during the first half of 1998.

Scan-Foto AS

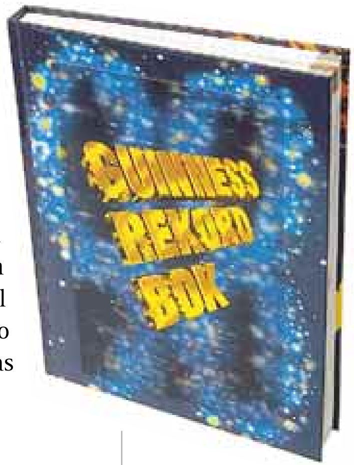
At the start of 1997, the photo agency Scan-Foto AS celebrated its 10th anniversary. Scan-Foto is a significant supplier of photo services to Aftenposten and VG. Its most important responsibility is the operation of a joint photo archive for the two newspapers. Sales to external customers is the fastest growing segment and represented NOK 20 million or about 55% of total revenues. Scan-Foto is the largest photo agency in Norway.

A reorganisation of digital storage of archive photos from Aftenposten, VG and Scan-Foto's own photos was completed during 1997. News photos from the international agencies AP, Reuters and epa, which have been delivered digitally for several years, are stored in the same system. All the photo desks at Aftenposten and VG have access to the system via Intranet and take out close to 10,000 photos per month. The system has been opened for external clients in co-operation with Scandinavia Online and there are currently approximately 50 active users.

New technologies – digital photo archives and the Internet – will in the future influence the competitive environment for all photo agencies.

Scan-Foto's revenues increased by 20% to NOK 36 million in 1997.

Chr. Schibsted Forlag AS



Chr. Schibsted Forlag AS has initiated measures in order to position itself relative to the challenges and opportunities presented by a new book and media market. Schibsted International Books, a new division, was established in 1997, covering marketing and sales of books in English to bookstores. The introduction has been very successful and the activities will be expanded.

Revenues for 1997 were NOK 37 million. The company experienced strong sales of several titles and had 4-5 titles among the best-sellers in the bookstores, among others «Guinness Book of Records». Sales of travel guides, which has been a focus area for several years, have continued to increase and the position as the leading publishing house in this area has been cemented.

SMS Publishing AB

SMS Publishing AB was acquired by Schibsted in 1996. The company has three subsidiaries.

Svenska Forlaget liv & ledarskap AB is a leading publishing house mainly within the area of management literature. The company publishes more than 30 titles per year and has a very active "back list". The Executive book club developed positively during the year both with respect to the number of members and revenues.

Headhunter AB publishes the national weekly Headhunter. The weekly newspaper targets decision-makers and writes about leadership, careers and management skills. The weekly newspaper is distributed via newspaper stands in about 40 airports in Sweden.

Anbud & Inköp Svenska AB publishes a weekly magazine which monitors the purchasing plans in the public sector. The information is partly collected from EU's database TED in Brussels and partly from a Swedish database.

SMS had revenues of SEK 25.2 million in 1997.

Dine Penger AS

Schibsted bought Dine Penger in 1997. Dine Penger AS publishes the magazine Dine Penger which is the largest personal finance magazine in Norway. The magazine is published 10 times a year and circulation for the first half of 1997 was 59,361 copies. This is an increase of 15% compared to the first half of 1996. The number of subscriptions paid was 44,358 and the casual sales were 15,003. The number of registered readers is 425,000 and the magazine is still growing.

In 1997, Dine Penger established an expanded Internet activity and an Internet editor has been hired. The Internet site, which can be reached through SOL's gateway, is named DP-Online and is updated on a daily basis. DP-Online's goal is to become Norway's best Internet forum for personal finance.

The company had revenues of NOK 31.8 million in 1997, an increase of 6.9% compared to 1996.

Group Functions

Schibsted Finans AS

Schibsted Finans AS is the Group's internal bank responsible for external borrowings and cash management. Subsidiaries with surplus liquidity place these funds with Schibsted Finans and subsidiaries with borrowing requirements borrow from Schibsted Finans. In addition, Schibsted Finans is responsible for the Group's foreign exchange and interest rate management.

In October 1997, Schibsted Finans entered into a new syndicated multicurrency revolving credit totaling USD 300 million. This replaces a facility of NOK 700 million which was signed in January 1996. Schibsted can borrow in most currencies and up to five currencies at any one time. The revolving credit is provided by a syndicate of 11 Norwegian and international banks and has a maturity of 7 years. The facility, which was obtained at very favorable terms, was put in place in order to provide the Group with financial flexibility during a period of large investments, especially in the new printing plant. At year end 1997, SEK 150 million had been borrowed under the facility.

In addition, Schibsted has a USD 32 million term loan with Den nordiske Investeringsbanken. This loan has been converted to a loan of NOK 206 million and will be fully repaid by 2008. In spite of large investments in the new printing plant, strong operating cash flow during 1997 made it possible to repay commercial paper totaling NOK 200 million during the year.

Schibsted Finans has entered into two interest rate hedging agreements for a total of NOK 350 million protecting the Group against a possible substantial increase in interest rates. In addition, Schibsted Finans has entered into several currency contracts on behalf of Schibsted Trykk AS. These contracts hedge future currency payments to the main suppliers to the new printing plant. Of a total of about GBP 54 million and CHF 34 million in currency obligations, GBP 11 million and CHF 14 million were not hedged as of the end of 1997.

Surplus liquidity is for the most part invested in short term interest rate instruments and money market funds.

A summary of the Group's real estate holdings:

Address	*m^2*	*Tenant*
Grensen 15/ Akersgt. 32 (50%)	2 000	Chr. Schibsteds Forlag
Akersgt. 36	1 300	Aftenposten
Akersgt. 34	3 300	Aftenposten
Akersgt. 51/ Apotekergt. 6	13 000	Aftenposten
Apotekergt. 10	6 420	Schibsted, Aftenposten
Akersgt. 55*	32 000	VG, Aftenposten, Scan-Foto
Sandakervn. 121 **	41 000	Schibsted Trykk

** is organized as a separate limited company, 100% owned by Verdens Gang AS.*
*** Will be completed during the third quarter of 1998.*

Schibsted Eiendom AS and Schibsted Drift AS

Schibsted Eiendom manages the Group properties, most of which are owned. At year end 1997, the company managed a total of 108,000 m^2. As of January 1, 1998, Schibsted Eiendom sold the printing plant at Linderud, Oslo (for a more detailed description see page 28). The new office building in Apotekergaten 10 in Oslo was finished in the first quarter of 1998 with Schibsted ASA and Aftenposten as tenants. All the properties are fully rented.

Metronome Ejendomsadministration, which is 25% owned by Schibsted Eiendom recently completed the construction of a TV center at Amager in Copenhagen. The size of the center is 9600 m2 with Metronome Studios and Metronome Production as tenants. The property Gullhaug Torv 3 in Oslo, with FilmTeknikk, Nydalens Studios, Eventyrkanalen and Rubicon TV as tenants is rented.

The Schibsted Eiendom subsidiary, Schibsted Drift, is responsible for the day-to-day operations of the Group's properties in Norway. This includes reception services, security and on-going maintenance. At the end of the year, this company had 40 employees.

Investor Relations

Shareholder policy, dividends and share price development

When Schibsted was listed on the Oslo Stock Exchange in 1992, the Board of Directors established an objective of maximizing the shareholders' return through long term growth in profits and dividends. This objective is subject to the goal of financing the Group's expansion without the need for new equity. In line with this goal, the Board of Directors proposes to the Annual General Meeting a dividend of NOK 1.75 per share compared to NOK 1.50 per share in 1996. The Schibsted share traded at NOK 117.50 at the beginning of the year, and at NOK 126,50 at the end of the year, an increase of 7.7% (8.9% adjusted for dividends). The Oslo Stock Exchange All Shares Index increased by 31.5% during the same period. The lowest price at which Schibsted shares were traded was NOK 115 and the highest price was NOK 148 in June, which was an all-time high for the share. During the time period from the listing on the Oslo Stock Exchange on July 16, 1992 until December 31, 1997 the Schibsted stock increased by 379%. The Oslo Stock Exchange All Shares Index increased by 216% during the same period. The average price per share traded on the Oslo Stock Exchange in 1997 was NOK 130 and 62 million shares were traded, down from 87.7 million in 1996. Foreign ownership was unchanged at 39% in 1997.

