

95 Annual Report



SCHIBSTED

**BOOK PUBLISHING
PHOTO AGENCY**

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

TV/FILM

TV/FILM

RIGHTS

Schibsted Film AS
Norsk FilmDistribusjon AS

DISTRIBUTION

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

PRODUCTION

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

Technical

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

SCHIBSTED

Schibsted Finans AS
Schibsted Eiendom AS
Schibsted Drift AS

MULTI MEDIA

Schibsted Nett AS
Imedia Norge AS (50%)

NEWSPAPERS

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

REGIONAL NEWSPAPERS

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

MULTI MEDIA

Ajour per 15.3.1996

Schibsted

A BRIEF HISTORY

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

The company owns Norway's two largest newspapers:

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

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

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

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

Schibsted ASA also owns a book-publishing house.

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

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

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

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



Highlights 1995

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

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

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

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

MARCH 9. Annual results of 1994 are announced.

MARCH 27. TV+ goes on the air.

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

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

MAY 10. Schibsted ASA AGM.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1996

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

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

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

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

Key Figures

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

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

DEFINITIONS

Net operating margin: Operating profit/Total revenues

Gross profit ratio: Pre-tax profit/Total revenues

Profit ratio: Net profit/Total revenues

Equity ratio: Equity/Total assets

Return on equity: Net profit/Average equity capital

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

Current ratio: Current assets/short term liabilities

Earnings per share: Net profit/Total outstanding shares

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

*) Aftenposten AS from 1992



The Board of Directors' Report for 1995

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

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

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

SCHIBSTED GROUP

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

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

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

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

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

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

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

FINANCE

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

The financial result was NOK 89.9 million, an

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

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

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

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

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

ORGANISATION

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

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

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

ENVIRONMENT

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

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

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

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

OWNERSHIP STRUCTURE AND SHAREHOLDER POLICY

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

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

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

FUTURE PROSPECTS

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

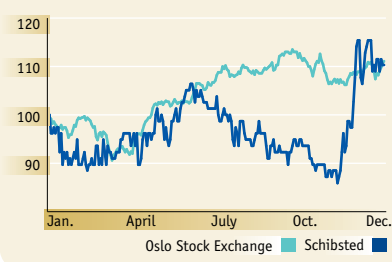
A positive development in the advertising

TABLE 1 SCHIBSTED ASA

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

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

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



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

In order to be able to further strengthen the

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

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

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

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

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

SCHIBSTED ASA

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

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

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



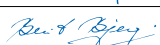
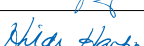
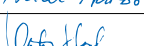
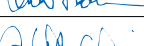
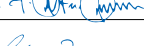

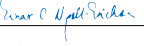
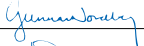
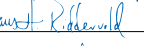
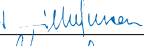
At the end of 1995 Schibsted ASA had 17 employees, with the Group Chief Executive as Managing Director, while the Schibsted group at the same date had 2,228 employees. The working environment is good and the company does not pollute the external environment.

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

ALLOCATION OF THE RESULT FOR THE YEAR IN SCHIBSTED ASA

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

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

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

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

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

* Employee representative

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

Board of Directors 95



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



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



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



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



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



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



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



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



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



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



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

Annual Statements 1995 - An eventful year



12 Profit & Loss Statement

13 Balance Sheet

14 Cashflow Analysis

15 Notes to the Accounts

20 The Annual Statement Schibsted ASA

21 Notes to the Accounts Schibsted ASA

23 Auditor's Report

24 Value Added Statement

95

Profit & Loss Statement

SCHIBSTED~CONSOLIDATED

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

Balance Sheet

SCHIBSTED~CONSOLIDATED



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

Cashflow analysis

SCHIBSTED~CONSOLIDATED

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

Notes to the Accounts 1995

SCHIBSTED ~ CONSOLIDATED



All figures in NOK 1 000 unless otherwise specified.

1. ACCOUNTING PRINCIPLES

Consolidation of subsidiary companies

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

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

Associated companies

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

Operating revenues

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

Inventory

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

Shares and bonds

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

Currency adjustment of foreign subsidiaries

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

Accounts receivable

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

Long-term operating assets/ordinary depreciation

Capitalized operating assets consist of investments which

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

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

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

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

Prepaid royalty

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

Pensions and pension liabilities

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

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

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

Deferred tax/deferred tax benefits

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

2. CASH, BANK AND DEPOSITS

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

Specification of Cash, bank and deposits:

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

Group account system

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

3. OTHER CURRENT ASSETS

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

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

4. SHARES

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

(4. SHARES Cont.)

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

5. INVESTMENTS IN ASSOCIATED COMPANIES

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

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

6. LONG TERM RECEIVABLES

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

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

7. OPERATING ASSETS

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

OPERATING ASSETS – ADDITIONS AND DISPOSALS THE LAST 5 YEARS

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

8. PENSION ARRANGEMENTS

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

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

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

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

PENSION COSTS FOR THE PERIOD ARE CALCULATED AS FOLLOWS:

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

PENSION LIABILITIES AND PENSION ASSETS:

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

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

9. TAXES

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

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

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

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

CHANGES IN TIMING DIFFERENCES FOREIGN COMPANIES

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

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

Risk-amount

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

10. EQUITY CAPITAL

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

11. ASSETS SUBJECT TO MORTGAGES

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

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

12. SUBORDINATED LOANS

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

13. GUARANTEES

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

14. TRANSACTIONS WITH CONNECTED PARTIES

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

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

15. BUSINESS AREAS

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

The Annual Statement

SCHIBSTED ASA

PROFIT & LOSS ACCOUNT

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

BALANCE SHEET

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

Notes to the Annual Accounts 1995



SCHIBSTED ASA

1. ACCOUNTING PRINCIPLES

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

2. OPERATING REVENUES

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

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

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

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

4. CASH, BANK AND DEPOSITS

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

Group account system

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

5. SHARES

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

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

6. OPERATING ASSETS

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

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

(NOTE 6 Cont.)

OPERATING ASSETS - ADDITIONS AND DISPOSALS LAST 5 YEARS

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

7. PENSION ARRANGEMENTS

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

PENSION COSTS FOR THE PERIOD ARE CALCULATED AS FOLLOWS:

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

PENSION LIABILITIES AND PENSION ASSETS

	31.12.95	31.12.94
Pension		
Estimated liabilities	13 389	11 814
Pension assets	11 383	7 849
Estimated net pension assets (obligations)	(2 006)	(3 965)

Non-booked effects due to:

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

8. TAXES

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

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

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

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

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

DEFERRED TAX BENEFITS

Pension liabilities	5 899	5 712
Tax rate applied	28%	28%
Deferred tax benefit	1 652	1 599

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

9. EQUITY CAPITAL

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

**ARTHUR
ANDERSEN**

TRANSLATION FROM NORWEGIAN

AUDITORS' REPORT FOR 1995

To the Annual General Meeting of
Schibsted ASAArthur Andersen & Co.
Statsautoriserte RevisorerDrammensveien 134
Postboks 228 Skøyen
0212 Oslo
22 92 80 00 Telefon
22 92 89 00 TelefaxMedlemmer av Norges Statsautoriserte
Revisorers Forening

We have audited the annual accounts of Schibsted ASA for 1995, showing net loss of NOK 33.795.000 for the company and net income of NOK 345.794.000 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 loss and equity transfers, as proposed by the Board of Directors, complies with the requirements of the Joint Stock Companies Act.

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

ARTHUR ANDERSEN & CO.

Morten Drake (sig.)
State Authorised Public Accountant (Norway)Oslo,
March 7, 1996Jernbaneveien 5
4005 Stavanger
51 53 45 50 Telefon
51 53 69 95 TelefaxBradbenken 1
Postboks 4092 Dreggen
5023 Bergen
55 32 38 80 Telefon
55 32 39 32 TelefaxJomfrugaten 18
7010 Trondheim
73 51 18 44 Telefon
73 52 39 94 Telefax**Samarbeidende selskaper:**
Andersens Revisjonsbyrå as, 2300 Hamar
Terje Bjerkan, 6880 Stryn
Jensen & Co ANS, 9002 Tromsø
Møller Andersen & Co as, 3101 Tønsberg

Value Added Statement

SCHIBSTED~CONSOLIDATED

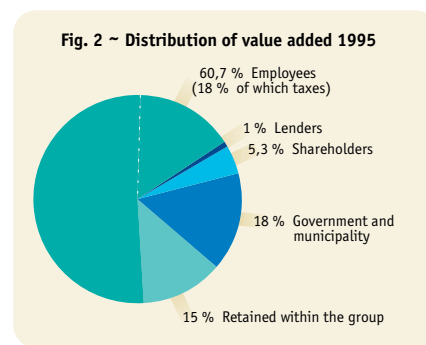
The group's value added over the year is created from labour, capital and technology.

