SCHIBSTED
MEDIA GROUP

# Annual Report

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# This is Schibsted Media Group

Schibsted Media Group is an international media group with approximately 6,900 employees in 29 countries. Schibsted has two strategic pillars: first, we will further develop our strong media houses with the aim of creating world-class digital media houses. Second, we will grow in online classifieds through further development of established positions and through expansion into new markets. Our ambition is to achieve a global leading position in online classifieds.

Almost half of our total revenues and two thirds of our EBITDA come from online platforms. Our growth within the digital business is based on close interaction between different media channels, both in our media houses and in our online classifieds businesses. This applies to developing new concepts and technologies, exchanging traffic to our sites, expertise, collecting and analyzing user data, and sales activities.

A fundament is Schibsted's strong tradition of continuously adapting to a rapidly developing media market. We have long historical roots as a provider of independent news, information, and transparent market-places. These values are articulated in our mission statement: "Empowering people in their daily life."

## ONLINE CLASSIFIEDS

**ESTABLISHED PHASE**

- Finn.no (Norway)
- Blocket.se/Bytbil.com (Sweden)
- Leboncoin.fr (France)
- Anuntis (Spain)
- InfoJobs.net (Spain)
- Subito.it (Italy)
- Willhaben.at (Austria)
- DoneDeal.ie (Ireland)
- Hasznaltauto.hu (Hungary)
- Mudah.my (Malaysia)

**INVESTMENT PHASE**

- Comprises activities in 17 countries with local offices

## MEDIA HOUSES

**SCHIBSTED NORGE**

- Subscription-based media houses (Aftenposten, Bergens Tidende, Stavanger Aftenblad, Fædrelandsvennen)
- Single-copy sales media house (VG)
- Others (Schibsted Vekst, Schibsted Trykk, Schibsted Forlag)

**SCHIBSTED SVERIGE**

- Subscription-based media house (Svenska Dagbladet)
- Single-copy sales media house (Aftonbladet)
- Schibsted Tillväxtmedier

**MEDIA HOUSES INTERNATIONAL**

- 20 Minutes (France)
- 20 Minutos (Spain)
- Eesti Meedia (the Baltics) – sold in September 2013

# Shaping our digital future – now

**As we put 2013 behind us,** we can safely say that we have taken some significant steps towards fulfilling our ambitions of becoming a global leader in online classifieds and of building world-class digital media houses.

The media business is in the midst of a massive transformation from print to digital. I am therefore pleased to see that Schibsted Media Group has delivered strong financial results in 2013. Equally pleasing is the fact that we have reached several milestones in our strategy: we have managed to establish and consolidate the position of our online classifieds sites around the world and we continue the digital transition of our media houses at full speed and with a clear direction for the future.

## GLOBAL LEADER IN ONLINE CLASSIFIEDS

Our mission is "Empowering people in their daily life," and by providing high quality digital marketplaces we are doing just that. Sites like Leboncoin (France), Blocket (Sweden), and Finn (Norway) are extremely popular and have become an integral part of people's daily life. Our other sites are also growing in popularity and have become market leaders in countries like Italy, Austria, and Malaysia to mention just a few. Many of our sites have grown substantially in 2013, and I hold high expectations for the future.

During 2013 we invested around NOK 1 billion in establishing and building our online classified sites around the world. This work is progressing well, and we will continue with a high investment level in 2014. We do this because we believe it makes good business sense, it is good for people, and it is good for the environment that second-hand goods can be traded easily. Blocket's survey in Sweden (in cooperation with the Swedish Environmental Research Institute) showed that Blocket has a substantial and positive environmental impact. This is something of which we are very proud.

We are joining forces with Telenor in order to strengthen our efforts in South America and Asia. Schibsted and Telenor make a very good fit: we are a leading provider of online classifieds reaching around 100 million people worldwide; Telenor is one of the world's leading mobile companies already providing communication and internet services to 150 million customers in Europe and Asia. Together, we can increase our chance to succeed in these exciting markets.

I am also pleased that we have acquired full ownership of Anuntis in Spain. Spain is an important country where we hold strong positions and where I think we will be well placed once the Spanish economy finally recovers.

## WORLD-CLASS DIGITAL MEDIA HOUSES

Our media houses have played an important role in society for more than a hundred years and will continue to do so, even as our readers increasingly use our mobile and digital platforms instead of print.

By November 2013 all our Scandinavian media houses – Aftonbladet, VG, SvD,

Stavanger Aftenblad, Bergens Tidende, Fædrelandsvennen, and Aftenposten – had implemented digital payment solutions for our quality journalism. Although their models differ slightly, we see that our customers and readers have generally responded positively to the change. There is a growing understanding that it costs money to produce quality content, and we are grateful to all our readers for following us into the digital age.

We produce a considerable amount of quality content for web TV. Aftonbladet's brand new TV studio is customized for live broadcasts and direct contact with their viewers. Aftonbladet has been offering live web TV broadcasts four evenings a week and has successfully launched several new web TV shows, including the true crime series "Brottcentralen". VGTV is also doing well, and its coverage of the world championship in chess was nothing short of impressive. I am more convinced than ever that web TV represents a key element in the digital media house of the future and is an area where we increase our focus.

I would also like to mention Aftenposten's initiative "My vote 2013", a project aimed at motivating young people to vote in the general election. Through a series of articles and in cooperation with twenty-five other newspapers, a clear message was sent: use your vote! The campaign contributed to getting more young people to vote in 2013 than for the past twenty-four years! I applaud this initiative as a good example of the media's social responsibility.

The digital transition will continue to be our top priority in 2014. Many exciting projects and initiatives are in the pipeline. Although we are leading the way, we still have a long way to go. With our strong positions, strong brands, and competent people I am optimistic that we will succeed in reaching our goals.

## TECHNOLOGY FOCUS TO AID RELEVANCE

We have already facilitated secure and easy digital login and payment solutions across the Schibsted sites, and at the start of 2014 more than two million users were registered in Schibsted Payment iD (SPiD). It is important for us to know our customers better so that we can provide them with content they find relevant. We will therefore focus on advanced data analytics, an exciting area from which we have a lot to learn and gain. This is an important area for both the media houses and the classified sites, and constitutes a core building block of Schibsted's digital transformation. I am confident that we will make substantial progress in this area in the coming years.

At Schibsted we have a reputation for being innovative and enterprising. The decisions we made to embrace the internet fifteen years ago – by establishing Finn.no and by our early digital focus in the media houses – have laid the foundation for where we are today. Consequently, the priorities we set today will shape our digital future tomorrow. Digital development will continue at a high pace, no doubt with some unexpected twists and turns along the way. I am confident that Schibsted Media Group is well equipped to take advantage of the exciting opportunities the digital transformation offers.