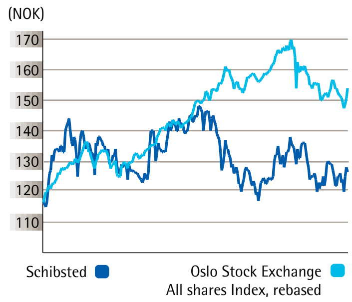
Employee stock program

In 1997 all full time employees of Schibsted's Norwegian subsidiaries were offered Schibsted shares worth approximately NOK 5,000 at 20% discount, in accordance with Norwegian tax laws. About 1,550 employees, or 63% of those who received the offer accepted. The purpose of the employee stock program is to increase the employees' loyalty to the Group by facilitating their entrance into the stock market. Through their shareholdings they will take part in the shareholder value creation within the Group. The program will also give incentives to gain greater insight into and understanding of the Group's activities and financial position. The program will most likely be continued also in 1998.

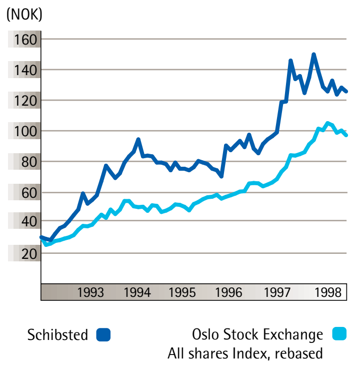
Information to the financial markets

Ongoing contact with the Norwegian and international financial markets has a high priority. The objective is to increase the market's knowledge of the Group and understanding of the media industry as well as to develop the trust which is required for investors to find Schibsted an attractive investment. In order to be able to value the company accurately, relevant and timely information is required. In addition to regular information consisting of annual and quarterly reports, Schibsted also focuses on open communication with the financial markets through information activities in Norway as well as internationally. This contributes to achieving good liquidity in the shares. Several leading brokerage houses, both in Norway and internationally, follow Schibsted and a large number of analyst reports are published each year. The analyst reports provide useful information about Schibsted, the markets in which the Group operates, the value of the Group and the outlook for the future. In 1997, an Investor Relations Officer was appointed. The distribution of information through a specialized Investor Relations Internet site and through E-mail will be prioritized.

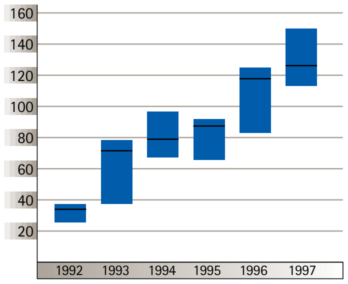
Schibsted vs. Oslo Stock Exchange 1997



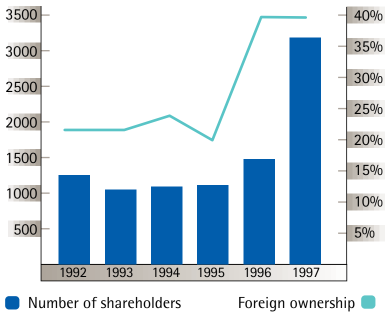
Share price development since listing in July, 1992 until January, 1998



Share price – Range and year end



Number of shareholders and foreign ownership



The Annual General Meeting

The Annual General Meeting of Schibsted ASA will be held at the company's head office at Apotekergaten 10, Oslo, Thursday, May 7, at 1700 hours. Shareholders who wish to be present at the AGM are requested to send notice to the following registrar by 1600 hours on Thursday, April 30, 1998: DnB Verdipapirservice, P.O.Box 1171 Sentrum, N-0107 Oslo. You may also sign on through our internet site at http://www.schibsted.no/corporation/AGM/. Shareholders may appoint a proxy with written authority to attend the meeting and to vote on his/her behalf. Proxy without specific voting instructions can be given to the AGM chairman, Mr. Lars A. Christensen, c/o DnB Verdipapirservice, P.O.Box 1171 Sentrum, N-0107 Oslo. Registered shareholders at May 7, 1998 are entitled to dividend, payable on May 25, 1998.

Shareholder distribution

Number of shares From		To	Number of shareholders	Total number of shares	%
1	-	100	1 604	67 620	0.1%
101	-	1 000	1 078	405 814	0.6%
1 001	-	10 000	284	1 010 742	1.5%
10 001	-	100 000	138	5 121 326	7.4%
100 001	-	1 000 000	64	18 563 768	26.8%
1 000 001	-	99 999 999	13	44 080 730	63.7%
Total			3 181	69 250 000	100.0%

Share price

NOK	1992	1993	1994	1995	1996	1997
High	37,60	76,00	97,00	90,50	125,00	148,00
Low	26,50	36,60	69,00	67,00	82,50	115,00
Year end	37,00	71,00	78,00	86,00	117,50	126,50
Price change	40%	92%	10%	10%	37%	8%

RISK adjustment

Year of acquistion	RISK amount per 1.1.	Accumulated RISK	Dividends Paid
1993	1,04	18,69	0,80
1994	5,16	13,53	1,00
1995	4,31	9,22	1,15
1996	4,25	4,97	1,30
1997	4,97		1,50
1998			1,75

Annual General Meeting 1997

May 7, 1998

Presentation of quarterly figures 1998

1st quarter: May 7, 1998
2nd quarter: August 18, 1998
3rd quarter: November 5, 1998

Chairman of the Board
Tinius Nagell-Erichsen

Stiftelsen Tinius (The Tinius Trust)

Statement given by Tinius Nagell-Erichsen after Schibsted ASA's Annual General Meeting - May 8, 1996:

Ownership is a more important issue for a newspaper than for ordinary industrial companies. A newspaper is not just any product, but a forum for vital community information and the exchange of opinions, on which our democratic society is built. Newspaper ownership should therefore, in addition to being long term, openly be committed to the newspaper's own values. At times, it may be necessary to defend these values, to ensure the newspaper's continued freedom and editorial independence. Being a major shareholder is then an advantage. An ownership of 26 per cent of the Schibsted Group is ensured special rights in the company's Articles of Association. These rights would, under normal circumstances, require a much larger ownership, but were part of my conditions when agreeing to the transition from a privately held company to a limited company several years ago.

As long as these shares are held as a unit, they constitute a special guarantee for the freedom and independence for Schibsted's newspapers and mass media. The strength of this group of shares is so strong, that a takeover would be very difficult.

To ensure that these shares are kept as a unit, I founded Blommenholm Industrier AS, into which I transferred my shareholding in Schibsted. In Blommenholm Industrier AS there is a structure of shares with regular dividend rights, but only one voting share (A-share).

I have decided that after my death, or when I otherwise should decide, the A-share will be transferred to "Stiftelsen Tinius", which will be governed by the following rules:

"The Schibsted Group shall continue to be a media group and be managed pursuant to the same editorial and commercial principles as it is today. In relation to Aftenposten and Verdens Gang, the purpose is to maintain the role these newspapers have played to date in the Norwegian society.

I. Aftenposten and Verdens Gang shall have free and independent editorial governance.

II. Aftenposten and Verdens Gang shall be based on Christian values, Norwegian culture and democratic principles.

III. In accordance with the principles underlying the publishing of the newspapers, Aftenposten and Verdens Gang shall represent quality and credibility. The two newspapers shall bring information about issues of importance.

The principles of editorial freedom, credibility and quality of the newspapers shall also be guiding for other media and publishing businesses owned by the Schibsted Group. The Trust shall work for long term, sound, financial development of the Schibsted Group. The Trust shall also work as required toward influencing the general conditions for free and independent editorial governance in other media businesses."

As members of the board for the Trust I have appointed Bjørn Atle Holter-Hovind, Ole Jacob Sunde, John Rein and with myself as chairman.

Why these persons? We have worked together for many years in the reorganization of Schibsted. They have knowledge of the Group's business affairs, and I know no one better. "Stiftelsen Tinius" is today registered with the County Governor for Oslo and Akershus. As a gift, I have transferred NOK 10 million to the Trust. The amount emphasizes the importance I attach to the Trust.