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

The difference between gross value added and depreciation is the same as 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 muni-

cipality) and the group companies (retained for future value creation and to strengthen the capital base).



VALUE ADDED (NOK million)		DISTRIBUTION OF VALUE ADDED	
Operating revenues	3 347.8	Gross wages and social expenses	1 035.4
- Consumption of goods/services purchased	1 589.6	(of which withholding taxes)	306.4)
GROSS VALUE ADDED	1 758.2	PROVIDERS OF CAPITAL	
- Ordinary depreciation	160.3	Interest to lenders	17.4
		Dividend to shareholders	90.0
NET VALUE ADDED	1 597.9	GOVERNMENT AND MUNICIPALITY	
+ Financial income	107.3	Taxes and duties	306.0
		RETAINED WITHIN THE GROUP	
		Retained for future value creation	256.4
VALUES FOR DISTRIBUTION	1 705.2	VALUES DISTRIBUTED	1 705.2



Management's Report Towards a complete media group

Management's Report

FROM NEWSPAPER COMPANY TO MEDIA GROUP

During the period since 1989, when Schibsted was reorganised as a group of companies with Aftenposten and VG as wholly owned subsidiaries, the group has undergone considerable changes. The initial years after the reorganisation were characterised by a focus on improving profitability during an economic downturn and establishing a satisfactory capital base in the company. Subsequently in 1991 preparations were made for the stock exchange introduction of Schibsted ASA. In advance of the stock exchange listing the real estate portfolio related to the operating business in the newspapers was integrated in the group's corporate structure. Strategic investments in an emerging commercial TV sector were made, with the launch of TV 2 as the main project. The restructuring processes which had been accelerated by a declining advertising market were maintained. Exposure in the commercial TV market further increased in 1993-94. Throughout the period since 1989 the group's interests in important regional newspapers have gradually been increased. In 1995 Schibsted faced the challenges represented by new electronic media, which led to the acquisition of a leading Norwegian Internet access provider.

1995 was therefore in many respects the year in which Schibsted progressed from being a newspaper company to become a complete media organisation, with its main emphasis in the traditional newspaper market, a growing investment in the TV industry and the first steps in to the world of electronic media.

The time was right to undertake an extensive strategic review, which involved project groups formed from employees in several of the group companies. The work led, among other things, to the establishment of a strategic vision which will guide the group's future development.

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

Based on this strategic vision the group has been

restructured with its activities in three defined business areas: Printed Media, TV/Film and Multimedia. The restructuring is based on a group management in which each business area reports to a separate group director. As of 1996 financial reporting will be adjusted to these organisational changes.

REVIEW OF 1995

In 1995 the group's revenues increased by 10.1% from NOK 3,041.8 to 3,347.8 million. In spite of solid growth in turnover in the area printed

media, the increase in turnover in the TV/Film area was as high as 118%. Profitability in this area also improved considerably for the businesses in operation at the start of 1995, but there was a negative result from starting TV+.

Following the purchase of the Internet supplier Oslonett AS, considerable resources have been devoted to product and know-how development. Schibsted Nett, which is the new name of the company, has increased its staffing from around 25 persons to some 65 persons. Through Schibsted Nett's services it is today possible to order flowers from Interflora and apply for a loan in BN Bank. In addition Aftenposten and VG have been quick to use the new media for the further development and expansion of the paper-based products with new electronic services.

In spite of a strong focus on broadcast and electronic media, considerable attention has also been given to the further development of the group's newspapers. In an increasingly tough market, in which competition for the attention of viewers and the business of advertisers is coming from an increasing number of TV channels and electronic market places, continuous product development is essential for long-term success. In line with this perspective the group Board of Directors approved in June 1995 an investment in a new modern printing plant in Nydalen, Oslo. The printing plant will serve the group's own newspapers and will provide the newspapers with the best conditions for offering quality products in an effective manner. The challenge for the newspapers is therefore in market and cost adaptation in light of circulation development and the arrival of new competitors.



Kjell Aamot
CEO



Sverre Munck
CFO



Model of the new printing plant in Nydalen, Oslo

INVESTMENT IN NEW PRINTING PLANT		(Figures in NOK million)
Presses & equipment		1,000
Buildings and land		400
Total		1,400
DEPRECIATION	ORDINARY	TAX
Presses & equipment	8 years	20%
Buildings	33 years	5%
Estimated lifetime	approx. 20 years	

The group's own real estate business, organised through Schibsted Eiendom and its subsidiary Schibsted Drift, reported a stable development in 1995. Schibsted Drift became operational in 1995 and recorded a satisfactory result given that this was a start-up year. During the year it was decided to develop a new office block in Apotekergaten 10, which will be completed in the third quarter of 1997. The new building will be used by the group's own businesses. Schibsted Eiendom will furthermore be the property company responsible for the land and building of the new printing plant in Nydalen.

PERFORMANCE DEVELOPMENT

The group's operating profit for 1995 was NOK 409 million, against NOK 416 million in the previous year. The operating margin fell from 13.7 in 1994 to 12.2 in 1995. The reason for the reduction in operating margin was mainly the increase in paper prices, which contributed to a rise in costs of NOK 56 million, the operating loss in TV+ of NOK 52.9 million and the fall in VG's circulation, with a negative effect of approximately NOK 20 million.

A provision of NOK 29.3 million was made in the 4. quarter in 1995 for early retirement pensions, against NOK 40.3 million during 1994. The continued high level of early retirement pensions is due to the ongoing introduction of new technology in the newspapers.

Compared with 1994, considerable improvement in profitability was recorded by the companies previously organized under Schibsted Film. The only company in the TV/Film area

that recorded a lower profit was the start-up TV+, launched in March 1995.

The contribution from associated companies showed strong improvement in 1995 as a consequence of the improved result in TV 2, but also due to improved results in the regional newspapers.

FINANCIAL DEVELOPMENT

The group invested a total of NOK 300 million in 1995. The acquisition of 95% of the shares in Mutter AB in Sweden and the purchase of 100% of the shares in Oslonett AS represented the two corporate acquisitions in 1995. NOK 185 million was invested in maintenance, investments and new technology, of which NOK 148 million was in printed media and NOK 32 million in TV/Film. As previously stated the group Board of Directors decided in June 1995 to commence the construction of a new printing plant in Nydalen, Oslo. The accumulated investments in this project amounted to NOK 4.9 million at 31.12.1995.

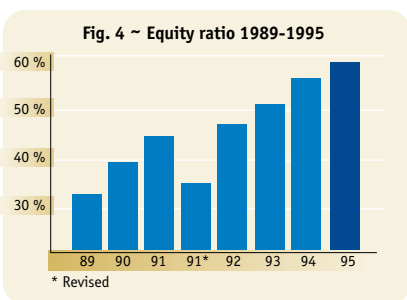
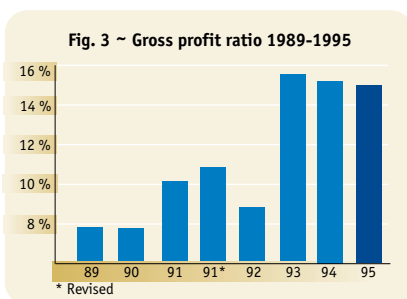
THE GROUP'S TOTAL REAL ESTATE HOLDINGS (NOK 1 000)

Address	m2	Rental income	Tenant(s)
Grensen 15/Akersgaten 32 (50%)	2 000	1 922	TV+, Publishing + misc.
Akersgaten 36	1 300	1 011	Aftenposten + misc.
Akersgaten 34	3 300	2 351	Aftenposten
Akersgaten 51, Apotekergaten 6	13 000	17 208	Aftenposten
Pilestredet 10/Apotekergaten 10 b**	6 420		
Hans Møller Gasmannsvei 9, Linderud	18 000	14 372	Aftenposten
Akersgaten 55*	32 000	40 153	VG, Aftenposten, Schibsted, Scan-Foto

* Akersgaten 55 is organised as a separate limited company owned 100% by Verdens Gang AS.
** Under refurbishment/construction.

Investments were financed through cashflow from operations, which totalled NOK 554.7 million. At the end of the year the group had liquid reserves of NOK 491.6 million, and only 13.5 million of interest-bearing debt. Surplus liquidity is mainly invested in liquid bonds and certificates.