ROLV ERIK
RYSSDAL

Rolv Erik Ryssdal

**CEO** SCHIBSTED MEDIA GROUP

# Key Figures

| (NOK million) | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| **Operating revenues** | **15,232** | **14,763** | **14,378** | **13,768** | **12,745** |
| Operating expenses | (13,573) | (12,754) | (12,232) | (11,605) | (11,184) |
| Income from associated companies | 13 | 34 | 39 | 36 | (67) |
| **Gross operating profit (EBITDA)** | **1,672** | **2,043** | **2,185** | **2,199** | **1,494** |
| Depreciation and amortisation | (490) | (479) | (505) | (588) | (662) |
| Impairment loss | (150) | (548) | (191) | (110) | (161) |
| Other revenues and expenses | 1,169 | (287) | (50) | 1,909 | (236) |
| **Operating profit** | **2,201** | **729** | **1,439** | **3,410** | **435** |
| **Profit (loss) before taxes** | **2,015** | **620** | **1,331** | **3,399** | **279** |
| Gross operating margin (EBITDA) (%) | 11 | 14 | 15 | 16 | 12 |
| Equity ratio (%) | 47 | 40 | 41 | 42 | 35 |
| Net interestbearing debt/EBITDA | 0.7 | 0.7 | 0.8 | 0.8 | 1.7 |
| Earnings per share (NOK) | 14.32 | 1.32 | 7.00 | 27.04 | 4.74 |
| Earnings per share - adjusted (NOK) | 3.90 | 8.18 | 8.76 | 9.72 | 4.42 |
| Diluted earnings per share (NOK) | 14.31 | 1.32 | 6.99 | 27.01 | 4.74 |
| Cashflow from operating activities per share (NOK) | 5.92 | 11.91 | 15.24 | 18.78 | 11.77 |
| **ONLINE CLASSIFIEDS** | | | | | |
| Operating revenues | 4,265 | 3,647 | 3,198 | | |
| Gross operating profit (EBITDA) | 862 | 1,100 | 993 | | |
| Gross operating margin (EBITDA) (%) | 20 | 30 | 31 | | |
| **SCHIBSTED NORGE MEDIA HOUSE (Norway)** | | | | | |
| Operating revenues | 6,368 | 6,485 | 6,529 | | |
| Gross operating profit (EBITDA) | 724 | 772 | 926 | | |
| Gross operating margin (EBITDA) (%) | 11 | 12 | 14 | | |
| **SCHIBSTED SVERIGE MEDIA HOUSE (Sweden)** | | | | | |
| Operating revenues | 3,731 | 3,538 | 3,611 | | |
| Gross operating profit (EBITDA) | 363 | 429 | 445 | | |
| Gross operating margin (EBITDA) (%) | 10 | 12 | 12 | | |
| **MEDIA HOUSES INTERNATIONAL** | | | | | |
| Operating revenues | 728 | 939 | 1,004 | | |
| Gross operating profit (EBITDA) | 2 | (3) | 38 | | |
| Gross operating margin (EBITDA) (%) | - | - | 4 | | |

**DEFINITIONS**

| | |
|---|---|
| EBITDA margin | Gross operating profit (loss) /Operating revenues |
| Equity ratio | Equity / Total assets. |
| Earnings per share | Profit (loss) attributable to owners of the parent / Average number of shares outstanding. |
| Diluted earnings per share | Profit (loss) attributable to owners of the parent / Average number of shares outstanding (diluted). |
| Cash flow from operating activities per share | Cash flow from operating activities/Average number of shares outstanding. |

# Board Of Directors' Report

## BREAKING DIGITAL BARRIERS

**The Board of Directors 2013-14**
**In front, from left:** Christian Ringnes, Jonas Fröberg, Anne Lise von der Fehr, Karl-Christian Agerup, Marie Ehrling
**Behind, from left:** Eva Berneke, Eugénie van Wiechen, Ole Jacob Sunde (Chairman of the Board), Arnaud de Puyfontaine, Gunnar Kagge

If you are unable to change at the same pace as your customers, your business will soon suffer. This is particularly true in the media industry, where the pace of change is accelerating, led by rapid, technological advances and subsequent changing customer behavior and preferences.

Schibsted's vision, "Shaping the media of tomorrow – Today", recognizes this challenge. We will not fear change; we will embrace it and make it our ally. After only 15 years, the digital transformation of the industry is still in an early phase. The Board's top priority will be to ensure that Schibsted continues to pursue its digital ambitions at full speed and strength:

- We will target global leadership in online classifieds
- We will build world-class digital media houses
- We will invest in the competence and capacity we need for achieving our goals

In the course of 2014, after 175 years of operating its business mainly based on print products, Schibsted will break the barrier of deriving more than 50 percent of its revenues from digital. To achieve this, the Board will continue to support a high level of investment in online classifieds, with emphasis on reaching profitable positions in our current new markets. The recent partnership with Telenor will help us attain this goal. Schibsted already enjoys leadership positions in many countries. In 2014, we will invest to strengthen our existing leaders in their efforts to enhance their profitability.

In order to remain relevant to our readers, the Board considers it important that Schibsted should continue to build world-class digital media houses. We therefore support the many initiatives within digital product development, digital user payment, and quality digital journalism in our media houses and expect this development to accelerate throughout 2014.

The ongoing digitalization process brings different parts of Schibsted Media Group closer together. Our business units share many common challenges which we are addressing with common solutions. One example is the successful establishment of Schibsted Payment ID (SPiD) for login and digital payment on our sites. This in turn enables us to further explore advanced data analytics as a core building block in our digital transformation. We aim to create insights from our data that will benefit our users with improved and more relevant products. In 2014, we will invest substantially in digital competence and capacity.

Technological change affects and challenges all parts of our business. New technology and increasing globalization have changed our business; we no longer have the unique position previously provided by national borders and languages. Our media houses have long felt the competition from international giants like Facebook and Google in the advertisement market. This is also true when it comes to content; we have to acknowledge that quality sites like those of the BBC, the New York Times, and others are competitors that are only a few clicks away on the smartphone. Consequently, Schibsted Media Group must be globally oriented in all its business units and in all new initiatives.

As change is the only constant, we strive to build an organization that absorbs continuous learning and adapts to change in a positive way. Change will come increasingly faster, at all levels, and will impact how we perform work processes, both individually and as a team. Therefore, in order to fulfill our mission of "Empowering people in their daily life", we must empower our employees in their daily work.

# HIGHLIGHTS IN 2013

In 2013, Schibsted Media Group took significant steps towards fulfilling its ambitions of becoming a global leader in online classifieds and of building world-class digital media houses.

The financial results achieved in the established online classifieds operations and the media houses were solid. At the same time, a significant increase in investments has resulted in strengthened positions for online classifieds in new markets.

- The Group achieved operating revenues of NOK 15,232 million; an underlying growth of 2 percent.
- Gross operating profit (EBITDA) (excluding online classifieds in Investment phase) grew from NOK 2,573 million to NOK 2,672 million.
- Online share of revenues grew to 47 percent compared to 40 percent in 2012
- Online share of EBITDA (excluding online classifieds Investment phase) of 76 percent, unchanged from 2012.

