



JUNE 30, 1997





STATEMENT
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The first six months of 1997 developed positively for Schibsted as most of the business areas have experienced increased revenues and improved results. The development in circulation and advertising volumes have been positive for the Norwegian newspapers and Aftenbladet's lead in terms of circulation compared to its competitors has remained stable. The restructuring of the group's ownership interests in the Norwegian commercial TV channels resulted in a significant gain in the second quarter and the future looks promising for both TV 2 and TVNorge. The co-operation agreement between the channels and the restructuring of the ownership in TVNorge is currently being reviewed by the Norwegian Competition Authority. The sale of Schibsted Nett to Telenor, and the establishment of the jointly owned Scandinavia Online AS received final approval from the Norwegian Competition Authority in June.

PRINT MEDIA

Most Norwegian newspapers experienced significant growth in revenues and improvement in earnings during the first half of 1997. The morning edition of Aftenposten had an increase in circulation of 2,300 copies compared to the same period in 1996, up from 287,800 copies in 1996 to 290,100 copies in 1997. The evening edition increased by 3,000 copies to 194,900 copies, while the Sunday circulation increased by 6,500 copies to 233,100 copies.

The positive development in VG's circulation in the first quarter of 1997 continued in the second quarter and VG's weekday circulation increased by 8,900 copies from 352,900 copies for the first half of 1996 to 361,800 copies for the first half of 1997. The Sunday edition also developed positively and the circulation increased by 7,700 copies to 280,000 copies.

Aftenbladet's weekday circulation increased by 34,500 copies to 405,500 copies for the first half of 1997 (371,000 copies for the corresponding period in 1996). The Sunday circulation increased by 22,000 copies to 501,500 (479,200) copies. The lead on Expressen has remained stable during the second quarter despite several initiatives by the competitor. Expressen's acquisition of G.T., the regional evening newspaper in Gothenburg, and the publication of an evening edition in Stockholm indicate that the competitive situation will continue to be intense among the casual sales newspapers in Sweden. Any significant improvement in margins for Aftenbladet during the coming 6 to 12 months is therefore not expected.

Following a slow start in 1997, the demand for advertising has improved during the first half of 1997. Aftenposten had an increase in volume of 9.2% and an increase in revenues of 10.3%, to NOK 679.2 million. Aftenposten's advertising volume for the last 12 months amounts to approximately 89% of the volume in the peak year 1987. VG also experienced improved demand for advertising and had a 0.3% increase in volume and 7.4% increase in revenues.

The advertising market has been disappointing for the evening papers in Sweden. Aftenbladet had a decline in revenues of approximately NOK 3 million. The increase in private consumption in Sweden is expected to lead to improved advertising sales during the second half of 1997.

Aftenposten's operating profit for the first half of 1997 was NOK 220.6 million, an increase of NOK 44.1 million or 25% compared to the corresponding period in 1996. VG's operating profit increased by NOK 3 million to NOK 112.1 million while Aftenbladet's operating profit was NOK 23.9 million compared to NOK 30.5 million for the corresponding period in 1996.

Dine Penger, which was acquired as of January 1, 1997 had a very strong first six months of the year with an increase in subscription revenues, news stand sales and advertising revenues. Total revenues increased by NOK 2.9 million to NOK 14.3 million, and the operating profit before goodwill amortization increased by NOK 2.5 million from NOK 2.8 million to NOK 5.3 million. Pre-tax profit was NOK 4.7 million compared to NOK 3.0 million during the corresponding period in 1996.

Print Media's revenues increased by NOK 556 million to NOK 2,363 million. Aftenbladet, which was consolidated as of May 1, 1996, accounted for NOK 423 million of this increase. The operating profit increased by NOK 50 million to NOK 343.7 million.

During the first half of 1997, both Aftenposten and VG have had to face a new competitor in the Oslo region, the free newspaper Osloposten. This free newspaper is distributed to all households in Oslo twice per week. Aftenposten has launched several initiatives to meet the new competitor, the most important ones being the distribution of certain advertising supplements and occasionally the evening edition to all households in Oslo. While the group's newspapers have so far not experienced any negative development in circulation or advertising volumes related to this new competition, it is too early to tell whether Osloposten will be able to establish itself on a permanent basis as a product viewed as indispensable by readers.