SCHIBSTED EIENDOM PROFIT & LOSS ACCOUNT			BALANCE SHEET		
(NOK 1 000)	1995	1994	(NOK 1 000)	31.12.95	31.12.94
Total revenues	82 449	66 112	Current assets	83 596	44 145
Operating expenses	37 515	39 489	Fixed assets	701 039	705 405
Operating profit	44 934	26 623	Total assets	784 635	749 550
Net financial items	(46 453)	(39 683)	Current liabilities	58 249	312 115
Pre-tax profit	(1 519)	(13 060)	Long-term debt	717 292	426 088
Taxes	734	2 596	Equity	9 094	11 347
Net profit	(2 253)	(15 656)	Total liabilities and equity	784 635	749 550



Schibsted Finans AS acts as the group's internal bank. The company manages the group's surplus liquidity and maintains the necessary contacts with external providers of credit. In December Schibsted Finans signed, on behalf of the group, an agreement for a revolving credit facility of NOK 700 million over 7 years. The loan can be drawn in a combination of different currencies. The loan agreement was signed with a syndicate consisting of 8 leading Norwegian and international banks.

ASSOCIATED COMPANIES

Associated companies, where the group owns between 20 and 50%, are contributing to a steadily larger proportion of value creation in the group. This development is partly caused by external conditions which limit projects where Schibsted can be the sole owner. An example of this is the limitation on ownership of Norwegian TV channels where the authorities have set a maximum limit of 33.3% for each participant.

The largest net contributors among Schibsted's associated companies are TV 2 and the regional newspapers. The development in the regional newspapers during circulation 1995 was positive. In line with the development in *Aftenposten*, a stable development were recorded and a positive development in advertising volume and revenues.

TV 2 secured its position as the clear market leader among the commercial TV channels with a market share of close to 65%. The Norwegian Parliament decided, however, in November to

change TV 2's exclusive right to terrestrial broadcasting in Norway. This means that TV 2 faces a considerably more difficult competitive situation already in 1996.

FUTURE PROSPECTS

The share of the total advertising market held by broadcast media is expected to continue to increase, with the new conditions for local TV as a contributing factor. Newspapers must expect tougher competition for readers and advertisers, and the measures taken by the newspapers, particularly the casual sales newspapers, will determine the development in results for the newspapers in the coming year.

Newsprint prices have increased by 6% in relation to the level at the end of 1995. In addition there is a substantial lagged effect due to price increases made during last year. On a year-to-year basis prices will increase by 16%. It is nevertheless considered that newsprint prices have now peaked as a consequence of additional capacity and lower pulp prices.

The group's concentration on the television medium has been further strengthened at the start of 1996 through the purchase of approximately 29% of the shares in *TvNorge*. This purchase is expected to provide access to the local TV market. A new strategy will be adopted for the cable and satellite channel TV+ shortly.

Revenues in the TV/Film sector will be reduced by approximately NOK 135 million in relation to 1995 following the sale of the group's wholly owned film laboratories in Sweden and Denmark to the partly owned *Skandinaviske Filmlaboratorier Holding AB*, and the sale of half the group's shares in *FilmTeknikk AS* in Norway to *Egmont*.

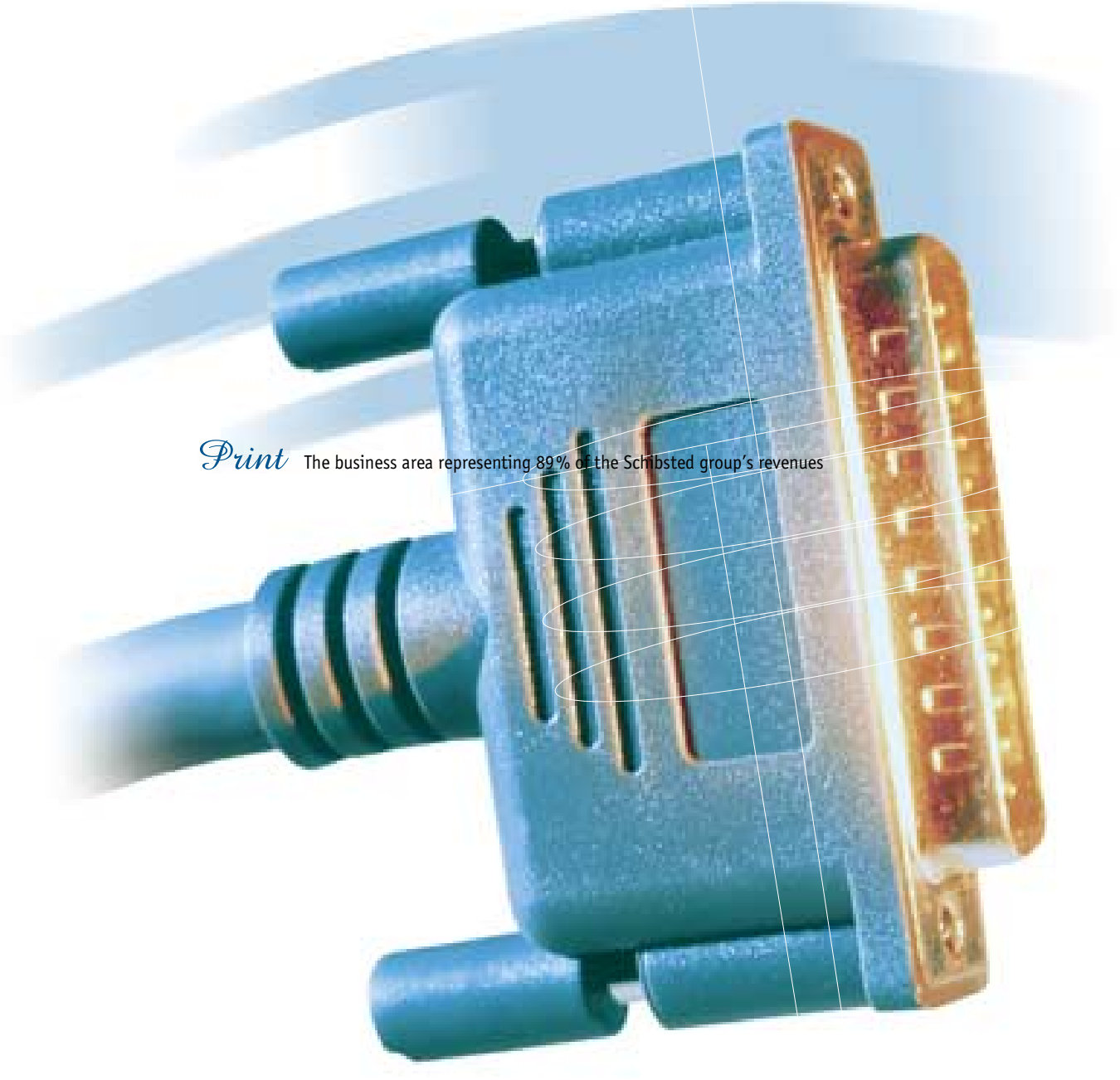
Continued rapid growth is still expected in the multimedia sector, but with negative results in the first years. Focus will be directed to the development of business concepts related to the supply of electronic services and to building alliances on the systems, distribution and contents side. The strategic vision approved for the group indicates an internationalisation of the group. This will be among the most important challenges in 1996. Such a development will make it necessary to build up and develop expertise in the company.

The company's structure, financial strength and clear and consistent strategy for the future should, in the view of the management, provide the right conditions for a constructive development of the group for the benefit of our shareholders, customers and employees.

ASSOCIATED COMPANIES

Company	Interest	Revenues	Operating profit	Profit before tax	Circulation
TV 2 AS	31.47%	784.4	114.2	113.3	
Fædrelandsvennen AS *	25.00%	169.9	22.6	32.3	47 528
Adresseavisen AS	32.00%	454.6	42.1	51.0	90 663
Stavanger Aftenblad AS	31.33%	361.6	45.6	55.4	72 102

* Incl. Fædrelandsvennens trykkeri



Print The business area representing 89% of the Schibsted group's revenues

Print

The media situation in Norway is changing, with signs of increased use of the so called "new media" TV and radio, which is due not least to the considerable increase in the TV-channels available in recent years. We now face the development of new interactive media through the use of digital technology and improved telecommunications systems, which provide users with simpler access to new information sources. For example, during the last year there has been a noticeable increase in the use of Internet, particularly among younger people, and there are signs which would suggest that we are in the initial phases of a significant expansion of the traditional media scene.



