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A BRIEF HISTORY

SCHIBSTED - CONSOLIDATED

A RETROSPECTIVE LOOK AT SCHIBSTED'S RECENT HISTORY

From its founding in 1836 and until 1989 Schibsted's activities were run through individual, family-owned companies. Following its reorganization in 1989, Schibsted has changed considerably.

During the years following the restructuring Norway was in a recession, and focus was on improving profitability in order to establish a satisfactory financial basis for the group. Thereafter, in 1991, preparation for listing the company on the Oslo Stock Exchange commenced. Prior to going public, the printing plant and properties in the centre of Oslo, which at that point still were family-owned, were taken over by the group.

Strategic investments in an emerging commercial TV market were realised; the launch of TV 2 being the most important project. The process of change, necessary due to the declining advertising market, continued. Activities in the commercial TV market expanded throughout 1993 and 1994. Through the entire period from 1989, the group increased its ownership interests in important regional newspapers.

In response to the challenges from the new electronic media, Schibsted in 1995 acquired Oslo Nett, later renamed Schibsted Nett. 1995 was the year when Schibsted developed from a newspaper company to a broad based media group with its main emphasis on the traditional newspaper market, but with a growing interest in the TV industry, and the initial step into the electronic media business. After a detailed strategy review Schibsted defined three main business areas; Print Media, TV/Film and Multimedia.

All three business areas have continued growing and developing in 1996: Print Media expan-

ded with the acquisition of Aftenbladet, TV/Film with the purchase of shares in TVNorge and the Metronome group, while Multimedia grew organically through Schibsted Nett. In order to focus the Multimedia business on content (and away from access), Schibsted sold its access activities to Telenor at year end. Going forward, Schibsted and Telenor will, through the jointly owned Scandinavia Online, co-operate in the development of content in the Multimedia business.

A reorganisation of the company structure within the TV/Film area will also contribute to stronger focus within the individual segments in this business area.

In 1996, the company's largest shareholder, Tinius Nagell-Erichsen, established the trust, the "Stiftelsen Tinius", in order to manage his shareholding in the group. This was done in order to ensure that the Schibsted group will remain a media group, operating according to the same editorial and business guidelines as at present.

THE STRATEGY OF THE GROUP

Schibsted's vision is to become Scandinavia's leading media company through being the preferred supplier of content to readers, viewers and advertisers, irrespective of the choice of media.

In this connection "leading" refers to the company's strive for excellency and competency in all sectors of the organisation.

Schibsted believes that focus on quality and competence will provide the company with a competitive advantage which will lead to significant future growth. Schibsted's focus on becoming Scandinavia's leading media company does not necessarily mean that Schibsted will restrict its activities to Scandinavia, but a strong position in a large home market will be beneficial when entering markets beyond Scandinavia.



KEY FIGURES

SCHIBSTED - CONSOLIDATED

	1996	1995	1994	1993	1992	1991
Total revenues (NOK 1 000)	4 524 347	3 347 820	3 041 797	2 752 823	2 625 496	2 564 594
Operating profit (NOK 1 000)	569 284	409 007	415 954	317 524	170 702	162 606
Pre-tax profit (NOK 1 000)	579 215	498 260	460 880	427 457	230 669	278 802
Net operating margin	12,6%	12,2%	13,7%	11,5%	6,5%	6,3%
Gross profit ratio	12,8%	14,9%	15,2%	15,5%	8,8%	10,9%
Profit ratio	8,9%	10,3%	10,4%	11,5%	6,4%	6,6%
Equity ratio	49,4%	59,6%	56,0%	50,6%	46,5%	34,3%
Return on equity	23,0%	23,5%	25,8%	27,6%	18,1%	20,5%
Return on total assets	18,6%	20,3%	21,6%	19,2%	11,4%	11,9%
Current ratio	0,90	1,04	0,94	0,84	0,87	0,75
EPS (NOK)	5,79	4,99	4,56	4,55	2,47	2,57
Cash flow per share	9,50	8,01	7,47	6,71	5,23	4,08
CIRCULATION						
Aftenposten morning edition, weekdays	283 915	282 018	279 965	278 669	274 870	269 278
Aftenposten evening edition, weekdays	188 635	186 003	188 544	198 647	197 738	195 022
Aftenposten, Sunday	223 501	218 384	217 766	225 575	219 001	213 584
VG, weekdays	356 861	371 238	386 137	377 575	374 092	365 318
VG, Sunday	279 571	279 362	279 030	255 809	234 955	212 039
Aftonbladet, weekdays	381 200	362 000	359 000	342 000	375 000	365 000
Aftonbladet, Sunday	484 400	473 400	462 000	430 000	441 000	459 000
ADVERTISING VOLUMES – COLUMN METRES						
Aftenposten	52 126	48 062	41 663	38 488	40 937	44 027
VG	7 419	6 802	6 522	6 068	5 610	4 683
Aftonbladet	11 143	9 367	8 612	8 295	8 287	7 752
PRINT MEDIA						
Total revenues (NOK 1 000)	4 079 345	2 976 693	2 872 345			
Operating profit (NOK 1 000)	501 843	422 676	402 231			
Pre-tax profit (NOK 1 000)	598 136	523 934	480 145			
Net operating margin	12,3%	14,2%	14,0%			
Gross profit ratio	14,7%	17,6%	16,7%			
Profit ratio	12,2%	14,5%	13,9%			
Return on total assets	22,5%	25,6%	24,9%			
TV/FILM						
Total revenues (NOK 1 000)	308 429	347 040	159 177			
Operating loss (NOK 1 000)	(13 867)	(44 970)	(28 665)			
Pre-tax loss (NOK 1 000)	(48 840)	(24 044)	(31 014)			
Net operating margin	(4,5%)	(13,0%)	(18,0%)			
Gross "profit" ratio	(15,8%)	(6,9%)	(19,5%)			
Profit ratio	(17,8%)	(9,1%)	(20,1%)			
Return on total assets	(8,4%)	(3,3%)	(8,8%)			
MULTIMEDIA						
Total revenues (NOK 1 000)	131 876	13 739				
Operating result (NOK 1 000)	2 541	(15 655)				
Pre-tax loss (NOK 1 000)	(1 726)	(15 822)				
Net operating margin	1,9%					
Gross profit ratio	(1,3%)					
Profit ratio	(1,3%)					



THE BOARD OF DIRECTOR'S REPORT

1 9 9 6

1996 was yet another eventful year for Schibsted, in line with the dynamics in the media industry in Norway and world-wide. The important events throughout the year, be they in the Print Media, TV/Film or Multimedia business areas, all had their origin in the group's strategy of focusing on content within all types of media, and with a pan-Scandinavian perspective.

For most activities within the group 1996 was a year with growth in revenues and profits compared to 1995. As a whole the year was marked by substantial acquisition activity: through the purchase of a shareholding in TvNorge in February, the group strengthened its position in the Norwegian commercial television market; the purchase of a controlling interest in the Swedish newspaper Aftonbladet represented the first substantial step outside Norway within the Print Media area; the agreements with Telenor encompassing the sale of the Internet access business in Schibsted Nett and the establishment of the jointly held gateway company Scandinavia Online AS, reflects a clearer focus on on-line content; whereas the acquisition of the Danish Metronome group strengthened the group's position within Scandinavian film and television production and rights.

THE BUSINESS AREAS

The Print Media area had a very positive year in terms of revenue and profit growth. Aftenposten's very strong position both in the circulation and advertisement markets enabled it to reap benefits from the growth in the overall advertisement market. Concurrently the paper has been able to increase its market share at the expense of television and competing newspapers. Aftenposten's 1996 profit is therefore at a record level. For the second year in a row VG experienced a reduction in circulation, totalling 4% in 1996. An active approach to the advertisement market resulted in record volumes and the highest advertisement revenues ever. Aftonbladet succeeded in becoming Sweden's, and Scandinavia's, largest newspaper in 1996. Circulation success was accompanied by advertisement growth, with an increase in advertisement revenues of 28%. In December Chr. Schibsteds Forlag published the book "Gift med Gro", which became the best selling book in Norway in 1996. The book ran up sales of 96,000 copies in two weeks.

The TV/film area experienced a year of considerable change and development, but with mixed results. TV 2 retained its strong position in the viewer and advertisement market, and achieved an increase of 18% in its pre-tax profit. TvNorge

experienced a poor year, with lower market shares in the viewer and advertisement market. Concurrently the channel has been building its local television network, and in sum this resulted in a considerable operating loss for the year. TV+ discontinued its operation as an independent channel, and now is part of the planned TvNorge network.

The Multimedia business area was characterised by the costly and rapid expansion of the Internet access and content activities, with Schibsted Nett increasing its subscriber base from 10,000 at the beginning of the year to more than 50,000 by year end. The number of employees increased to 115 by year end. The Internet market is still characterised by a large degree of research and development which cannot immediately be transformed into payable products, and the year's operating loss reflects this.

Schibsted Nett was sold to Telenor on December 31, 1996. The Multimedia business area achieved an operating profit of NOK 2,5 million, including the gain of NOK 91,5 million on the sale of Schibsted Nett. As of 1997, the group's principal activities in the Internet market are channelled through Scandinavia Online, which is jointly held with Telenor.

SCHIBSTED ASA - SHAREHOLDERS

Shareholders	No of shares per 31.12.96	Ownership %
BLOMMENHOLM INDUSTRIER AS*	18 083 520	26.11%
CHASE MANHATTAN BANK	7 046 143	10.17%
FOLKETRYGDEFONDET	5 246 740	7.57%
ORKLA ASA	3 062 231	4.42%
STATE STREET BANK	2 110 480	3.04%
SCOTFORD'S SCHIBSTED GURI	1 929 000	2.78%
UNI STOREBRAND LIVSFORSIKRING	1 842 500	2.66%
BOSTON SAFE DEP. & TRUST	1 355 300	1.95%
BENTON, CATHRINE (DØDSBO)	1 130 000	1.63%
MORGAN GUARANTY TRUST	1 084 566	1.56%
MORGAN STANLY TRUST	998 700	1.44%
GJENSIDIGE LIVSFORSIKRING	995 450	1.43%
KOMMUNAL LANDSPENSJON	950 000	1.37%
VITAL FORSIKRING ASA	936 500	1.35%
AKSJEFONDET AVANSE	701 500	1.01%
BROWN BROTHERS	505 000	0.72%
ARMADILLO AS	500 000	0.72%
K-AVKASTNING AKSJEFONDET	475 000	0.68%
DEN DANSKE BANK AS	469 404	0.67%
BENTON, EMMA LOUISE	460 000	0.66%
BENTON, IAN MUNGO PARK	460 000	0.66%
BENTON, PAUL HANS	460 000	0.66%

* 100% owned by Tinius Nagell-Erichsen.

Foreign shareholders generally have custody arrangements with international banks and the beneficial shareholders is thus not necessarily shown in the shareholder register

FINANCIAL HIGHLIGHTS

The group's turnover increased by 35% from 1995 to 1996, ending at NOK 4,524 million. The operating profit was NOK 569 million, as compared to NOK 409 million the preceding year. The operating margin was roughly unchanged at 12.6 (12.2)%. Aftenposten's operating margin increased considerably to 15.9%, whereas Aftenbladet's lower margins contributed to keeping the operating margin for the group at the same level. The TV/film area's operating margin is still negative, but improved compared to the previous year. Multimedia contributed with a positive operating profit, but this has to be seen in light of the restructuring that took place at year end. Considering increased news-print costs of NOK 50 million at Aftenposten and VG compared to the preceding year, the year's operating margin and profit is considered satisfactory.

The group's net financial result was NOK 14 million, down from NOK 90 million in 1995. This is mainly due to increased borrowing in order to finance investments, as well as the negative contribution from TvNorge.

The group's tax rate is roughly unchanged at slightly less than 31%.

The net profit was NOK 401 million, an increase of 16% compared to NOK 346 million in 1995.

Investments totalled NOK 1,424 million, as compared to 300 million in 1995. NOK 735 million were invested in acquisitions and other share purchases, NOK 335 million in maintenance and operational investments and NOK 354 million in the new printing plant.

The group's equity ratio is 49.4%, down from 59.6% at year end 1995. The group's liquid assets and committed loan facilities were NOK 900 million at year end.

ORGANISATION

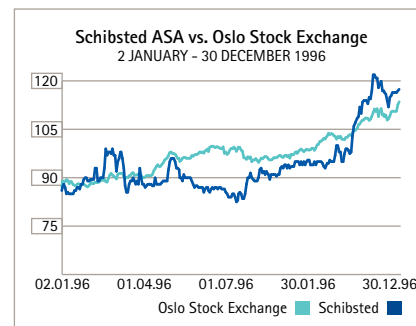
At the end of 1996 the number of employees in the group was 2,530 of which 500 were employed outside Norway. Due to acquisitions of new companies, the number of employees abroad increased by approximately 400 in 1996.

Due to the group's rapid growth and expansion there is both a need and the opportunity to transfer employees between companies. The systematisation of this work will be prioritised. The group also has established a trainee program, the "Amandus" program. The trainees will be recruited directly from universities or from the group companies. They will complete a two year program in which they will learn about Schibsted by working in various group companies.

During 1996 the group's management has been reorganised. Each business area is now headed by a business director with the responsibility for future development within the area. The TV/film business area is further divided into 4 different activities: broadcast, production, rights and infrastructure. The operational responsibility for the production area is now handled by Metronome

Film & Television AB, formerly Mutter Film & Television AB.

The fact that 1996 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 thank all employees for their efforts and for the achieved results.



ENVIRONMENT

The group's companies operate within the limits 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. Avisretur handles the recycling of papers for both VG and Dagbladet. The number of customers and the volume handled is continuously increasing.

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.

OWNERSHIP STRUCTURE AND SHAREHOLDER POLICY

The Schibsted share traded at NOK 86 in the beginning of the year, and at NOK 117.50 at year end, an increase of 36.6%. The Oslo Stock Exchange All Share Index increased by 32.1% during the same period.

The group's shareholder structure has changed considerably during the year. In March a group of family shareholders sold most of their shareholdings, and the family's position has been even further reduced during the year. At the end of the year the family shareholders controlled 36% of the share capital.

The board aims at maintaining the dividend policy which was established at the time of the listing of the company, with a stable growth in dividends subject to the ambition of financing the group's expansion without recurring to share capital increases. The board will propose a dividend of NOK 1,50 per share to the annual shareholders' meeting.

In 1996, Mr. Tinius Nagell-Erichsen, the group's largest shareholder, established the trust, "Stiftelsen Tinius", which shall manage his shareholding in Schibsted. The trust was established in order to ensure Schibsted's future as a media company, managed pursuant to the same editorial and commercial principles as today.

FUTURE PROSPECTS

The prospects for the Norwegian economy for 1997 are good. Growth is expected to be somewhat lower than in the preceding years, but with a higher risk of wage and price increases due to a tight labour market.

The advertisement market was strong in 1996, and a positive year is expected also in 1997. Only small changes are expected in the market shares for the different types of media. Advertisement growth in the electronic media is expected to be very strong, but this segment still represents only a small part of the market.

The stable circulation situation for most subscription-based newspapers is expected to prevail also in 1997. While the casual sales papers experienced a decline in circulation also in 1996, there is reason to believe that circulation will stabilise in 1997. The introduction of a free-sheet in Oslo in the spring will create a new competitive situation for both *Aftenposten* and *VG*, and both newspapers view this as one of their main challenges during this year.

The printing plant at Nydalen is proceeding according to the initial time-schedule and budget, and is expected to be operational during the first quarter of 1999.

Within the TV/film area focus will be on improving *TvNorge's* performance, as well as integrating the *Metronome* companies into the group's existing structure. Both the operating result and the pre-tax result for the area is expected to improve.

The commercialisation of products and services through *Scandinavia Online*, both in Norway and Sweden, is the number one task for the *Multimedia* area. An operating loss must be anticipated for this area also in 1997.

The Board of Directors considers the group's prospects to be positive both for 1997 and the following years.

THE COMPOSITION OF THE COMPANY'S BOARD OF DIRECTORS IS AS FOLLOWS

(SHAREHOLDINGS AT 31.12.96)

TINIUS NAGELL-ERICHSEN, Chairman**	18 083 520
OLE LUND, Deputy Chairman	0
BERIT BJERG*	175
HILDE HARBO*	175
CATO A. HOLMSEN	0
BJØRN ATLE HOLTER-HOVIND	0
CATHARINA JACOBSEN* (until 26.9.96)	0
SVEN ARNE BUGGELAND* (from 26.9.96)	0
GUNNAR NORDBY*	175
KRISTIAN WILHELMSSEN	0
JAN REINÅS (from 8.5.96)	0
EINAR KLOSTER (from 8.5.96)	1 000

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

SCHIBSTED ASA

Schibsted ASA is the parent company of the *Schibsted* group. The operating revenues of *Schibsted ASA* are mainly due to royalty income from *Verdens Gang AS*, while operating expenses relate to ongoing operation of the group administration. The operating result in 1996 was a loss of NOK 46,8 million, while the result before taxes was a loss of NOK 52,4 million. Group contribution from subsidiaries totalled NOK 288,6

million, while group contributions to subsidiaries amounted to NOK 20 million.