Management Trainee Program

Amandus Trainee Program

A new two-year trainee program was initiated in January 1997. The purpose of the program is to attract competent associates with management potential for all Schibsted subsidiaries. The program mainly targets students from graduate business schools and technical universities in Norway and Sweden as well as Norwegians studying abroad. From 1998, students from Danish schools will be included.

Schibsted aims to accept new trainees twice a year, in January and August. All together 6 to 8 newly graduated trainees will be accepted each year. As of the first quarter of 1998, 11 trainees were employed in the Group. Four are Swedish and seven are Norwegian; five women and six men. During their two-year trainee period, the trainees will have 4 to 5 different engagements in the subsidiary companies with possibilities of working in Oslo, Stockholm, Tallinn and Copenhagen. The goal is that each trainee shall obtain an insight into the three business areas of Schibsted.

Scholarship for East-European Master Degree level students

In view of the possible future growth of Schibsted in Eastern Europe, co-operation has been initiated with the Norwegian School of Management BI, Oslo about a specific program where 2 to 4 students, preferably from Russia and Estonia, will be offered a scholarship from Schibsted to complete a two-year part-time MSc or MBA program at the Norwegian School of Management BI. The program was presented to potential candidates in St. Petersburg and Tallinn for the first time in January 1998 with the intention of starting the program during the autumn of 1998.

ANNUAL ACCOUNTS

Profit & Loss Account

(NOK 1000)	Notes	1997	1996	1995
REVENUES				
Subscription revenues		512 369	511 205	464 859
Casual sales revenues		2 225 459	1 793 345	1 097 307
Advertising revenues		1 906 611	1 640 165	1 283 924
Other revenues		715 447	624 441	501 730
Total revenues	**1**	**5 359 886**	**4 569 156**	**3 347 820**
OPERATING EXPENSES				
Raw materials		526 051	485 426	280 744
TV/film production expenses		240 706	216 473	215 535
Personnel expenses	9	1 659 953	1 386 307	1 188 906
Other operating expenses		2 044 633	1 696 756	1 080 161
Losses on accounts receivable		12 252	9 397	13 200
Ordinary depreciation	8	231 569	196 835	160 267
Total operating expenses		**4 715 164**	**3 991 194**	**2 938 813**
Operating profit		**644 722**	**577 962**	**409 007**
FINANCIAL INCOME/EXPENSES				
Financial income		59 933	46 506	47 764
Financial expenses		(56 587)	(42 703)	(17 367)
Share of associated companies	5	82 662	1 545	59 530
Net financial items		**86 008**	**5 348**	**89 927**
Minority interests		(2 512)	(4 094)	(673)
Pre-tax profit		**728 218**	**579 215**	**498 261**
Taxes	10	240 321	178 022	152 466
Net profit		**487 897**	**401 193**	**345 795**
Earnings per share		7.05	5.79	4.99

Balance Sheet

(NOK 1000)	Notes	31.12.97	31.12.96	31.12.95
ASSETS				
Cash and deposits	2	521 327	317 504	491 645
Accounts receivable		477 150	473 477	326 350
Other current assets	3	219 150	253 558	75 083
Total current assets		**1 217 627**	**1 044 539**	**893 078**
Shares and interests	4,5	664 528	708 818	442 218
Long-term receivables	7	484 099	402 090	97 112
Construction in progress	8	343 913	169 728	8 770
Machinery, equipment and goodwill	8	820 331	764 638	429 195
Buildings and land	8	1 122 331	958 950	781 660
Net pension assets	9	8 899	13 148	34 713
Fixed assets		**3 444 101**	**3 017 372**	**1 793 668**
Total assets		**4 661 728**	**4 061 911**	**2 686 746**
LIABILITIES AND SHAREHOLDERS EQUITY				
Accounts payable		402 797	205 531	115 005
Accrued public dues and wages		302 386	284 258	229 895
Taxes payable	10	222 497	173 730	151 001
Proposed dividend		121 188	103 875	90 025
Other current liabilities		440 229	381 297	269 095
Total current liabilities		**1 489 097**	**1 148 691**	**855 021**
Long-term debt	12	511 471	636 589	13 522
Deferred tax	10	18 426	20 960	4 944
Pension obligations	9	321 130	300 113	211 174
Total long-term debt		**851 027**	**957 662**	**229 640**
Minority interests		**68 831**	**65 448**	**2 176**
Share capital (69,250,000 shares of NOK 1)		69 250	69 250	69 250
Legal reserves		450 300	384 537	331 152
Temporarily non distributable reserves				47 876
Total restricted equity		**519 550**	**453 787**	**448 278**
Retained earnings		1 733 223	1 436 323	1 151 631
Total equity	11	**2 252 773**	**1 890 110**	**1 599 909**
Total liabilities and shareholders' equity		**4 661 728**	**4 061 911**	**2 686 746**

Cash Flow Statement

(NOK 1000)	*Note*	*1997*	*1996*	*1995*
CASH FLOW FROM OPERATIONS				
Profit before taxes		728 218	579 215	498 260
Minority interest		2 512	4 094	673
Share of associated companies		(82 662)	(1 545)	(59 530)
Dividends from associated companies		32 769	11 818	9 217
Income taxes paid		(194 088)	(154 833)	(143 973)
Gain/loss from sale of fixed assets		(5 127)	(11 670)	(3 565)
Ordinary depreciation		231 569	198 104	166 944
Increase in accounts receivables		(3 673)	(89 840)	(26 038)
Increase in accounts payable		197 266	69 654	10 157
Difference between pension expenses and cash flows connected to the pension plans		25 266	10 482	39 243
Translation gains/losses		(3 175)	(6 680)	1 068
Increase in other current assets and liabilities		103 140	30 275	52 885
Net cash flow from operating activities		**1 032 015**	**639 074**	**545 341**
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from sale of fixed assets		35 295	31 006	4 904
Purchase of property, plant and equipment		(569 984)	(668 270)	(189 483)
Proceeds from sale of shares		153 999		5 068
Purchase/sale of shares in subsidiaries	16	(42 750)	(300 476)	(72 188)
Purchase of other shares		(55 830)	(259 480)	(35 526)
Shareholders contribution			(2 913)	
Other investments		(82 009)	(35 458)	
Proceeds from sale of other investments				68 142
Net cash flow from investing activities		**(561 279)**	**(1 235 591)**	**(219 083)**
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowing		191 340	512 401	
Repayment of long term debt		(354 378)		(96 254)
Dividends paid		(103 875)	(90 025)	(79 638)
Net cash flow from financing activities		**(266 913)**	**422 376**	**(175 892)**
Net increase/decrease in cash and cash equivalents		**203 823**	**(174 141)**	**150 366**
Cash and cash equivalents at beginning of period		317 504	491 645	341 279
Cash and cash equivalents at end of period		**521 327**	**317 504**	**491 645**

Notes to the Annual Accounts

All figures in NOK 1 000 unless otherwise specified.

1. ACCOUNTING PRINCIPLES

Consolidation

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

In the consolidated accounts, all major intercompany items, transactions during the year and internal profits have been eliminated.

The cost price of shares in subsidiaries is set off against the equity of the subsidiaries at the time of acquisition or establishment. Any values which exceed the underlying equity in the subsidiaries are attributed to the assets to which such values relate. If a subsidiary is not wholly owned, the external shareholders´ interests are shown as minority interests. The subsidiaries included in the consolidated accounts are shown in Note 4.

Translation of foreign subsidiaries

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

Associated companies

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

Joint ventures

Joint ventures are defined as activities where Schibsted ASA, directly or through subsidiaries, participate, and where the participants, through agreements, have joint control over the activity. Joint ventures are presented in the consolidated accounts through pro rata consolidation where the groups share of revenues, expenses, assets and liabilities are presented line by line in the accounts. The joint ventures included in the consolidated accounts are shown in Note 6.

Operating revenues

Advertising revenues are recognised when the advertisements are placed. Subscription and casual sales revenues are recognised when the newspapers are delivered. Provisions are made for deferred income and estimated casual sales returns.

Cash and cash equivalents

Cash comprises cash on hand and bank deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. See Note 2.

Accounts receivable

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

Shares and bonds

Bonds held as current assets are managed on a portfolio basis, and valued at the lower of aggregate cost and aggregate market value.