Birger Magnus
Director
Print

Aftenposten AS



Kaare Frydenberg
Managing Director



Einar Hanseid
Editor-in-Chief

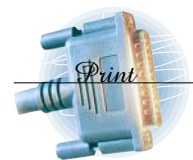
Verdens Gang AS



Aslak Ona
Managing Director



Bernt Olufsen
Editor-in-Chief



Norwegians are heavy media users in that consumption of traditional media is among the highest in the world, particularly printed media. Norway leads the world with regard to newspaper consumption (figure 5), and there continues to be very high consumption of books and periodicals, both weekly magazines as well as specialist magazines.

In spite of the increasing use of "new media", there are few signs that suggest that traditional media is losing ground in the market. Norwegians continue to devote as much time to newspaper reading and use of other printed media as earlier, even though there are some shifts in use. Traditional family magazines are seeing a decline in circulation, while there has been an increase in readership of specialist

periodicals.

The business area Print accounts for 89% of the Schibsted group's revenues. In 1995 sales totalled NOK 2,976.7 million, an increase of 3.6% from the previous year. Circulation income was slightly reduced as a result of a drop in VG's circulation.

Advertising revenues increased by 9.9% as a result of a positive development in advertising volume for both Aftenposten and VG.

The operating profit was NOK 422.7 million, against NOK 402.2 million in 1994. The financial result contributed NOK 101.5 million, so that the profit before tax was NOK 523.9 million.

Books

Recent media consumption studies indicate that fewer people are reading books than before, even though retailers report that book sales continue to show a positive development, not least in the category general literature, which includes biographies among others.

The book market in Norway is currently characterised by a steadily increasing number of releases, particularly in areas such as biographies, manuals and reference books. At the same time average circulation is falling, so that it is often necessary to increase the sale price to produce satisfactory profitability. In spite of the exemption from VAT, book prices in Norway are very high viewed in an international context. Structural changes in the sector and competition from new media are expected to have extensive consequences and to require adaptation for our publishing operations as well.

Newspapers

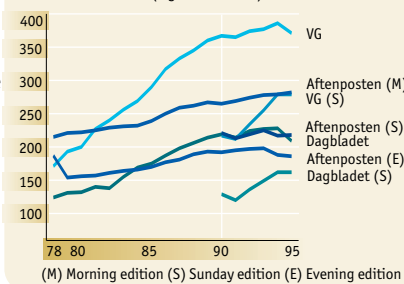
In recent years total Norwegian newspaper circulation has been stable and at a very high level.

Casual sales newspapers' (VG and Dagbladet) have had a falling rate of increase, at the same time as the traditional subscription newspapers have maintained a stable level. In 1995 A negative develop-

Fig. 5 ~ Circulation per 1000 inhabitants



Fig. 6 ~ Circulation 1978-1995 (Figures in 1 000)



PRINT PROFIT & LOSS ACCOUNT

(NOK 1 000)	1995	1994
Total revenues	2 976 693	2 872 345
Operating expenses	2 554 017	2 470 114
Operating profit	422 676	402 231
Net financial items	73 288	56 547
Shares associated companies	28 215	21 469
Pre-tax profit	523 934	480 145
Taxes	92 047	81 174
Net profit	431 887	398 971

BALANCE SHEET

(NOK 1 000)	31.12.95	31.12.94
Current assets	1 340 807	1 140 078
Fixed assets	818 960	804 288
Total assets	2 159 767	1 944 366
Current liabilities	910 483	884 287
Long-term debt	184 561	175 563
Minority interests	1 502	1 477
Equity	1 063 221	883 039
Total liabilities and equity	2 159 767	1 944 366

TABLE 2 CIRCULATION MARKET 1995

	Weekdays	Saturdays	Sundays
VG	371 238	467 756	279 362
Aftenposten (Morning edition)	282 018	299 911	218 384
Dagbladet	209 421	285 700	162 743
Aftenposten (Evening edition)	186 003		
Bergens Tidende	95 378		
Adresseavisen	90 663		
Stavanger Aftenblad	72 102		
Dagens Næringsliv	53 853		
Fædrelandsvennen	47 528		
Arbeiderbladet	42 870		
Romerikes Blad	40 468		
Bergensavisen	28 903		
Harstad Tidende	14 973		
Other newspapers	1 400 154		
Total	2 935 572		

Source: NAL

ment in the casual sales market was recorded for the first time in a number of years, in that both VG and Dagbladet experienced a decline in circulation. Most of the major regional newspapers also recorded a slight fall in casual sales, but share a stable or slightly increasing subscription circulation. The member newspapers of the Norwegian Newspaper Publishers Association recorded a total decrease of 1.2% (table 2). It is too early to draw any clear conclusions on this development, but it is interesting to compare the development in circulation of casual sales newspapers to that in other Scandinavia countries. This development, viewed in the context of the increasing number of TV-channels available, may

prove to have consequences for media - particularly for those media considered to be supplemental media, as is often the case for the casual sales newspapers.

Aftenposten was the winner among Norwegian newspapers in 1995, with an increase in circulation of 2,053 copies in the morning edition. The local newspapers Akers Avis/Grorudalen and Asker og Bærums Budstikke held the next places with increases of 1,578 and 1,445 copies respectively.

Dagbladet recorded the largest fall with a drop of 19,413 copies, while VG suffered a reduction in circulation of 14,899 copies. The Sunday circulation of the casual sales newspapers was

roughly as in 1994, with an improvement of 333 copies for VG and 77 copies for Dagbladet.

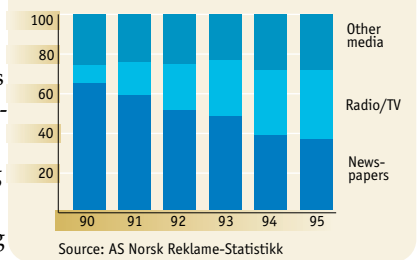
ADVERTISING MARKET

The Norwegian press has experienced a positive development in advertising sales in recent years, and 1995 showed an increase in turnover of 8 - 10% for the members of the Norwegian Newspaper Publishers Association. The newspapers' market share of the total advertising market continues to fall, but it is interesting to note that the strong increase achieved by "new media" in recent years is now slowing, so that one is gradually approaching a more stable market share, which appears to be stabilising at a level well above the average for the press in the rest of Europe.

According to Norwegian advertising statistics, total brand advertising rose from approximately NOK 4.9 billion in 1994 to NOK 6.1 billion in 1995. The newspapers' share of brand advertising fell in 1995 from 39% to 37%. The TV channels' market share rose moreover from 34% to 35% of brand advertising. The statistics referred to are based on gross sales figures before discounts and commissions.

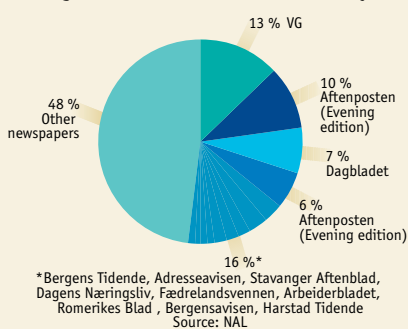
Aftenposten's advertising volume increased by 15.4%, while the four major regional newspapers Bergens Tidende, Adresseavisen,

Fig. 8 ~ Branded Advertising media share 1990-1995



Source: AS Norsk Reklame-Statistikk

Fig. 7 ~ Circulation market 1995, weekdays



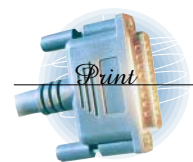
*Bergens Tidende, Adresseavisen, Stavanger Aftenblad, Dagens Næringsliv, Fædrelandsvennen, Arbeiderbladet, Romerikes Blad, Bergensavisen, Harstad Tidende
Source: NAL

TABLE 3 AFTENPOSTEN - ADVERTISEMENT

(NOK 1 000)	1995	1994
Classified	548 353	457 565
Brand advertising	221 347	225 881
Retail and stores	254 019	218 011
Information/miscellaneous/advertising	19	27 673
Total	1 023 738	929 130

TABLE 4 THE COMPOSITION OF ADVERTISING VOLUME

	Column metres	Change in 94/95
Aftenposten (Morning edition)	28 867	+9.8%
Aftenposten (Evening edition)	10 365	+2.6%
Aftenposten Sunday	1 127	+11.1%
Advertisement supplements	7 703	+80.9%
Aftenposten total	48 062	+15.4%
VG weekdays	6 208	+3.8%
VG Sunday	594	+9.4%
VG total	6 802	+4.3%



Stavanger Aftenblad and Fædrelandsvennen recorded increases in volume of 1.7%, 2.9%, 7.7% and 2.1% respectively. Among the casual sales newspapers VG increased by 4.3%, while Dagbladet increased by 9.1%.