## TARGETING GLOBAL LEADERSHIP IN ONLINE CLASSIFIEDS

- Underlying revenue growth of 14 percent.
- Key markets Norway, Sweden and France remain the most important growth drivers.
- Continued improvements in markets like Italy, Austria, Ireland and Malaysia.
- Significantly increased investments in new ventures yielded strong growth in traffic and advertising volumes across the portfolio of classifieds sites in 35 countries.
- Underlying EBITDA (excluding Investment phase) grew by 12 percent.
- New online classifieds partnership with Telenor in emerging markets strengthens the Group's financial capabilities and gives access to Telenor's deep insights in emerging markets, mobile development, and consumer behavior.
- Bought out minority shareholder in Anuntis in Spain, and secured full operational control of some of the country's key online classifieds sites. Steps taken to regain traffic growth momentum to secure long-term market leadership.

# BUILDING WORLD-CLASS DIGITAL MEDIA HOUSES

- The significant structural changes in the industry continued, with print advertising declining 14 percent and online advertising growing 14 percent. Mobile was a key driver of digital growth.
- The implementation of a significant cost reduction program combined with digital growth is an essential factor in maintaining healthy revenues and EBITDA development in the media houses. Total EBITDA margin 10 percent compared to 11 percent in 2012.
- All newspapers introduced payment solutions for digital news with positive initial response from the market.
- Significant investments and revenue growth in web TV.
- Continued focus on digital innovation, with services like OMNI reaping prizes for its game-changing news distribution app.
- Schibsted Growth initiatives, particularly within digital personal finance services, continued its growth in Sweden and Norway. The first Schibsted Growth investment made in France, through a position in the peer-to-peer lending club Prêt d'Union.

The Board proposes allocating a dividend of NOK 3.50 (3.50) per share for the 2013 financial year

# ANALYSIS OF THE 2013 FINANCIAL STATEMENTS

Schibsted Media Group presents its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), which are approved by the EU. Amendments to IAS 19 Employee Benefits are applied retrospectively. Comparable figures for 2012 have been restated.

| SCHIBSTED MEDIA GROUP (NOK million) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 15,232 | 14,763 |
| Operating expenses | (13,573) | (12,754) |
| Gross operating profit (EBITDA) before share profit (loss) from associated companies | 1,659 | 2,009 |
| Share of profit(loss) from associated companies | 13 | 34 |
| Gross operating profit (EBITDA) | 1,672 | 2,043 |
| Depreciation and amortisation | (490) | (479) |
| Impairment loss | (150) | (548) |
| Other income and expenses | 1,169 | (287) |
| Operating profit | 2,201 | 729 |

| | | |
|---|---|---|
| *Gross operating profit (EBITDA) margin* | *11 %* | *14 %* |
| Gross operating profit (EBITDA) ex. SCM Investment phase | 2,672 | 2,573 |
| *Gross operating profit (EBITDA) margin ex. SCM Investment phase* | *18 %* | *18 %* |
| SCM Investment phase | (1,000) | (530) |

**Operating revenues reported** for the Group increased by three percent from 2012 to 2013. The underlying growth (adjusted for acquisitions and disposals of enterprises and currency fluctuations) was two percent. The increase in revenues stems from good growth within the Group's online classifieds as well as from digital media within the media houses.

The online classifieds segment had an underlying growth in operating revenues from 2012 to 2013 of 14 percent. This growth was mainly driven by Leboncoin, Finn and Blocket. The topline is hampered by a weak Spanish economy. The underlying growth in operating revenues, excluding the Spanish operations, was 18 percent.

Underlying growth in advertising revenues from 2012 to 2013 was two percent (including online classifieds). The structural migration from print to online caused advertising revenues from print to decrease by an underlying 14 percent. Online newspaper advertising had underlying growth of 14 percent, while advertising revenues from online classifieds increased by 12 percent.

Changes in readership habits and acceleration in the speed of transition to digital media have led to a considerable decline in circulation volumes of the single-copy newspapers VG and Aftonbladet. This decline was partly compensated by price increases, and total single-copy newspaper circulation revenues fell by an underlying seven percent. The subscription newspapers are facing the same challenge of declining circulation, though on a smaller scale. Underlying circulation revenues from subscription-based newspapers increased by three percent.

The Group's total operating expenses experienced an underlying increase of six percent. In order to capture opportunities in the market and to build number-one positions, Schibsted is investing significant amounts in the launch of online classifieds in new markets, based on Blocket technology. The projects are characterized by a short development phase and active marketing in order to build market positions and future growth. In 2013, the consolidated financial statements were charged by a gross operating loss (EBITDA) of NOK 1,000 million (NOK 530 million) from the portfolio of classifieds websites in the investment phase. In addition, Schibsted has incurred significant costs related to digital competence and technology, such as Schibsted Payment ID (SPiD), CRM systems, mobile platforms, and web TV. At the same time, costs in the print newspapers were reduced.

The impairment loss of NOK 150 million (NOK 548 million) is a result of negative trends in certain markets. The losses in 2013 were mainly related to the Group's 35-percent ownership interest in Metro Nordic Sweden AB. The losses in 2012 were related to the Group's online classifieds operations in Spain and in Metro Nordic Sweden AB.

Other income and expenses in 2013 were net NOK 1,169 million (NOK -287 million). On the positive side, the Group achieved a net gain on sales of subsidiaries, joint ventures, and associated companies (mainly SnT/701 search partnership with Telenor) and a gain on sales of property in Norway. On the negative side, the Group made a loss on sales of subsidiaries, joint ventures, and associated companies (mainly Eesti Meedia in the Baltics). The Group also incurred restructuring costs relating to the cost reduction program for the media houses implemented in 2012.

## EVENTS AFTER THE REPORTING PERIOD

In February 2014 Schibsted agreed to acquire Milanuncios.com which over the last few years has gained a significant position in Spain. This reinforces Schibsted's position as a clear market leader in the Spanish online classified market. The founder of Milanuncios will receive proceeds of EUR 50 million in cash and 10 percent of the shares in the combined Schibsted Classified Media Spain (excluding 20 Minutos). Expected closing in April/May 2014.

Schibsted has in 2014 bought out minorities in the Irish online classifieds site DoneDeal.ie. In 2011 Schibsted bought 50.1 percent of the company. In March 2014 the holdings were increased to 90.1 percent.

## BALANCE SHEET

At year-end 2013, the Group had total balance sheet assets of NOK 17.2 billion (NOK 15.4 billion). Non-current assets constitute the largest component at NOK 13.2 billion (NOK 11.8 billion). The carrying amount of the Group's goodwill and other intangible assets was NOK 10.3 billion (NOK 9.1 billion).