Shares held as fixed assets are valued at cost or market value when the market value is lower than cost and when the reduced value is not considered temporary.

Long term operating assets/ordinary depreciation

Capitalised fixed assets consist of investments which provide for an increase in capacity or a significant improvement in quality. Ordinary depreciation is calculated linearly according to the following rates:

Buildings:	2-4%
Machinery:	12.5-20%
Vehicles:	20%
Furniture/EDP:	12.5-33%
Goodwill and excess value in associated companies:	5-20%
Leasehold improvements:	Over the lease term

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

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

Expenses related to Year 2000 problems

Expenses in connection with new systems are capitalised and depreciated in accordance with ordinary principles when the systems are put to use, while expenses connected to modification of existing systems are expensed when incurred.

Pensions and pension obligations

Defined benefit plans

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

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

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

Defined contribution plans

The net pension cost equals the annually paid contribution.

Deferred tax / deferred tax benefits

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

Financial instruments

Existing currency forward contracts and options secure known future payment in foreign currencies and are accordingly valued at forward rates. Existing interest contracts secure floating interest rates on existing loans. Accordingly, gains and losses are accounted for on interest payment dates.

Criteria for business areas segmentation

The business areas are segmented into areas that alone have a risk and profitability different from the others. The segmentation is in accordance with the group's internal reporting principles and procedures. As at December 31, 1997 the business area Print Media was renamed to Newspaper at the same time as all niche companies were transferred to the business area Multimedia. Comparable numbers from prior years are adjusted accordingly.

Changes in accounting principles

Participation in joint ventures were previously accounted for as associated companies. As from 1997 such investments are pro rata consolidated. Comparable numbers for prior years are adjusted accordingly. See note 6.

2. CASH, BANK AND DEPOSITS

Aftenposten AS and Verdens Gang AS have provided bank guarantees totalling NOK 60 (59) million for maximum withholding tax obligations. Additional withholding tax obligations, NOK 5.5 (2.6) million, are held in separate accounts.

	31.12.97	*31.12.96*	*31.12.95*
SPESIFICATION OF CASH, BANK AND DEPOSITS:			
Cash and bank deposits	343 872	208 362	164 438
Bonds	21 078	51 415	245 158
Certificates		19 999	50 018
Equity funds	5 441	5 278	10 219
Money market funds	150 936		
Other liquid assets		32 450	21 812
Total cash, bank and deposits	**521 327**	**317 504**	**491 645**

3. OTHER CURRENT ASSETS

	31.12.97	31.12.96	31.12.95
Prepayment to suppliers	2 511	489	1 079
Capitalised film investments	51 600		5 500
Short term receivable from Schibsted Nett		109 824	
Other short term receivables	130 939	120 446	40 686
Inventories	34 100	22 799	27 818
Total other current assets	**219 150**	**253 558**	**75 083**

4. SHARES

	Company's share capital	Owner percentage	Number of shares	Shares par value	Book value Parent	Book value Group
SUBSIDIARIES OWNED BY SCHIBSTED ASA						
Aftenposten AS	30 000	100%	300 000	100	30 000	
Verdens Gang AS	25 000	100%	250 000	100	25 000	
Chr. Schibsted Forlag AS	60	100%	600	100	30	
Scan-Foto AS	1 550	100%	1 550	1 000	1 550	
Schibsted Eiendom AS	900	100%	9 000	100	900	
Schibsted Finans AS	10 000	100%	100 000	100	10 000	
Schibsted Trykk AS	900	20%/100%	180	1 000	180	
Osloavisen AS	50	100%	500	100	50	
Schibsted Print Media AS	200	100%	200	1 000	200	
Schibsted Multimedia AS	200	100%	200	1 000	200	
Schibsted TV & Film Holding AS	900	100%	900	1 000	75 412	
Schibsted AB (SEK)	500	100%	5 000	100	492	
Total shares in subsidiaries					**144 014**	
SUBSIDIARIES OWNED BY OTHER GROUP COMPANIES:						
Schibsted Trykk AS	900	80/100%	720	1 000		720
Meglernes Listeservice AS	550	100%	154	3 571		550
A-Foto AS	50	100%	10	5 000		50
Avisretur AS	1 500	50,1%	752	1 000		752
Aftonbladet Hierta AB (SEK)	100 000	49.99%	49 999	1 000		358 456
Tidningen Aftonbladet AB (SEK)	50 000	49.99%	500 000	100		164 526
Hierta Nymedia AB (SEK)	50	49.99%	500	100		23
Tabloiden Förvaltnings AB (SEK)	50	49.99%	50	1 000		47
Hierta Annons AB (SEK)	105	49.99%	1 050	100		98
Amedia Arkiv AB (SEK)	50	49.99%	500	100		47
Hierta Tidningen AB (SEK)	50	49.99%	500	100		47
Metronome Film & Television AB (SEK)	101	95%	32 133	3		65 413
Mutter Media AB (SEK)	3 382	95%	33 824	100		11 398
Värtens Videosällskap AB (SEK)	100	95%	1 000	100		51
Mekano Film & TV AB (SEK)	100	95%	1 000	100		47
Meter Film & TV AB (SEK)	100	95%	1 000	100		47
Nordic Entertainment AS Norway	50	95%	500	100		50
Decimeter Film & TV AB (SEK)	100	95%	1 000	100		179
Meter Fakta AB (SEK)	100	95%	1 000	100		47
W & W Enterprise AB (SEK)	100	95%	1 000	100		465

	Company's share capital	Owner percentage	Number of shares	Shares par value	Book value Parent	Book value Group
Skanstullsbrons Video AB (SEK)	100	95%	1 000	100		47
Nordic Entertainment AS Denmark (DKK)	500	95%	500	1 000		593
Moland Film Company Norway AS	200	86%	180	1 000		720
Moland Film Company Denmark AS (DKK)	500	86%	450	1 000		621
Rubicon TV AS	2 000	95%	20 000	100		2 000
Metronome Production AS (DKK)	1 250	67%	875	1 000		1 688
Schibsted Broadcast AS	900	100%	900	1 000		1 155
Schibsted Film AS	10 000	100%	100 000	100		10 000
Norsk FilmDistribusjon AS	50	100%	100	500		903
Metronome Film AS (DKK)	1 630	100%	1 630	1 000		20 607
Schibsted TV & Film Infrastruktur AS	900	100%	900	1 000		22 900
Kanal 2, Estonia (EEK)	848	86%				36 321
A-shares (EEK)			49	320		
B-shares (EEK)			178	4 000		
EuroLab Norge AS	50	100%	50	1 000		50
Schibsted Drift AS	900	100%	900	1 000		900
AS Akersgaten 34	50	100%	100	500		13 054
AS IRO	300	100%	300	1 000		12 750
Akersgaten 55 AS	1 000	100%	10 000	100		1 000
Sandakerveien 121 AS	500	100%	500	1 000		950
Scandinavia Online AS (DKK)	500	100%	100	5 000		533
Schibsted Interactive Studio AS	4 000	100%	4 000	1 000		4 000
Hugin AS	88	50%	441	100		3 300
Bokkilden AS	50	100%	500	100		50
Dine Penger AS	900	100%	900	1 000		900
SMS Publishing AB (SEK)	100	100%	100	1 000		16 026
Headhunter Svenska AB (SEK)	100	100%	1 000	100		186
Anbud & Inköp Svenska AB (SEK)	50	100%	500	100		47
Svenska Förlaget liv och ledarskap AB	50	100%	500	100		47
Total shares owned by other group companies						**754 361**
JOINT VENTURES:						
Scandinavia Online AS	68 228	63.5%	433 334	100		48 751
Scandinavia Online AB (SEK)	20 000	66%	1 320	10 000		12 075
Tidningstryckarna Aftonbladet Svenska Dagbladet AB (SEK)	30 000	50%	15 000	1 000		21 987
Fastighets AB Tidningsfabriken (SEK)	4000	50%	2 000	1 000		2 325
Sandrew Metronome AB (SEK)	6 200	50%	31 000	100		39 023
Total joint ventures						**124 161**
ASSOCIATED COMPANIES:						
Fædrelandsvennen AS	24 000	25.00%	80 000	75	15 000	47 290
Fædrelandsvennen Trykkeri AS	200	25.00%	50 000	1	20	1 503
Adresseavisen ASA	38 033	31.86%	605 822	20	105 382	134 400
Stavanger Aftenblad ASA	7 500	31.47%	236 014	10	60 071	120 099
Bergens Tidende AS	15 593	24.33%	379 338	10	78 512	95 329
NTB AS	12 761	20.64%	5 268	500		15 100
TV 2 AS	260 000	33.33%	867 167	100	127 313	176 112
TV Pluss AS	3 500	33.00%	11 550	100		(4 576)
Bevertningskompaniet AS	770	46.75%	3 600	100		0
FilmTeknikk Norge AS	13 100	48.63%	63 700	100		4 262