The groups financial management is undertaken by the wholly owned subsidiary *Schibsted Finans AS*, while the group's real estate is managed by the wholly owned subsidiaries *Schibsted Eiendom AS* and *Schibsted Drift AS*.

At the end of 1996, *Schibsted ASA* had 30 employees with the group's Chief Executive Officer as Managing Director. The working environment is good and the company does not pollute the external environment.




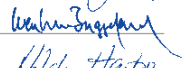





The company's share capital is NOK 69,250,000. The Chairman of the Board, *Tinius Nagell-Erichsen*, indirectly owns 26,1% of the shares, while the CEO, *Kjell Aamot*, owns 4,175 shares. The company's auditor does not own any shares in the company.

ALLOCATION OF THE RESULT FOR THE YEAR IN SCHIBSTED ASA

The Board of Directors of *Schibsted ASA* proposes the following allocation of the result for the year: (Numbers in NOK 1 000)

Net loss for the year	NOK	(110 305)
Group transfers received	NOK	288 621
Group transfers provided	NOK	(19 974)
Transferred from temporarily non-distributable reserve	NOK	20 564
For allocation	NOK	178 906
<i>Proposed allocation:</i>		
Dividend	NOK	103 875
Legal reserve	NOK	1 235
Retained earnings	NOK	73 796
Total allocation	NOK	178 906

Oslo, March 5, 1997

TINIUS NAGELL-ERICHSEN	
OLE LUND	
BERIT BJERG	
SVEN ARNE BUGGELAND	
HILDE HARBO	
CATO A. HOLMSEN	
BJØRN ATLE HOLTER-HOVIND	
EINAR KLOSTER	
GUNNAR NORDBY	
JAN REINÅS	
KRISTIAN WILHELMSSEN	
KJELL AAMOT President and CEO	



THE BOARD OF DIRECTORS

1 9 9 6



Tinius Nagell-Erichsen (63), Chairman of the Board
~ B.A., M. Sc. Econ. L S E; Member of the Board of Aftenposten AS. Chairman of the Board of Fædrelandsvennen AS. Former journalist in Aftenposten and other newspapers. Manager of Verdens Gang and Managing Director of Aftenposten. Chairman of the Norwegian Newspaper Employers Federation for several periods between 1972 and 1987. Chairman of the Board of Management of Schibsted for several periods. Member of the Board of Verdens Gang AS 1966-77 and 1984-94. Chairman 1978-83.



Ole Lund (62), Deputy chairman
~ Law graduate 1959, lawyer 1968. Partner in the law firm Lund, Gundersen & Co. Former Managing Director of the Nordic Shipowners Association (Nordisk Skipsrederforening) 1978-86, and chairman of the Board of Den Norske Bank. Chairman of the Board of the Oslo Stock Exchange and Protector Forsikring ASA. Member of the Board of Bergesen d.y. ASA, AS Uglands Rederi and Hotel Continental, Oslo.



Berit Bjerg (55)
~ Employed in Aftenposten AS since 1987. Sales representative in the Advertising Department, Real Estate. Head of the Union of Press Employees in Aftenposten since 1992.



Sven Arne Buggeland (36)
~ Employed as a journalist in Verdens Gang AS since 1982. Head of the Editorial Staff Union 1994-95. Member of the Board of Verdens Gang AS.



Hilde Harbo (37)
~ 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 1990-93.



Cato A. Holmsen (56)
~ Engineering graduate from ETH Zurich. Additional studies at University of Newcastle and IMEDE 1973. Deputy CEO of Scancem AB and managing director of Scancem International ANS. Member of the Board of Aftenposten AS, Eiendomsspar AS, Victoria Eiendom AS and Aker Maritime ASA.



Bjørn Atle Holter-Hovind (52)
~ Business graduate (Universität Mannheim, and MBA from INSEAD, Fontainebleau). Chairman of the Board of B. Skaugen Holding AS and B. Skaugen Shipping AS. Member of the Board of Bergens Tidende AS, Verdens Gang AS, Scandinavia Online AS, Sport Holding AS and Intersport International, Switzerland.



Einar Kloster (59)
~ MBA (Dartmouth College, U.S.A.). Previous President and CEO of Philips Lighting Holding, Holland. Deputy chairman of the Board of Norsk Hydro ASA. Member of the Board of Aftenposten AS, Transocean Offshore Inc., U.S.A. and Leif Høegh & Co ASA.



Gunnar Nordby (54)
~ Certified 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.



Jan Reinås (52)
~ Economics with additional studies in planning, structuring, transport economy and market oriented leadership, INSEAD: Executive MBA, President and CEO of Norske Skog AS. Former Managing Director of Fosen Trafikklag, Trondheim Trafikkselskap and SAS Norge, Group Chief Executive of SAS, chairman of the Board of Treforedling-industriens Bransjeforening, member of the Board of SAS Norge, PIL, NIIO, CEPI member of Bedriftsforsamlingen, Statoil and AS Union, Former Chairman of the Board of Sparebanken MidtNorge, Postverket and NSB.



Kristian Wilhelmsen (55)
~ Certified public accountant and farmer. Own auditing firm 1968-1985. Managing Director of Lyons Seafood Ltd. in England (1985-1988) and member of the Board since 1995. Deputy Chairman of the Board of Verdens Gang AS, member of the Board of Sparebanken Jevnaker/Lunner and others.



HIGHLIGHTS 1996

SCHIBSTED - CONSOLIDATED

JANUARY 1: TV + operation reverts to Schibsted from TV2.

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

FEBRUARY 1: Schibsted becomes a major shareholder in TVNorge. The company acquires 29% of the shares of the TV channel from Scandinavian Broadcasting System (SBS) who up to this point was the sole owner of TVNorge.

MARCH 7: Annual results for 1995 are announced. Net profit amounted to NOK 345.8 million, an increase of 9,4 % compared to 1994.

MARCH 8: Schibsted purchases 7.5% of the shares of Bergens Tidende, and thereby increases its ownership in the newspaper to 22.4%.

MARCH 28: 19.6 million shares in Schibsted ASA, amounting to 28.3% of the total capital, are sold by four family shareholders; Hans Henrik and Espen Riddervold, and Wibecke and Einar Christopher Nagell-Erichsen.

APRIL 24: Schibsted acquires controlling interest in Aftonbladet in Stockholm with 49.99% of the voting shares - equivalent to 100% of the preferential shares. The remaining 50.01% of the voting shares are owned by Swedish Labour Unions.

MAY 2: First quarter results are announced: Net result is NOK 100,7 million compared with NOK 106.3 million in 1995.

MAY 8: The General Meeting is held. Einar Kloster and Jan Reinås are elected members of the Board of Schibsted ASA.

MAY 8: Mr. Tinius Nagell-Erichsen establishes the "Tinius Trust" in order to safeguard the editorial freedom, credibility and quality of Aftenposten and VG. It shall also serve as a guideline for other publications owned by the Schibsted group in the future.

JUNE 5: Olav M. Mugaas, formerly Deputy Managing Director is appointed Managing Director of Aftenposten AS.

JUNE 21: Schibsted withdraws from negotiations with Oslo Sporveier regarding publication of a free sheet.

JULY 1: A new ownership structure for TV+ is organised. Apressen, SBS and TVNorge are owners alongside Schibsted. Schibsted retains 33%.

AUGUST 15: First Half Year Result are announced: Net profit was NOK 216.8 million, compared to NOK 227,8 million last year.

AUGUST 31: TV+ is closed down. The channel's owners cooperate to find a new strategy for the channel, which is now managed by TVNorge.

SEPTEMBER 2: Schibsted gives Selmer ASA the contract for building the new printing plant in Nydalen, Oslo. The total cost of the building is estimated at NOK 330 million. The aggregate investment for the new plant is NOK 1.4 billion.

SEPTEMBER 21: Premiere showing for Rubicon's new family drama "Syv Søstre" on TV 2. More than 400,000 viewers tune in for the first episode. 72 episodes are ordered.

SEPTEMBER 25: In Northern Norway VG can be bought earlier in the morning. The newspaper is now being printed in Harstad at Harstad Tidende's new printing plant. In some areas the newspaper is available up to five and half hours earlier than before.

OCTOBER 9: Selmer ASA gets the enterprise contract for the new office building at Apotekergaten 10/Pilestredet 10, Oslo. The contract value is NOK 75 million.

OCTOBER 17: Aftonbladet becomes Sweden and Scandinavia's largest newspaper. The historical circulation figures for September 1996 are announced by the AB Tidningsstatistik.

NOVEMBER 7: Third Quarter Results are announced: Net profit for the year's first nine months was NOK 264.3 million, compared to NOK 273.2 million for the same time period previous year.

NOVEMBER 8: An agreement is signed between the Danish telecommunications company TeleDanmark AS and Schibsted ASA to purchase the Danish company Metronome. The acquisition establishes Schibsted as one of the leading TV production groups in all Scandinavian countries. Furthermore, Schibsted becomes an even stronger supplier of TV and film rights to the Scandinavian market.

NOVEMBER 8: Schibsted Nett AS and Telenor Online AS agree to establish the leading gateway to Internet for Norwegian and Scandinavian users. Scandinavia Online will from the outset have a clearly defined goal of regarding Scandinavia as its home market.

DECEMBER 6: Schibsted acquires Goran Lindberg Media Development AB the holding company for the weeklies, "Headhunter", "Anbud och Köp", and the book publishing company Svenska Forlaget which primarily publishes books on management, and special topics like food, wine, sailing and golf.

DECEMBER 9: Chr. Schibsted Forlag releases the book written by former Prime Minister Gro Harlem Brundtland's husband, Arne Olav Brundtland. "Gift med Gro" ("Married to Gro"). The book becomes the best-seller of the year, and reaches a circulation of 96.000 in the span of a few hectic pre-Christmas weeks.

DECEMBER 23: A letter of intent is signed with the publishers of "Dine Penger", covering Schibsted's acquisition of the magazine. Dine Penger is Norway's largest and most read personal finance magazine.

DECEMBER 23: An agreement with regards to newsprint paper prices is reached. The reduction is approximately 17% compared to 1996 prices.

DECEMBER 31: Schibsted Nett sold to Telenor.

JANUARY 1, 1997: The new Internet company Scandinavia Online is launched.

JANUARY 2, 1997: An historic day for Aftenposten. The evening edition is now published in tabloid format all through the week.

THE ANNUAL STATEMENT – SCHIBSTED CONSOLIDATED:

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FIGURES



PROFIT & LOSS ACCOUNT
SCHIBSTED - CONSOLIDATED

<i>(NOK 1 000)</i>	<i>Notes</i>	<i>1996</i>	<i>1995</i>	<i>1994</i>
REVENUES				
Subscription revenues		511 205	464 859	457 810
Retail sales revenues		1 793 345	1 097 307	1 122 192
Advertising revenues		1 640 165	1 283 924	1 167 176
Other revenues		579 632	501 730	294 619
Total revenues		4 524 347	3 347 820	3 041 797
OPERATING EXPENSES				
Raw materials		485 426	280 744	224 829
TV/film production expenses		216 473	215 535	71 703
Personnel expenses		1 353 539	1 188 906	1 106 606
Other operating expenses		1 698 874	1 080 161	1 087 913
Losses on accounts receivables		9 397	13 200	11 080
Ordinary depreciation	7	191 354	160 267	123 712
Total operating expenses		3 955 063	2 938 813	2 625 843
Operating profit		569 284	409 007	415 954
FINANCIAL INCOME AND EXPENSES				
Financial income		49 877	47 764	41 741
Financial expenses		(37 397)	(17 368)	(25 360)
Share of associated companies	5	1 545	59 530	28 598
Net financial income and expenses		14 025	89 926	44 979
Minority interests		(4 094)	(673)	(53)
Profit before taxes		579 215	498 260	460 880
Taxes	9	178 022	152 466	144 772
Net profit		401 193	345 794	316 108
Earnings per share		5,79	4,99	4,56



BALANCE SHEET

SCHIBSTED - CONSOLIDATED

<i>(NOK 1 000)</i>	<i>Notes</i>	<i>31.12.96</i>	<i>31.12.95</i>	<i>31.12.94</i>
ASSETS				
Cash and cash equivalents	2	311 490	491 645	341 279
Accounts receivables		460 709	326 350	300 312
Other current assets	3	241 140	75 083	59 257
Total current assets		1 013 339	893 078	700 848
Other shares and interests	4,5	723 333	442 218	361 447
Long-term receivables	6	455 823	97 112	165 254
Construction in progress	7	169 728	8 770	4 100
Machinery, equipment and goodwill	7	757 782	429 195	356 234
Buildings and land	7	822 699	781 660	744 359
Net pension assets	8	13 148	34 713	65 719
Total fixed assets		2 942 513	1 793 668	1 697 113
Total assets		3 955 852	2 686 746	2 397 961
LIABILITIES AND SHAREHOLDERS EQUITY				
Accounts payables		193 256	115 005	104 848
Accrued public dues and wages		284 258	229 895	205 838
Taxes payable	9	173 630	151 001	144 019
Proposed dividend		103 875	90 025	79 638
Other current liabilities		366 753	269 095	207 561
Total current liabilities		1 121 772	855 021	741 904
Other long-term debt	11	561 724	13 522	107 088
Deferred tax	9	16 685	4 944	1 704
Pension obligations	8	300 113	211 174	202 937
Total long-term debt		878 522	229 640	311 729
Minority interests		65 448	2 176	1 477
Share capital (69,250,000 shares of NOK 1)		69 250	69 250	69 250
Legal reserves		384 537	331 152	289 588
Temporarily non-distributable reserves		0	47 876	97 306
Total restricted equity		453 787	448 278	456 144
Retained earnings		1 436 323	1 151 631	886 707
Total equity	10	1 890 110	1 599 909	1 342 851
Total liabilities and shareholders' equity		3 955 852	2 686 746	2 397 961
Assets provided as collateral				94 894



CASH FLOW STATEMENT
SCHIBSTED - CONSOLIDATED

(NOK 1 000)	1996	1995	1994
CASH FLOWS FROM OPERATIONS			
Profit before taxes	579 215	498 260	460 880
Minority interests	4 094	673	
Share of associated companies	(1 545)	(59 530)	(28 598)
Dividends from associated companies	11 818	9 217	6 980
Income taxes paid	(154 833)	(143 973)	(120 566)
Gain/losses from sale of fixed assets	(11 670)	(3 565)	(1 694)
Ordinary depreciation	198 104	166 944	129 481
Increase in accounts receivables	(89 840)	(26 038)	(47 211)
Increase/decrease in accounts payables	69 654	10 157	(224)
Difference between pension expenses and cash flows connected to the pension plans	10 482	39 243	43 597
Translation gains/losses	(6 680)	1 068	
Increase in other current assets and liabilities	30 275	52 885	18 004
Net cash flows from operating activities	639 074	545 341	460 649
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of equipment	31 006	4 904	4 187
Purchase of property, plant and equipment	(668 270)	(189 483)	(373 681)
Proceeds from sale of shares		5 068	9 508
Purchase/sale of shares in subsidiaries (Note A)	(306 490)	(72 188)	
Purchase of other shares	(259 480)	(35 526)	(14 816)
Shareholders contribution	(2 913)		
Other investments	(35 458)		
Proceeds from sale of other investments		68 142	54 518
Net cash flows from investing activities	(1 241 605)	(219 083)	(320 284)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term borrowing	512 401		2 253
Repayment of long term debt		(96 254)	
Dividends paid	(90 025)	(79 638)	(69 250)
Net cash flows from financing activities	422 376	(175 892)	(66 997)
Net increase/-decrease in cash and cash equivalents	(180 155)	150 366	73 368
Cash and cash equivalents at beginning of period	491 645	341 279	267 911
Cash and cash equivalents at end of period	311 490	491 645	341 279
<i>Note A. Acquisition/sale of shares in subsidiaries</i>	<i>Acquisitions</i>	<i>Sales</i>	<i>Total</i>
Cash and cash equivalents	80 915	(14 584)	66 331
Other current assets	148 533	(112 179)	36 354
Fixed assets	539 199	(106 791)	432 408
Total assets	768 647	(233 554)	535 093
Current liabilities	(161 745)	204 605	42 860
Long term debt	(169 575)	22 571	(147 004)
Minority interests	(58 128)		(58 128)
Acquisitions/sales of subsidiaries at cost price	379 199	(6 378)	372 821
Cash and cash equivalents	(80 915)	14 584	(66 331)
Cash flows from purchase/sale of shares in subsidiaries	298 284	8 206	306 490



NOTES TO THE ANNUAL ACCOUNTS FOR 1996

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

Translation of foreign subsidiaries

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

Associated companies

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

Operating revenues

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

Cash and cash equivalents

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

Accounts receivable

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

Shares and bonds

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

cost. The shares are written down to the extent necessary according to generally accepted accounting principles.