The carrying amount of the goodwill and intangible assets with indefinite life was tested as at 31 December 2013. There was no impairment of goodwill in 2013. In 2012 the goodwill was impaired by NOK 350 million. Intangible assets were impaired by NOK 17 million in 2013 (NOK 7 million).

Schibsted's holding of treasury shares, acquired under current authorization from the Annual General Meeting to increase the number of treasury shares to 10,800,361 during a period of 12 months, was reduced from 899,155 shares to 655,075 shares during 2013. The decrease is a result of shares sold and transferred to employees in connection with various incentive programs.

## LIQUIDITY

Schibsted's net interest bearing debt was NOK 1.2 billion as at 31 December 2013, down from NOK 1.4 billion at 31 December 2012.

No new bonds or floating rate notes (FRNs) were issued during 2013, but one FRN was repaid in December 2013 on maturity. The EUR 175 million revolving credit facility with maturity in August 2013 was continued in Q1 2013 as a EUR 125 million revolving credit facility with a five-year maturity. Including the new facility, Schibsted has long-term loan facilities totaling EUR 450 million. At year-end 2013, none of the facilities was drawn. Schibsted has a diversified loan portfolio in relation to both lenders and terms to maturity. The revolving credit facilities mature in 2015 and 2018. The facility with maturity in 2015 is planned to be refinanced during 2014.

Schibsted's revolving credit facilities and bank loans are subject to financial covenants linked to the ratio of net interest-bearing debt to gross operating profit (EBITDA). This ratio was 0.63 at the end of 2013 and is well within the financial covenant.

Due to the closing of SnT with Telenor and the sale of property during Q4, liquidity at year-end was very good. The Group's liquidity reserve consisted of long-term unutilized revolving credit facilities and cash reserves, and amounted to NOK 5.0 billion at year-end. This gives a liquidity reserve of 33 percent of annual revenues.

## CASH FLOWS

Net cash flows from operating activities in 2013 were NOK 635 million compared to NOK 1,275 million in 2012. Reduced profit before taxes, adjusted for other revenues and expenses, and a less positive development in working capital are the main reasons for the reduction from 2012.

The net cash flows from investing activities amounted to NOK 477 million (NOK -400 million). The Group has invested NOK 531 million (NOK 366 million) in fixed and intangible assets. Net payments related to business combinations came to NOK 257 million (NOK 94 million). Net proceeds from sales of subsidiaries, joint ventures and tangible and intangible fixed assets came to NOK 1,358 million (NOK 33 million).

The net cash flows from financing activities were NOK -1,059 million in 2012 (NOK -591 million). Dividends paid to shareholders of Schibsted ASA and non-controlling interests amount to NOK 433 million (NOK 429 million). Net repayment of interest bearing debt totaled NOK 173 million (NOK 183 million) and net cash payments from changes in ownership interests of subsidiaries amount to NOK 478 million (NOK 39 million).

## COST REDUCTION MEASURES

The structural changes in the media landscape are happening faster than ever before. Tablets and smartphones are accelerating the shift to digital platforms. In this context, Schibsted's media houses need to invest substantially in digital competence and at the same time reduce the cost base. In August 2012 Schibsted Media Group announced an ambition to reduce costs with a full-year effect of approximately NOK 500 million over the next two years in the subscription-based newspapers in Norway and Sweden an in the free newpaper in Spain. Approximately NOK 400 million of the savings were planned for the Norwegian subscription-based media houses Aftenposten, Bergens Tidende, Stavanger Aftenblad, and Fædrelandsvennen.

Around SEK 50 million of cost reduction measures were planned for the Swedish media houses, mainly Svenska Dagbladet, and measures totaling a full-year effect of NOK 40-50 million was already implemented in the Spanish free newspaper operation. A substantial part of the cost reductions will be realized through headcount reductions.

The cost reductions were accomplished according to plan in 2013 and will continue in 2014 in order to achieve full effect by year-end.

Restructuring charges of NOK 161 million (NOK 260 million) are charged to the operating profit in 2013, under "'Other income and expenses".

## RESEARCH AND DEVELOPMENT ACTIVITIES

Schibsted's vision is "Shaping the media of tomorrow. Today." To achieve this, we have to constantly innovate and improve. This is done systematically across business areas, whether it is media houses or online classifieds. Schibsted Media Group invests substantial resources in improving and developing products for new platforms and markets.

Innovation has always been an important part of the DNA of Schibsted Media Group and its organizations and companies. "We are innovative" is one of our four core values. Given the challenges posed by the digital transformation and rapidly changing market conditions, innovation will be an even more important tool for future growth. In 2013, Schibsted wanted to honor excellent achievements and to make innovation an even more visible part of what we do. Two Innovation awards were therefore created; one for new business innovation and one for core business innovation.

The New Business Innovation Award 2013 was awarded to OMNI (Sweden) for its unique editorial concept. OMNI gathers news from all over in one place. OMNI dares to cannibalize the existing business and has developed a completely new work process that will affect how we work with news in the future. The other finalists were Tactus-VG Mobil (Norway) and FINN Småjobber (Norway).

Bomnegocio (Brazil) won the Core Business Innovation Award 2013. Bomnegocio's concept is optimization of marketing spending online. This will significantly affect the cost level and hit rate of SCM sites, and is a game changer in a very competitive market. The other finalists were VGTV (Norway) and FINN Mobil (Norway)

All the Group's companies are making continuous efforts to further develop existing products and to develop products that will provide new revenue flows. Expenditure related to the development of intangible assets is normally charged to the profit and loss statement because from an accounting perspective the requirement to demonstrate future economic value will normally not be met.

# ANALYSIS OF MARKET RISK

Schibsted is operating in an industry that is subject to constant change. Our ambition, underpinned by our business model and strategy, is to remain resilient in the face of the constant game-changing disruption through innovation and continuously challenging ourselves to improve.

Schibsted's advertising revenues are to a certain extent affected by cyclical developments in real economy figures, notably GDP growth, unemployment rates, and consumer confidence. The Group's advertising revenues from the recruitment market and, to a lesser extent, the real estate market and display advertising, are the revenue streams most exposed to cyclicality. In 2013 the Group's advertising revenues amounted to 59 percent (59 percent) of total revenues. In total, five percent of Schibsted's revenues come from recruitment advertising, of which 73 percent is digital. Most of these revenues come from the print newspapers in Schibsted Norge, InfoJobs Spain, and Finn.no. Most of the future growth is expected to come from consumer-oriented classifieds services such as Blocket and Leboncoin. These revenues are considered to have a relatively low degree of cyclicality.

The Group's revenues from the print newspapers are impacted by structural changes in media consumption, resulting in accelerated migration from print to digital consumption. Moreover, the Group is facing structural changes in the digital advertising market as advertising revenues follow the user consumption patterns from print to digital platforms. The Group's ambition is to proactively address and reduce the impact of these risks, and the key focus areas in the Group's strategy contribute to achieving this. Examples of action taken by the Group are the implementation of user payment systems in all media houses by 31 December 2013 and proactive efforts towards building a position in web TV. The Group's current technology and advanced data analytics efforts are examples going forward.