	Company's share capital	Owner percentage	Number of shares	Shares par value	Book value Parent	Group
Skandinaviska Filmlab. Holding AB (SEK)	750	33.33%	250	1 000		5 382
ScanCam AS	500	50.00%	250	1 000		3 682
Metronome Entertainment AS	10 000	25.00%	2 500	1 000		15 655
Warner & Metronome AS		50.00%				69
Sandrew Metronome Finland Oy		25.00%				0
Hollywood Boutique (EEK)	1 515	26.73%	81	5 000		207
AS Akersgaten 32	750	50.00%	60	6 250		2 752
Imedia Norge AS	1 000	50.00%	1 000	500		443
KS/AS RDB-Nett	7 000/700	20.00%	140	1 000		600
NORbillett AS	2 300	20.00%	44	10 000		0
Inside Finans AB	200	33.00%	660	100		(1 710)
Ticketing Control AB	200	33.00%	660	100		5 857
Total associated companies					**386 298**	**622 456**
Shares in other companies:						
AS Harstad Tidende	8 000		311	4 000	3 132	3 132
Asker og Bærums Budstikke ASA	10 200		103 956	10	20 781	20 781
Filminfo AS	147		61	1 000		1 880
Other shares					200	16 279
Total other companies					**24 113**	**42 072**
Total shares					**410 411**	**664 528**

5. SHARES IN ASSOCIATED COMPANIES

	Book value 1.1.97	Net additions in the period	Share of result	Dividend received	Book value 31.12.97
Fædrelandsvennen AS	44 196		5 334	(2 240)	47 290
Fædrelandsvennen Trykkeri AS	1 503				1 503
Adresseavisen ASA	125 866		16 410	(7 876)	134 400
Stavanger Aftenblad ASA	105 522	785	16 624	(2 832)	120 099
Bergens Tidende AS	81 672	9 146	5 924	(1 413)	95 329
NTB AS	14 834		266		15 100
Tidningstryckarna Aftonbladet Svenska Dagbladet AB (SEK) *	14 515	(14 515)			0
TV 2 AS	148 519	15 893	29 908	(18 208)	176 112
TVNorge AS	98 919	(128 859)	29 940		0
TV Pluss AS	(4 261)		(315)		(4 576)
Kanal 2, Estland	1 000	2 045	(3 045)		0
Bevertningscompaniet AS					0
FilmTeknikk Norge AS	(1 105)	4 550	817		4 262
Skandinaviska Filmlab. Holding AB	9 312		(3 930)		5 382
ScanCam AS	3 599		283	(200)	3 682
Nydalen Studios AS	(484)	3 807	(3 323)		0
Metronome Entertainment AS	19 999		(4 344)		15 655
Sandrew Metronome KB *	9 885	(9 885)			0
Warner & Metronome AS	69				69
Scala Biograferne Aps	1 904	(1 904)			0
Dagmar Teatret AS	1 752	(1 752)			0

	Book value 1.1.97	Net additions in the period	Share of result	Dividend received	Book value 31.12.97
Sandrew Metronome Finland Oy		105	(105)		0
Hollywood Boutique		207			207
Akersgaten 32 AS	2 137		615		2 752
Imedia Norge AS	(8 661)	14 939	(5 835)		443
Hugin AS	1 767	(1 767)			0
KS AS RDB Nett	676		(76)		600
Scandinavia Online AS *	16 250	(16 250)			0
NORbillett AS		456	(456)		0
Inside Finans AB		32	(1 743)		(1 710)
Ticketing Control AB		6 144	(287)		5 857
Total associated companies	689 385	(116 823)	82 662	(32 769)	622 456

The share of the results is shown after excess value depreciation of NOK 11.5 mill. Excess value at the end of the period amounts to NOK 118.5 mill.
* Transferred to joint ventures in 1997.

6. JOINT VENTURES

	Ownership	Paid capital	Share of control	Share of result
Scandinavia Online AS	63.5%	NOK 68 228	50%	63.5%
Scandinavia Online AB	66.0%	SEK 20 000	50%	66%
Tidningstryckarna Aftonbladet Svenska Dagbladet AB	50.0%	SEK 30 000	50%	50%
Fastighets AB Tidningsfabriken	50.0%	SEK 4 000	50%	50%
Sandrew Metronome AB	50.0%	SEK 3 100	50%	50%

	Share of revenues	Share of expenses	Share of fin.items	Share of res. before taxes	Share of current assets	Share of fixed assets	Share of current liabilities	Share of long term debt
Scandinavia Online AS	41 761	91 547	(695)	(50 162)	23 681	20 537	17 957	27 050
Scandinavia Online AB	786	41 331	(2 327)	(42 871)	7 237	4 710	14 201	28 382
Tidningstryckarna Aftonbladet Svenska Dagbladet AB	62 882	62 265	(307)	310	32 828	26 764	30 102	3 970
Fastighets AB Tidningsfabriken	15 783	4 147	(11 636)	0	411	81 336	4 562	74 865
Sandrew Metronome AB	29 814	31 278	(988)	(2 452)	54 492	3 898	27 279	19 642

7. LONG TERM RECEIVABLES

	31.12.97	31.12.96	31.12.95
Prepaid royalty			36 640
Receivables from associated companies	70 700	120 945	45 650
Prepayment to suppliers	369 248	264 381	-
Other long term receivables	44 151	16 764	14 822
Total long term receivables	484 099	402 090	97 112

8. FIXED ASSETS

	Machinery	*Vehicles*	*Furnitures/ EDP*	*Buildings*	*Land*	*Goodwill*	*Construc. in progress*	*Leasehold improvem.*	*Total*
Acquisition cost 1.1.97	570 268	53 872	561 012	800 614	212 730	486 186	169 728	58 297	2 912 708
Additions 1997	15 394	6 080	136 912	113 621	7 272	120 599	250 084	5 032	654 996
Transfers	1 000	1 225	272	75 571		(2 225)	(75 899)	56	
Disposals 1997	(19 998)	(15 682)	(34 364)	(7 775)		(15 574)		(157)	(93 550)
Acquisition cost 31.12.97	566 664	45 495	663 832	982 031	220 005	588 986	343 913	63 228	3 474 154
Accumulated depreciation 31.12.97	(458 768)	(27 520)	(453 293)	(113 867)		(105 065)		(29 065)	(1 187 579)
Book value 31.12.97	107 896	17 975	210 539	868 164	220 005	483 921	343 913	34 162	2 286 575
Ordinary depreciation 1997	30 207	8 567	109 273	24 717		51 332		7 473	231 569
Depreciation rates	12,5-20%	20%	12,5-33%	2-4%		5/20%			

FIXED ASSETS – ADDITIONS AND DISPOSALS DURING THE LAST FIVE YEARS

		Machinery	*Vehicles*	*Furnitures/ EDP*	*Buildings*	*Land*	*Goodwill*	*Construc. in progress*	*Leasehold improvem.*	*Total*
1993	Additions	50 171	11 560	28 606	157 349		4 852	5 151	3 353	261 042
	Disposals	948	4 139		2 500					7 587
1994	Additions	112 817	10 771	88 703	83 864	37 500	6 605	4 100	29 321	373 681
	Disposals	636	2 886	355	310					4 187
1995	Additions	33 314	15 036	79 142	47 075	1 400	84 495	9 748	13 004	283 214
	Disposals	57	4 557	290						4 904
1996	Additions	19 145	11 022	161 323	11 386	77 425	403 606	163 115	6 930	853 952
	Disposals	86 425	7 340	4 831	9 427	25 000	3 767	144	5 007	141 941
1997	Additions	15 394	6 080	136 912	113 621	7 275	120 599	250 084	5 031	654 996
	Disposals	5 696	8 289	4 217	265	15 023			1 805	35 295

9. PENSION ARRANGEMENTS

A majority of the Norwegian companies within the Schibsted group maintain their collective pension insurance schemes with Vital. The individual company´s policies are uniform. The main conditions are 30 years' salaried employment, a 66% pension in relation to the pension base on January 1 of the year of attaining the age of 67, and spouse and child pensions. At December 31, 1997 the pension scheme had 2 804 (2 764) members.