The construction of the group's new printing facility in Nydalen is developing according to plan and is expected to be operational in the first quarter of 1999.

TV/FILM

During the second quarter the focus has been on the restructuring of the ownership positions in the Norwegian commercial TV channels. In connection with TV 2 and TVNorge entering into a co-operation agreement relating to programming of the channels, Schibsted and A-Pressen sold their total ownership of 49% in TVNorge to TV 2. The co-operation is based on the need for an improved market positioning of the channels in the competition against NRK 1, NRK 2 and TV3, and is also expected to result in reduced total program acquisition costs and reduced operating costs for TVNorge. The co-operation is expected to lead to increased production of commercial Gross Rating Points, a proxy for capacity (GRP) and, hence, more capacity for TV advertising. TV 2's acquisition of 49% of TVNorge is currently being reviewed by the Norwegian Competition Authority.

The demand for advertising in the commercial TV channels has been strong during the first half of 1997. TV 2 has been able to meet the increased demand while TVNorge has not been able to increase its GRP production. However, a slight improvement in TVNorge's capacity has been observed during the second quarter, primarily as a result of increased distribution.

The next quarterly statement will be released on November 6, 1997.

TV 2 AS had an operating profit of NOK 141.2 million for the first half of 1997, an increase of 52% from NOK 93.1 million in 1996. TVNorge's cash flow from operations amounted to a negative NOK 62.6 million, a worsening of NOK 31.6 million compared to the corresponding period in 1996.

The production companies had an increase in revenues of approximately NOK 33 million to NOK 130 million, of which 50% of the increase is related to newly acquired companies and 50% is related to the production of the series «7 Sisters».

The TV/Film business area had a negative operating profit of NOK 2.1 million, an improvement compared to a loss of NOK 17.4 million for the corresponding period in 1996. Jointly, TV 2 and TVNorge contributed with a positive result of NOK 3.2 million to Schibsted's profit for the first half of 1997. In addition, Schibsted recorded a gain of NOK 55.9 million from the sale of shares in TVNorge to TV 2. The business area's pre-tax profit was NOK 47.2 million compared to a pre-tax loss of NOK 9.4 million in 1996.

MULTIMEDIA

The Norwegian Competition Authority approved the merger between Schibsted Nett and Telenor Nextel in June and all subscribers have now been included in Telenor's new access net. The activities in Scandinavia Online (SOL) have been influenced by the merger, in particular during the first quarter. During the second quarter, SOL's production department was spun off into a separate company, Neo Interaktiv AS. This reorganisation is expected to make the organisation more focused and efficient.

The increase in the demand for advertising on the Internet is significant, but experiences from the first half of 1997 confirm that this market will require significant development effort, especially as it relates to brand advertising. In July, Aftenposten, the regional newspapers and SOL agreed to cooperate on a new version of the vis@visen, a classified advertising database. The goal is to establish the best and most extensive searchable database for in Norway.

The first products in the Swedish market will be launched by SOL AB over the next few months while the launch in Denmark will take place 4 to 6 months later. These companies will take advantage of common product and system development.

The business area had revenues of NOK 26.0 mill, an increase of NOK 13.2 million compared to the corresponding period in 1996. The operating loss was NOK 28.1 million, compared to a loss of NOK 35.5 million in 1996.

FINANCIAL HIGHLIGHTS

The group's revenues for the first half of 1997 were NOK 2,563 million, an increase of NOK 31.9% or NOK 620 million compared to the same period in 1996. Aftenbladet, which was consolidated as of May 1, 1996, accounts for NOK 423 million of this increase.

The operating profit was NOK 368.7 million compared to NOK 258.2 million in 1996, an increase of 42.8 %. In addition to the consolidation of Aftenbladet, the main reasons for this increase are Aftenposten's higher advertising revenues

and improved results in the TV/Film area. Net financial items were NOK 94.5 million compared to NOK 44.1 million in 1996. Financial income includes the gain from the sale of shares of NOK 12.5 million booked in the first quarter, while financial expenses are higher due to increased borrowings. The contribution from associated companies is negatively impacted by the loss in TVNorge during the first and second quarter but positively impacted by the sale of TVNorge at the end of the second quarter.