As a global player in an industry subject to technology developments that advance at an increasingly rapid pace, the Group is exposed to potential competition from disruptive players, technology or business models. The classifieds operations also face a competitive environment in several markets. Strategic initiatives such as the Group's commitment to technology and innovation, and to diversification of revenue streams from the media houses, online classifieds, and the growth companies, are all aimed at reducing the impact of this risk. Additionally, in order to mitigate and diversify risk and seize opportunities in online classifieds operations in emerging markets, Schibsted entered into a partnership with Telenor in 2013.

Schibsted has Norwegian krone (NOK) as its basic currency, and through its operations outside Norway is exposed to fluctuations in the exchange rates of other currencies. Schibsted has exchange rate risks linked to both balance sheet monetary items and the translation of investments in foreign operations. The Group makes use of loans in foreign currencies and financial derivatives (forward contracts and cross-currency swaps) to reduce its foreign exchange exposure. The loans in foreign currencies and financial derivatives are managed actively in accordance with the Group's financial strategy in order to reduce the currency risk.

Exchange rate fluctuations may affect the ratio of net interest-bearing debt to gross operating profit (EBITDA). A general 10-percent deterioration in NOK will increase the Group's net interest-bearing debt by around NOK 115 million as at 31 December 2013 and will cause a change in the ratio of net interest-bearing debt to EBITDA of around 0.06.

Virtually all of the Group's debt as at 31 December 2013 was subject to a variable interest rate. The net interest bearing debt is affected by changes in the interest rate market. A change of one percentage point in the variable interest rate will change Schibsted's interest expenses by approximately NOK 12 million.

Schibsted uses newsprint and is therefore exposed to price fluctuations in the paper market. A one-percent change in price alters the Group's raw material costs by around NOK 4 million per year. The price of newsprint in Norway, Sweden and Spain is negotiated with suppliers each year.

At the end of 2013, the Group had limited exposure to the stock market and therefore less risk of losses.

Account receivables are diversified among many customers, customer categories, and markets. Account receivables consist of a combination of prepaid subscriptions or advertisements and sales invoiced after delivery of the product. The credit risk posed by some receivables (prepaid subscriptions and payments made by credit card on purchase date) is minimal, while for other receivables it is higher. Credit risk will also vary among countries we operate in. Credit insurance is also used to some extent. Overall, the credit risk is considered low.

Robust public structures and support to the media business have been instrumental in securing media diversity and a public arena for opinion and debate in Norway. Now, in the midst of the digital transformation, such structures and support are more important than ever. Schibsted is therefore working actively to influence the government's media policy together with Mediebedriftenes landsforening (the Norwegian Media Businesses' Association) and other participants.

Schibsted's view is that the new government signals changes that will modernize the country's media policy and align it with the challenges faced by the media industry today.

- The media ownership regulations will be handled by one public authority (Konkurransetilsynet/Competition Authority).
- The same, low VAT rate on both print and digital news.
- A thorough review of the scope of the public service broadcaster NRK in order to limit the possibility of its superior economic power inadvertently weakening operative and financial opportunities for other media channels.

Schibsted continues to participate in and closely follow the ongoing process and debate on media policy.

# OPERATING SEGMENT ANALYSIS

## ONLINE CLASSIFIEDS

| ONLINE CLASSIFIEDS (NOK million) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 4,265 | 3,647 |
| Gross operating profit (EBITDA) | 862 | 1,100 |
| Gross operating profit (EBITDA) ex investment phase | 1,862 | 1,630 |
| Gross operating profit (EBITDA) investment phase | (1,000) | (530) |

Schibsted has strong, profitable positions in the online classifieds markets in Norway, Sweden, France, Spain, Italy, Ireland, Austria, Malaysia and Hungary. This business area also includes a portfolio of classified ad websites in an investment phase in a number of different markets.

**MAIN FEATURES IN 2013:**

- The online classifieds services did well in many countries in 2013, and Schibsted focused on creating further growth through innovation and product improvement alongside continued rollout of the concept in interesting markets.
- This operating segment had underlying growth of 14 percent in its operating revenues (after adjusting for exchange rate fluctuations and acquisitions and disposals). The topline is hampered by the weak Spanish economy. Excluding the Spanish operations, the underlying growth rate in the operating revenues was 18 percent.
- Gross operating loss (EBITDA) for the investment phase increased from NOK 530 million in 2012 to NOK 1,000 million in 2013.
- Excluding investment phase operations, online classifieds had an EBITDA margin of 45 percent (46 percent). Investments in rollouts in new markets had a negative effect on the margin.
- A new online classifieds partnership with Telenor in emerging markets strengthens the Group's financial capabilities and gives access to Telenor's deep insights in emerging markets, mobile development and consumer behavior.
- Bought out minority shareholder in Anuntis in Spain, and secured full operational control of some of the country's key online classifieds sites. Steps taken to regain traffic growth momentum to secure long-term market leadership.
- Schibsted has in 2014 bought out minorities in the Irish online classifieds site DoneDeal.ie. In 2011 Schibsted bought 50.1 percent of the company. In March 2014 the holdings were increased to 90.1 percent.
- In February 2014 Schibsted agreed to acquire Milanuncios.com which over the last few years has gained a significant position in Spain. This reinforces Schibsted's position as a clear market leader in the Spanish online classified market. The founder of Milanuncios will receive proceeds of EUR 50 million in cash and 10 percent of the shares in the combined Schibsted Classified Media Spain (excluding 20 Minutos). Expected closing in April/May 2014.

## *ESTABLISHED OPERATIONS*

### NORWAY – FINN.NO

Finn.no is clearly the number-one website for online classified ads in Norway. The company is the market leader in the field of car, real estate, recruitment and generalist ads.

| FINN.NO (NOK MILLION) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 1,406 | 1,266 |
| Gross operating profit (EBITDA) before share of profit (loss) from associated companies | 691 | 622 |

**MAIN FEATURES IN 2013:**
- 2013 was a good year for all of Finn.no's markets. The company achieved a top-line growth of 11 percent and a record profit.
- The volume of classifieds listings increased in the real estate and general verticals. Volumes in the recruitment vertical declined, and in the car vertical were flat. The revenue growth was supported by price increases and brand advertising.
- Revenues from real estate ads grew by 16 percent in 2013, while car ads and recruitment ads increased by 9 and 2 percent respectively. Generalist revenues increased by 9 percent and travel by 10 percent. The growth was due to a combination of price and volume.
- Operating costs increased by 11 percent from 2012 to 2013. The increase was due to a higher level of activity in 2013.
- Finn.no maintains its status as the largest website in Norway, measured in number of page views.