Fixed assets/ordinary depreciation/amortisation

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

Buildings:	2-4 %
Machinery:	12,5-20 %
Vehicles:	20 %
Furnitures/EDP:	12,5-33 %
Goodwill and excess value in associated companies:	5-20 %
Leasehold improvements:	Over the lease term

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

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

Prepaid royalty

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

Pension cost and pension obligations

Defined benefit plans

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

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

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

Defined contribution plans

The net pension cost equals the annually paid contribution.

Deferred tax / deferred tax benefits

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

Financial instruments

Existing currency forward contracts and options secure known future payment in foreign currencies and are accor-

dingly valued at forward rates. Existing interest contracts secure floating interest rates on existing loans and are valued at the contracted rate.

Criteria for business areas segmentation

The business areas are segmented into areas that have different risk and profitability characteristics. The segmentation is in accordance with the group's internal reporting principles and procedures.

2. CASH AND CASH EQUIVALENTS

Aftenposten AS and Verdens Gang AS have provided bank guarantees totalling NOK 59 (52) million for maximum withholding tax obligations. Additional withholding tax obligations, NOK 2,6 (4,1) million, are held in separate accounts.

SPECIFICATION OF CASH AND CASH EQUIVALENTS:			
	31.12.96	31.12.95	31.12.94
Cash and bank deposits	202 348	164 438	111 391
Bonds	51 415	245 158	130 131
Certificates	19 999	50 018	89 757
Equity funds	5 278	10 219	
Other liquid assets	32 450	21 812	10 000
Sum cash and cash equivalents	311 490	491 645	341 279

Group account system

Schibsted uses a group account system in order to maximise 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

	31.12.96	31.12.95	31.12.94
Prepayments to suppliers	489	1 079	2 725
Capitalised film investments		5 500	9 900
Short term receivable from Schibsted Nett	109 824		
Other short term receivables	116 139	40 686	32 665
Inventories	14 688	27 818	13 967
Total other current assets	241 140	75 083	59 257

4. SHARES

	Company's share capital (Figures in NOK 1 000)	Owner- ship	Number of shares	Share per value	Book value Parent Group (Figures in NOK 1 000)
SUBSIDIARIES OWNED BY SCHIBSTED ASA:					
Aftenposten AS	30 000	100%	300 000	100	30 000
Verdens Gang AS	25 000	100%	250 000	100	25 000
Chr. Schibsteds Forlag AS	60	100%	600	100	30
Scan-Foto AS	1 550	100%	1 550	1 000	1 550
Schibsted Eiendom AS	900	100%	9 000	100	900
Schibsted Finans AS	10 000	100%	100 000	100	10 000
Schibsted Trykk AS	900	20/100%	180	1 000	180
Osloavisen AS	50	100%	500	100	50
Schibsted Print Media AS	200	100%	200	1 000	200
Schibsted Multimedia AS	200	100%	200	1 000	200
Schibsted TV & Film Holding AS	900	100%	900	1 000	75 412
Schibsted AB (SEK)	500	100%	5 000	100	492
Total shares in subsidiaries					144 014
SUBSIDIARIES OWNED BY OTHER GROUP COMPANIES:					
Schibsted Trykk AS	900	80/100%	720	1 000	720
Meglernes Listeservice AS	550	100%	154	3 571	3 000
A-Foto AS	50	100%	10	5 000	50
Avisretur AS	1 500	51%	765	1 000	765

4. SHARES CONTINUE	Company's share capital (Figures in NOK 1 000)	Owner- ship	Number of shares	Share per value	Book value Parent Group (Figures in NOK 1 000)
Aftonbladet Hierta AB	SEK 100 000	49,9%	49 999	100	358 456
Tidningen Aftonbladet AB	SEK 50 000	49,9%	500 000	100	165 992
Hierta Nymedia AB	SEK 50	49,9%	500	100	23
Tabloiden Förvaltnings AB	SEK 50	49,9%	50	1 000	47
Hierta Annons AB	SEK 105	49,9%	1 050	100	99
Amedia Arkiv AB	SEK 50	49,9%	500	100	47
Hierta Tidningen AB	SEK 50	49,9%	500	100	47
Metronome Film & Television AB	SEK 101	95%	32 133	3	65 413
Mutter Media AB	SEK 3 382	95%	33 824	100	11 517
Värtens Videosällskap AB	SEK 52	95%	520	100	52
Mekano Film & TV AB	SEK 50	95%	500	100	47
Meter Film & TV AB	SEK 50	95%	500	100	47
Nordic Entertainment AS, Norge	50	95%	500	100	50
Decimeter Film & TV AB	SEK 100	95%	1 000	100	181
Meter Fakta AB	SEK 50	95%	500	100	47
W&W Enterprise AB	SEK 50	95%	500	100	470
Nordic Entertainment AS, Danmark	DKK 650	95%	5 000	130	600
Moland Film Company Norge AS	200	95%	200	1 000	800
Moland Film Company Danmark AS	DKK 300	86%	270	1 000	621
Rubicon TV AS	2 000	95%	20 000	100	2 000
Metronome Production AS	DKK 2 140	71%	1 605	1 000	1 828
Schibsted Broadcast AS	900	100%	900	1 000	1 155
Schibsted Film AS	10 000	100%	100 000	100	10 000
Norsk FilmDistribusjon AS	50	100%	100	500	903
Metronome Film AS	DKK 1 630	100%	1 630	1 000	22 432
Scala Biograferne APS	DKK 500	100%	500	1 000	13 542
Dagmar Teatret AS	DKK 500	100%	500	1 000	3 074
Schibsted TV & Film Infrastruktur AS	900	100%	900	1 000	22 900
Eventyrkanalen AS	100	100%	100	1 000	110
Schibsted Drift AS	900	100%	900	1 000	900
AS Akersgaten 34	50	100%	100	500	13 054
AS IRO	300	100%	300	1 000	12 750
Akersgaten 55 AS	1 000	100%	10 000	100	950
Sandakerveien 121 AS	50	100%	1 000	50	50
Gøran Lindberg Media Dev. AB	SEK 50	100%	5 000	10	15 980
Headhunter Svenska AB	SEK 100	100%	1 000	100	94
Anbud & Inköp Svenska AB	SEK 50	100%	500	100	47
Svenska Förlaget Liv och Ledarskap AB	SEK 50	100%	500	100	47
Total shares owned by other group companies					730 907
SHARES IN ASSOCIATED COMPANIES:					
Fædrelandsvennen AS	24 000	25,00%	80 000	75	15 000 44 196
Fædrelandsvennen Trykkeri AS	200	25,00%	50 000	1	20 1 503
Adresseavisen ASA	38 033	31,86%	605 822	20	105 382 125 866
Stavanger Aftenblad ASA	7 500	31,33%	235 014	10	59 286 105 522
Bergens Tidende AS	15 593	22,67%	353 913	10	78 512 81 672
Imedia Norge AS	1 000	50,00%	500	1 000	(8 661)
NTB AS	12 761	20,60%	5 268	500	14 834
Tidningstryckarna Aftonbladet					
Svenska Dagbladet AB	SEK 30 000	50,00%	15 000	1 000	14 515
TV 2 AS	246 667	32,67%	805 793	100	110 775 148 519
TVNorge AS	123 100	29,33%	72 218	500	98 919
TV Pluss AS	3 500	33,00%	11 550	100	(4 261)
Kanal 2, Estland	21 600	27,00%	54	108 000	1 000
FilmTeknikk Norge AS	4 000	45,50%	18 200	100	(1 105)
Skandinaviska Filmlab. Holding AB	750	33,33%	250	1 000	9 312
Nydalen Studios AS	12 500	50,00%	62 500	100	(484)
ScanCam AS	500	50,00%	250	1 000	3 599
Ny Metronome Holding AS	10 000	25,00%	2 500	1 000	19 999
Sandrew Metronome KB		50,00%			9 885

4. SHARES CONTINUE	Company's share capital (Figures in NOK 1 000)	Owner- ship	Number of shares	Share per value	Book value Parent Group (Figures in NOK 1 000)
Warner Et Metronome Film ApS		50,00%			69
Scala Biograferne I/S		50,00%			1 904
Dagmar Teatret I/S		50,00%			1 752
Bevertningscompaniet AS	770	46,75%	3 600	100	
Akersgaten 32 AS	750	50,00%	60	6 250	2 137
Hugin AS	66	33,43%	221	100	2 300
KS AS RDB Nett	7 000\700	20,00%	140	1 000	676
Scandinavia Online AS	50 000	50/65%	32 450	1 000	16 250
Total shares in associated companies					371 275 689 385
SHARES IN OTHER COMPANIES:					
AS Harstad Tidende	8 000		311	4 000	3 132
Asker Et Bærum Budstikke ASA	10 200		103 956	10	20 781
UNI Storebrand AS	1 882 094		414 980	5	9
Other shares					999
Total shares in other companies					24 921 33 949
Total shares					396 196 723 333

5. SHARES IN ASSOCIATED COMPANIES

	Book value 01.01.96	Net additions in the period	Translation- difference	Share of result	Shareholders contribution	Dividend received	Book value 31.12.96
Fædrelandsvennen AS	40 312			5 884		(2 000)	44 196
Fædrelandsvennen Trykkeri AS	1 503						1 503
Adresseavisen ASA	116 693	(358)		15 618		(6 087)	125 866
Stavanger Aftenblad ASA	92 815			15 057		(2 350)	105 522
Bergens Tidende AS		78 512		4 206		(1 046)	81 672
Imedia Norge AS				(8 661)			(8 661)
NTB AS	13 302			1 667		(135)	14 834
Tidningstryckarna AB		14 532	(437)	419			14 515
TV 2 AS	96 997	20 527		30 995			148 519
TVNorge AS		140 467		(41 548)			98 919
TV Pluss AS		1 244		(5 505)			(4 261)
Kanal 2, Estland	7 075			(6 075)			1 000
Bevertningscompaniet AS							
FilmTeknikk Norge AS		1 722		(2 827)			(1 105)
Skandinaviska Filmlab. Holding AB		13 537		(4 225)			9 312
ScanCam AS	2 945			854		(200)	3 599
Nydalen Studios AS				(3 397)	2 913		(484)
Ny Metronome Holding AS		21 788		(1 789)			19 999
Sandrew Metronome KB	3 220	5 761		904			9 885
Warner Et Metronome Film ApS		69					69
Scala Biograferne I/S		1 116		788			1 904
Dagmar Teatret I/S		1 314		438			1 752
Akersgaten 32 AS	2 137						2 137
Hugin AS		2 300		(533)			1 767
KS AS RDB Nett		1 400		(724)			676
Scandinavia Online AS		16 250					16 250
Total associated companies	376 999	320 181	(437)	1 545	2 913	(11 818)	689 385

The share of the results is shown after goodwill amortisation of NOK 15 657. Goodwill at the end of the period amounts to NOK 202 094.

6. LONG TERM RECEIVABLES

	31.12.96	31.12.95	31.12.94
Prepaid royalty		36 640	88 521
Receivables from associated companies	174 678	45 650	57 500
Prepayments to suppliers	264 381		
Other long term receivables	16 764	14 822	19 233
Total long term receivables	455 823	97 112	165 254

The profit and loss account is charged NOK 36,6 (51,9) million relating to royalty.

7. FIXED ASSETS

	<i>Machinery</i>	<i>Vehicles</i>	<i>Furniture/ EDB</i>	<i>Commercial properties</i>	<i>Land</i>	<i>Goodwill</i>	<i>Construction in progress</i>	<i>Total</i>	<i>Leasehold improvements</i>
Acquisition cost 31.12.95	625 474	57 722	456 682	657 983	152 305	99 465	9 748	2 059 379	59 020
Additions 1996	19 145	11 022	161 323	11 386	77 425	403 606	163 115	847 022	6 930
Transfers	(2 635)	(943)	7 155	2 059			(2 991)	2 645	(2 645)
Disposals 1996	(95 846)	(13 929)	(63 112)	(9 427)	(17 000)	(3 767)	(144)	(203 225)	(5 008)
Acquisition cost 31.12.96	546 138	53 872	562 048	662 001	212 730	499 304	169 728	2 705 821	58 297
Acc. depreciation 31.12.96	449 690	30 607	366 793	88 700		56 490		992 280	21 629
Book value 31.12.96	96 448	23 265	195 255	573 301	212 730	442 814	169 728	1 713 541	36 668
Ordinary depreciation 1996	33.643	10 251	90 073	20 570		36 817		191 354	6 750
Depreciation rates	12,5-20%	20 %	12,5-33%	2-4%		20 %			

FIXED ASSETS - ADDITIONS AND DISPOSALS DURING THE LAST FIVE YEARS

	<i>Machinery</i>	<i>Vehicles</i>	<i>Furniture/ EDB</i>	<i>Commercial properties</i>	<i>Land</i>	<i>Goodwill</i>	<i>Construction in progress</i>	<i>Total</i>	<i>Leasehold improvements</i>
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	
1996 Additions	19 145	11 022	161 323	11 386	77 425	403 606	163 115	847 022	6 930
Disposals	86 425	7 340	4 831	9 427	25 000	3 767	144	136 934	5 007

8. PENSION ARRANGEMENTS

A majority of the Norwegian companies within the Schibsted group maintain their collective pension insurance schemes with Vital. The individual company's policies are uniform. The main conditions are 30 years' salaried employment, a 66% pension in relation to the pension base on 1 January of the year of attaining the age of 67, and spouse and child pensions. At 31. December 1996 the pension scheme had 2 824 (2 800) members.

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

In the calculation of future pension obligations 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 %

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

PENSION COSTS FOR THE PERIOD ARE CALCULATED AS FOLLOWS:

	1996	1995	1994
NPV of this period's pension earnings	55 191	47 702	45 648
Interest expenses of existing obligations	66 945	57 125	53 168
Estimated return on pension assets	(62 901)	(57 982)	(58 945)
Allocated effect of changes in estimates and pension plans and deviations between actual and expected return	(2)	39	
Net pension cost	59 233	46 884	39 871
The period's expenses due to early retirement schemes are charged to personnel expenses, totalling	4 131	29 322	40 267

PENSION OBLIGATIONS AND PENSION ASSETS AS AT DECEMBER 31:			
	<i>1996</i>	<i>1995</i>	<i>1994</i>
Estimated pension obligations	1 432 194	1 247 398	1 174 225
Estimated pension assets	1 112 201	1 056 370	980 505
Estimated net pension obligations	(319 993)	(191 028)	(193 719)
Non-booked effects due to:			
+/- estimate changes and variations between estimated and realised return on assets	33 028	14 567	56 502
Net pension obligations	(286 965)	(176 471)	(137 218)
Of which net pension assets	13 148	34 713	65 719
Of which uncovered obligations	(300 113)	(211 174)	(202 937)

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

9. TAXES

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

	<i>1996</i>	<i>1995</i>	<i>1994</i>
Result before taxes	579 215	498 260	460 879
+/- Permanent differences	128 680	(39 649)	(8 272)
+/- Changes in timing differences	49 555	79 357	61 747
This year's basis for taxes payable	757 450	537 968	514 354
Taxes payable	177 462	151 001	144 019
Over/under provided previous years		(46)	74
Change in deferred tax	560	1 512	679
Taxes	178 022	152 466	144 772

Listed 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	<i>31.12.96</i>	<i>31.12.95</i>	<i>31.12.94</i>
Current items	(26 829)	(16 097)	(5 204)
Net pension assets	1 342	34 713	65 719
Other long term items	35 799	21 997	44 373
Total long term items	37 141	56 710	110 092
Taxable losses carried forward	(1 347)	(4 116)	(6 137)
Pension obligations	(191 818)	(211 174)	(202 937)
Basis for deferred tax	(182 853)	(174 677)	(104 186)
Tax rate applied	28%	28%	28 %
Net deferred tax benefit	(51 199)	(48 910)	(29 172)
TIMING DIFFERENCES IN FOREIGN COMPANIES			
	<i>31.12.96</i>	<i>31.12.95</i>	<i>31.12.94</i>
Tax losses carried forward		(15 552)	(12 351)
Long term items in foreign subsidiaries which can not be offset	59 587	17 455	6087
Deferred tax in foreign subsidiaries which can not be offset	16 685	4 944	1 704
Changes in timing differences	49 555	79 357	
Changes previous year		(2 456)	
New subsidiaries	(47 798)	(5 607)	
Disposed subsidiaries	6 419		
Currency translation differences		(803)	
Adjusted changes in timing differences	8 176	70 491	

Net deferred tax benefits cannot be included in the balance sheet, and is therefore not included in the accounts. Net deferred tax benefit is not offset against deferred tax in foreign subsidiaries.