In spite of the changes which have taken place in 1995, the newspaper sector in Norway remains a strong sector, with a good grip on both the readership and advertising market and, for most of the major newspapers, a sound financial position. Aggregate newspaper circulation is stable and advertising sales show a clear advance from previous years, even though they have not reached the sales volume experienced in 1986-1987.



NEW PRINTING PRESS

In order to maintain competitiveness through increased efficiency and quality, Schibsted has decided to build a new printing plant for VG and Aftenposten in Nydalen, Oslo. The aggregate investment for the project is estimated at NOK 1.4 billion and the printing plant will be in production from early 1999.

The present printing plant, which dates from 1976, is part of Aftenposten AS. The new printing plant will be located in Nydalen and owned 40% each by Aftenposten AS and Verdens Gang AS, and 20% by Schibsted ASA. With a new printing plant the group will be able to offer better print quality and a significant increase in four colour capacity. At the print plant both newspapers' printing and mailroom services will be organised jointly under Schibsted Trykk AS, mailroom services having prior up to 1.1.96 been carried out by the individual newspapers. From 1996 until printing starts in Nydalen the mailroom services for the newspapers will be carried out by Aftenposten.

FREE SHEETS

Norway is one of the few countries in Norway where free sheets have a minimal penetration. This is due not least to the strong opposition the Norwegian press has shown to the establishment of such newspapers. Following the successful launch of the daily free commuter newspaper, Metro, in Stockholm in early 1995, the possibility of a similar launch in Oslo has increased substantially. The local transit authorities, Oslo Sporveier and NSB have jointly invited bids for media companies for the right to distribute a free sheet daily to those travelling on public transport, based on the model in Stockholm. Several major media companies have shown interest in the project, including Schibsted. The establishment of a daily free-sheet paper in Oslo would involve a change in the competitive situation for all newspapers in the capital, irrespective of their publisher.

Aftenposten

1995 was the best year ever for Aftenposten AS, with growth in circulation, an increase in advertising volume and advertising market shares, and strong profit growth. In a media market characterised by steadily stronger competition Aftenposten has thus strengthened its position in 1995.

Aftenposten's main business consists of the publication of two daily newspapers. In addition Aftenposten is responsible for the



AFTENPOSTEN AS PROFIT & LOSS ACCOUNT

(NOK 1 000)	1995	1994
Subscription revenues	459 969	449 189
Retail sales revenues	73 744	74 549
Advertising revenues	1 023 737	929 130
Other revenues	171 923	174 741
Total revenues	1 729 373	1 627 609
Operating expenses	1 509 178	1 442 923
Operating profit	220 195	184 686
Net financial items	45 387	35 731
Pre-tax profit	265 582	220 417
Taxes	49 388	46 135
Net profit	216 194	174 282

BALANCE SHEET

(NOK 1 000)	31.12.95	31.12.94
Current assets	925 390	821 615
Fixed assets	331 185	344 007
Total assets	1 256 575	1 165 622
Current liabilities	590 145	566 621
Long-term debt	157 780	173 561
Equity	508 650	425 440
Total liabilities and equity	1 256 575	1 165 622

printing of VG and the home delivery distribution of the other newspapers published in Oslo, Dagen Næringsliv, Arbeiderbladet, Vårt Land, Nationen and Finansavisen and a number of local newspapers in areas around Oslo. Aftenposten also is the host for various Norwegian and international databases, and provides electronic information via direct subscription, text TV and the Internet.

OPERATIONS AND DEVELOPMENT

In recent years Aftenposten has completed a substantial modernisation and production efficiency program. The last phase in modernisation of the production process, electronic page make up, was completed during 1995, so that most of the newspaper's page layout is now electronic. During the spring of 1995 the final processes will be converted so that the production process will be entirely electronic from manuscript to completed page layout. Surplus personnel as a result of the changes in working practices have mainly been relocated internally. In 1995 12 early retirement agreements were signed. These involve a charge to the accounts for 1995 of NOK 19.4 million.

Aftenposten is concentrating on continuous development of the newspaper products. The evening edition was launched in a new format in February 1995, more space has been given for cultural material in the morning edition, and in January 1996 an expanded Sunday edition was launched.

In 1995 Aftenposten launched an Internet edition and considerable product development is also taking place in electronic information handling.

In the autumn of 1995 Aftenposten AS established, together with Kinnevik AB, the press clippings company Imedia Norge AS. The company's main competitor in the Norwegian market is Observer Norsk Argus.

FINANCE

The operating profit for 1995 was NOK 220.2 (184.7) million and the pre-tax profit NOK 265.6 (220.4) million. The operating margin was 12.7% (11.3).

The marked improvement in profits is mainly due to Aftenposten's growth in the advertising and circulation market, at the same time as the development in costs, in spite of a strong increase

in paper prices, has been moderate. Cost growth amounts to NOK 66 million (4.6%) including raw materials, and NOK 31 million (2.4%) excluding raw materials.

Operating revenues rose by 6.3% to NOK 1,729.4 (1,627.6) million. Advertising revenues were NOK 1,023.7 (929.1) million. Advertising volume increased by 15.4% in relation to 1994. At the same time Aftenposten increased its share of the Oslo newspapers advertising volume by 2.6 percentage points to 60.5% (57.9%). This

represents an increase for all editions. The morning and Sunday edition recorded volume growth of 10% and the evening edition 3%. The growth in revenue was slightly higher at 11% and 4% respectively.

Circulation revenues amounted to NOK 533.7 million (523.7). The circulation of the morning edition on weekdays rose by 2,053 copies to 282,018. The evening edition fell by 2,542 copies to 186,003, while the Sunday edition increased by 618 copies to 218,384. The reduction in the number of copies for the evening edition relates to a change in the price structure for various types of subscription in 1994 with an associated substantial price increase for certain evening subscription categories. The evening edition's circulation appears to have stabilised at the end of 1995.

The profit for the year after a tax charge of NOK 49.4 million (46.1) was NOK 216.2 million (174.3).

ORGANISATION

Manning expressed in total man-years, excluding the external distribution network, stood at 1,262 (1,260) at the end of the year. There are 3,400 employees (3,300) in the external distribution network.

Measures relating to the internal working environment have been a priority area for both the management and employees and their organisations through, among other things, an active working environment committee. Efforts to make further improvements in this field will continue in 1996 including ongoing working environment studies.

In spite of a tougher competitive climate with, among other things, local TV and a possible free-sheet newspaper, Aftenposten expects a continued positive development with moderate growth in revenues in 1996 as well.



Verdens Gang

Verdens Gang AS can report that the 50th year in the newspaper's history was a successful year. In spite of a fall in weekday circulation in its anniversary year, VG today has a larger share of the casual sales market than at any previous time in that there was a weaker development in circulation for its competitor Dagbladet. VG's Sunday circulation remained at the same level as the previous year.

The positive development in advertising has continued. The financial results have fallen slightly but can still be characterised as satisfactory. Various activities throughout the country have marked the newspaper's 50th anniversary with the launch of a book on VG's history and the establishment of a separate media lab as important events.



OPERATIONS AND DEVELOPMENT

In 1995 there was a fall in weekday circulation of some 15,000 copies, an unusual situation after 25 years of growth. Several causes can be traced for the decline: increased competition for people's time has affected newspaper sales slightly - the wide range of TV channels and increased prices on casual sales in recent years may be other factors which have affected sales.

The new market situation is a major challenge for the newspaper, which is now preparing for a tougher battle for circulation and news. Ongoing efforts are being directed to product development in all parts of the organisation.

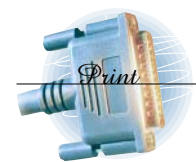
The introduction of a new page make-up system has been an important step forward during the last year. The entire graphical production line

became integral parts of the editorial department in 1995. Training for the new system is continuing on an intensive basis, so that in the current year VG will produce all its pages electronically.

It was decided in 1995 to expand distributed printing, under which VG is today printed in Oslo, Stavanger and Trondheim. A new printing agreement was signed with Harstad Tidende, which means from the summer of 1996 VG will print its entire circulation distributed in northern Norway at a new printing plant in Harstad. As a result the newspaper will be on sale 2-4 hours earlier in several places in northern Norway. In addition, the newspaper reduces distribution costs through such a solution.