### SWEDEN – BLOCKET.SE/BYTBIL.SE

Blocket.se is the number-one website for online classified ads in Sweden as well as one of the country's strongest brands. Bytbil.se is the leading classifieds site for cars in Sweden.

| BLOCKET.SE/BYTBIL.SE (SEK MILLION) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 866 | 774 |
| Gross operating profit (EBITDA) before share of profit (loss) from associated companies | 448 | 415 |

**MAIN FEATURES IN 2013:**
- Blocket's/Bytbil's operating revenues grew by 12 percent in 2013. Revenues were affected by a weak car sales market in Sweden, with fewer second-hand transactions. Blocket/Bytbil ended the year with strong growth in operating revenue, due mainly to product development and price increases. The growth in Q4 2013 compared to Q4 2012 was 22 percent.
- Blocket saw increased traffic volumes in 2013, with a strong contribution from mobile.
- Blocket spends resources on building new revenue models in order to ensure long-term growth, and has launched products in both the real estate and recruitment segments. The products are growing well both in terms of traffic and listing volumes, but are having a negative impact on the EBITDA figures during the start-up phase.

## FRANCE – LEBONCOIN.FR

Leboncoin.fr remains the clearly leading online classifieds marketplace in France. The site is top four in France among all online sites when it comes to traffic measured by page views (source: Comscore, December 2013).

| LEBONCOIN.FR (EUR MILLION) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 124.3 | 97.7 |
| Gross operating profit (EBITDA) before share of profit (loss) from associated companies | 83.6 | 66.7 |

**MAIN FEATURES IN 2013:**

- Operating revenues grew by 27 percent in 2013 compared to 2012. The revenue growth came from a broad range of sources. Brand advertising, listing fees for professional customers, and premium placements for professional and private customers all contributed well to the growth.
- The EBITDA margin was 67 percent (68%). Increased costs particularly related to ramping up in-house sales resources, marketing, and strengthening the organization.

## *OTHER ESTABLISHED OPERATIONS*

**Anuntis (Spain)** consists of the generalist site, Segundamano.es, the classifieds site for cars, Coches.net, and the Spanish real estate site, Fotocasa.es. Revenues decreased four percent from 2012 to 2013. After Schibsted took full control of Anuntis in July 2013, the focus shifted to growth in traffic and market share.

**Infojobs (Spain):** The unemployment rate in Spain at the end of 2013 was 26 percent, and in a very demanding year InfoJobs.net revenues fell eight percent compared to 2012 but managed to keep healthy margins. The site retained its position as the preferred job portal of both companies and jobseekers.

**Donedeal.ie (Ireland)** is the leading generalist website in Ireland. The site continued to develop well with good growth in revenues and traffic. Parts of the increased revenues were reinvested in improved products and market positions.

**Subito.it (Italy)** is the leading generalist and car classifieds site in Italy. Despite a harsh macroeconomic environment, Subito saw good growth rates in 2013. Subito.it is the ninth largest web site in Italy overall when it comes to traffic measured by page views (source: Comscore, December 2013).

**Willhaben.at (Austria)** is the leader in the generalist and real estate market. It also has a strong position in the car market, and the site is in the top five online sites in Austria among all online sites when it comes to traffic measured by pageviews (source: Comscore, December 2013). In 2013, revenues continued to grow well, and EBITDA margins improved.

The Malaysian Blocket copy **Mudah.my** was moved from Investment phase to Established phase in 2013. Mudah is the clear market leader in online classifieds in Malaysia, and holds strong positions in generalist, cars, and real estate. Mudah's revenues showed a healthy growth rate, and the site produced positive EBITDA. The site is the fourth-largest online site in Malaysia in terms of traffic measured by page views (source: Comscore, December 2013).

Schibsted acquired 50 percent of **Haznaltauto.hu**, the leading car classifieds site in Hungary, at the end of 2012. The site holds a strong position in the Hungarian market, and is proving profitable.

## *INVESTMENT PHASE*

Schibsted Classified Media has a clear goal of laying the foundations for future growth by establishing in new markets. The businesses in this phase are mainly launched on the basis of the successful Swedish Blocket concept. Experiences from successful establishments in core markets form the basis for investments in online classifieds in new markets. In most markets the return on investment is positive in terms of improved reach for the sites and strengthened positions compared with competitors.

Schibsted Classified Media's investment phase operations include activities in a total of 35 countries. The online concept was launched in 18 of these countries without local organization.

The amounts invested increased in 2013, mainly through marketing in previously established markets, but also in new markets. In 2013 the investment charged to EBITDA was EUR 128.1 million, a sharp increase compared to EUR 70.9 million in 2012.
The investments mostly comprise marketing initiatives.

# SCHIBSTED NORGE MEDIA HOUSE

The media houses in Schibsted Norge comprise single-copy newspaper VG (print and online), the subscription-based newspapers Aftenposten, Bergens Tidende, Stavanger Aftenblad, and Fædrelandsvennen (print and online), printing plant operations, distribution operations, the book publishing company Schibsted Forlag and the online growth company Schibsted Vekst.

| SCHIBSTED NORGE MEDIA HOUSE (NOK million) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 6,368 | 6,485 |
| Gross operating profit (EBITDA) | 724 | 772 |

**MAIN FEATURES IN 2013:**

- Operating revenues fell by an underlying two percent in 2013 compared to 2012. Subscription revenues increased by three percent and single-copy revenues decreased by seven percent.
- Advertising revenues from online increased by 25 percent, while print advertising revenues decreased by 13 percent.
- Schibsted Norge Media House is feeling the effects of the structural migration from print to online. Print newspapers are losing market shares in both the readership and the advertising markets, and must adapt and transform rapidly in order to be relevant and profitable in the digital future.
- The media houses are addressing the challenges in print media with cost efficiency programs and ongoing efficiency measures, and these are progressing as planned. At the same time, more resources are being allocated to digital activities. The ambition is to create world-class digital media houses. The declining trend in print advertising is expected to continue, and continued online growth and innovation will be crucial to securing the future on the basis of high-quality editorial products combined with healthy financial results.

## SUBSCRIPTION-BASED NEWSPAPERS

Schibsted Norge owns leading subscription-based newspapers in four of Norway's largest cities: Oslo, Bergen, Stavanger, and Kristiansand. Each newspaper also has online editions that are leaders in their respective markets.

| SCHIBSTED NORGE SUBSCRIPTIONBASED NEWSPAPERS (the former Media Norge newspapers) (NOK million) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 3,726 | 3,906 |
| of which print | 3,261 | 3,556 |
| of which online | 465 | 350 |
| Gross operating profit (EBITDA) before share of profit (loss) from associated companies | 365 | 406 |
| of which print | 305 | 371 |
| of which online | 60 | 35 |
| *Circulation weekdays (copies) 1)* | *381,869* | *399,875* |
| *Advertising volume (column meters) 1)* | *119,946* | *130,838* |

1) Total of Aftenposten, Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen

**MAIN FEATURES IN 2013:**

- In 2013, EBITDA in three out of four media houses decreased compared to 2012, with the exception of Fædrelandsvennen.
- Print advertising revenues decreased by 14 percent in 2013 compared to 2012. Online advertising revenues increased by 20 percent and stem mostly from mobile. This increase could not compensate for the shortfall in print advertising revenues.
- Circulation volumes fell by four percent in 2013 on weekdays. Circulation revenues were flat from 2012 to 2013 as a result of price increases.
- All the subscription-based newspapers in Norway introduced digital payment models for content during 2013. The exception was Fædrelandsvennen, which already did so in 2012. The experience so far is positive, but experimentation with different models will continue.
- As part of the transition plan for Schibsted's media houses, Schibsted Norge had ambitions in 2012 to implement cost measures of around NOK 400 million during 2013 and 2014. This process is on track. Operating expenses in 2013 decreased seven percent compared to 2012.