In addition to the covered pension liabilities, the group has uncovered obligations. These relate to persons not included in the pension scheme, additional pensions above 12G, early retirement pensions and disability pensions for all employees. Disability pensions, pensions to persons not included in the insurance scheme and certain additional pensions may be charged to the group´s pension assets. The Group has not decided how to handle the "early retirement scheme", AFP, and accordingly it is not possible to compute the effects on the accounts.

In the calculation of future pensions the following parameters have been used:

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

Aftonbladet has a defined contribution plan for its present employees and uncovered obligations mostly related to its retired employees. The size of the defined contribution depends on the individual's salary and is expensed when paid, while uncovered pension obligations are calculated with parameters approximately equivalent to the Group's obligations above.

PENSION COSTS FOR THE PERIOD ARE CALCULATED AS FOLLOWS:

	1997	*1996*	*1995*
NPV of this period`s pension earnings	70 103	55 191	47 702
Interest expenses of existing obligations	72 900	66 945	57 125
Estimated return on pension assets	(66 214)	(62 901)	(57 982)
Allocated effect of changes in estimates and pension plans and deviations between actual and expected return	1 722	(2)	39
Net pension cost	**78 510**	**59 233**	**46 884**
The period's expenses due to early retirement scheme are charged to personnel expenses, totalling	3 341	4 131	29 322

PENSION OBLIGATIONS AND ASSETS AT DECEMBER 31:

	1997	*1996*	*1995*
Estimated pension obligations	1 484 507	1 432 194	1 247 398
Pension assets	1 190 559	1 112 201	1 056 370
Estimated net pension obligations	(293 948)	(319 993)	(191 028)
Non-booked effects due to estimate changes and variations between expected and actual return on assets	(18 283)	33 028	14 567
Net pension obligations	(312 231)	(286 965)	(176 471)
Of which net pension assets	8 899	13 148	34 713
Of which uncovered obligations	(321 130)	(300 113)	(211 174)

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

10. TAXES

Set out below is a specification of the differences between the year´s accounting result and the year´s tax base:

	1997	*1996*	*1995*
Pre-tax profit	728 218	579 215	498 260
+/– Permanent differences	(20 315)	128 680	(39 649)
+/– Changes in timing differences	159 721	49 555	79 357
The year´s basis for taxes payable	867 624	757 450	537 968
Taxes payable	242 935	177 462	151 001
(Over)/under provided preceding year	(80)		(46)
Change in deferred tax	(2 534)	560	1 512
Taxes	240 321	178 022	152 466

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

	31.12.97	*31.12.96*	*31.12.95*
DEFERRED TAX			
Current items	(18 043)	(26 829)	(16 097)
Net pension assets	8 899	1 342	34 713
Other long term items	33 559	65 443	39 452
Total long term items	**42 458**	**66 785**	**74 165**
Taxable losses carried forward	(111 646)	(3 945)	(19 668)
Pension liabilities	(228 296)	(191 818)	(211 174)
Basis for deferred tax	**(315 527)**	**(155 807)**	**(172 774)**
Tax rate applied	28%	28%	28%
Net deferred tax assets	**(88 348)**	**(43 626)**	**(48 377)**
Deferred tax carried in the balance sheet	**18 426**	**20 960**	**4 944**
Deferred tax assets not carried in the balance sheet	**(106 774)**	**(64 586)**	**(53 321)**

Net deferred tax assets in companies which can not be set off against deferred tax in other companies cannot be included in the balance sheet, and is therefore not reflected in the accounts.

RISK-amount

The RISK-amount for the previous years are: 1996 / 4.97 1995 / 4.25 1994 / 4.31 1993 / 5.16 1992 / 1.04

11. EQUITY

	Share capital	Legal reserve	Other equity	Total
Equity 31.12.96	69 250	384 537	1 436 323	1 890 110
Net profit 1997		65 763	422 134	487 897
Dividend			(121 188)	(121 188)
Translation differences			(4 046)	(4 046)
Equity 31.12.97	69 250	450 300	1 733 223	2 252 773

Other equity represents retained earning in the individual companies adjusted for internal eliminations.

12. LONG TERM DEBT

As of December 31, 1997 the Group has two long-term loan agreements which in total amounts to NOK 346.8 million:

Syndicate loan

The agreement has been entered into with 11 banks and is limited to USD 300 million with repayment over 7 years. At the end of the year an amount equivalent to NOK 140.5 million was drawn. The interest rate is a reference rate in the different currencies plus a fixed margin.

Loan in Den Nordiske Investeringsbanken

The loan amounts to USD 32 million, equivalent to NOK 206.2 million, with repayment within year 2008. The interest rate is Libor plus a fixed margin. Both instalments and interest payments are hedged against Norwegian kroners through a currency- and interest swap.

The agreements have financial covenants related to, among others, the relative size of the equity, the cash flow of the group and formal restrictions in relation to obtaining further financing. However, no other security is provided for the loans.

13. GUARANTEES

The group has issued guarantees in respect of loans to employees totalling NOK 2.5 (5.8) million.

14. TRANSACTIONS WITH RELATED PARTIES

Verdens Gang AS has agreements on the printing of VG with, among others, Stavanger Aftenblad AS and Adresseavisen AS. The contracts have been based on market terms. Also, Scandinavia Online's cooperation with other group companies has been entered into based on market terms.

15. BUSINESS AREAS

(NOK million)	Newspaper		TV/Film		Multimedia		Other		Total	
	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996
PROFIT AND LOSS ACCOUNT										
Revenues in Norway	3 390	3 111	50	52	165	210	(13)	5	3 592	3 378
Rev. in other Scan. countries	1 430	935	314	256	24				1 768	1 191
Operating expenses	(4 187)	(3 544)	(363)	(322)	(279)	(199)	114	74	(4 715)	(3 991)
Operating result	**633**	**502**	**1**	**(14)**	**(90)**	**11**	**101**	**79**	**645**	**578**
Share associated companies	44	33	46	(31)	(8)		1		83	2
Net financial items	49	58	(11)	(3)	(7)	(5)	(28)	(47)	3	3
Minority interest	(3)	(3)	(1)	(1)	1				(3)	(4)
Profit/(loss) before taxes	**723**	**590**	**35**	**(49)**	**(104)**	**6**	**74**	**32**	**728**	**579**
Taxes	(122)	(100)	(11)	(6)	(2)	(2)	(105)	(70)	(240)	(178)
Net profit/(loss)	**601**	**490**	**24**	**(55)**	**(106)**	**4**	**(31)**	**(38)**	**488**	**401**
BALANCE SHEETS										
Current assets	1 270	1 484	181	143	118	48	(351)	(631)	1 218	1 045
Fixed assets	2 123	1 788	425	479	177	24	719	728	3 444	3 017
Total assets	**3 393**	**3 272**	**606**	**622**	**295**	**72**	**368**	**97**	**4 662**	**4 062**
Current liabilities	1 426	1 212	130	98	75	41	(142)	(202)	1 489	1 149
Long term debt	777	753	417	494	274	8	(617)	(296)	851	958
Minority interests	63	63	5	2	1				69	65
Equity	1 127	1 244	54	28	(55)	23	1 127	595	2 253	1 890
Total liabilities and equity	**3 393**	**3 272**	**606**	**622**	**295**	**72**	**368**	**97**	**4 662**	**4 062**
Investments in fixed assets	138	301	18	20	38	21	16	101	210	443