New editorial measures have been implemented with several changes apparent in the newspaper products, including changes in the Saturday edition, the establishment of separate debate pages and the introduction of financial pages designed for a typical VG reader. Project Desk 95 has involved all editorial staff focusing on improved quality and creativity. VG has also strengthened staffing at the regional offices in order to improve contact with readers in all parts of the country.

The anniversary year was exciting for the newspaper in several respects. In a short space of time a new media lab was built where school children can learn about the work behind a report in the following day's newspaper. During the year the newspaper has also produced its own Web pages on the Internet (Web site: <http://www.vg.no>). A separate editorial team for the web pages has been established so that the material is up to date. A CD-ROM disc based on reports in the



VERDENS GANG AS PROFIT & LOSS ACCOUNT			BALANCE SHEET		
(NOK 1 000)	1995	1994	(NOK 1 000)	31.12.95	31.12.94
Subscription revenues	9 092	9 847	Current assets	400 144	306 102
Retail sales revenues	1 023 563	1 050 503	Fixed assets	457 439	460 221
Advertising revenues	260 187	238 972	Total assets	857 583	766 323
Other revenues	5 378	5 735	Current liabilities	322 143	321 132
Total revenues	1 298 220	1 305 057	Long-term debt	30 659	17 927
Operating expenses	1 097 678	1 086 937	Equity	504 781	427 264
Operating profit	200 542	218 120	Total liabilities and equity	857 583	766 323
Net financial items	37 286	28 186			
Pre-tax profit	237 828	246 306			
Taxes	41 397	34 711			
Net profit	196 431	211 595			



VGs ANNIVERSARY CAKE
qualified for the
Guinness Book of Records

newspaper over the 50 years of its operation was launched at the end of last year. After a few months more than 25,000 CD-ROM discs have been sold. These innovations led to the technical periodical Multimedia World and the Norwegian Multimedia Forum nominating Verdens Gang as the Norwegian Multimedia Company of the Year 1995.

FINANCE

1995 was a good year for the newspaper in financial terms, even though the profit was slightly lower than the previous year. Total operating revenues were NOK 1,298.2 million, which is a reduction in relation to the previous year of 0.5%. Circulation revenues were NOK 1,032.7 million, which was a reduction of 2.6% in relation to 1994. The reduction in circulation revenues was partly balanced by an increase in advertising revenues to NOK 260.2 million, a rise of 8.9% in relation to last year. Costs increased by 1%. The main reason for this increase was higher raw material costs due to higher paper prices.

In 1995 an offer was made on early retirement to VG employees affected by the switch to electronic page make-up. Several took advantage of the offer so that the accounts have been charged with NOK 10 million for early retirement agreements.

The operating profit in 1995 was NOK 200.5 million, which is a reduction in relation to last year of NOK 17.6 million. This gives an operating margin of 15.4%.

The financial result rose by NOK 9.1 million to NOK 37.3 million. This results in a pre-tax profit of NOK 237.8 million against NOK 246.3 million in 1994.

Chr. Schibsteds Forlag

The 1995 publishing year for Schibsted was marked by further investment in titles in areas other than the company's traditional profile as a publisher of manuals and reference books. The regular best-sellers "Hvem Hva Hvor" and "The Guinness Book of Records" and the "Sportsbook" were supplemented by other publications with an expected potential as best-sellers. One example is Einar Lundes' memoirs, "Paradisveien", which had 3 imprints. In cooperation with NRK's "Nitimen", the publishing house brought out a book on art "Norway's National Painters" by

Tommy Sørbø. In addition, television advertising was tried for the first time in connection with the marketing of "Hvem Hva Hvor" with a series of adverts on TV 2 in December.

Some of the new handbook editions and previous years' publications also sold considerably better than expected, so that the total annual budget was exceeded by more than NOK 1 million. Revenues at around NOK 32 million in 1995 were the best in the publishing house's history.

The operating profit and pre-tax profit were NOK 1.8 million.

Scan-Foto

Following the takeover by Scan-Foto of operating responsibility for Aftenposten's and VG's picture archives during the spring and summer of 1994, the business was strongly affected during 1995 by the new relationship the bureau had with the group's newspapers. Extensive reorganisation of old archives has been carried out at the same time as there has been a steady increase in demand for archive services.

In line with the switch by the group's newspapers to full electronic production, Scan-Foto is implementing a project to establish an electronic picture archive. Following tenders in May 1995, an agreement was signed with Telenor Comma in September on the supply of hardware and software to establish a new archive by 15 January 1996. Following a commissioning phase the system will be fully in use by the summer of 1996.

The manual archive will no longer be maintained. Old pictures which are archived from manual archives will be re-archived electronically. All journalists in Aftenposten and VG will be able to access the electronic picture archive from their PCs in the same way as they currently access text archives. The picture archive will be made commercially available to external customers.

In spite of an extended service and sales to the group's newspapers, most of the sales (56%) continue to be to external customers. Sales to external customers increased by 15%.

The daily press continues to be the largest customer category, with 25% of external sales, while advertising agencies were the customer category which increased most, by 27%.

The final operating result was break-even, while the pre-tax profit was a loss of NOK 0.3 million.





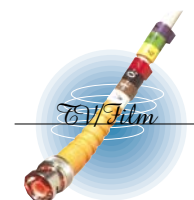
TV/Film A business area with strong growth – in Scandinavia



Jan-Erik Knarbakk
Director
TV/Film

TV & Film

From a modest start Schibsted has, in the space of a few years, become the leading Norwegian media company in the TV sector and a company which, to an increasing extent, is a force in this area in a Scandinavian context as well. Schibsted is now the full or partial owner of TV and film-related companies, with aggregate sales of approximately NOK 1.4 billion.



Production companies for TV and advertising films, television channels, film distribution, sale of TV rights and technical infrastructure for TV and film production encompass Schibsted's present involvement in the business area TV/Film. Schibsted has holdings in some 30 large and smaller companies in the TV and film area - from large and well-known television stations such as TV 2 and TvNorge with several hundred employees, to small creative units with 4-5 employees.

Whereas as a newspaper publisher Schibsted has a tradition extending for more than 135 years, as a TV company Schibsted is still young. The group's expansion in this area has, however, led to Schibsted today being among the leading companies working in the Scandinavian TV market.

Schibsted's growth in TV/Film has made it natural to organise the group's activities as a separate business area. This is organised in turn in three main sectors: creative production (production companies), distribution (TV channels) and technical production (TV and film infrastructure).

Schibsted Film AS is the fourth pillar in the business area's organisation. During the establishment phase Schibsted Film has been the parent company for several of the group's TV and film activities in all sectors. Schibsted Film will to an increasing extent focus on TV/Film

rights issues in a wider sense and rights as a business area. Further development of international relationships is also one of Schibsted Film's functions - an increasingly more important task in a sector where national frontiers are becoming of less importance.

Total operating revenues for the business area TV/Film amounted to NOK 347 million in 1995. This represents an increase of NOK 187.9 million in relation to last year.

The operating profit was negative with NOK 45 million, which is NOK 16.3 million weaker than the previous year. This is due to a loss of NOK 52.9 million for TV+.

The other companies in TV/Film achieved better results than in 1994.

TV 2, Kanal Kaks (Estonia), Nydalen Studios and ScanCam have been included as associated companies and contributed NOK 31.3 million to the financial result. The pre-tax profit was a loss of NOK 24 million.

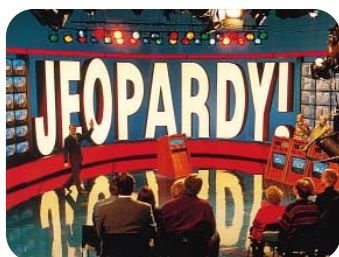


PRODUCTION COMPANIES

Scandinavia is the field of operation for Schibsted's network of production companies for TV programs and commercial films. The objective is to be one of the three largest privately-owned TV production environments in the Nordic region.