## SINGLE-COPY NEWSPAPER – VERDENS GANG (VG)

Verdens Gang publishes Norway's clear leader in single-copy newspapers. The online edition, VG.no, is the largest online newspaper in Norway and one of the absolute biggest websites, irrespective of category.

| VERDENS GANG (NOK MILLION) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 1,951 | 1,920 |
| of which print | 1,329 | 1,429 |
| of which online | 586 | 454 |
| of which other | 36 | 37 |
| Gross operating profit (EBITDA) before share of profit (loss) from associated companies | 313 | 310 |
| of which print | 157 | 196 |
| of which online | 150 | 110 |
| of which other | 6 | 4 |
| *Circulation weekdays (copies)* | *164,430* | *188,353* |
| *Advertising volume (column meters)* | *11,778* | *10,713* |

**MAIN FEATURES IN 2013:**

- Print advertising revenues decreased by 10 percent from 2012 to 2013.
- VG online (including mobile) increased by 29 percent, fuelled by good trends for mobile advertising and web TV. The increase more than compensated for the shortfall in print advertising revenues.
- Weekday circulation fell by 13 percent, Sunday circulation by 11 percent. Price increases contributed positively and reduced the circulation revenues decline to six percent.
- The total operating expenses for the print edition were reduced by five percent as a result of good cost control and lower circulation volumes.
- The increase in operating expenses for online is extensive, and is attributed to the dedicated focus on innovation and content, particularly for mobile and web TV. These efforts were particularly intensified in mobile and web TV. VG holds leading positions in both these channels, which are likely to be significant drivers for revenue growth in the years to come. VGTV aims to be the hub for Schibsted's national web TV services.
- The position as Norway's largest website, measured in terms of unique users, was maintained during the year.
- VG Mobil experienced a strong increase in traffic during the year and has set new traffic records.

# SCHIBSTED SVERIGE MEDIA HOUSE

Schibsted Sverige consists of three key business areas: Aftonbladet (print-based single-copy sales and online newspaper), Svenska Dagbladet (print-based subscription and online newspaper) and Schibsted Tillväxtmedier (web-based growth companies including Hitta).

| SCHIBSTED SVERIGE MEDIA HOUSE (NOK million) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 3,731 | 3,538 |
| Gross operating profit (EBITDA) | 363 | 429 |

**MAIN FEATURES IN 2013:**

- Operating revenues decreased by an underlying one percent in 2013 compared to 2012. Subscription revenues increased by two percent and single-copy revenues decreased by eight percent.
- Advertising revenues from online increased by eight percent, while print advertising revenues decreased by 16 percent.
- Like Schibsted Norge Media House, Schibsted Sverige Media Houses is feeling the effects of the structural migration from print to online. Print newspapers are losing market shares in terms of both readership and advertising, and must adapt and transform rapidly in order to be relevant and profitable in the digital future.
- The media houses are addressing the challenges in print media with cost reduction programs and ongoing efficiency measures, and these are progressing as planned. At the same time, more resources are being allocated to digital activities. The ambition is to create world class digital media houses. The declining trend in print advertising is expected to continue, and continued online growth and innovation will be crucial to secure the future on the basis of high-quality editorial products combined with healthy financial results.

## SINGLE-COPY NEWSPAPER - AFTONBLADET

Aftonbladet is a media house with number-one positions in both the print and online sectors. Aftonbladet is Sweden's leading news media in all channels: print, online, mobile, and web TV.

| AFTONBLADET (SEK MILLION) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 2,066 | 2,168 |
| of which print | 1,443 | 1,621 |
| of which online | 623 | 547 |
| Gross operating profit (EBITDA) before share of profit (loss) from associated companies | 283 | 312 |
| of which print | 154 | 170 |
| of which online | 129 | 142 |
| *Circulation weekdays (copies)* | *176,475* | *207,300* |
| *Advertising volume (column meters)* | *16,913* | *17,725* |

**MAIN FEATURES IN 2013:**

- Advertising revenues for Aftonbladet's print edition decreased by 22 percent compared to 2012. Online advertising increased by 16 percent but could not fully compensate for the shortfall in print advertising. Web TV and mobile are the main drivers of online growth.
- Circulation revenues decreased by eight percent as a result of lower paid circulation on weekdays (-15 percent) and lower volumes of additional products. Price increases made positive contributions. The cover price increased from SEK 13 to SEK 15 as of 24 June 2013.
- Total operating expenses for the print edition were reduced by 11 percent as a result of good cost control and lower circulation volumes.
- The increase in total operating expenses for online was related to development projects, especially in web TV.

## SUBSCRIPTION-BASED NEWSPAPERS – SVENSKA DAGBLADET (SvD)

Svenska Dagbladet is the third-largest subscription-based newspaper in Sweden and holds a particularly strong position in the Stockholm region.

| SVENSKA DAGBLADET (SVD) (SEK MILLION) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 1,033 | 1,087 |
| of which print | 951 | 1,020 |
| of which online | 82 | 67 |
| Gross operating profit (EBITDA) before share of profit (loss) from associated companies | 1 | 59 |
| of which print | -16 | 42 |
| of which online | 17 | 17 |
| *Circulation weekdays (copies)* | *159,000* | *174,400* |
| *Advertising volume (column meters)* | *22,688* | *22,780* |

**MAIN FEATURES IN 2013:**

- The circulation volume for SvD (weekdays) decreased by nine percent from 2012 to 2013. Circulation revenues decreased eight percent.
- In April 2013, Svenska Dagbladet launched a new print/online bundled subscription model. Free access to the web version is limited to 25 articles per month. This move is in line with Schibsted's aim to develop new digital revenue streams.
- Print advertising revenues decreased by 13 percent in 2013 compared to 2012. Online advertising increased by 14 percent.
- The company has good cost control and the operating expenses for the print newspaper decreased by one percent in 2013.

