

Delårsrapport INTERIM REPORT

September 30, 1996

Statement

SEPTEMBER 30, 1996

Schibsted has experienced a positive 3rd quarter, with an increase in revenues and operating profit in most areas. The exception is Multi Media, with a loss as a result of the planned expansion, and TvNorge, where the quarter was marked by the seasonal decrease in advertising during summer in addition to considerable expenses connected with the local TV effort and the restructuring of the company in general.

The National Budget for 1997 was presented in October, signalling a relatively sober fiscal policy for the upcoming period. The Central Bank expects a reduction in domestic demand growth for 1997, following this year's strong growth. Private demand is still expected to grow in 1997. Wage settlements in 1996 have resulted in substantial real income growth for large groups, and an increased price pressure next year is expected.

PRINT MEDIA

Circulation is still developing differently for the casual sales newspapers and the subscription newspapers. The circulation decrease at VG continues, albeit at a lower rate compared to the first six months. The circulation decrease for weekdays during the 3rd quarter was 13,600 copies, compared to a decrease of 21,100 copies for the 1st quarter. The Sunday circulation for the 3rd quarter decreased by approx. 700 copies, a decrease in line with the first half year. On September 27, VG started printing at the Harstad Tidende printing plant. Production has not yet been stabilised, but a positive circulation effect is noticed in the periods with regular printing. Aftenposten's circulation is still developing positively, with circulation for the morning edition at 281,700 (+2,100) copies. The evening edition increased to 186,800 (+2,800) copies and the Sunday edition increased to 221,300 (+5,800) copies. Aftenbladet had an increase in the weekday circulation to 375,000 (+14,800) copies and in the Sunday edition to 480,000 (+6,700) copies. In September Aftenbladet passed the competitor Expressen for the first time since 1952, and became Scandinavia's largest newspaper that month. The advertising market remains strong. Aftenposten had a volume increase of 7.9 % per the 3rd quarter, while the advertising revenues increased by 16.4 %. VG's success as a national advertising medium continues, and advertising volume increased by 9.9 % per the 3rd quarter. Advertising revenues increased by 15.9 % compared to last year. Aftenbladet is consolidated into Schibsted's accounts as of the month of May. Aftenbladet's advertising development has also been positive, with an increase in advertising revenues of 35 % compared to last year.

TV/FILM

The growth in the TV advertisement market during the 3rd quarter has been good, with TV still increasing its share of the total advertisement market. Due to its market share, TV 2 has taken most of this growth. During the 3rd quarter NRK 2 has been launched, while TV+, ZTV and TV6 have discontinued their transmissions. At the time of reporting NRK 2 has not taken significant market share from TV 2. TV 2's operating profit year-to-date is NOK 91.2 (81.0) mill. TV 2 is now in a tax position, and Schibsted's share of TV 2's net profit was NOK 23.0 (23.2) mill. As reported previously, Schibsted's ownership share in TV+ was reduced to 33 % as of July 1.

The channel discontinued its transmissions on August 31, in order to reduce costs while reorganising its profile to become a network for local TV in co-operation with TvNorge. The constellation TvNorge/TV+ will be able to achieve a distribution of approx. 85-90 % when the local TV channels' distribution is fully developed. In the 3rd quarter TV+ contributed negatively with approximately NOK 5 mill. to Schibsted's results.

TvNorge has had a substantial deficit in the 3rd quarter. In addition to a quarter marked by seasonal decrease in both the viewer and advertising markets, the channel has had considerable costs in connection with the establishment of the local TV network and the restructuring of the company. Per the 3rd quarter the company contributes negatively with approximately NOK 25 mill. to Schibsted's result. The production companies' activity level is still somewhat lower than expected, as a consequence of TV4's decision to reduce its program costs combined with more in-house production. In Norway, however, the activity is satisfactory and two of the group's production companies produce the highly successful «Syv Søstre» and «Jeopardy» for TV 2. The group has also become Scandinavia's leading commercial films producer, with a turnover of approximately NOK 100 mill. yearly. The technical companies' results are influenced by a decreasing market in Sweden. The Swedish Competition Authority's decision regarding the joint venture agreement for the laboratories in Sweden will be tried legally in the end of November.