The expansion of commercial television in the Nordic countries has created a rapidly-growing environment for the production of TV programs

TV/FILM PROFIT & LOSS ACCOUNT			BALANCE SHEET		
(NOK 1 000)	1995	1994	(NOK 1 000)	31.12.95	31.12.94
Total revenues	347 040	159 177	Current assets	149 355	94 596
Operating expenses	392 010	187 842	Fixed assets	257 731	143 706
Operating profit	(44 970)	(28 665)	Total assets	407 086	238 302
Net financial items	(9 960)	(9 218)	Current liabilities	97 449	43 723
Shares associated companies	31 314	6 820	Long-term debt	310 156	227 572
Pre-tax profit	(24 044)	(31 014)	Minority interests	674	
Taxes	7 527	985	Equity	(1 193)	(32 993)
Net profit	(31 571)	(31 999)	Total liabilities and equity	407 086	238 302



independently of the state television channels. The need for quality programming in Scandinavian languages is rapidly increasing. Competition between TV channels

for the best program ideas and the most skilled producers and program presenters is becoming tougher.

Similarly, there has been rapid growth in the TV advertising market in recent years and thus in demand for creative producers of commercial films.

A large part of Schibsted's TV and film production is based in Stockholm. This is organised through Mutter Film and Television AB, the parent company for the production companies in Norway, Sweden and Denmark. Some of the companies work mainly in the production of programs for Scandinavian TV channels, and others are engaged in the production of commercial films.

The parent company's management coordinates the activities, manages development and growth and utilises common expertise. Concept development and the expansion of the creative environments depends largely on the individual production companies.

Among the TV production companies, Meter Film and Television AB is the largest. Meter has developed into one of the leading production companies in Sweden, with a large number of recognised programs created for most of the Swedish TV channels. During 1995, Meter has supplied productions to Swedish TV 4, TV 3, Channel 5 and TV 1000.

Rubicon TV AS has, during its two years' existence, become one of the largest Norwegian independent production companies and has produced programs over a wide range, mainly for Norwegian TV 2 and TV+. In 1995 the documentary series «Behind your Back» in particular, which Rubicon produced together with

TV 2's presenter Gerhard Helskog, attracted considerable attention.

A cornerstone of Schibsted's TV production environment is «Jeopardy», one of the world's most popular game shows. Magnet Film and Television AB produces this quiz program daily for Swedish TV 4. The program is in its fourth year with the popular Swedish actor, Magnus Härenstam as presenter. Ratings have been high since it began and are regularly breaking new records. «Jeopardy» has become one of the features of this major Swedish TV channel.

In Norway the associated company Nordic Entertainment Norge AS has the same assignment for Norwegian TV 2. Similarly in Norway «Jeopardy» has proved a big success with viewers, with Jens Brun Pedersen as the program presenter, in spite of the fact that the program is transmitted at the same time as one of the institutions on Norwegian television, NRK's news transmission «Dagsrevyen».

In 1995 Nordic Entertainment Danmark AS began production of «Jeopardy» for Danish TV 2 in cooperation with the Danish company Metronome.

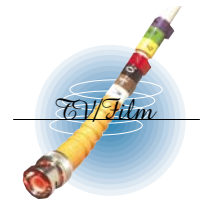
Moland Film has become well established in Scandinavian advertising films. Founded by the well-known Norwegian

director Hans Petter Moland, the companies, Moland Film Company Norge AS and Moland Film Company Danmark AS, specialise in using well-known feature-film directors in the production of commercials. The result is commercials characterised by high quality and considerable creativity. In Sweden, Mekano Film og Television AB is a major producer, well-known for the quality of its commercial films and TV production.



TV CHANNELS

As late as 1987 Norway still had only one TV channel, the state owned television channel NRK. In 1995 there were four Norwegian TV channels and three transmitting to Norwegian viewers from abroad. One new state channel, NRK 2, will be introduced soon. Thirty local TV



stations have been given government licences and will set up operations. Schibsted has a central position in the development.

Schibsted's main TV investment is TV 2, the only terrestrial national public broadcaster in Norway in addition to the state-owned NRK 1. Schibsted was a driving force behind the application for the licence to operate TV 2 in 1991. The company played an important role in planning the channel and Schibsted has been the largest Norwegian shareholder in TV 2 AS since it started in 1992.

Today TV 2 is the undisputed leader among the privately-owned television stations in Norway and well on its way to being able to overtake NRK 1 as the most widely viewed TV channel in the country. TV 2 has a dominant position as an advertising medium in the Norwegian television market.

Most of the requirements set by the Norwegian authorities when granting the licence have been fulfilled. TV 2 has become a strong competitor to NRK 1 with regard to independent provision of news. Original Norwegian programming increased significantly since the channel started and many of the most popular programs in Norway are to be found on TV 2. Competition is expected to increase strongly in the coming years among Norwegian TV channels. TV 2's established position and solid resources mean that it is well prepared in the battle for the attention of television viewers and advertising buyers.

Schibsted further strengthened its position in the Norwegian TV market at the beginning of 1996 when it acquired a holding in TvNorge, the second-largest of the advertising-financed television channels. TvNorge has until now reached approximately 50% of the population by satellite and cable. Based on cooperation with as many as possible of the country's local TV stations, TvNorge's ambition is to increase distribution considerably and at the same time operate as the leading network for the local stations.

TV+, the third and smallest of the Norwegian TV channels that Schibsted holds interests in,

has been in operation since the end of March 1995. The channel reaches approximately 40% of the population through satellite and cable distribution. TV+ has had an important role in the group's efforts to establish the best possible form of cooperation with local TV, but has so far found it difficult to establish a foothold as an independent television channel.

Through cooperation with Schibsted's co-owners in TvNorge, Scandinavian Broadcasting System (SBS), TV+ is being operated as a joint venture while a new strategy for the channel is being evaluated.

Outside Norway, Schibsted is a co-owner in Kanal 2, Estonia's largest private television channel.



TECHNICAL PRODUCTION

Schibsted's involvement in technical TV and film production is mainly through cooperation with the two other major Scandinavian media companies, Egmont/Nordisk Film in Denmark and Sveriges Television. Together, the three have formed the Nordic region's leading group of film and TV technical companies.

Four film laboratories in Sweden and Denmark, FilmTeknik Sverige AB, Swelab AB, Johan Ankerstjerne AS and Eurolab AS have, from February 1996, been organised through Skandinaviska Filmlaboratorier Holding AB. The three partners each own one-third of the holding company. The companies in the group are involved in most Swedish and Danish feature films produced and serve large parts of the advertising film market in the two countries.

In Norway, Schibsted and Egmont/Nordisk Film cooperate in technical film and TV production. Both parties own 45.5% of the company FilmTeknikk Norge AS. The company is the only film laboratory in Norway and is an important





partner for the producers of Norwegian films. Through the subsidiaries Film and Post Production AS, Lab 16 AS and IF Communication Animasjon AS, the main

customers are featurefilm, commercials and TV. Norsk Film AS, the state-owned film company, holds an interest of 9% in this partnership.

Schibsted and Egmont/Nordisk Film are also partners in Norway's largest privately-owned studio for television production, Nydalen Studios AS. Nydalen Studios was mainly built in order to provide TV 2 with professional studio services. Today, the company leases its premises and services on the same terms to several TV stations and producers. Nydalen Studios is the majority shareholder in Outside Broadcast Team AS, which provides technical services for TV production, with outdoor production as its speciality.

Norsk Filmstudio AS, a subsidiary of Norsk Film, is Schibsted's partner in ScanCam AS. The company has specialised in renting camera equipment to film and TV producers.

RIGHTS

«Who owns the rights? What do they cost? Can we obtain them?» These are questions which those responsible for TV channels regularly ask in their hunt for the best programs. Schibsted is already active in purchasing the rights to feature films for cinema and TV viewing in Scandinavia, and will expand its involvement into TV rights as well.

Norsk Film-Distribusjon AS (NFD) is one of the leading film distributors in Norway and is

responsible for marketing and distribution to cinemas of a large number of Norwegian-produced and international feature films during a year. In addition, NFD negotiates film rights for the Norwegian TV channels, an activity which has increased in scope in recent years. The company is also involved in video distribution.

NFD is an independent company which does not have any special obligations towards any of the major American film companies. Instead, NFD has specialised in quality films from small producers, often European, and has obtained good results from this. Relationships with the Norwegian feature film environment have been very good and NFD is often preferred as the distributor of Norwegian feature films. The most well-known in 1995 was the big success «Kristin Lavransdatter», directed by Liv Ullmann.

The rights to international films are purchased through a Scandinavian partnership in which Schibsted participates together with the Swedish cinema and theatre chain, Sandrews, and the Danish Metronome. The jointly-owned Sandrews Metronome AB has become a major buyer for Scandinavia in the international film market.

Schibsted is also in the process of expanding its activity in this area further through Schibsted Film AS. The television channels are under increasing competitive pressure for the rights to the best programs. In line with the rising number of TV channels in Scandinavia, price levels for the most popular rights have also risen significantly. Through its international contacts, financial strength and the establishment of key expertise, the goal is to make rights an important part of the business area TV/Film.