16. CASH FLOW STATEMENT

	1997	1996
ACQUISITIONS/SALES OF SHARES IN SUBSIDIARIES		
Cash and cash equivalents	10 761	72 345
Other current assets	10 523	30 340
Fixed assets	85 012	432 408
Total assets	**106 296**	**535 093**
Current liabilities	(14 865)	42 860
Long term debt	(37 920)	(147 004)
Minority interests		(58 128)
Acquisitions/sales of subsidiaries at cost price	**53 511**	**372 821**
Cash and cash equivalents	(10 761)	(72 345)
Cash flow from acquisitions/sales of shares in subsidiaries	**42 750**	**300 476**

The Annual Accounts

PROFIT & LOSS ACCOUNT

(NOK 1000)	Notes	1997	1996
Revenues	2	**60 706**	**51 341**
OPERATING EXPENSES			
Personnel expenses	3	27 317	15 375
Other operating expenses		40 193	80 427
Ordinary depreciation	6	4 692	2 344
Total operating expenses		**72 202**	**98 146**
Operating result		**(11 497)**	**(46 805)**
FINANCIAL ITEMS			
Financial income		439 727	18 588
Financial expenses		(3 073)	(24 165)
Net financial items		**436 654**	**(5 577)**
Pre-tax profit		**425 157**	**(52 382)**
Taxes	8	91 609	57 923
Net profit		**333 548**	**(110 305)**
TRANSFERS AND DISTRIBUTIONS			
Group transfers received		387 839	288 621
Group transfers provided		(45 745)	(19 974)
Dividend		(121 188)	(103 875)
Legal reserves			(1 235)
Temporarily non distrib. res.			20 564
Retained earnings		(554 454)	(73 796)
Total		**(333 548)**	**110 305**

CASH FLOW STATEMENT

(NOK 1000)	Notes	1997	1996
Net cash flows from operating activities		40 787	(251 969)
Net cash flows from investment activities		(19 620)	(36 197)
Net cash flows from financing acitivities		40 811	239 248
Net change in cash during the year		61 978	(48 918)
Cash at 1 January		1 195	50 113
Cash at 31 December		63 173	1 195

BALANCE SHEET

(NOK 1000)	Notes	31.12.97	31.12.96
ASSETS			
Cash and deposits	4	63 173	1 195
Accounts receivable		268	11 232
Receivables from group companies		835 224	391 570
Other current assets		6 010	109
Total current assets		**904 675**	**404 106**
Shares in subsidiaries	5	144 014	144 014
Other shares and interests	5	410 411	396 197
Long term receivables		3 126	3 977
Machinery and equipment	6	13 114	8 700
Net pension assets	7	5 067	4 831
Total fixed assets		**575 732**	**557 719**
Total assets		**1 480 407**	**961 825**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Overdraft account	4		31 145
Accounts payable		5 113	3 047
Accrued public dues and wages		3 666	3 001
Debt to subsidiaries		84 209	20 682
Taxes payable	8	91 609	57 923
Other current liabilities		1 406	1 967
Proposed dividend		121 188	103 875
Total current liabilities		**307 191**	**221 640**
Other long-term debt			123 961
Pension obligations	7	8 179	5 640
Total long-term debt		**8 179**	**129 601**
Share capital (69,250,000 shares of NOK 1)		69 250	69 250
Legal reserves		158 143	158 143
Total restricted equity		**227 393**	**227 393**
Retained earnings		**937 645**	**383 191**
Total equity		**1 165 038**	**610 584**
Total liabilities and shareholders' equity		**1 480 407**	**961 825**

Notes to the Annual Accounts

1. ACCOUNTING PRINCIPLES

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

2. REVENUES

Revenues for 1997 consist of royalty payments and management fees. The royalty relates to the VG publishing rights.

3. REMUNERATION TO THE BOARD OF DIRECTORS, THE COMPANY'S AUDITORS AND THE CEO

Schibsted ASA has paid NOK 1.0 million in remuneration to the board of directors, NOK 305 000 in auditors' fees and a further NOK 318 000 in other remuneration to the auditors. NOK 2.0 million has been paid in total remuneration to the Chief Executive Officer, including benefits and director's fees from other Group companies. Under certain conditions the company is obligated to pay remuneration in the amount of two years salary to the CEO. The CEO may choose to leave his position at the age of 65 and receive a pension amounting to 90% of his salary in the period 65-67 years.

4. CASH AND DEPOSITS

Restricted bank deposits for withholding tax amounted to NOK 1 697 416.

Group account system

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

SHARES

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

	Company's share capital	*Number of shares*	*Par value per share*	*Book value*
Total shares in subsidiaries:				**144 014**
Fædrelandsvennen AS	24 000	80 000	75	15 000
Fædrelandsvennen Trykkeri AS	200	50 000	1	20
Adresseavisen AS	38 033	580 019	20	105 382
Stavanger Aftenblad ASA	7 500	236 014	10	60 071
TV 2 AS	260 000	867 167	100	127 313
Bergens Tidende AS	15 593	353 913	10	78 512
Total shares in associated companies				**386 298**
Total shares in other companies				**24 113**
Total shares				**554 425**

6. OPERATING ASSETS

	Office-machinery	Computers	Furniture	Vehicles	Leasehold improvements	Total
Acquisition value 1.1.97	488	4 432	6 695	2 519	4 499	**18 633**
Additions 1997	87	2 617	8 052	165	95	**11 016**
Disposals 1997		(1 493)	(5 560)	(235)		**(7 288)**
Acquisition value 31.12.97	**575**	**5 556**	**9 187**	**2 449**	**4 594**	**22 361**
Acc. depreciation at 31.12.97	454	2 813	239	1 180	4 561	**9 247**
Book value at 31.12.97	**121**	**2 743**	**8 948**	**1 269**	**33**	**13 114**
1997 ordinary depreciation	31	1 235	1 340	499	1 587	**4 692**
Depreciation rates	20%	33.3%	20%	20%	20%	
OPERATING ASSETS – ADDITIONS AND DISPOSALS LAST 5 YEARS						
1993 Additions	32	468		564		**1 063**
Disposals						
1994 Additions	106	522	5 598	331	4 577	**11 134**
Disposals			346	225		**571**
1995 Additions		999	400	673	64	**2 136**
Disposals				162		**162**
1996 Additions		1 160	697	951	482	**3 290**
Disposals				(85)	(624)	**(709)**
1997 Additions	87	2 617	8 052	165	95	**11 016**
Disposals		(110)	(1 565)	(130)		**(1 805)**

7. PENSION ARRANGEMENTS

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

	1997	1996
PENSION COSTS FOR THE PERIOD ARE CALCULATED AS FOLLOWS:		
NPV of this period's pension earnings	3 312	1 222
Interest expenses on existing pension obligations	1 399	669
Estimated return on pension assets	(1 040)	(773)
Amortisation	1 434	8
Net pension cost	**5 105**	**1 126**
	31.12.97	*31.12.96*
PENSION OBLIGATIONS AND PENSION ASSETS:		
Estimated obligations	33 775	28 613
Pension assets	18 720	15 204
Estimated net pension obligations	**(15 055)**	**(13 409)**
Non-booked effects due to estimate changes and variations between expected and actual return on assets	11 943	12 600
Net pension assets (obligations)	(3 112)	(809)
Of which net pension assets	5 067	4 831
Of which uncovered obligations	8 179	5 640

8. TAXES

Below is a specification of the differences between the year's accounting result and the basis for payable taxes:

	1997	1996
Pre-tax profit	425 157	(52 382)
+/- Permanent differences	(91 092)	252 141
+/- Changes in timing differences	(6 889)	7 109
Basis for taxes payable	**327 176**	**206 868**
Taxes payable	**91 609**	**57 923**
Taxes	**91 609**	**57 923**

Below is given a specification of the timing differences, and calculations of deferred tax/deferred tax benefit at the end of the accounting period:

	31.12.97	*31.12.96*
DEFERRED TAX		
Short term items		(9 000)
Net pension assets	5 067	4 831
Other long term items	(64)	(258)
Total long term items	5 003	4 573
Total timing differences	**5 003**	**(4 427)**
Tax rate applied	28%	28%
Deferred tax /(deferred tax benefit)	1 401	(1 240)
DEFERRED TAX BENEFIT		
Pension obligations	8 179	5 640
Tax rate applied	28%	28%
Deferred tax benefit	2 290	1 579

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

9. EQUITY CAPITAL

	Share capital	*Legal reserve*	*Retained earnings*	*Total*
Equity at 31.12.96	**69 250**	**158 143**	**383 191**	**610 584**
This year's distributions			554 454	554 454
Equity at 31.12.97	**69 250**	**158 143**	**937 645**	**1 165 038**

10. GUARANTEES

Schibsted ASA has issued guarantees amounting to NOK 347 million for long term debt in Schibsted Finans AS. The company has in addition issued a guaranty for Aftonbladets uncovered pension obligations amounting to NOK 92.8 million.