MULTI MEDIA

The activity level within the Multi Media area is still in rapid growth. Schibsted Nett increased its number of subscribers by approximately 10,000 during this quarter, to approximately 33,000 per September 30. In October an additional 7,000 subscribers have been added. The increase has come as a result of joint campaigns with leading PC-retailers, entailing high up-front expenses in the form of modems and free trial periods. 3rd quarter total revenues were NOK 21.9 mill., while the operating deficit was NOK 57.6 mill. Compared to previous quarters, the same level of deficit is expected to continue in the 4th quarter. The number of partners in the content area is increasing. During the 3rd quarter Aftenposten and the major regional newspapers established "vis@vis" - the country's biggest data base for classified ads on the Internet. Schibsted Nett and the supermarket chain Rema also launched a service for grocery shopping on the net. Schibsted Nett now offers an Internet connection via ISDN, with improved transmission speed. A joint project with cable operator Janco offering high speed Internet access was launched November 1.

FINANCIAL HIGHLIGHTS

The group's turnover at the end of the 3rd quarter was NOK 3,099 (2,472) mill., an increase of 25.4 % compared with last year. The turnover for the 3rd quarter was NOK 1,156 (819) mill., an increase of a healthy 41.3 %, which mostly is due to the consolidation of Aftenbladet for the whole quarter. The operating profit at the end of the 3rd quarter was NOK 345.5 (315.6) mill., while the operating profit for the 3rd quarter increased from NOK 57.3 million last year to NOK 87.2 mill. this year. The increase is mostly due to an increase in profits for the

**BOOK PUBLISHING
PHOTO AGENCY**

**Chr. Schibsteds Forlag AS
Scan-Foto AS**

NTB (21 %)

NEWSPAPERS

**Aftenposten AS
Verdens Gang AS
Aftonbladet Hierta AB*
Schibsted Trykk AS**
Avisretur AS (51 %)

REGIONAL NEWSPAPERS

AS Adresseavisen (32 %)
AS Stavanger Aftenblad (31 %)
Fædrelandsvennen AS (25 %)
Bergens Tidende AS (23 %)
Harstad Tidende AS (15 %)
AS Asker og
Bærum's Budstikke (10 %)

* 49.999 % of share capital;
100 % of ordinary shares.

SCHIBSTED

**Schibsted Finans AS
Schibsted Eiendom AS
Schibsted Drift AS**

MULTI MEDIA

Schibsted Nett AS

Imedia Norge AS (50%)
Hugin AS (34 %)

TV/FILM

TV/FILM

RIGHTS

**Schibsted Film AS
Norsk FilmDistribusjon AS**

DISTRIBUTION

TV 2 AS (33 %)
TvNorge AS (29 %)
TV Pluss AS (33 %)
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 %)
Eventyrkanalen AS (100 %)

Norwegian newspapers. Net operating margin decreased from 12.8 % to 11.1 %. The reduction is due to Aftonbladet's substantially lower net operating margin than that of the Norwegian newspapers, combined with overall higher newsprint prices and the Schibsted Nett expansion.

Net financial items for the three quarters ended at NOK 23.8 (64.9) mill., a reduction of NOK 41.1 mill. compared to last year. The reduction in net financial items is primarily due to new long-term debt of NOK 350 million in connection with the Aftonbladet investment, as well as a reduction in the contribution from associated companies of approximately NOK 28.3 mill.

The pre-tax profit at the end of the 3rd quarter was NOK 367.1 million, compared to NOK 379.5 mill. at the same time last year. The pre-tax profit for the 3rd quarter was NOK 66.0 (63.2) mill.

The improved operating profit for the 3rd quarter is considered satisfactory, especially considering the group's multi media expansion. The reduced contribution from associated companies, in particular due to TvNorge, is not satisfactory, and major efforts are being made to improve the channel's revenues.