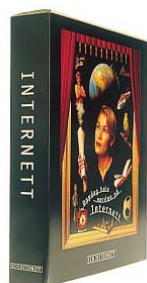
Multimedia

Tomorrow's business area?

Multimedia

In April 1995 the Schibsted group decided to begin work with a view to developing a multimedia strategy for Schibsted. New electronic information media are expected to grow rapidly at the same time as these media may threaten the traditional income basis of the newspapers, particularly on the advertising side.

On the other hand, the new media represent an opportunity for further development by the newspapers of both contents and the relationship to readers.



After initial studies, work was concentrated during the spring and summer on the development of online services managed by Schibsted. Such services are based on information transfer and communication through networks to PC users. An essential element for online services is that they should constitute a range of useful services for both consumers and professional decision-makers, and the services should at the same time cover the following elements: information, communication and transaction (trade and/or payment facilities).

In August 1995 work on the multimedia side changed in character from studies to active implementation with the acquisition of Oslonett AS, which at that time was an Internet-provider. The company is now being further developed and will offer services designed for consumers and professional decision-makers in addition to Internet access itself. The company's management has largely been newly recruited and while



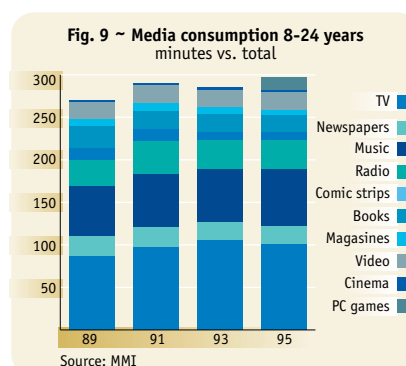
Oslonett, on its acquisition in August 1995, had some 25 employees, the company now has more than 65 employees and the number is expected to rise further during 1996.

The company was re-launched on 1 December 1995 under the name Schibsted Nett AS, and its online service has been called Sn Horisont. In addition to its own product development, priority has been given during 1995 to

building alliances. In particular, emphasis has been directed to alliances which provide opportunities for electronic banking services and alliances which provide access to broadband technology and line capacity. So far alliances with Sparebanken NOR, Oslo Energi Tele and Janco Kabel-TV AS are the main ones in these areas.

During 1995 the company has also given priority to establishing good distribution of its services. This has been achieved by partly buying and partly leasing nodes, i.e. decentralised connection points which enable users of online services to only pay a line charge at local rates to the nearest node. In the somewhat longer term, e.g. when telecommunications have been deregulated, it is expected that the distribution system will mainly be provided by others and that Schibsted Nett will lease the necessary services.

The company's business must so far be characterised as in an investment period. The company's aggregate revenues in 1995 were NOK 13.7 million, while the pre-tax profit was negative with NOK 15.8 million.



SCHIBSTED NETT AS PROFIT & LOSS ACCOUNT		BALANCE SHEET	
(NOK 1 000)	1995	(NOK 1 000)	31.12.95
Total revenues	13 739	Current assets	22 856
Operating expenses	29 394	Fixed assets	2 863
Operating profit	(15 655)	Total assets	25 719
Net financial items	(167)	Current liabilities	11 919
Pre-tax profit	(15 822)	Long-term debt	13 900
Taxes		Equity	(100)
Net profit	(15 822)	Total liabilities and equity	25 719

FUTURE PROSPECTS

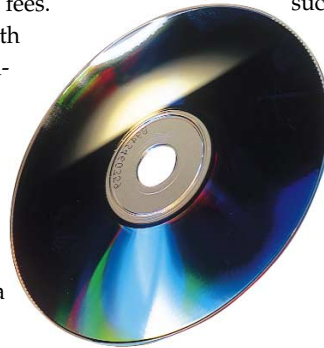
The electronic information transfer sector is expected to show exponential growth in the coming years. The area will, however, continue for some years to be marked by relatively substantial investment.

Revenues from this market will probably partly come in the form of subscription/user fees, partly in the form of advertising revenues and partly in the form of transaction fees. There is considerable uncertainty with regard to the composition of the various revenue elements.

In terms of competition, Telenor Media is today the toughest competitor of Schibsted Nett, while international participants have not yet entered the Norwegian market. It is realistic to expect that it is only a

matter of time before this happens and it may take place in 1996.

An important task for Schibsted Nett in the coming months, in addition to developing a satisfactory online range of services, is to establish appropriate business models and accounting models, both towards its partners and users of the service. Assuming that this is successful, there are reasons to believe that this area will become a valuable supplement to Schibsted's other business areas in the coming years.



Directory

SCHIBSTED ~ CONSOLIDATED

SCHIBSTED ASA

P.O.Box 1178 Sentrum, N-0107 Oslo
Tel. 22 86 41 00. Fax 22 86 38 80
Office address: Akersgaten 55
Chairman of the board; Tinius Nagell-Erichsen
Chief Executive Officer; Kjell Aamot
e-mail: schib@sn.no
Web site: <http://www.sn.no/schibsted>

SCHIBSTED EIENDOM AS

P.O.Box 1178 Sentrum, N-0107 Oslo
Tel. 22 86 41 00. Fax 22 86 38 80
Office address: Akersgaten 55
Chairman of the board; Sverre Munck
Managing Director; Finn Solberg
e-mail: schib@sn.no

SCHIBSTED FILM AS

P.O.Box 1178 Sentrum, N-0107 Oslo
Tel. 22 86 41 00. Fax 22 86 38 80
Office address: Akersgaten 55
Chairman of the board; Kjell Aamot
Managing Director; Eivind Thomsen
e-mail: thomsen@sn.no

AFTENPOSTEN AS

P.O.Box 1178 Sentrum, N-0107 Oslo
Tel. 22 86 30 00. Fax 22 86 38 17
Office address: Akersgaten 51
Chairman of the board; Kjell Aamot
Managing Director; Kaare Frydenberg
Editor-in-Chief; Einar Hanseid
e-mail: aftenposten@aftenposten.no
Web site: <http://www.aftenposten.no>

VERDENS GANG AS

P.O.Box 1185 Sentrum, N-0107 Oslo
Tel. 22 00 00 00. Fax 22 42 66 89
Office address: Akersgaten 55
Chairman of the board; Kjell Aamot
Managing Director; Aslak Ona
Editor-in-Chief; Bernt Olufsen
e-mail: webmaster@vg.no
Web site: <http://www.vg.no>

CHR. SCHIBSTEDS FORLAG AS

P.O.Box 1178 Sentrum, N-0107 Oslo
Tel. 22 86 30 00. Fax 22 42 54 92
Office address: Akersgaten 32
Chairman of the board; Andreas Norland
Managing Director; Per Damsgaard
e-mail: schibsteds.forlag@sn.no

SCAN-FOTO AS

P.O.Box 1185 Sentrum, N-0107 Oslo
Tel. 22 00 32 00. Fax 22 00 32 10
Office address: Akersgaten 55
Chairman of the board; Kaare Frydenberg
Managing Director; Ernst Olsen
Editor in Chief; Jan Greve

SCHIBSTED NETT AS

P.O.Box 1178 Sentrum, N-0107 Oslo
Tel. 22 02 01 10. Fax 22 02 09 77
Office address: Gjerdrumsv. 11
Chairman of the board; Birger Magnus
Managing Director; Erik Hagen
e-mail: firmapost@sn.no
Web site: <http://www.sn.no>

Table of Contents

- 3 Brief history of Schibsted
- 4 Highlights 1995
- 5 Key Figures

THE ANNUAL ACCOUNTS, SCHIBSTED -CONSOLIDATED

- 6 The Board of Directors Report for 1995
 - 9 Board of Directors
 - 12 Profit & Loss Statement
 - 13 Balance Sheet
 - 14 Cashflow Analysis
 - 15 Notes to the Accounts
 - 20 Annual Statement - Schibsted ASA
 - 21 Notes to the Accounts - Schibsted ASA
 - 23 Auditor's Report
 - 24 Value Added Statement
-
- 26 Management's Report
 - 30 Print
 - 38 TV/Film
 - 44 Multi media
 - 47 Directory

SCHIBSTED

- Table of Contents
- Overview
- Summary 1995
- Key figures
- Report of the Board of Directors
- Income Statement
- Balance Sheet
- Cash Flow Analysis
- Notes
- Shareholders Policy