The group's cash flow from operations was NOK 388 million in the first half of 1997 compared to NOK 307 million in 1996.

Pre-tax profit was NOK 462.7 million compared to NOK 301 million in 1996, an increase of 53.7%. The tax rate for the first half of 1997 is estimated to approximately 29% and is influenced by the sale of the shares in TVNorge.

INVESTMENTS

Investments for the first half of 1997 totalled NOK 320 million, of which NOK 60 million related to Dine Penger, approximately NOK 115 million to the new printing plant, approximately NOK 55 million to the office building under construction in Apotekergaten and approximately NOK 70 million in ongoing operational and maintenance investments.

FUTURE PROSPECTS

The Norwegian economy is performing well and unemployment is low. As noted earlier, there is a danger of inflationary pressures, and the interest rate and currency markets are concerned about the prospects for higher price and wage growth during the next few years. However, there are no signs indicating that the increases in recorded private consumption, auto sales and the real estate market are slowing down. As a result, we expect revenues at the Norwegian operations to remain at a high level throughout 1997. The main challenge currently is related to cost cutting within the newspapers and the TV channels. There continues to be significant uncertainty relating to the growth in advertising and subscriptions revenues within Multimedia and continued significant operating losses for Scandinavia Online in all the Scandinavian countries are expected.

Lately, there has been significant attention given to the possibility of changes in the Norwegian VAT regime, including a possible change in VAT for newspapers. It is Schibsted's view that the current VAT regime has been a positive and important factor in maintaining the daily newspaper's strong position as source of information and forum for public debate in the Norwegian society. This represents a trend opposite to that which is being experienced in many other countries. A worsening of the newspapers' situation through increased taxes and VAT will in particular have an adverse impact on the weakest newspapers. Until recently newspapers competed for readers mainly against other newspapers. The current competitive environment is different and it is likely that a worsening of the operating conditions for newspapers will result in a decline in total newspaper readership.

Oslo, August 19, 1997



PROFIT & LOSS ACCOUNT
SCHIBSTED - CONSOLIDATED

2. QUARTER 96	2. QUARTER 97	(NOK 1 000)	30.6.97	30.6.96	1996
REVENUES					
128 459	128 745	Subscription revenues	259 607	251 108	511 205
424 672	525 108	Retail sales revenues	1 051 097	688 767	1 793 345
429 976	518 320	Advertising revenues	953 466	812 694	1 640 165
91 065	148 848	Other revenues	298 994	190 453	579 632
1 074 172	1 321 022	Total revenues	2 563 165	1 943 022	4 524 347
OPERATING EXPENSES					
122 339	129 817	Raw materials	253 701	209 148	485 426
48 403	55 404	TV/film production expenses	119 979	91 488	216 473
303 688	363 173	Personnel expenses	735 260	592 236	1 353 539
409 909	507 419	Other operating expenses	975 864	700 013	1 698 874
4 470	2 954	Losses on accounts receivables	5 704	7 078	9 397
47 029	53 167	Ordinary depreciation	103 920	84 827	191 354
935 838	1 111 934	Total operating expenses	2 194 428	1 684 790	3 955 063
138 334	209 088	Operating profit	368 737	258 232	569 284
FINANCIAL ITEMS					
14 184	13 922	Financial income	37 221	27 404	49 877
(11 903)	(11 638)	Financial expenses	(23 136)	(14 678)	(37 397)
21 419	85 480	Share of associated companies	80 420	31 375	1 545
23 700	87 765	Net financial items	94 506	44 101	14 025
<i>(899)</i>	<i>(192)</i>	<i>Minority interests</i>	<i>(549)</i>	<i>(1 287)</i>	<i>(4 094)</i>
161 135	296 661	Profit before taxes	462 694	301 046	579 215
45 118	83 151	Taxes	134 181	84 293	178 022
116 017	213 510	Net profit	328 513	216 753	401 193