Risk-amount

The RISK-amounts for the previous years are: 1992/1,04 1993/5,16 1994/4,31 1995/4,25

10. EQUITY

	<i>Share capital</i>	<i>Legal reserve</i>	<i>Temp.non-distr. reserve</i>	<i>Other equity</i>	<i>Total</i>
Equity 31.12.95	69 250	331 152	47 876	1 151 631	1 599 909
Net profit		53 385		347 808	401 193
Transfers			(47 876)	47 876	
Dividend				(103 875)	(103 875)
Translation differences				(7 117)	(7 117)
Equity 31.12.96	69 250	384 537		1 436 323	1 890 110

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

11. LONG TERM DEBT

During 1996 the group has entered into three long term loan agreements which at December 1996 in total amounted to NOK 522,7 million:

Syndicate loan

The agreement has been entered into with 8 banks and is limited to NOK 700 million with repayment over 7 years. At the end of the year an amount equivalent to NOK 116,5 million was drawn. The interest rate is Stibor plus a fixed margin.

Loan in Den Nordiske Investeringsbanken

The loan amounts to USD 32 million, equivalent to NOK 206,2 million, with repayment over 12 years. The interest rate is Libor plus a fixed margin. Both instalments and interest payments are hedged against Norwegian kroner through a currency- and interest swap.

Both loan agreements have financial covenants related to, among others, the relative size of the equity, the cash flows of the group and formal restrictions in relation to further financing.

Certificates

The group has issued certificates in the Norwegian equity market amounting to NOK 200 million. The certificates have 5 months maturity and an interest of 5%.

12. GUARANTEES

The group has issued guarantees in respect of loans to employees totalling NOK 5,8 (3,0) million.

13. TRANSACTIONS WITH RELATED PARTIES

Verdens Gang AS has agreements on the printing of VG with, among others, Stavanger Aftenblad ASA and Adresseavisen ASA. The contracts have been signed on market terms.

14. BUSINESS AREAS

	<i>Print media</i>		<i>TV/Film</i>		<i>Multimedia</i>		<i>Other</i>		<i>Total</i>	
	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>	<i>1996</i>	<i>1995</i>
PROFIT AND LOSS ACCOUNT										
Revenues in Norway	3 189	2 977	52	133	132	14	5	10	3 378	3 134
Revenues in other Scandinavian countries	890		256	214					1 146	214
Operating expenses	(3 577)	(2 554)	(322)	(392)	(130)	(30)	74	37	(3 955)	(2 939)
Operating result	502	423	(14)	(45)	2	(16)	79	47	569	409
Share associated companies	33	28	(31)	31				1	2	60
Net financial items	66	73	(3)	(10)	(4)		(47)	(34)	12	29
Minority interests	(3)		(1)						(4)	
Profit/(loss) before taxes	598	524	(49)	(24)	(2)	(16)	32	14	579	498
Taxes	(102)	(92)	(6)	(7)			(70)	(53)	(178)	(152)
Net profit/(loss)	496	432	(55)	(31)	(2)	(16)	(38)	(39)	401	346
BALANCE SHEET										
Current assets	1 501	1 341	143	149		23	(631)	(620)	1 013	893
Fixed assets	1 720	819	479	258	16	3	728	714	2 943	1 794
Total assets	3 221	2 160	622	407	16	26	97	94	3 956	2 687
Current liabilities	1 210	910	98	97	16	12	(202)	(164)	1 122	855
Long term debt	681	185	494	310		14	(296)	(279)	879	230
Minority interests	63	2	2	1				(1)	65	2
Equity	1 267	1 063	28	(1)			595	538	1 890	1 600
Total liabilities and equity	3 221	2 160	622	407	16	26	97	94	3 956	2 687
Investments in fixed assets	301	152	20	31	21	3	101	13	443	199



THE ANNUAL ACCOUNTS
SCHIBSTED ASA

PROFIT & LOSS ACCOUNT			
<i>(NOK 1 000)</i>	<i>Notes</i>	<i>1996</i>	<i>1995</i>
Revenues	2	51 341	42 065
OPERATING EXPENSES			
Personnel expenses	3	15 375	10 854
Other operating expenses	4	80 427	24 757
Ordinary depreciation	7	2 344	1 916
Total operating expenses		98 146	37 526
Operating profit		(46 805)	4 539
FINANCIAL INCOME AND EXPENSES			
Financial income		18 588	13 886
Financial expenses		(24 165)	(638)
Net financial income and expenses		(5 577)	13 248
Profit before taxes		(52 382)	17 787
Taxes	9	57 923	51 582
Net loss		(110 305)	(33 795)
TRANSFERS AND DISTRIBUTIONS			
Group transfers received		288 621	251 705
Group transfers provided		(19 974)	(77 538)
Dividends		(103 875)	(90 025)
Legal reserve		(1 235)	
Temporarily non distributable reserve		20 564	20 560
Retained earnings		(73 796)	(70 907)
Total		110 305	33 795
CASH FLOW STATEMENT			
Net cash flows from operating activities		(251 969)	58 371
Net cash flows from investing activities		(36 197)	(120 464)
Net cash flows from financing activities		239 248	92 131
Net change in cash and cash equivalents during the year		(48 918)	30 038
Cash and cash equivalents at 1 Jan.		50 113	20 075
Cash and cash equivalents at 31 Dec.		1 195	50 113

BALANCE SHEET			
<i>(NOK 1 000)</i>	<i>Notes</i>	<i>31.12.96</i>	<i>31.12.95</i>
ASSETS			
Cash and cash equivalents	5	1 195	50 113
Receivables		11 232	
Receivables from subsidiaries		391 570	291 142
Other short term receivables		109	89
Total current assets		404 106	341 344
Shares in subsidiaries	6	144 014	170 483
Other shares and interests	6	396 197	339 689
Long term receivables		3 977	400
Machinery and equipment	7	8 700	10 020
Net pension assets	8	4 831	2 937
Deferred tax-benefit	9		824
Total fixed assets		557 719	524 353
Total assets		961 825	865 697
LIABILITIES/SHAREHOLDERS EQUITY			
Overdraft account		31 145	
Accounts payables		3 047	320
Accrued public dues and wages		3 001	2 519
Debt to subsidiaries		20 682	124 500
Taxes payable		57 923	51 931
Other current liabilities		1 967	33 562
Proposed dividend		103 875	90 025
Total current liabilities		221 640	302 857
Other long-term debt		123 961	
Deferred tax	9		824
Pension liabilities	8	5 640	5 899
Total long-term debt		129 601	6 723
Share capital (69,250,000 shares of NOK 1)		69 250	69 250
Legal reserves		158 143	156 908
Temporarily non-distributable reserve			20 564
Total restricted equity		227 393	246 722
Retained earnings		383 191	309 395
Total equity	10	610 584	556 117
Total liabilities and shareholders' equity		961 825	865 697



NOTES TO THE ANNUAL ACCOUNTS 1996

SCHIBSTED ASA

1. ACCOUNTING PRINCIPLES

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

2. REVENUES

The operating revenues for 1996 consist of royalty payments and management fees. The royalty relates to the VG publishing rights.

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

Schibsted ASA has paid NOK 1,1 million in remuneration to the board of directors; NOK 270 000 in auditors' fees and a further NOK 483.000 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 group companies. Under certain conditions the company is obliged to pay remuneration in the amount of two years salary to the CEO. The CEO may choose to leave his

position at the age of 65 and receive a pension amounting to 90% of his salary in the period 65-67 years.

4. OTHER OPERATING EXPENSES

Share of net loss TV Pluss AS	NOK	27,0 million
Losses from sale of Schibsted Nett AS	NOK	25,5 million
Other operating expenses	NOK	27,9 million
Total other operating expenses	NOK	80,4 million

5. CASH AND CASH EQUIVALENTS

Restricted bank deposits for withholding tax amounted to NOK 1.160.971.

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.

6. 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>Share per value</i>	<i>Book value</i>
Total shares in subsidiaries:				144 014
Fædrelandsvennen AS	24 000	80 000	75	15 000
Fædrelandsvennen Trykkeri AS	200	50 000	1	20
Adresseavisen ASA	38 033	605 822	20	105 382
Stavanger Aftenblad ASA	7 500	235 014	10	59 286
TV 2 AS	246 667	805 793	100	110 776
Bergens Tidende AS	15 593	353 913	10	78 512
Total shares in associated companies				368 976
Total shares in other companies				27 221
Total shares				540 211

7. OPERATING ASSETS

	<i>Office- machinery</i>	<i>Computers</i>	<i>Fittings</i>	<i>Vehicles</i>	<i>Total</i>	<i>* Leasehold improvements</i>
<i>Acquisition value 31.12.95</i>	488	3 272	5998	1 774	11 532	4 641
Additions 1996		1 160	697	951	2 808	482
Disposals 1996				(206)	(206)	(624)
Acquisition value 31.12.96	488	4 432	6 695	2 519	14 134	4 499
Acc. deprec. at 31.12.96	424	2 979	2 711	845	6 959	2 974
Book value at 31.12.96	64	1 453	3 984	1 674	7 175	1 524
The year's ordinary depreciation	27	817	1 103	397	2 344	1 642
Depreciation rates	20%	33,3%	20%	20%		20%

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

FIXED ASSETS – ADDITIONS AND DISPOSALS LAST 5 YEARS							
		Office- machinery	Computers	Fittings	Vehicles	Total	* Leasehold improvements
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	
1996	Additions		1 160	697	951	2 808	482
	Disposals				85	85	624

8. PENSION ARRANGEMENTS

A description of the company's pension arrangements is presented in Note 8 to the consolidated accounts.

PENSION COST FOR THE PERIOD IS CALCULATED AS FOLLOWS:		
	1996	1995
NPV of this period's accrued pension earnings	1 222	1 204
Interest cost on existing pension obligations	669	591
Expected return on pension assets	(773)	(515)
Amortisation	8	10
Net pension cost	1 126	1 290

PENSION OBLIGATION AND PENSION ASSETS:		
	31.12.96	31.12.95
Estimated obligations	28 613	13 389
Estimated pension assets	15 204	11 383
Estimated net pension assets (obligations)	(13 409)	(2 006)
Non-booked effects due to:		
+/- estimate changes and variations between estimated and realised return on assets	12 600	(956)
Net pension assets (obligations)	(809)	(2 962)
Of which net pension assets	4 831	2 937
Of which uncovered obligations	5 640	5 899

9. TAXES

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

	1996	1995
Result before taxes	(52 382)	17 787
+/- Permanent differences	252 141	163 482
+/- Changes in timing differences	7 109	4 200
Basis for payable taxes	206 868	185 469
Taxes payable	57 923	51 931
Change in deferred tax		(349)
Taxes	57 923	51 582

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

	31.12.96	31.12.95
DEFERRED TAX	31.12.96	31.12.95
Short term items	(9 000)	
Net pension assets	4 831	2 937
Other long term items	(258)	5
Total long term items	4 573	2 942
Total timing differences	(4 427)	2 942
Tax rate applied	28 %	28 %
Deferred tax /(deferred tax benefit)	(1 240)	824
Deferred tax benefits		
Pension obligations	5 640	5 899
Tax rate applied	28 %	28 %
Deferred tax benefit	1 579	1 652

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

10. EQUITY CAPITAL

	Share Capital	Legal reserves	Temp. non-distr.	Retained	Total
Equity at 31.12.95	69 250	156 908	20 564	309 395	556 117
This year's distributions		1 235	(20 564)	73 796	54 467
Equity at 31.12.96	69 250	158 143		383 191	610 584

11. GUARANTEES

Schibsted ASA has issued guarantees amounting to NOK 1.106,2 million for long term debt in Schibsted Finans AS. The company has in addition issued a guaranty for Aftonbladets uncovered pension obligations amounting to NOK 96,0 million.

ARTHUR ANDERSEN

TRANSLATION FROM NORWEGIAN

AUDITORS' REPORT FOR 1996

To the Annual General Meeting of
Schibsted ASA

Arthur Andersen & Co.
Statsautoriserte Revisorer

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Postboks 228 Skøyen
0212 Oslo
22 92 80 00 Telefon
22 92 89 00 Telefax

Medlemmer av Norges Statsautoriserte
Revisorers Forening

We have audited the annual accounts of Schibsted ASA for 1996, showing net loss of NOK 110.305.000 for the company and net income of NOK 401.193.000 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 1996 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 5, 1997

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VALUE ADDED STATEMENT

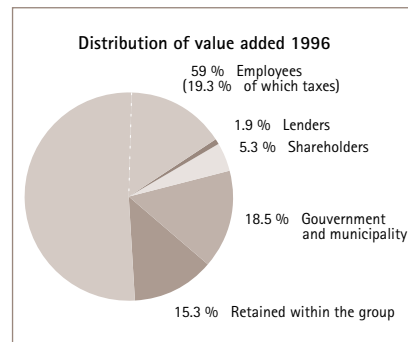
SCHIBSTED - CONSOLIDATED

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 is 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 municipality) 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	4 524,3	Grossvages and social expenses	1 165,8
- consumption of goods/services purchased	2 410,2	(of which withholding taxes)	381,5)
GROSS VALUE ADDED	2 114,2	PROVIDERS OF CAPITAL	
- ordinary depreciation	191,4	Interest to lenders	37,4
NET VALUE ADDED	1 922,8	Dividend to shareholders	103,9
+ financial income	51,4	GOVERNMENT AND MUNICIPALITY	
		Taxes and duties	365,8
		RETAINED WITHIN THE GROUP	
		Retained for future value creation	301,4
Values for distribution	1 974,2	Values distributed	1 974,2



MANAGEMENT'S REPORT





MANAGEMENT'S REPORT
SCHIBSTED - CONSOLIDATED



KJELL AAMOT
PRESIDENT AND CEO



SVERRE MUNCH
EXECUTIVE VICE PRESIDENT
AND CFO

The management looks back on a hectic and exciting year. A large proportion of the management's time and capacity has been devoted to the acquisition of Aftonbladet in Sweden, the Metronome group in Denmark, and a major part in TVNorge. In addition, considerable efforts have been channelled into the sale of Schibsted Nett, and the establishing of Scandinavia Online. During 1996, negotiations have resulted in a multi-currency syndicated loan, a certificate loan program, and a loan from Den Nordiske Investeringsbank. On the real estate side, the start of the construction of the new printing plant, and a new office building in central Oslo were important events.

The group management is responsible for defining and carrying out the group's overall strategy, and co-ordination of activities within and across business areas. Moreover, the management covers the group's joint functions, such as financial management and real estate development. For the different business areas, see separate reports.

During 1996 the group's management was strengthened with six people and counted thirty persons at year end. In addition a trainee programme was established; the first four trainees are now engaged in different projects in the group.

FINANCIAL MANAGEMENT

The Economy function supports the various business areas in reviewing prospective projects, giving value appraisals and offering support with contract negotiations. In addition, the function covers tasks like defining parameters for, and preparing consolidated budgets, and preparing the consolidated quarterly and annual accounts. Furthermore, the Economy Function is responsible for negotiation and implementation of certain group-wide agreements, such as the group's large pension and insurance schemes.

The prime task of the Finance function is to develop the group's financial management strategy based on the requirements of current operations and planned expansions, including hedging of interest and currency positions, and negotiation of loan agreement on behalf of the group. This function also has the

responsibility for continuous communication with analysts, brokers and investors.

During the year, a number of projects and investment options have been reviewed.

Acquisitions and investment in the new printing plant made 1996 the year with the highest level of investments ever. In addition to the projects that were finalised in 1996, a letter of intent was signed with the owners of the monthly magazine "Dine Penger", with the objective of the magazine being bought by Schibsted in 1997.

Early 1996 a multicurrency loan facility of NOK 700 million was signed with a syndicate of eight banks. The loan has a repayment schedule of seven years. At year end 1996 SEK 120 million were utilised under the facility. The objective of this committed financing was to ensure the group's financial flexibility in a time of heavy investments, particularly in connection with the new printing plant.

Due to the considerable acquisitions that took place in 1996, it became necessary to further strengthen the group's financial latitude. Therefore an agreement was signed towards the end of the year with Den Nordiske Investeringsbank for a loan of USD 32 million, which has been swapped into NOK. The loan will be repaid by the year 2008.

Furthermore, the group raised NOK 200 million in the Norwegian securities market, through issuing certificates on a five months term.

The group's equity ratio is satisfactory at 49.4%, the decline from last year's 59.6% being due to the high investment level and ensuing higher debt level.

Schibsted aims at a good and open relationship with analysts, brokers and investors. Due to the higher proportion of the company's shares now held by foreign investors, presentations are now conducted on a regular basis in the UK as well as in the US.

REAL ESTATE MANAGEMENT

The group's new printing plant in Nydalen is under construction, and the buildings are expected to be completed by yearend 1997/98. The installation of the presses will start as soon as the press hall is completed. The printing plant is expected to be in full operation during the first quarter of 1999. The cost for the plant is estimated at 1.4 billion, and is one of the largest private land-based investments in Norway. The printing plant covers an area of 41,000 square metres, and has a printing capacity of 4.5 million newspapers per week, with paper consumption at 55,000 tons per year.