ARTHUR ANDERSEN

Arthur Andersen & Co.
Statsautoriserte Revisorer

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Medlemmer av Norges Statsautoriserte Revisorers Forening

TRANSLATION FROM NORWEGIAN

AUDITORS' REPORT FOR 1997

To the Annual General Meeting of
Schibsted ASA

We have audited the annual accounts of Schibsted ASA for 1997, showing net income of NOK 333.548.000 for the company and net income of NOK 487.897.000 for the group. The annual accounts, which consist of the Board of Directors' report, statement of income, balance sheet, statement of cash flows, notes and the corresponding consolidated financial statements, are the responsibility of the Board of Directors and the Chief Executive Officer.

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 1997 and the result of its operations for the fiscal year in accordance with generally accepted accounting principles.

ARTHUR ANDERSEN & CO.

Morten Drake (sig.)
State Authorised Public Accountant (Norway)

Oslo,
February 26, 1998

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Samarbeidende selskaper:
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Bakke & Hjelmaas Larsen, 1361 Billingstad
Terje Bjerkan, 6880 Stryn
Gulliksen & Holmen ANS, 3015 Drammen
Jensen & Co. ans, 9000 Tromsø
Møller & Co, 3100 Tønsberg

Value Added Statement

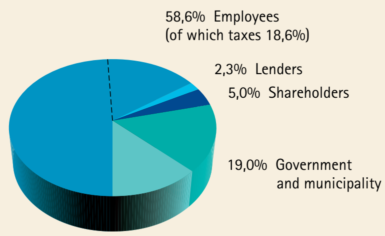
The Group's value added over the year is created from labour, capital and technology.

Gross value added consists of aggeregate operating revenues less the value of goods and services consumed. Depreciation represents the loss in the value of production equipment during the year and is deducted together with other goods and services consumed.

Gross value added less depreciation is equal to net value added. Financial income represents an addition to net value added.

The value created is divided between the employees, providers of capital (lenders and shareholders), the state (government and municipality) and the Group companies (retained for future value creation and to strengthen the capital base).

Distribution of Value Added 1997



(NOK 1000)	1997	1996		1997	1996
VALUE ADDED			**DISTRIBUTION OF VALUE ADDED**		
Revenues	5 359.9	4 524.3	Gross wages and social expenses	1 435.1	1 165.8
- consumption of goods/serv. purchased	2 823.6	2 410.2	(of which withholding taxes	455.5	381.5)
Gross value added	2 536.2	2 114.2	**PROVIDERS OF CAPITAL**		
- ordinary depreciation	231.6	191.4	Interest payments to lenders	56.6	37.4
			Dividend to shareholders	121.2	103.9
Net value added	2 304.7	1 922.8			
+ financial income	142.6	51.4	**GOVERNMENT AND MUNICIPALITY**		
			Taxes and duties	465.2	365.8
			RETAINED WITHIN THE GROUP		
			Retained for future value creation	369.2	301.4
Values for distribution	**2 447.3**	**1 974.2**	**Values distributed**	**2 447.3**	**1 974.2**

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SCHIBSTED

GROUP COMPANY STRUCTURE

MARCH 15, 1998

JOINT FUNCTIONS

SCHIBSTED ASA

- Schibsted Finans AS — 100%
  - Schibsted Eiendom AS — 100%
    - Schibsted Drift AS — 100%
    - AS Akersgaten 34 — 100%
    - Sandakerveien 121 AS — 100%
    - Metronome Ejendoms-administration AS — 25%
    - Akersgaten 32 AS — 50%
    - AS IRO — 100%
      - Grensen 15 AS — 50%
  - Akersgaten 55 AS — 100%

TV/FILM

SCHIBSTED TV & FILM HOLDING

- Schibsted Broadcast AS 100%
  - Kanal 2 (Estonia) 49%**
  - TV 2 AS 33%
    - TVNorge AS 49%
    - Net 2 Interaktiv AS 50%
    - Norske Gram AS 100%
    - Nyhetssentralen Byrå 2 AS 100%
    - TV Torget AS 51%
    - Nordic Shopping Channel Ltd. 45%
    - Faro Musikk & Media AS 22%
    - Nydalen Studios AS 100%
      - Outside Broadcast Team AS 52%
    - Tempelkroken Invest AS 100%
      - Storm Weather Center AS 100%
      - Autograf Broadcasting Systems AS 100%
      - Peak Software Technologies Gmbh 40%
    - Eventyrkanalen AS 100%
- Sandrew Metronome AB 50%
  - Sandrew Metronome International AB 100%
  - Sandrew Metronome Sweden AB 100%
  - Sandrew Metronome Denmark AS 100%
  - Sandrew Metronome Norway AS 100%
  - Sandrew Metronome Finland OY/AB 100%
- Metronome Film & Television AB 95%
  - Meter Film & Television AB 100%
  - Mekano Film & Television AB 100%
  - Nordic Entertainment AS Norway 100%
  - Nordic Entertainment AS Denmark 100%
  - Meter Fakta AB 100%
  - Rubicon TV AS 100%
  - Mutter Media AB Mekaniken 100%
  - Moland Film Co. Norway AS 90%
  - Moland Film Co. Denmark AS 90%
  - Mekano Enterprise Film & Television AB 100%
  - Metronome Productions AS 70%
  - Metronome Spartacus AB 50%
- Schibsted TV/Film Infrastruktur AS 100%
  - Skandinaviska Filmlaboratorier Holding AB 33%
    - FilmTeknik AB 100%
    - Johan Ankerstjerne AS 100%
  - FilmTeknikk Norge AS 48%
    - Lab 16 AS 100%
  - Eurolab International AS 33%
    - EuroLab Sweden AB 100%
    - EuroLab Norway AS 100%
    - EuroLab Denmark AS 100%
      - EuroLab GB Ltd 50%
  - ScanCam AS 50%
  - Metronome Entertainment AS 25%

** 86% of the capital

NEWSPAPERS
SCHIBSTED PRINT MEDIA

- Aftenposten AS 100%
- Net 2 Interaktiv AS 50%
- MLS Norge AS 100%
- A-Foto AS 100%
- Verdens Gang AS 100%
- Avisretur AS 50%
- Aftonbladet Hierta AB 49%*
- Tidningen Aftonbladet AB 100%
- Tidningstryckarna Aftonbladet Svenska Dagbladet AB 50%
- Fastighets AB Tidningsfabriken 50%
- Schibsted Trykk AS 100%

- Adresseavisen ASA 32%
- Stavanger Aftenblad ASA 31%
- Fædrelandsvennen AS 25%
- AS Harstad Tidende 15%
- Bergens Tidende AS 24%
- Asker og Bærums Budstikke AS 10%
- NTB AS 21%
- NTB Pluss AS 100%

MULTIMEDIA
SCHIBSTED MULTIMEDIA

- Scandinavia Online AS 63%
- SOL System AS 100%
- Neo Interaktiv AS 86%
- NorBillett AS 30%
- SOL Børs AS 50%
- Filminfo AS 33%
- Scandinavia Online AB 66%
- Inside Finans AB 50%
- Ticketing Control AB 50%
- Allt om Stockholm AB 100%
- Scandinavia Online Denmark AS 100%
- Hugin AS 50%
- SOL Børs AS 50%

- Chr. Schibsteds Forlag AS 100%
- Scan-Foto AS 100%
- SMS Publishing AB 100%
- Headhunter AB 100%
- Svenska Förlaget AB 100%
- Anbud & Inköp Svenska AB 100%
- Dine Penger AS 100%
- Imedia AS 50%
- Schibsted Interactive Studio AS 100%
- Bokkilden AS 100%
- Filminfo AS 33%
- Internett Kanal 1 18%

*100% of the common stock

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