The key figures for each business area are reported separately.

INVESTMENTS

Investments during the first nine months of the year totaled approximately NOK 900 million, of which approximately NOK 520 million in connection with share purchases of Aftonbladet, TvNorge and Bergens Tidende. Investments during the 3rd quarter were approximately NOK 160 million. Investments in the new printing facility per the 3rd quarter total NOK 204 million.

SHAREHOLDER STRUCTURE

In October some family shareholders sold a total of 2.3 million shares, or 3.3 % of the total Schibsted shares.

The family shareholders now own less than 40 % of the company's shares. The share price increased during the quarter from NOK 84 to NOK 95, an increase of 13 %. In the same period the Oslo All Share Index remained more or less unchanged. The share price reached an all time high of NOK 101 on October 24.

FUTURE PROSPECTS

The advertising market is expected to remain strong, in line with the macro-economic situation in Norway. The negative circulation development in the casual sales market is expected to continue the rest of the year, while estimates for next year's development cannot be yet be given. Aftonbladet's positive circulation and advertisement development is expected to continue. The Norwegian newsprint prices for the 4th quarter will remain approximately unchanged compared to last year's 4th quarter, following an announcement by Norske Skog announcing a price reduction by approximately 5 % pr. September 1. In light of the situation in the spot market there is reason to expect further reduced newsprint prices for 1997. The TV advertisement market is expected to develop in line with the advertisement market in general.

The major uncertainty for the 4th quarter is connected with the growth rate and competitive situation within the Multi Media area, and TvNorge's ability to increase its market share in the commercial TV market.

The next statement will be issued on March 5, 1997.

Oslo, November 7, 1996.

Web site: <http://schibsted.sn.no>

Profit & Loss Account

SCHIBSTED - CONSOLIDATED

3. QUARTER

1995	1996		30.09.96	30.09.95	1995
REVENUES					
110 516	122 592	Subscription revenues	373 700	347 905	464 859
292 737	558 125	Retail sales revenues	1 246 892	826 658	1 097 307
285 137	370 006	Advertising revenues	1 182 700	941 352	1 283 924
130 114	105 493	Other revenues	295 946	355 657	501 730
818 504	1 156 217	Total revenues	3 099 239	2 471 572	3 347 820
OPERATING EXPENSES					
72 643	131 022	Raw materials	340 170	203 088	280 744
57 612	39 097	TV/film production expenses	130 585	163 807	215 535
307 031	361 199	Personnel expenses	953 435	834 011	1 188 906
280 541	483 464	Other operating expenses	1 183 477	830 987	1 080 161
3 038	2 476	Losses on accounts receivables	9 554	9 181	13 200
40 302	51 736	Ordinary depreciation	136 563	114 873	160 267
761 167	1 068 994	Total operating expenses	2 753 784	2 155 947	2 938 813
57 337	87 223	OPERATING PROFIT	345 455	315 625	409 007
FINANCIAL ITEMS					
10 659	9 987	Financial income	37 390	36 357	47 764
(3 446)	(12 068)	Financial expenses	(26 746)	(12 912)	(17 368)
(827)	(18 261)	Share of associated companies	13 114	41 434	59 530
6 386	(20 342)	Net financial items	23 758	64 879	89 926
(560)	(854)	Minority interests	(2 141)	(1 018)	(673)
63 163	66 027	PRE-TAX PROFIT	367 072	379 486	498 260
17 686	18 487	Taxes	102 780	106 256	152 466
45 477	47 540	NET PROFIT	264 292	273 230	345 794