A smaller office building is being raised in Apotekergaten 10, adjacent to Aftenposten's offices. The building will accommodate part of

SCHIBSTED

INVESTMENTS	
	(NOK mill.)
AFTONBLADET	357
TVNORGE	140
PRINTING PLANT	354
SHARES	130
MAINTENANCE AND OPERATION INVESTMENTS	443
TOTAL INVESTMENTS	1 424

Aftenposten's staff, as well as Group Management. The project has experienced certain complications due to special requirements imposed by the Inspectorate of Ancient Monuments and Historical Buildings.

The operation of the group's properties is carried out by Schibsted Drift, which at the end of the year employed 40 people. The operation includes reception services, security and on-going maintenance.

FUTURE PROSPECTS

The media industry is experiencing exciting and rapid development. Doomsday prophecies on the dire future of paper-based media are numerous. However, for the newspapers within the Schibsted group, 1996 was an excellent year. Aftenposten's operating profit was at a record high, and VG's decline in circulation was compensated by the highest advertising revenues ever. Aftenbladet's circulation development, and its current position as Sweden's and Scandinavia's largest newspaper is very satisfactory.

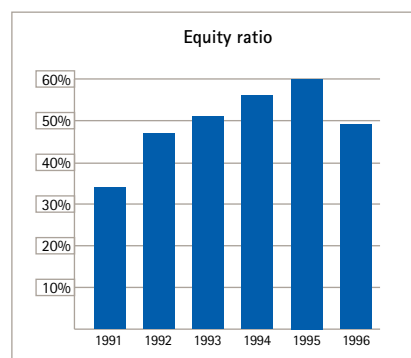


Apotekergaten 10, Oslo:
The new office building.

habits suggests that there still is a potential for a greater share of the advertisement than the current 19%. With considerable owner positions both in the nation-wide TV2 and in TVNorge, which will become nation-wide through its local TV network, Schibsted is well positioned to gain its share of this source of revenue.

Digital transmission of TV signals and Pay TV are only in their infancy in Norway. It is hard to predict what impact these will have on viewing habits and advertisers. Much will depend on which political constraints, if any, that will prevail in relation to acquisition of TV-rights for sports and other major events.

Through the gateway company Scandinavia Online (SOL), Schibsted is well positioned to become one of the future winners in the multimedia sector. Currently SOL, a joint venture with Telenor, has a strong position on the content side in Norway, and a sister company is being established in Sweden. The Swedish company is expecting to launch its services during the 2. quarter of 1997.



In Sweden the competitive situation on the Internet is tougher than in Norway. However, a fiercer climate is expected in Norway with the possible entry of large international companies. It is still premature to predict how the revenues from multimedia will develop, as this is dependent on several factors: the quality of the content needs to be sufficiently high for subscribers to be willing to pay for access to them, the security of payment systems needs to be improved before subscribers are willing to shop on the net, and the advertising revenues depend on the quality and the usefulness of the content, as well as on the number of active subscribers.

In the short and medium term, the group believes that newspapers will continue to maintain their strong position. However, as multimedia products improve, they will represent a challenge both for circulation and advertising revenues for the traditional media. The goal for the printed media is therefore to retain the largest possible share of the readers' and the advertising market. In this connection it is very important to establish a sound cost structure and to further develop expertise in order to meet the challenges as and when they arise.

Short term, the reduction in newsprint prices will yield a considerable positive effect for the newspapers in 1997. Whether the reduced prices will remain at this level beyond 1997 is too early to predict.



The new printing plant in Nydalen estimated at NOK 1,4 billion.

THE GROUP'S TOTAL REAL ESTATE HOLDINGS

Address	m2	Tenants
GRENSEN 15/AKERSGT. 32 (50%)	2.000	CHR. SCHIBSTEDS FORLAG + MISC.
AKERSGT. 36	1.300	AFTENPOSTEN + MISC.
AKERSGT. 34	3.300	AFTENPOSTEN
AKERSGT. 51/APOTEKERGT. 6	13.000	AFTENPOSTEN
PILESTREDET 10/APOTEKERGT. 10B*	6.420	SCHIBSTED, AFTENPOSTEN
HANS MØLLER GASMANNSS Vei 9, LINDERUD	18.000	AFTENPOSTEN
AKERSGT. 55**	32.000	VG, AFTENPOSTEN, SCHIBSTED
SANDAKERVEIEN 121***	45.000	SCHIBSTED TRYKK

* Under refurbishment/construction
 ** Akersgt. 55 is organised as a separate limited company owned 100% by Verdens Gang AS.
 *** Under construction/finished 1998

LIQUID RESERVES 31.12.96

	(NOK mill.)
CASH	311
COMMITTED LOAN FACILITIES	580
TOTAL LIQUID RESERVES	891

The Broadcast media's share of the advertising market will continue to increase. A comparison with countries with similar media



STIFTELSEN TINIUS
SCHIBSTED - CONSOLIDATED

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

Ownership is a more important issue for a newspaper than for ordinary industrial companies. A newspaper is not just any product, but a forum for vital community information and the exchange of opinions, on which our democratic society is built.

Newspaper ownership should therefore, in addition to being long term, openly be committed to the newspaper's own values. At times, it may be necessary to defend these values, to ensure the newspaper's continued freedom and editorial independence. Being a major shareholder is then an advantage.

An ownership of 26,1 per cent of the Schibsted group is ensured special rights in the company's Articles of Association. These rights would, under normal circumstances, require a much larger ownership, but were part of my conditions when agreeing to the transition from a privately held company to a limited company several years ago.

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

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

I have decided that after my death, or when I otherwise should decide, the A-share will be transferred to "Stiftelsen Tinius", which will be governed by the following rules: "The Schibsted group shall continue to be a media group and be managed pursuant to the same editorial and commercial principles as it is today. In relation to

Aftenposten and Verdens Gang, the purpose is to maintain the role these newspapers have played to date in the Norwegian society.

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

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

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

The principles of editorial freedom, credibility and quality of the newspapers shall also be guiding for other media and publishing businesses owned by the Schibsted group.

The Trust shall work for long term, sound, financial development of the Schibsted group.

The Trust shall also work as required toward influencing the general conditions for free and independent editorial governance in other media businesses".

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

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



PRINT MEDIA



PRINT MEDIA

The daily newspaper is just as necessary today as it has been earlier. Despite the changes taking place in the Scandinavian media landscape, the daily newspaper is holding its position. Aftenposten increased the circulation of its three editions in 1996. Aftonbladet developed into Sweden's, and Scandinavia's, largest daily paper. And VG experienced, despite the circulation decline, a substantial increase in advertisement volume and revenues. The Chr. Schibsted publishing company published last year's best-selling title in Norway, Arne Olav Brundtland's "Gift med Gro". In two hectic pre-Christmas weeks it sold 96.000 copies.



BIRGER MAGNUS
EXECUTIVE VICE PRESIDENT

PRINT MEDIA

PROFIT & LOSS ACCOUNT

(NOK 1 000)	1996	1995
Total revenues	4 079 345	2 976 693
Operating expenses	3 577 502	2 554 017
Operating profit	501 843	422 676
Net financial items	66 347	73 288
Share associated companies	33 467	28 215
Minority interests	(3 521)	(245)
Pre-tax profit	598 136	523 934
Taxes	102 467	92 047
Net profit	495 669	431 887

BALANCE SHEET

(NOK 1 000)	31.12.96	31.12.95
Current assets	1 500 923	1 340 807
Fixed assets	1 720 539	818 960
Total assets	3 221 462	2 159 767
Current liabilities	1 210 200	910 483
Long-term debt	681 290	184 561
Minority interests	63 150	1 502
Equity	1 266 822	1 063 221
Total liabilities and equity	3 221 462	2 159 767



The media scene in Norway is undergoing change. The developments within IT and telecommunications are creating completely new media products. However, despite the advancements of these new electronic products, the newspapers have, to a large degree, been able to maintain their strong position, particularly in Norway.

Media consumption in Scandinavia is high, and as far as newspapers are concerned only the Japanese have comparable newspaper consumption habits to those of Swedes and Norwegians. Despite the increased supply of commercial TV and radio, and the rapid developments of the Internet, newspapers have so far only been marginally affected. This, together with the considerable positive economic activity in Norway, have resulted in an historic high operating profit for Aftenposten at NOK 307 million. VG experienced an operating result of NOK 202 million, only surpassed by the peak year 1994. The new acquisition, Aftenbladet, achieved a result of SEK 15.9 million and at the same time became Sweden's, and Scandinavia's largest newspaper.

The print media operations are responsible for 90% of Schibsted's revenues. In 1996 the revenues totalled NOK 4.079 million, an increase of 37% from the previous year. This increase is to a large extent due to an increase in Aftenposten's revenues, and the consolidation of Aftenbladet from May 1. The operating profit was NOK 502 million, as compared to NOK 423 million in 1995. Financial items contributed positively with NOK 99.8 million to a pre-tax profit of NOK 598 million.

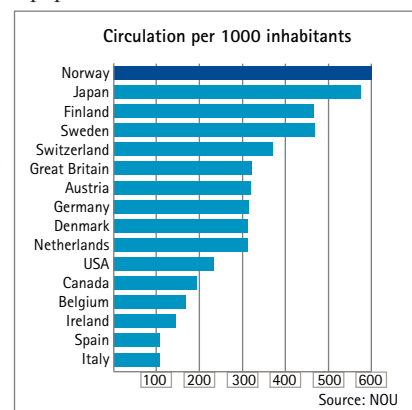
Newspapers

THE CIRCULATION MARKET IN NORWAY

In recent years the circulation market in Norway has remained stable, at a very high level, although there has been a limited decline for the casual sales-papers. Despite a small drop in circulation, VG is clearly still a unique product, not only in Norway, with its remarkably solid penetration in terms of the geography, demography and social background of its readers. With the increased fragmentation of media consumption, VG is perhaps the most important news medium in Norway, with more than 1.3 million daily readers, in comparison to Dagsrevyen (News at NRK) with its 1 million viewers.

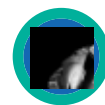
THE ADVERTISING MARKET IN NORWAY

The advertising market in Norway has increased rapidly because of the general positive development in the Norwegian economy. The fact that the daily press has been able to regain some of the market share from other media is particularly positive. The newspapers' share of the total advertising market is considerably larger in Norway than in any other European country. The advertising revenues for Aftenposten increased by 16.2% while the figures for Bergens Tidende, Adresseavisen, Stavanger Aftenblad and Fædrelandsvennen were 10.4%, 14.3%, 12.2% and 9.3%, respectively. Among the casual sales newspapers VG increased revenues with 14.8%, and Dagbladet with 1.9%.



THE SWEDISH NEWSPAPER MARKET

During recent years competition among Swedish newspapers has been considerably fiercer than in Norway. Circulation development has been negative for many newspapers, a trend which continued throughout 1996. The advertising market has also developed negatively for the Swedish newspapers. However, Aftenbladet increased both its circulation and advertisement revenues. With an average daily circulation of 395,585 copies, Aftenbladet is Sweden's and Scandinavia's largest newspaper.



FREE SHEETS

Free sheets have not been widely spread in Scandinavia, with the exception of Denmark, until "Metro" was launched in Stockholm. "Metro's" success can to a large degree be attributed to the fact that it is distributed very efficiently, and that the product is designed for easy digestion during a short morning commute. Schibsted expects free sheets to become more important also in Norway. Opportunities for venturing into such projects are continuously evaluated.

Aftenposten AS

The main operation of Aftenposten is the publishing of two daily newspapers. Also in 1996 Aftenposten was clearly the leading

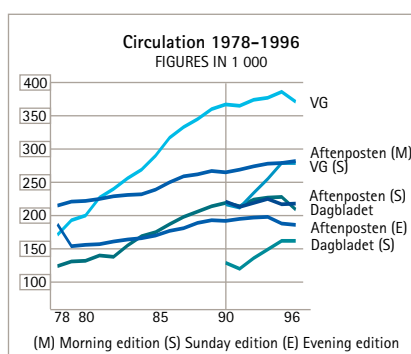
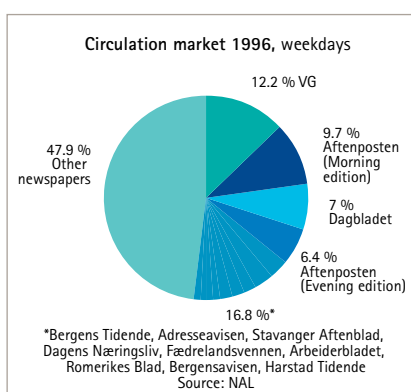
AFTENPOSTEN AS

PROFIT & LOSS ACCOUNT (NOK 1 000)	1996	1995
Subscription revenues	473 120	459 969
Retail sales revenues	79 293	73 744
Advertising revenues	1 189 943	1 023 737
Other revenues	183 986	171 923
Total revenues	1 926 342	1 729 373
Operating expenses	1 619 441	1 509 178
Operating profit	306 901	220 195
Net financial items	32 940	45 387
Pre-tax profit	339 841	265 582
Taxes	57 610	49 388
Net profit	282 231	216 194

BALANCE SHEET (NOK 1 000)	31.12.96	31.12.95
Current assets	933 639	925 390
Fixed assets	524 783	331 185
Total assets	1 458 422	1 256 575
Current liabilities	707 821	590 145
Long-term debt	129 640	157 780
Equity	620 961	508 650
Total liabilities and equity	1 458 422	1 256 575

newspaper both in the circulation and advertisement market. Strong growth in circulation, advertising volumes and revenues, in addition to a considerable increase in the operating result have all contributed to the company's strong position in a more competitive media market.

In addition, Aftenposten is responsible for printing the main press runs of VG, as well as distributing Arbeiderbladet, Dagens Næringsliv, Finansavisen, Nationen and Vårt Land in the greater Oslo area. Aftenposten publishes a daily electronic edition on the Internet, in addition to text TV and distribution of electronic information from Norwegian and international data bases.



from the morning edition, where the classified ads increased most. However, the increase in brand and display advertising, has also been considerable. The market share for Aftenposten among the Oslo newspapers in 1996 increased by 0.5 percentage points, to 59,7%.

OPERATIONS AND DEVELOPMENT

The final phase of the modernisation of the production process to the full page layout was completed in 1996, and by the start of 1997 the entire production process – from manuscript to a finished page – is handled electronically.

The electronic edition of Aftenposten, Aftenposten Interactive, was fully operational in 1996. This service provides news and information that is updated several times daily. Aftenposten Interactive also carries advertising.

MARKET DEVELOPMENT

1996 was a year of record high circulation numbers: Aftenposten's morning edition increased to a net average of 283,915 copies, an increase of 1,897 from 1995. In fact circulation increased for all editions as a result of continuous product development and wide reaching marketing efforts: The afternoon edition increased by 2,631 copies to 188,635, while the Sunday edition increased by 5,117 copies to 223,501. The revenues from circulation amounted to NOK 552.4 (533.7) million.

Advertising volume increased by 8,5% to around 52,000 column metres; advertising revenues increased by 16,2% to NOK 1,189.9 million. The main bulk of this increase stems

Parallel to the printed editions, a market for distribution of electronic advertising is under development. Aftenposten has established vis@visen, an electronically searchable classified ad database in co-operation with the large regional newspapers, Adresseavisen, Bergens Tidende, Fædrelandsvennen and Stavanger Aftenblad. The database consists primarily of ads for property, real estate, automobiles and boating, as well as employment ads from all these newspapers.

The weekend products were improved in 1996. The editorial content in the Sunday edition was expanded, and the edition established itself as a major source for employment ads. The concept for the Saturday edition was also renewed in the autumn of 1996.

At the same time, a decision was made to change the format of all afternoon editions to tabloid. The new "look" was launched on January 2, 1997.

AFTENPOSTEN - ADVERTISEMENT		
(NOK 1 000)	1996	1995
CLASSIFIED	2 976 693	2 872 345
BRAND ADVERTISING	2 554 017	2 470 114
DISPLAY AND RETAIL	422 676	402 231
ADVERTISING/INFORMATION/MISC.	73 288	56 547
TOTAL	523 934	480 145

FINANCIAL HIGHLIGHTS

Operating revenues increased by 11,4% to NOK 1,926.3 million. At the same time, operating expenses increased by 7,3% to NOK 1,619.4 million.

The operating profit of Aftenposten AS for 1996 was NOK 306.9 (220.2) million, the pre-tax result was NOK 339.8 (265.6) million. This yields a net operational margin of 15.9 (12.7)%. The positive development is primarily a result of the above mentioned increase in advertising volumes and revenues, combined with a moderate increase in expenses.

Newsprint prices fell with approximately 5% per September 1, 1996. However, the newsprint price for the entire year was 14% higher than the average price in 1995. This represent an additional expense of NOK 24 million, compared to last year. For 1997 contracts have been signed that ensure paper prices 17% below the 1996 level.

After taxes of NOK 57,6 million, the net profit for the year was NOK 282.2 (216.2) million.