BALANCE SHEET
SCHIBSTED - CONSOLIDATED

(NOK 1 000)	30.6.97	30.6.96	31.12.96
ASSETS			
Cash and cash equivalents	492 379	350 712	311 490
Accounts receivables	396 591	411 379	460 709
Other current assets	273 698	116 378	241 140
Total current assets	1 162 668	878 469	1 013 339
Other shares and interests	660 130	661 892	723 333
Long-term receivables	418 701	314 388	455 823
Constructions in progress	317 119	27 203	169 728
Machinery, equipment and goodwill	749 077	759 141	757 782
Buildings and land	863 077	793 387	822 699
Net pension assets	10 823	25 474	13 148
Total fixed assets	3 018 928	2 581 485	2 942 513
Total assets	4 181 596	3 459 954	3 955 852
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payables	150 518	145 904	193 256
Accrued public dues and wages	259 312	225 177	284 258
Taxes payable	167 261	134 209	173 630
Proposed dividend			103 875
Other current liabilities	392 178	343 548	366 752
Total current liabilities	969 269	848 838	1 121 772
Other long-term debt	613 573	418 463	561 724
Deffered tax	15 984	16 765	16 685
Pension obligations	300 697	297 047	300 113
Total long-term debt	930 253	732 275	878 522
<i>Minority interests</i>	<i>72 262</i>	<i>61 936</i>	<i>65 448</i>
Share capital (69,250,000 shares of NOK 1)	69 250	69 250	69 250
Legal reserves	384 537	331 148	384 537
Temporarily non distributable reserves		47 877	
Retained earnings	1 427 512	1 151 877	1 436 323
Net profit	328 513	216 753	
Total equity	2 209 812	1 816 905	1 890 110
Total liabilities and shareholders' equity	4 181 596	3 459 954	3 955 852



KEY FIGURES
SCHIBSTED - CONSOLIDATED

	30.6.97	30.6.96	1996
Total revenues (NOK 1,000)	2 563 165	1 943 022	4 524 347
Depreciation (NOK 1,000)	103 920	84 827	191 354
Royalty amortization (NOK 1,000)		29 440	36 640
Operating profit (NOK 1,000)	368 737	258 232	569 284
Pre-tax profit (NOK 1,000)	462 694	301 046	579 215
Net operating margin	14.4%	13.3%	12.6%
Gross profit ratio	18.1%	15.5%	12.8%
Profit ratio	12.8%	11.2%	8.9%
Equity ratio	54.6%	54.3%	49.4%
Current ratio	1.20	1.03	0.90
EPS (NOK)	4.74	3.13	5.79
Cash flow per share (NOK)	5.60	4.43	9.50
CIRCULATION - YEAR-TO-YEAR			
Aftenposten morning edition, weekdays	290 105	287 772	283 915
Aftenposten evening edition, weekdays	194 950	191 923	188 635
Aftenposten Sunday	233 077	226 512	223 501
VG, weekdays	361 815	352 900	356 861
VG, Sunday	279 991	272 300	279 571
Aftenbladet morning edition, weekdays	405 550	370 981	381 200
Aftenbladet Sunday	501 450	479 266	484 400
ADVERTISING VOLUMES - YEAR-TO-YEAR (COLUMN METRES)			
Aftenposten	28 800	26 373	52 126
VG	3 740	3 730	7 419
Aftenbladet	5 477	5 571	11 143
	30.6.97	30.6.96	1996
PRINT			
Total revenues (NOK 1,000)	2 363 044	1 808 038	4 079 345
Operating profit (NOK 1,000)	343 761	293 515	501 843
Pre-tax profit (NOK 1,000)	405 799	343 934	598 136
Net operating margin	14,5%	16,2%	12,3%
Gross profit ratio	17,2%	19,0%	14,7%
TV/FILM			
Total revenues (NOK 1,000)	172 937	121 417	308 429
Operating profit/loss (NOK 1,000)	(2 095)	(17 397)	(13 867)
Pre-tax profit/loss (NOK 1,000)	47 245	(9 371)	(48 840)
Net operating margin	(1,2%)	(14,3%)	(4,5%)
Gross profit ratio	27,3%	(7,7%)	(15,8%)
MULTIMEDIA			
Total revenues (NOK 1,000)	26 009	12 818	131 876
Operating profit/loss (NOK 1,000)	(28 082)	(35 484)	2 541
Pre-tax profit/loss (NOK 1,000)	(29 778)	(36 836)	(1 726)