Balance Sheet

SCHIBSTED – CONSOLIDATED

(NOK 1,000)	30.09.96	30.09.95	31.12.95
ASSETS			
Cash and deposits	336 083	344 019	491 645
Debtors	405 347	318 526	326 350
Short term receivables	135 131	81 715	75 083
Total current assets	876 561	744 260	893 078
Other shares and interests	667 748	413 183	442 218
Long-term receivables	295 193	118 806	97 112
Work in progress	37 331	49 828	8 770
Machinery, equipment and goodwill	758 943	398 632	429 195
Buildings and land	849 876	733 324	781 660
Net pension assets	19 283	42 832	34 713
Total fixed assets	2 628 375	1 756 605	1 793 668
TOTAL ASSETS	3 504 936	2 500 865	2 686 746
Liabilities/shareholders equity			
Creditors	153 155	114 371	115 005
National insurance, accrued wages	232 852	171 909	229 895
Taxes payable	152 254	129 214	151 001
Other current liabilities	334 883	262 115	269 095
Proposed dividend			90 025
Total current liabilities	873 143	677 609	855 021
Other long-term debt	391 852	17 379	13 522
Deffered tax	16 649		4 944
Pension liabilities	296 057	187 744	211 174
Total long-term debt	704 558	205 123	229 640
Minority interests	62 790	2 741	2 176
Share capital (69,250,000 shares of NOK 1)	69 250	69 250	69 250
Legal reserves	331 148	289 590	331 152
Temporarily non distributable reserves	47 877	97 307	47 876
Retained earnings	1 151 877	886 015	1 151 631
Net profit	264 292	273 230	
Total equity	1 864 444	1 615 392	1 599 909
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3 504 936	2 500 865	2 686 746

Key Figures

SCHIBSTED – CONSOLIDATED

	30.09.96	30.09.95	1995
Total revenues (NOK 1,000)	3 099 239	2 471 572	3 347 820
Depreciation (NOK 1,000)	136 563	114 873	160 267
Royalty (NOK 1,000)	36 640	38 271	51 881
Operating profit (NOK 1,000)	345 455	315 625	409 007
Pre-tax profit (NOK 1,000)	367 072	379 486	498 260
Net operating margin	11,1%	12,8%	12,2%
Gross profit ratio	11,8%	15,4%	14,9%
Profit ratio	8,5%	11,1%	10,3%
Equity ratio	53,2%	64,6%	59,5%
Current ratio	1,00	1,10	1,04
EPS (NOK)	3,82	3,95	4,99
Cash flow per share (NOK)	6,13	5,67	8,01
CIRCULATION - YEAR-TO-YEAR			
Aftenposten morning edition, weekdays	281 717	279 569	282 018
Aftenposten evening edition, weekdays	186 807	184 035	186 003
Aftenposten Sunday	221 303	215 470	218 384
VG, weekdays	352 258	370 642	371 238
VG, Sunday	274 237	274 868	279 362
Aftenbladet, weekdays	375 000	360 200	362 000
Aftenbladet, Sunday	480 000	473 300	473 400
ADVERTISING VOLUMES - YEAR-TO-YEAR			
Aftenposten	37 845	35 079	48 062
VG	5 399	4 912	6 802
Aftenbladet	7 856	6 131	9 367
PRINT			
Total revenues (NOK 1,000)	2 883 450	2 207 481	2 976 693
Operating profit (NOK 1,000)	372 760	330 361	422 676
Pre-tax profit (NOK 1,000)	444 510	400 156	523 934
Net operating margin	12,9%	15,0%	14,2%
Gross profit ratio	15,4%	18,1%	17,6%
Profit ratio	11,1%	13,1%	14,5%
TV/FILM			
Total revenues (NOK 1,000)	188 918	248 603	347 040
Operating profit (NOK 1,000)	(19 442)	(47 930)	(44 970)
Pre-tax profit (NOK 1,000)	(34 064)	(34 021)	(24 044)
Net operating margin	(10,3%)	(19,3%)	(13,0%)
Gross profit ratio	(18,0%)	(13,7%)	(6,9%)
Profit ratio	(18,0%)	(13,7%)	(9,1%)
MULTI MEDIA			
Total revenues (NOK 1,000)	21 904	10 701	13 739
Operating profit (NOK 1,000)	(57 564)	(1 486)	(15 655)
Pre-tax profit (NOK 1,000)	(60 119)	(1 500)	(15 822)