ORGANISATION AND WORKING ENVIRONMENT

Per December 31, 1996, there were 1,338 (1,335) people employed at Aftenposten, or 1,262 man-years. In addition there are 3,490 (3,400) employees in the external distribution system.

Mr Einar Kloster and Mr. Birger Magnus were elected to the Aftenposten Board of Directors on a general meeting in April 1996. Olav Mugaas was

appointed managing director on June 5, 1996. He was the former deputy managing director of the company. Kirsten C. Idebøen was appointed deputy managing director, while Ole Helge Lien was appointed Director of Circulation from January 1, 1997.



VG: Voted the best commercial in 1996.

Measures to improve the internal working environment have been a priority for both management and employees, and their organisations, through, among other things, an active working environment committee. Efforts to make further improvements in this area will continue in 1997.

Verdens Gang AS

1996 was a good year for Verdens Gang AS, despite a slight decrease in circulation. Due to growth in revenues from advertisement total revenues for the year remained unchanged. The pre-tax profit for VG was NOK 237 million.

CIRCULATION DEVELOPMENT

Daily circulation continued to fall somewhat in 1996, as reflected in the circulation of 357,000 copies, 14,300 copies less than the previous year. On Sundays, however, circulation increased by 200 copies to 279,500. The Sunday edition has been stable over the last three years. The total circulation of all Norwegian newspapers is expected to decrease in the future. In our opinion this is due to the fact that there is an increased competition for people's time, and a reduced frequency in the purchase of both national tabloids, which seemed customary earlier. Moreover, TV channels are increasingly using "tabloid" effects in their programming.

MARKET DEVELOPMENT

The development for advertising was positive in 1996. The newspaper industry experienced a considerable expansion in the revenues from advertising, with growth at the same level as that of TV advertising. VG's advertising revenues increased by NOK 38 million, (+14,8%) to NOK 298 million. Advertising volume increased by 9,1%. During the last year there has been a strong demand for four colour ads. As there is a limita-

tion on how many pages VG can print in four colours, the paper has experienced some difficulty in printing all the advertisements. This problem will only be solved when the new printing plant becomes operational.

OPERATIONS AND DEVELOPMENT

As of October 1996, part of VG's total press run is printed in Harstad. The initial problems connected with this have been significant, and stable production has been somewhat delayed.

The construction of Schibsted's new printing plant in Nydalen is well under way. The new printing plant will improve the newspaper printing quality considerably from 1999. It will, for instance, be possible to print four colour on all pages. Since the printing of VG is decentralised, it has been a priority to negotiate deals with other printing plants with similar technical printing possibilities. Long term agreements are now signed with Adresseavisen and Bergens Tidende. This means that these two plants also will be modernised. The new printing plant in Harstad also satisfies VG's technical requirements.

The further training and development of co-workers remain a high priority area at all levels of the organisation. The editorial departments have all been engaged in training for the new page make-up system throughout 1996. As more and more employees master these techniques, an increasing number of pages are produced with the new technology. However, this means that the newspaper throughout the year has been produced in different ways, a factor complicating production at times.

The development of the editorial product is a constant process. Recently the TV listings pages were updated. The response to this has been positive. Moreover, the content on the consumer pages, "Xtra" has also undergone changes.

FINANCIAL HIGHLIGHTS

1996 was a good financial year for the newspaper with a profit similar to that of the previous year.

VERDENS GANG AS		
PROFIT & LOSS ACCOUNT (NOK 1 000)		
	1996	1995
Subscription revenues	7 811	9 092
Retail revenues	987 349	1 023 563
Advertising revenues	298 726	260 187
Other revenues	9 738	5 378
Total revenues	1 303 624	1 298 220
Operating expenses	1 101 271	1 097 678
Operating profit	202 353	200 542
Net financial items	35 049	37 286
Pre-tax profit	237 402	237 828
Taxes	38 041	41 397
Net profit	199 361	196 431
BALANCE SHEET (NOK 1 000)		
	31.12.96	31.12.95
Current assets	294 969	400 144
Fixed assets	660 738	457 439
Total assets	955 707	857 583
Current liabilities	328 960	322 143
Long-term debt	41 306	30 659
Equity	585 441	504 781
Total liabilities and equity	955 707	857 583



ASLAK ONA
MANAGING DIRECTOR



BERNT OLUFSEN
EDITOR IN CHIEF

VG

THE COMPOSITION OF ADVERTISING VOLUME

	Column metres	Change 95/96
AFTENPOSTEN (MORN. EDITION)	32 161.6	11.4%
AFTENPOSTEN (EVE. EDITION)	2 824.7	150.6%
AFTENPOSTEN SØNDAG	10 616.6	2.4%
ANNONSEBILAG	6 523.2	(15.3%)
AFTENPOSTEN TOTAL	52 126.1	8.5%
VG (WEEKDAYS)	6 855.0	10.4%
VG SØNDAG	563.7	(5.2%)
VG TOTAL	7 418.7	9.1%

CIRCULATION MARKET 1996

	Saturdays	Sundays	Weekdays
VG	450.259	279.571	356.861
AFTENPOSTEN (MORN. EDITION)	300.618	223.501	283.915
DAGBLADET	281.900	164.531	205.740
AFTENPOSTEN (EVE. EDITION)			188.635
BERGENS TIDENDE			95.400
ADRESSEAVISEN			91.912
STAVANGER AFTENBLAD			72.079
DAGENS NÆRINGS LIV			56.544
FÆDRELANDSVENNEN			47.386
ARBEIDERBLADET			42.139
ROMERIKETS BLAD			41.517
BERGENSAVISEN			29.384
HARSTAD TIDENDE			15.825
OTHER NEWSPAPERS			1.403.272
TOTAL			2.930.609

Source: NAL

Revenues increased by 0,4% to NOK 1,304 million. The operating expenses amounted to NOK 1,101 million, the same level as in 1996, despite the fact that the newsprint costs increased by NOK 12 million. The operating profit was NOK 202 million, resulting in an operating margin of 15,5%.

Financial income was reduced by NOK 2 million, to NOK 35 million. The reduction is primarily due to the investment in the new printing plant in Nydalen of which VG finances 50%. NOK 225 million have been transferred to this project during 1996. The construction of this printing plant will require an aggregate investment of NOK 700 million from VG until it is completed in 1999. A reduced interest level is another factor in explaining the lower financial income.

The pre-tax profit was NOK 237 million, a reduction of 0,2% compared with the previous year.

ORGANISATION AND WORKING ENVIRONMENT

Staff per December 31, 1996 numbered 488 (467), of which 67 were part-time positions. Expressed in man-years, this is 477 (471). The increase from the previous year is explained by the fact that some temporary positions have been converted into full time positions due to legislative changes. There are now stricter requirements for keeping temporary staff.

Birger Magnus was elected to the board of VG at an extraordinary general meeting in February 1996. Jan Reinås was elected member of the board at an extraordinary general meeting in June 1996.

There have not been any changes in management during 1996.

The company has increased its efforts in the development of staff expertise, training and development of personnel through VG's own school, VidereGående.

Measures to improve the internal working environment have been a priority 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 area will continue in 1997.

FUTURE PROSPECTS

The market is becoming increasingly competitive. During 1996 NRK 2 was launched, and the general interest for the Internet has increased. Subscribers of the Internet increased from 40,000 to more than 100,000 in the span of one year. Local TV stations throughout the country have also been established. There is definitely a stronger competition for people's time.

Continuous attention to and improvement of production, distribution and marketing are of utmost importance if VG is to further increase newspaper sales.

Aftonbladet AB

1996 was a historical year for Aftonbladet. The newspaper became Scandinavia's and Sweden's largest, as Schibsted became the co-owner together with LO (the Swedish Labour Union).

During the last 44 years, Aftonbladet has had a lower circulation than Expressen. During some years the margin has been very small, while during other years the gap has been considerable. At the end of the Seventies the difference was 116.600 copies, while in the beginning of the Nineties, the gap between the two papers was 199.400 copies. Throughout the Nineties, the gap has diminished, and in September 1996, Aftonbladet surpassed Expressen in circulation. A long term and goal oriented market strategy finally yielded results.

It is highly unusual that two competing papers in the same marked switch positions: There are obvious advantages to being the largest, not at least when it comes to generating advertising income. The challenge now is to maintain these advantages while keeping, or increasing, the distance to the competitor.

LO has had ownership of Aftonbladet since 1956. As competition increased, it became more important for Aftonbladet to find alliances in the media industry. Schibsted offers such partnership, and close co-operation with VG is already under way. At the same time LO continues as a partner, and warrants continuity for the company.



April 24, 1996: Aftonbladet becomes a part of Schibsted.



The Swedish market for evening papers has declined in the 1990s. In 1996 the general decline was 2.7%, while Aftonbladet increased its circulation with 18,230 copies to 395,585 copies per publication day. The market share increased from 39,5% to 42,6%. In 1996 the work to expand the exposure time has continued. One measure has been to decentralise printing and Aftonbladet is now being printed at five different locations in Sweden. From 1996 printing also is done in Norrköping. At the same time Aftonbladet's own printing plant in Gothenburg was closed down, and the printing was transferred to a newly established company.

From January 1, 1996, 6% VAT was introduced on newspapers in Sweden, and the single copy price increased from SEK 6 to SEK 7 on working days. The price on the weekend editions remained stable at SEK 10. The positive circulation results have resulted in a 9.3% increase in circulation revenues, to SEK 1,109 million.

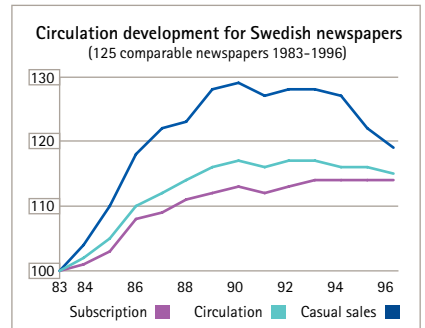
Intensive product development has contributed significantly to the sales increase. In 1996, a new sports supplement was introduced in Stockholm and a new entertainment supplement was introduced nation wide, as well as supplements for lottery on Fridays and health on Saturdays. The Health supplement together with the TV- and Sunday edition are published in the A4 format, and the price for the Saturday edition was raised to SEK 10 when it was launched in October.

The total advertising market in Sweden remained unchanged in 1996 compared to 1995. Nevertheless, Aftonbladet experienced an increase of 28% to SEK 241 million. There are several explanations for this phenomenon: partly it is due to the advertising department's improved efforts

both in terms of quantity and quality, and partly that several major advertisers have chosen to move money from TV advertising to the evening papers, which is a cheaper alternative.

Aftonbladet was the first Swedish newspaper

with an Internet edition and during 1996 this has been developed into a complete electronic newspaper. The number of visitors increased throughout the year, and it is the most frequently visited electronic newspaper in Sweden. The figure for December was approximately 1,000,000 hits. Aftonbladet's Internet site will be under continuous development in 1997 and the efforts in multimedia are expected to yield a positive contribution to the newspaper's overall result because of increased advertising sales.



AFTONBLADET HIERTA KONSNERN		
PROFIT & LOSS ACCOUNT		
<i>(SEK 1 000)</i>		
Subscription revenues	1996	1995
	3 271	3 168
Retail sales revenues	1 106 188	1 011 510
Advertising revenues	240 564	187 466
Other revenues	4 258	5 240
Total revenues	1 354 281	1 207 384
Operating expenses	1 337 812	1 207 161
Operating profit	16 469	223
Net financial items	1 430	4 241
Pre-tax profit	17 899	4 464
Taxes	9 749	8 785
Net profit	8 150	(4 321)
BALANCE SHEET		
<i>(SEK 1 000)</i>		
Current assets	31.12.96	31.12.95
	210 759	196 175
Fixed assets	262 127	277 645
Total assets	472 886	473 820
Current liabilities	159 814	124 291
Long-term debt	141 123	170 730
Equity	171 949	178 799
Total liabilities and equity	472 886	473 820

FINANCIAL HIGHLIGHTS

The Aftonbladet group consists of the parent company Aftonbladet Hierta AB and the operating company Tidningen Aftonbladet AB. Below the results of Tidningen Aftonbladet AB are presented, followed by the consolidated results.

After a reduction in profit in 1995, the operating profit in 1996 improved with 20,7% to SEK 53 million. Total revenues increased to SEK 1,354.2 million (+12%) and operating expenses ended at SEK 1,301,2 million (+12%). The increase in paper prices resulted in increased costs of SEK 25 million, while personnel expenses, despite fewer employees, increased

by SEK 16 million due to contracted salary increases.

Depreciation increased by SEK 6,3 million to SEK 34,2 million and the net financial result was reduced with SEK 6,6 million because of a considerable interest reduction. In the accounts for 1996 SEK 20,3 million is accrued for structural expenses in connection with a reorganisation programme including early retirement.

The result before taxes was SEK 12,2 million (SEK 16,7).

The group's result before taxes was SEK 17,9 million (SEK 4,5). SEK 5,3 million were accrued for restructuring costs in connection with the disposal of the old printing press in Gothenburg.

ORGANISATION AND WORKING ENVIRONMENT

Total man years in 1996 were 402. The company has a good working environment and the working



THORBJÖRN LARSSON
EDITOR IN CHIEF

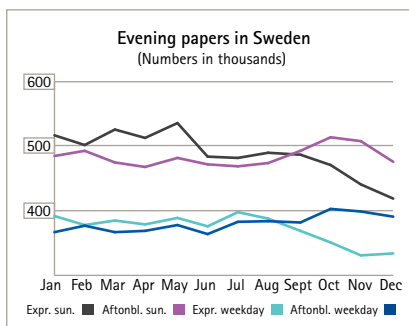
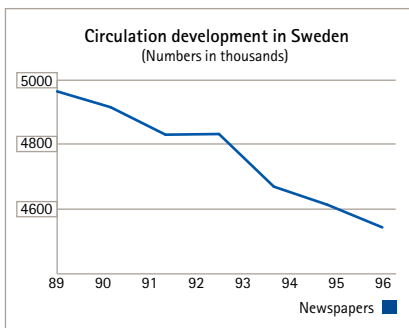


GUNNAR STRÖMBLAD
MANAGING DIRECTOR

AFTONBLADET



Editor in Chief Thorbjörn Larsson: Aftonbladet is No. 1



channels, is likely to grow. Nevertheless, it is noted that Aftonbladet, circulation-wise, has experienced a positive start in 1997, and that newsprint prices have decreased after a long period of continuous increases. The prioritised area in 1997 is to cement Aftonbladet's position as Sweden's largest newspaper.

Schibsted Trykk AS

Schibsted Trykk AS in Nydalen is managing the construction of the new printing plant for Aftenposten and VG with an aggregate investment of NOK 1.4 million. The project is on schedule. Schibsted Trykk is jointly owned by Aftenposten and VG with 40% each, and 20% by Schibsted ASA. 1997 will be the last year when Aftenposten is responsible for the printing, as Schibsted Trykk AS will take over the operation of the existing printing plant at Linderud from 1998. The printing plant in Nydalen will handle the entire newspaper production within the first six months of 1999. The printing plant at Linderud will then be sold.

The sports picture of the year 1996: Vebjørn Rodal



Scan Foto AS

1996 was strongly affected by the digitalisation of the picture archives. After a somewhat delayed delivery, and some compatibility problems, the new digital photo archive was operational in the summer of 1996. The system is integrated with the production systems of Aftenposten and VG and Scan-Foto's own photo desk.

Staff training continues throughout 1997 aiming towards a complete digital archive by the first six months of the year.

environment committee is active with representatives from both the management and the employees.

In connection with Schibsted's share purchase, Birger Magnus was elected as chairman of the board, while Tinius Nagell-Erichsen and Aslak Ona were elected members of the board. Thorbjørn Larsson took over as publisher. Rolv Erik Ryssdal was appointed CFO from February 1, 1997.

FUTURE PROSPECTS

It is unlikely that the market for afternoon newspapers in Sweden will expand. At the same time, the competition from other papers as well as from new TV

When the system is fully operational 500 photos will be added daily to the archive.

A pilot project for external customers has been launched allowing customers to link up to the archive via Internet. The reports from this are clearly positive. Some adjustments will be made to make this a commercially viable product.

The turnover increased by 3% compared to 1995. The figures are roughly equally divided between external (52%) and group (48%) customers.

The largest external group of customers are still the Norwegian newspapers, for which the revenues increased by 9%, totalling 28% of the external revenue. The largest growth was for the group of periodicals where the revenues increased by 38%.

The operations gave a deficit of NOK 0,5 million. The pre-tax loss was NOK 0,8 million.

Chr. Schibsteds Forlag AS and the Publishing Operation

One single publication made a huge impact not only on Schibsted's autumn literary releases, but the entire Norwegian book market in 1996, namely the auto-biographical rendering by the previous prime minister's husband, Mr. Arne Olav Brundtland's "Gift med Gro" ("Married to Gro").

After the publishing company was handed the manuscript in the middle of November, the book was edited and published with a first edition of 20,000 only three weeks later. The launch of this book on December 9 was the book event of the year, in an otherwise rather dull pre-Christmas season. The book received excellent media coverage. A total of 96,000 copies of the book were sold before Christmas.

Even though the publishing company's other well known best sellers "Hvem Hva Hvor" and "Guinness Book of Records" for once were out of focus, these books yielded highly respectable sales. The number of new publications from Schibsted increased in 1996 to 46 titles, so even without the "Gro Book", the annual turnover would have passed the record from 1995 of NOK 31.6 million.

The total turnover in 1996 was NOK 48 million while both the operating profit and the pre-tax profit were NOK 9 million.

The publishing activities at Schibsted are now being further developed. As a part of this process, Schibsted bought the magazine "Dine Penger", and the publishing operation connected to Svenska Forlaget, previously Svenska Dagbladets Forlag. Thomas Øybø is appointed as Project Director to lead this work.



Arne Olav Brundtland autographs "Gift med Gro".

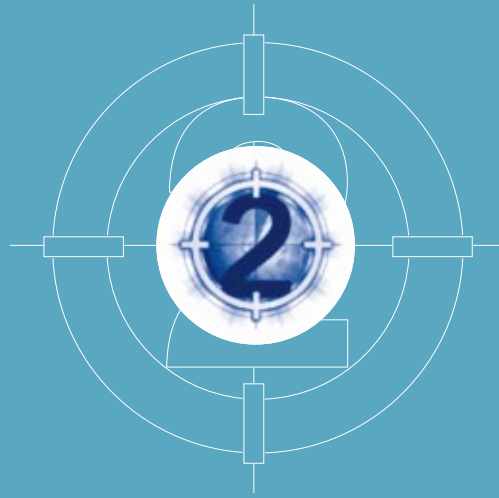


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2



TV/FILM



TV/FILM

Schibsted strengthened its position as the leading media group in the Norwegian TV sector in 1996. The group's production companies increased their share of the Norwegian market. TV 2 strengthened its position as the dominating medium for TV advertising, and Schibsted embarked upon new projects to pave the way to fulfil its ambition of becoming the leading TV/film group in Scandinavia. Two events which took place in 1996 contributed to this:

Schibsted's entry into TVNorge, and the acquisition of controlling interests in the Danish Metronome group, the second largest Danish TV and film production company.



JAN ERIK KNARBAKK
EXECUTIVE VICE PRESIDENT

TV/FILM

PROFIT & LOSS ACCOUNT

(NOK 1 000)	1996	1995
Total revenues	308 429	347 040
Operating expenses	322 296	392 010
Operating profit	(13 867)	(44 970)
Net financial items	(3 012)	(9 960)
Share associated companies	(31 388)	31 314
Pretax loss	(48 840)	(24 044)
Taxes	6 158	7 527
Net loss	(54 998)	(31 571)

BALANCE SHEET

(NOK 1 000)	31.12.96	31.12.95
Current assets	143 068	149 355
Fixed assets	479 039	257 731
Total assets	622 107	407 086
Current liabilities	98 224	97 449
Long-term debt	494 013	310 156
Minority interests	2 297	674
Equity	27 573	(1 193)
Total liabilities and equity	622 107	407 086

The Metronome acquisition brought Schibsted into the mainstream of the Danish TV and film industry, and established the group's presence within TV program production, production of commercials and provision of rights in all three Scandinavian countries.

Schibsted's entry into TVNorge strengthened the group's position in the Norwegian TV market. However, TVNorge experienced a decline in viewership and in advertising revenues in 1996. The financial result was lower than anticipated. Nevertheless, TVNorge reached its strategic goal of becoming the national network channel for local TV stations in Norway. The fight for the local TV network, a fight in which TV 2 did not succeed, created a broad-based debate within Norwegian media throughout 1995 and 1996. As the local TV network develops TVNorge will increase its distribution significantly.

At the end of 1996 Schibsted's position in the TV and film market in Norway can be summarised as follows:

- Schibsted's ownership in TV 2 and TVNorge makes the group the largest Norwegian owner in Norwegian TV companies
- Schibsted is the largest independent TV producer in the country through its production companies
- Schibsted is one of the largest producers of TV commercials
- Schibsted is a significant provider and distributor of Norwegian and international feature film rights for TV, movie theatres and the video market
- Schibsted is, together with the Danish media group Egmont and the government-owned company Norsk Film, the leading supplier of technical services to the TV and film industry

Schibsted's position within TV and film in a Scandinavian setting can be summarised as follows:

- Schibsted is the third largest independent TV producer in Scandinavia with production companies in all Scandinavian countries
- Schibsted is Scandinavia's largest producer of TV commercials
- Schibsted is a significant provider of feature film rights to TV, movie theatres and video in all Scandinavian countries

- Schibsted is the leading supplier of technical services, together with Danish Egmont and Sveriges Television.

ORGANISATION

As a result of the expansion over the recent years, Schibsted's ownership in TV and film companies was organised as a separate business area from 1996. During 1996, the TV and film companies'

adjusted to the new structure and by the end of the year the activities in TV/film were organised in one holding company, Schibsted TV & Film Holding AS, and four sector companies that co-ordinate the group's interests in fully and partly owned companies:

- *TV and Film Production*

Metronome Film & Television AB (previously Mutter Film & Television) has the operational responsibility for all Schibsted-owned TV and Film production companies in the Scandinavian countries.

- *TV-Channels*

Schibsted Broadcast AS co-ordinates the group's ownership interests in TV channels.

- *TV and Film Rights*

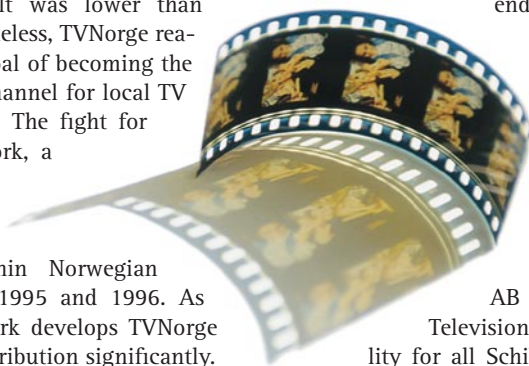
Schibsted Film AS manages Schibsted's interests in fully and partially owned companies within the sector, providing rights for TV, movie theatres and video.

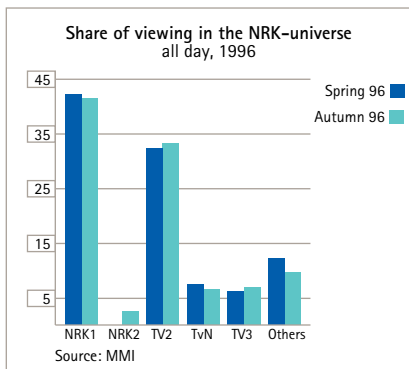
- *TV and Film Technical Infrastructure*

Schibsted TV & Film Infrastructure AS co-ordinates Schibsted's interests in TV and Film technical companies.

The production of content for TV, and ownership in TV channels represent the main value creation within the business area, while the rights ownership in a broad sense is an area with obvious business opportunities. TV and film production, ownership of TV channels, and the facilitating of rights, are therefore the strategically prioritised areas for the activities for Schibsted TV and Film.

As the TV market in the Nordic countries matures, the strategic value of ownership to technical infrastructure has decreased. However, involvement in TV and film related infrastructure is still of importance in so far as it contributes toward meeting the main goals of the sectors.





FINANCIAL HIGHLIGHTS

By the end of 1996 the TV and film business area held ownership interests in approximately 50 TV and film related companies in Norway, Sweden, Denmark, Finland and Estonia. The total turnover for these companies was NOK 1,8 billion.

Through the sale of Schibsted's fully owned

film laboratories in Sweden and Denmark to the partially owned Scandinavian Film Laboratories Holding AS, and the sale of half of the group's shares in the Norwegian company FilmTeknikk Norge AS to Egmont, the total turnover of the subsidiaries was reduced by NOK 38,6 million in 1996 to NOK 308,4 million.

The operating result for the business area in 1996 gave a deficit of NOK 13,9 million, an improvement of NOK 31,1 million from 1995. The production companies under Metronome Film & Television AB contributed positively with NOK 10,9 million, approximately the same as in 1995. Schibsted Film AS with its subsidiaries had a combined operating deficit of NOK 1,3 million. TV+, which was a fully owned subsidiary until June 30 contributed negatively with NOK 18.2 million.

Schibsted's interests in TV channels, and also those within Schibsted TV & Film Infrastructure are included as associated companies. TV 2 contributed positively with NOK 31 million, while Schibsted's loss due to TVNorge was NOK 41,5 million. The contribution from the technical TV and film companies was also negative with NOK 11,4 million. The pre-tax result was a deficit of NOK 48.8 million, which is NOK 24.8 million weaker than the previous year.

TV- and Film Production

METRONOME FILM & TELEVISION AB 1996 was the year when Schibsted established its platform for continuing growth as a supplier of content to TV. After establishing itself with produc-

tion companies for TV-programs and commercials in Norway and Sweden, the group, through the acquisition of Metronome, also entered the top level of the film and TV market in Denmark.

Schibsted established its first TV production company in Norway in the beginning of 1994. Since then it has experienced a powerful expansion in this area. Today the centre for the group's Scandinavian TV and film production is in the Swedish capital. Metronome Film & Television AB in Stockholm, renamed from Mutter Film & Television after the purchase of Danish Metronome, is the holding company for 10 production companies for TV programs and commercials in Norway, Sweden and Denmark. Schibsted owns 95 % of the company.

In 1996 Metronome Film and Television's production companies were responsible for 25% of all national program productions to Norwegian TV channels, measured in turnover. The Schibsted owned companies were the largest actors in the independent Norwegian production market. In Sweden the market share was approximately 11%, and by the beginning of 1997, the market share in Denmark was 12%.

As producers of commercials, the companies under Metronome Film and Television AB are now the largest in Scandinavia.

The Metronome Film & Television group had a turnover of NOK 238 million in 1996. The operating result amounted to NOK 14.9 million and the pre-tax profit was NOK 15.9 million.

The companies within Metronome Film and Television cover most aspects involved in TV production, with the exception of news. Within the group there are companies specialising in production of documentaries, factual programs, feature and entertainment concepts, and magazine programs on finance, automobiles, food and drama. On the list of customers are almost all privately owned TV stations in Scandinavia.

To a large degree Metronome Film & Television bases its activity on the creative responsibility of each individual company. The management of the parent company co-ordinates the activities, directs development and growth, and exploits the shared expertise to the common benefit for the group. Concept development and implementation of



TV-success: Familiesagaen "De syv søstre" ("The seven sisters")



INGEMAR OLSSON
MANAGING DIRECTOR
METRONOME FILM &
TELEVISION AB



TOBIAS BRINGHOLM
DEP. MANAGING DIRECTOR
METRONOME FILM &
TELEVISION AB

METRONOME



SCHIBSTED

the individual program productions, and maintenance and development of the creative environment is the responsibility of each individual company.

A central TV program for the group is "Jeopardy", one of the world's most famous quiz shows. The program premiered on Swedish TV 4 five years ago. After more than 1000 programmes, "Jeopardy" is still one of the most popular TV programmes in Sweden. During the last two years Norwegian TV 2 has had great success with "Jeopardy" for a Norwegian audience. The same is true for TV 2 in Denmark.

The production company Meter Fakta in Stockholm produces "Jeopardy" for the Swedish TV channel, Nordic Entertainment in Oslo for the Norwegian, and Metronome Production in Copenhagen for the Danish. All three are subsidiaries of Metronome Film and Television. The programme is based on a shared concept, but is adjusted for each local market. The three companies co-operated to ensure optimal execution in each of the three countries. The Scandinavian "Jeopardy" productions have made the Metronome Film and Television companies the Nordic champion game show producers.

The production of the series "Familiesagaen de syv søstre" marked an important milestone for the Norwegian production companies when it premiered in the autumn of 1996. "De Syv Søstre" (The Seven Sisters) is the first large dramatic production by Rubicon, and is one of the largest TV productions ever in Norway. The serie became an instant success, and a great advancement for TV 2 during the autumn season in 1996. So far 72 episodes have been ordered. After a break, TV 2 will continue screening the serie in autumn 97.

TV Channels

TV 2

1996 was a good year for TV 2, Schibsted's main TV Channel investment. With a strong position both in the viewer and advertising market, TV 2 has cemented its role as the leading privately owned commercial TV channel in Norway.

Schibsted owns 33,3% of the shares in TV 2, the maximum share permitted under Norwegian legislation. Schibsted was the driving force behind the application for the licence to operate TV 2 in 1991. The Schibsted group was instru-



Nils Gunnar Lie: Jeopardy-host in Norway.

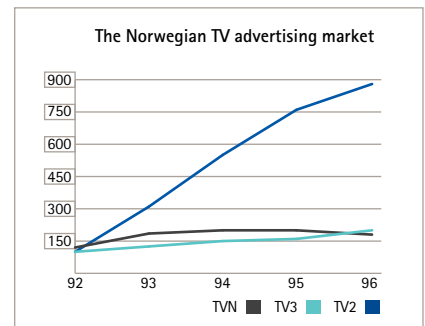
mental in planning and launching the channel and has been the largest Norwegian owner since its beginning in the autumn 1992. TV 2 is the only terrestrial channel in addition to the state owned NRK1, with which it competes for audience share.

In 1996 Norwegians spent 2,5 hours in front of the TV set, which is an increase of 7 minutes from the previous year, and almost half an hour longer than in 1992. 95% of the population receives TV 2, and the channel is continuously eating into NRK1's market share. In 1996 NRK1 had 43% of the viewers which is a 2% reduction from the previous year. TV 2's viewership on the other hand increased by 2% to 32%.

TV 2 is the most expansive channel in the younger segment of the population, i.e. the 20 to 35 age segment. This is a particularly important segment for advertisers as well. In this group TV 2 has a market share of 38%. TV 2 has also become dominant as a provider of advertising in the Norwegian market. In 1996, the market share in the TV advertising market was 70%.

Throughout 1996, TV 2 gave priority to developing the channel's weekend's programs, primarily through the launching of the production "Familiesagaen de syv søstre" (see also TV Production). The channel's sports profile was also prioritised. Together with NRK1 TV2 has embarked on a co-operative venture, sharing expenses and screening rights for attractive sports events. This contract is necessary due to the increased international competition in this area.

The TV 2 group, which in addition to the channel itself also comprises the text TV company, Dagens TV, and three related companies had a turnover in 1996 of NOK 896,6 million. The operating result was NOK 122,6 million, and pre-tax profits were NOK 134 million.



TVNORGE

In the beginning of 1996 the Norwegian parliament decided that privately owned local TV-stations could retransmit programs from national TV

channels, and that a system modelled after American networks could be created in Norway. Schibsted bought into TVNorge in the beginning of 1996, as TV 2 did not succeed in its local TV efforts:

Prior to the parliament's decision, TV 2 had designed a solution with a separate network of local TV stations within the framework for TV 2's licence to nation-wide distribution of commercial TV. However, the Parliament did not accept this model. Instead, the local TV stations were given the option to choose partners freely with the sole limitation that no network could reach more than 75% of the population. The main competitors then became TVNorge and Norsk Lokal TV AS, the latter together with Kinnevik-owned TV3.

TVNorge is the second largest commercial TV channel. Its audience share is approximately 7%. Schibsted took over 29% of the shares in the company and A-Pressen 4%, with an option to buy up to 20%. The majority shareholder is Luxembourg-based Scandinavian Broadcasting System (SBS).

TVNorge's ambition was to form alliances with as many of the local TV stations as possible, in order to establish a network that would increase its own distribution. The company succeeded in this respect.

At the beginning of 1996 TVNorge reached about 50% of the population through satellite and cable. During the year all local TV stations wanted to join the TVNorge network and by the end of the year TVNorge's distribution had reached 64%, and the level is rapidly increasing as more local TV stations begin transmitting.

TVNorge underwent a considerable reorganisation in 1996, including a reduction in the number of staff. A new programming schedule did not yield the desired result during the second half of 1996. TVNorge wished to improve its position among younger audiences, but total viewership declined. A decrease in revenues from advertising and underdelivery of viewers, led to a turnover of NOK 184,4 million. Due to lower revenues and expenses in connection with the local TV project, the operating result was negative with 92,4 mil-

lion while the net result was negative with NOK 132,8 million.

TV+

TV+ ceased its transmissions in August of 1996, but the channel retains its transmission rights as a satellite channel.

Effective from early July, Schibsted sold 67% of its shares in TV+ to TVNorge and the other shareholders in TVNorge. The ownership of TV+ was then at the level advised by Norwegian authorities, applicable to TV channels that transmit from Norway. Schibsted's ownership is currently 33%.

The response among the local TV stations to link up with TVNorge's network has been so great that the 75% limitation may be surpassed during 1997. To avoid a situation which may be in disagreement with the authorities, TVNorge's owners agreed to explore a network concept based on two central channels with the

necessary co-operation between them. TV+ would then be the second network channel. Statens Medieforvaltning (the Norwegian Mass Media Authority), is in principle positive to such a solution for the local TV stations. TVNorge and the authorities are currently engaged in a dialogue to explore the details in such a network solution.



Turid Birkeland: Program host and Minister of Culture



CHANNEL 2 ESTONIA

Durig 1996 Channel 2 was Estonia's largest commercial TV channel, both in terms of viewership and advertising revenue. The channel reaches 85% of the population. Schibsted owns 27% of Channel 2, and is the largest foreign owner.

The founder of this commercial TV company is Ilmar Taska. After a Hollywood career he returned to the Baltics in the early Nineties. He was granted the license to run a commercial station and was given transmission frequencies covering about half the country. Channel 2 came on air in 1993, and quickly obtained a large viewership. The success is based on self produced programmes, news and current affairs programmes, domestic and international feature films and imported series.

The competitors to Channel 2 are the government owned ETV and the Kinnevik owned TV3 Estonia. The largest channel in terms of viewership is the Government channel. In the important area in and around the capital Tallinn, market-wise, Channel 2 is the largest. Channel 2 has also been successful in meeting the needs of the Russian speaking minorities, Channel 2 is the preferred TV channel for this group, comprising 29% of the population.

The advertising development for Channel 2 parallels Estonian advertising development at large. From a modest start after the fall of the Soviet Union, the advertising market in Estonia is now growing at a 30% annual rate.

The growth rate for TV advertisement is faster than that of the total advertising market, and is expected to increase from the current 23% share to 30-35% during the next two or three years. As opposed to what is the case in the Nordic countries, the state channel is also partially financed through advertising.

TV and Film Rights

SCHIBSTED FILM AS

Schibsted's entry into the ownership of the Danish Metronome companies strengthened the group's position within the area of TV and film rights considerably. At the end of 1996 Schibsted is engaged in the distribution of rights to international feature films for TV, movie theatre and video distribution in all Scandinavian countries.

Schibsted Film, which handles this activity within the business area, was also previously engaged in the purchase and sales of film rights through the company Sandrew Metronome in Sweden. As a consequence of Schibsted's Metronome acquisition, Sandrew Metronome is controlled jointly by Schibsted Film and the Swedish theatrical and movie operator, Sandrew.

Sandrew Metronome has established itself as an important supplier of quality films on the Scandinavian market. The owners, through their subsidiaries, are responsible for distribution through cinema and video in their home markets, while Sandrew Metronome sells TV rights to Pay-TV, and free TV channels in Norway, Sweden and Denmark.

In Norway Schibsted's distribution of international feature films to Norwegian cinemas and TV channels takes place through Norsk Film Distribusjon, one of the leading companies in this

field in Norway. Norsk FilmDistribusjon is also engaged in video distribution in the Norwegian market.

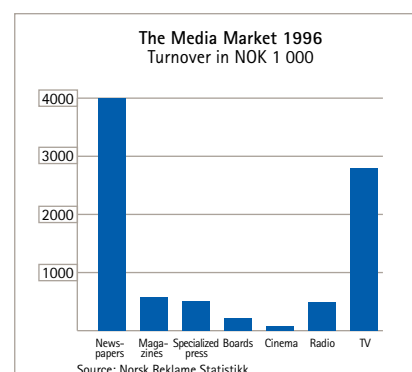
As part of the Metronome acquisition Schibsted also took over the Danish media company's interests within international film rights, film distribution and Metronomes cinema operation; becoming an important player in this market in Denmark. At the same time Schibsted Film entered into a co-operation with the American media group Warner Bros. (a Time Warner company), Metronome's partner within film distribution and cinema operation in Denmark for several years.

In early 1997 Schibsted Film became even stronger in the area of film rights by signing a contract with the Swedish company Sandrews which opens up for strengthened co-operation:

A joint company is to be established in which both parties place some of their interests in rights and cinema operation. Sandrew will then, with its considerable expertise in cinema operation take management responsibilities of Schibsted's cinema interests, while Schibsted is secured the majority ownership of the jointly owned Scandinavian rights company.

TV and Film Technical Infrastructure

SCHIBSTED TV & FILM INFRASTRUCTURE AS Together with the Danish media group Egmont and Sveriges Television, Schibsted, in 1996, became the largest supplier in Scandinavia of filmetechnical services. Concurrently, Schibsted reduced its exposure in TV and film infrastructure. As the TV market in the Nordic countries matures, owning infra structure does not have the same strategic value as it did earlier. However, it is of utmost importance that the necessary technical -and studio facilities are available for the creative TV and film production environment. For Schibsted it is still relevant to be involved in infra-structure when such involvement is necessary to reach the strategic goals of the other sectors. Schibsted aims to co-operate with other TV and film companies on the infrastructure side when this is natural.



SCHIBSTED

Through a partial divestment of its laboratories and subsequent merger with laboratories belonging to the Danish media group Egmont and Swedish Television, Schibsted became part-owner of the largest supplier in Scandinavia of technical services to the film industry in 1996:

The three companies established Skandinaviske Filmlaboratorier Holding (SFH). SFH jointly operates the partners' film laboratories in Sweden and the three partners own 33,3% each of SFH.

In Denmark, the process towards co-operation and integration went according to plan throughout 1996. The reorganisation was completed, and the Danish operations are developing positively.

However, in Sweden, the authorities were opposed to the plan calling for a merger of the two Swedish film laboratories in Stockholm. After a long legal process, SFH won the case, and the authorities decided not to appeal. The reorganisation process in Sweden has now finally begun.

In Norway, the partners on the infrastructure sector are Schibsted, Egmont and Norsk Film. Since the beginning of 1996, Egmont and Schibsted each own 45.5% , and Norsk Film 9% of Filmteknikk Norge. Schibsted previously owned 91% of this company. Filmteknikk Norge is the



only film laboratory in Norway, and is an important partner for most Norwegian feature film producers. Moreover, the company is the leading company when it

comes to post production, editing and digital animation techniques for TV and film.

Schibsted and Egmont also co-operate on a 50/50 basis on Norway's largest privately owned studio for TV and film, while Schibsted and Norsk Film lease camera equipment to film and TV producers through the jointly held company ScanCam.

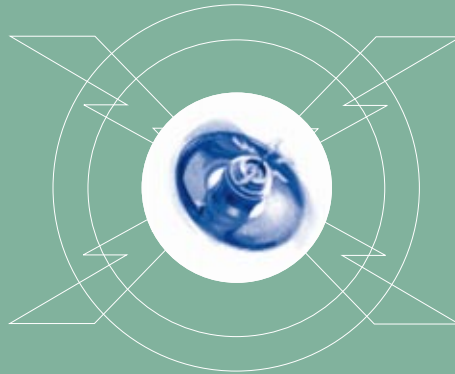
Furthermore, Schibsted owns a small TV transmission unit. TVNorge, for instance, is transmitted from here.

Through the purchase of the Metronome group in Denmark, Schibsted as mentioned above took control of the Danish company's TV and film production, its activities within international film rights and film distribution, as well as Metronome's ownership interests in cinemas.

Metronome is also involved in distribution of video, production and distribution of music and studio activities. These activities are gathered under the new company Nye Metronome Holding, of which the Danish company Tele Danmark holds 75% of the shares, and Schibsted 25%.



MULTIMEDIA



MULTIMEDIA

The media landscape in Scandinavia is undergoing change. The IT and telecommunication revolution sets new and important premises for the media, defining the multimedia market of tomorrow. Schibsted has taken several measures to meet these new opportunities.



BIRGER MAGNUS
EXECUTIVE VICE PRESIDENT

MULTIMEDIA

PROFIT & LOSS ACCOUNT

<i>(NOK 1 000)</i>	1996	1995
Total revenues	131 876	13 739
Operating expenses	129 335	29 394
Operating result	2 541	(15 655)
Net financial items	(4 267)	(167)
Pretax loss	(1 726)	(15 822)
Taxes		
Net loss	(1 726)	(15 822)

BALANCE SHEET

<i>(NOK 1 000)</i>	31.12.96	31.12.95
Current assets		22 856
Fixed assets	16 250	2 863
Total assets	16 250	25 719
Current liabilities	16 301	11 919
Long-term debt		13 900
Equity	(51)	(100)
Total liabilities and equity	16 250	25 719



The rapid development within the IT and telecom industry enables an upshot of new multimedia products that mix audio, text and video-based digital technology. This, combined with Internet

as a shared communication highway and standard, will result in several new business concepts within the media industry in the next few years.

- Multimedia products will offer new functionality through integrated audio, text and video based on the building blocks; information, communication and transaction.
- Multimedia products will, due to the low cost of production and distribution, reach niches in a much more efficient way than what is currently possible.
- The new possibilities for communication and transactions over a shared net may dissolve old trading patterns, eliminating middle men through direct communication between producer and consumer.

Schibsted decided at the end of 1995 to establish multimedia as a separate business area in order to focus sufficient management attention on these new opportunities. The development of this market is typically marked by several unknown factors:

There is uncertainty about the technological development, but more importantly there is uncertainty about the market's reaction to the products and the business models which still only exist at a conceptual level. Therefore, the investments so far, have been primarily in research- and development activities. This will still be the case for the coming year, but at the same time it is important to develop products with high utility for users and thus serve as a basis for a sound economic operation.

Schibsted Net has so far represented the core of the multimedia activities in Schibsted. The company was established in 1995, as a result of the acquisition of Oslonett AS. In November 1996, Schibsted and Telenor signed a co-operation agreement in order to co-ordinate the activities in Schibsted Nett and Telenor Online. Scandinavia Online was established January 1, 1997 as a joint effort to facilitate the online presentation of multimedia products on the

Internet. This joint venture forms the base for Schibsted's future multimedia activities, with an ambition of becoming the leading gateway company in all Scandinavian countries.

SCHIBSTED NETT AS

In 1996 Schibsted Nett evolved from primarily being an Internet access supplier to becoming the leading gateway to Internet content. Through this split activity, Schibsted Nett's ambition was to become the leading company both in terms of access to, and presentation of content on the net. By the end of 1996 Schibsted Nett was the most important meeting point on the net and was only surpassed by Telenor in the access market. This effort required considerable resources, and the organisation more than doubled its headcount, from 45 to 105.

The market for Internet uplink has grown rapidly over the last year. The PC penetration in Norway is now equal to that of the US, with more than 50% of the Norwegian population having access to a PC and 1/3 of the households owning a PC. Consequently Internet access in the private sector tripled to 127,000 households and almost 900,000 people report that they have access to Internet. Despite this wide access to the net, and to information, we believe that the current usage does not reflect the future potential, because services will both improve and become more useful.

SCHIBSTED NETT FACTS 1996

- A fivefold increase of access subscribers, from 10,000 to 52,000
- A fourfold increase of content revenues from 1st to 4th quarter
- Approximately 160 content partners at year end
- Financial development: The revenues for Schibsted Nett in 1996 amounted to NOK 40 million, an operating deficit of NOK 88 million, and a total deficit of NOK 91 million. Substantial customer acquisition costs in the access market and investments in personnel for development of content services. Due to the gain from selling the access activities to Telenor, the operating profit for the Multimedia area ended up at NOK 2 million.





IMPORTANT INITIATIVES

The following examples illustrate some of the initiatives taken in order to develop leading products:

- Rema 1000 (supermarket chain): Co-operation on online sales of groceries.
- The Post Offices: Nation wide distribution of merchandises ordered on Internet.
- Novit, Fellesdata, Sparebanken NOR: Direct debiting of bank accounts over Internet, pilot project with Nationalteateret, NOR and NORBillett (ticketing). This is one of the first secure payment methods internationally.
- Janco Kabel (Cable TV): Internet over cable, started November 1 as the first in Scandinavia.
- Telenor Satellite Services: The development of turbo Internet over satellite as no. 2 internationally.
- IBM: Public databases on the net (Internet), co-operation on marketing towards municipalities and companies, usage of IBM technology, usage of IBM's global network for global access.
- NORTRA: Norwegian tourism promotion at the regional, national and international level.

strongest expertise in Internet product design and presentation. This agreement enables Telenor to focus more directly on the expansion of the net to increase accessibility. Concurrently the agreement calls for more proactive development of useful and entertaining products for the net, in line with the vision and strategy of the joint venture.

VISION AND STRATEGY

- To create a new and important medium that assists the user in getting a simpler and more entertaining everyday life.
- To create the dominating Online channel in Norway and Scandinavia, by developing and offering the most useful and/or entertaining products in co-operation with a wide range of partners.
- To be the preferred partner for companies and organisations by offering the most active highway, the best infrastructure, expertise and service.
- To attract and develop the best and most competent human resources.

FUTURE PROSPECTS

Establishing subsidiaries/affiliates to the Norwegian entity will be a high priority task in 1997. For all ventures it will be decisive that they can rapidly deliver products of a greater utility than those currently available from existing suppliers.

However, the activities within this business area are characterised by a large degree of uncertainty, and consequently by great financial risk.

ESTABLISHMENT OF SCANDINAVIA ONLINE

Scandinavia Online (SOL) was established on January 1, 1997 as a joint venture between Schibsted (65%) and Telenor (35%) and with 50/50 voting control. The agreement entails that Schibsted Nett's access activity is transferred to Telenor, and that SOL gathers the people with the



SCHIBSTED

GROUP COMPANY
STRUCTURE

PRINT MEDIA	MULTIMEDIA	TV/FILM
SCHIBSTED PRINT MEDIA		
NEWSPAPERS:		
Aftenposten AS	100%	
MLS Norge AS	100%	
A-Foto AS	100%	
Imedia Norge AS	33%	
Verdens Gang AS	100%	
Avisretur AS	51%	
Aftenbladet Hierta AS	49,9%	
REGIONAL NEWSPAPERS:		
Adresseavisen ASA	32%	
Stavanger Aftenblad ASA	31%	
Fædrelandsvennen AS	25%	
AS Harstad Tidende	15%	
Bergens Tidende AS	22%	
Asker og Bærums Budstikke ASA	10%	
PUBLISHING/AGENCIES:		
Chr. Schibsteds Forlag AS	100%	
Scan-Foto AS	100%	
NTB AS	21%	
Göran Lindberg Media Devel. AB	100%	
Headhunter AB	100%	
Svenska Förlaget	100%	
Anbud & Inköp Svenska AB	100%	
Dine Penger AS	100%	
PRINT:		
Schibsted Trykk AS	100%	
SCHIBSTED MULTIMEDIA		
Scandinavia Online AS	65%	
Hugin AS	34%	
JOINT FUNCTIONS		
SCHIBSTED ASA		
Schibsted Finans AS	100%	
Schibsted Eiendom AS	100%	
Schibsted Drift AS	100%	
AS Akersgaten 34	100%	
Sandakerveien 121 AS	100%	
AS IRO	100%	
Akersgaten 32 AS	50%	
Akersgaten 55 AS	100%	
SCHIBSTED TV & FILM HOLDING		
SCHIBSTED BROADCAST AS		
TV 2 AS	33%	
Dagens TV AS	100%	
Norske Gram AS	49%	
Podium AS	49%	
TV Torget AS	33%	
TVNorge AS	29%	
TV Pluss AS	33%	
Kanal 2 (Estonia)	27%	
SCHIBSTED FILM AS		
Norsk FilmDistribusjon AS	100%	
Metronome Film AS	100%	
Warner & Metronome Film ApS	50%	
Sandrew Metronome Int. KB & AB	25%	
Sandrew Metronome AB	50%	
Sandrew Metronome Int. KB & AB	75%	
Sandrew Metronome Biografer AB	100%	
Scala Biograferne ApS	100%	
Dagmar Teatret AS	100%	
METRONOME FILM & TELEV. AB		
Meter Film & Television AB	100%	
Mekano Film & Television AB	100%	
Nordic Entertainment AS, Norway	100%	
Nordic Entertainment AS, Denmark	100%	
Meter Fakta AB	100%	
Rubicon TV AS	100%	
Mutter Media AB Mekaniken	100%	
Moland Film Co. Norge AS	100%	
Moland Film Co. Danmark AS	90%	
W&W Enterprise AB	100%	
Metronome Productions AS	75%	
SCHIBSTED TV/FILM INFRASTRUKTUR AS		
Skandinaviska Filmlaboratorier Holding AB	33%	
FilmTeknik AB	100%	
Swelab AB	100%	
Eurolab AS	100%	
Johan Ankerstjerne AS	100%	
FilmTeknikk Norge AS	45,5%	
Lab 16 AS	100%	
Nydalen Studios AS	50%	
Outside Broadcast Team AS	52%	
ScanCam AS	50%	
Eventyrkanalen AS	100%	
Ny Metronome Holding AS	25%	



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Schibsted

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Arsrapport CD

HUGIN

<http://hugin.sol.no>

industry

SCHIBSTED

Bank /insurance

Industry

Shipping