## GROWTH COMPANIES – SCHIBSTED TILLVÄXTMEDIER

Schibsted Tillväxtmedier consists of a portfolio of web-based growth companies. These companies benefit greatly from the strong traffic positions and brands of Schibsted's established operations in Sweden.

| SCHIBSTED TILLVÄXTMEDIER (SEK MILLION) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 1,043 | 1,000 |
| of which Hitta | 322 | 348 |
| Gross operating profit (EBITDA) before share of profit (loss) from associated companies | 151 | 124 |
| of which Hitta | 84 | 83 |

**MAIN FEATURES IN 2013:**

- Schibsted Tillväxtmedier has built strong market positions in personal finance (Lendo.se, Suredo.se, Kundkraft.se and Mobilio.se). The companies offer consumer information services and showed good underlying growth in 2013.
- In September 2013, Schibsted Tillväxtmedier acquired 100 percent of the shares of Compricer AB. The company operates an online personal finance marketplace (compricer.se) and is a good strategic fit with the existing portfolio of fast-growing personal finance services in Schibsted Tillväxtmedier.
- Hitta experienced a decrease in revenues of seven percent from 2012 to 2013. The EBITDA margins were, however, strengthened. The company invested in improving both the product and the organization during 2013.
- Most of the portfolio's operations experienced good growth and improvements in their results, and overall this made a positive contribution to the operating profit, but the personal finance operations were the most important growth drivers. The operating expenses are charged with high marketing costs in order to build future positions.
- The underlying revenue growth from 2012 to 2013 was 15 percent.

# MEDIA HOUSES INTERNATIONAL

Media House International consists of the Group's free newspapers: 20 Minutes in France and 20 Minutos in Spain. The media house operations (newspapers, magazines, and TV channels) in the Baltics were sold with effect from 1 September 2013.

| MEDIA HOUSES INTERNATIONAL (NOK MILLION) | 2013 | 2012 |
|---|---|---|
| Operating revenues | 728 | 939 |
| of which Eesti Meedia (Baltics) | 407 | 588 |
| of which 20 Minutes | 318 | 348 |
| Gross operating profit (EBITDA) | 2 | (3) |
| of which Eesti Meedia (Baltics) | 39 | 45 |
| of which 20 Minutes | (37) | (48) |

**MAIN FEATURES IN 2013:**

- Operating revenues decreased by an underlying six percent i n 2013 compared to 2012.
- The weak market trend was addressed by cost reductions. 20 Minutos in Spain is a part of Schibsted's ongoing transition program, and cost measures with an annual effect of around NOK 40–50 million were implemented during Q3 2012. Total operating expenses for the Spanish operations decreased by 23 percent from 2012 to 2013. 20 Minutes France decreased its operating expenses by seven percent from 2012 to 2013.

# OUTLOOK

**ONLINE CLASSIFIEDS**

Schibsted sees continued revenue growth potential and a good margin outlook for its portfolio of established online classifieds sites.

New product offerings and continuous price optimization are expected to further monetize the large traffic volumes in the key operations in Norway, Sweden, and France. Finn will turn free for certain categories to boost user engagement. Parts of the private listings on Finn Torget will be turned into a 'freemium' model during 2014. This change is one of several moves expected to accelerate listings growth and increase traffic. This move could have a negative revenue effect in 2014 of around NOK 40 million. A somewhat weaker macroeconomic trend in Norway may have a negative effect on the advertising revenues, particularly recruitment.

Traffic and volume increases as well as broader product platforms are expected to support revenue growth for the remaining group of established sites in Italy, Austria, Ireland, Malaysia, and Hungary. Schibsted has taken an active approach to consolidate the Spanish online classifieds market. After buying out the minority shareholders in Anuntis during 2013, we have in February 2014 agreed to acquire Milanuncios.com. Through this, we are strengthening our traffic position in Spain significantly, and hence reinforcing our position as a market leader. In time, this creates opportunities to monetize the Spanish market further. Our leading French site Leboncoin.fr holds significant long-term potential in new verticals and products, although growth may slow down in the short term due to prudent monetization strategies and tougher year-on-year comparisons.

Our strategy of establishing proven successful online classifieds concepts in new markets will continue. The new joint ventures in emerging markets with Telenor make it possible for us to do more – and we can move faster. Going forward the investments in new ventures will continue at a relatively high level. Healthy growth in key operational parameters indicates good progress for Investment-phase sites, which lends confidence to our investment strategy.

**MEDIA HOUSES**

Our media houses have made significant headway in the transition from traditional to digital media. The Group holds strong positions on all digital platforms, particularly for mobile.

Schibsted Media Group will continue the transformation into world-class digital media houses based on strong editorial products. This involves investments in digital competence and technology such as payment solutions (SPiD), CRM systems, mobile platforms, web TV, strengthened sales units, and continued development of the consumer finance offering. It is previously announced that the investment in data analytics and technology will have a negative EBITDA effect of NOK 100–150 million in 2014. The web TV efforts are expected to affect the EBITDA negatively by around NOK 50 million.

A weaker macroeconomic market in Norway is expected to put further pressure on print advertising revenues and especially from recruitment.

Overall, the structural digital shift and the transformation process are expected to lead to softer margins for Schibsted's media houses than experienced in recent years.

## GOING CONCERN ASSUMPTION

The Group's economic and financial position is good. Based on the Group's long-term strategy and forecasts, and in accordance with Section 3-3a of the Norwegian Accounting Act, the Board confirms that the use of the going concern assumption is appropriate. The 2013 financial statements have been prepared on this assumption.

## STATEMENT ON CORPORATE GOVERNANCE

In accordance with Section 3-3b of the Norwegian Accounting Act, a statement on corporate governance has been prepared. The statement is included as a separate document in the annual report.

## STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 3-3c of the Norwegian Accounting Act, a statement on corporate social responsibility has been prepared. The statement is included as a separate document in the annual report.

# INFORMATION ON THE ENVIRONMENT

## WORKING ENVIRONMENT

Schibsted aims to be a leading company in Europe in terms of developing talent, managers, and employees. The work on attracting talented people, developing good managers, and creating competent organizations is given high priority by the Group's senior management and subsidiaries. Competitive terms of employment and a stimulating working environment with good opportunities for personal and professional development form part of this strategy.

At year-end, Schibsted had approximately 6,900 (7,800) employees, around 3,800 (4,600) of whom worked outside Norway. In the 2012 figures Eesti Media was included with approximately 1,100 employees. Eesti Media was divested in September 2013 and not included in the figures at yearend 2013. The Group's sickness absence rate was three percent (4 percent) of total working hours.

Of all the Group's companies, operations at the printing plants involve a higher risk of injury. After selling Kroonpress in Estonia in September 2013, Schibsted owned five newspaper printing plants at year-end: Schibsted Norge's printing plants in Oslo, Bergen (2), Stavanger, and Kristiansand in Norway. One (7) injury that resulted in sickness absence was reported in 2013. Two (1) minor personal injuries such as crushes and cuts were reported.

## EXTERNAL ENVIRONMENT

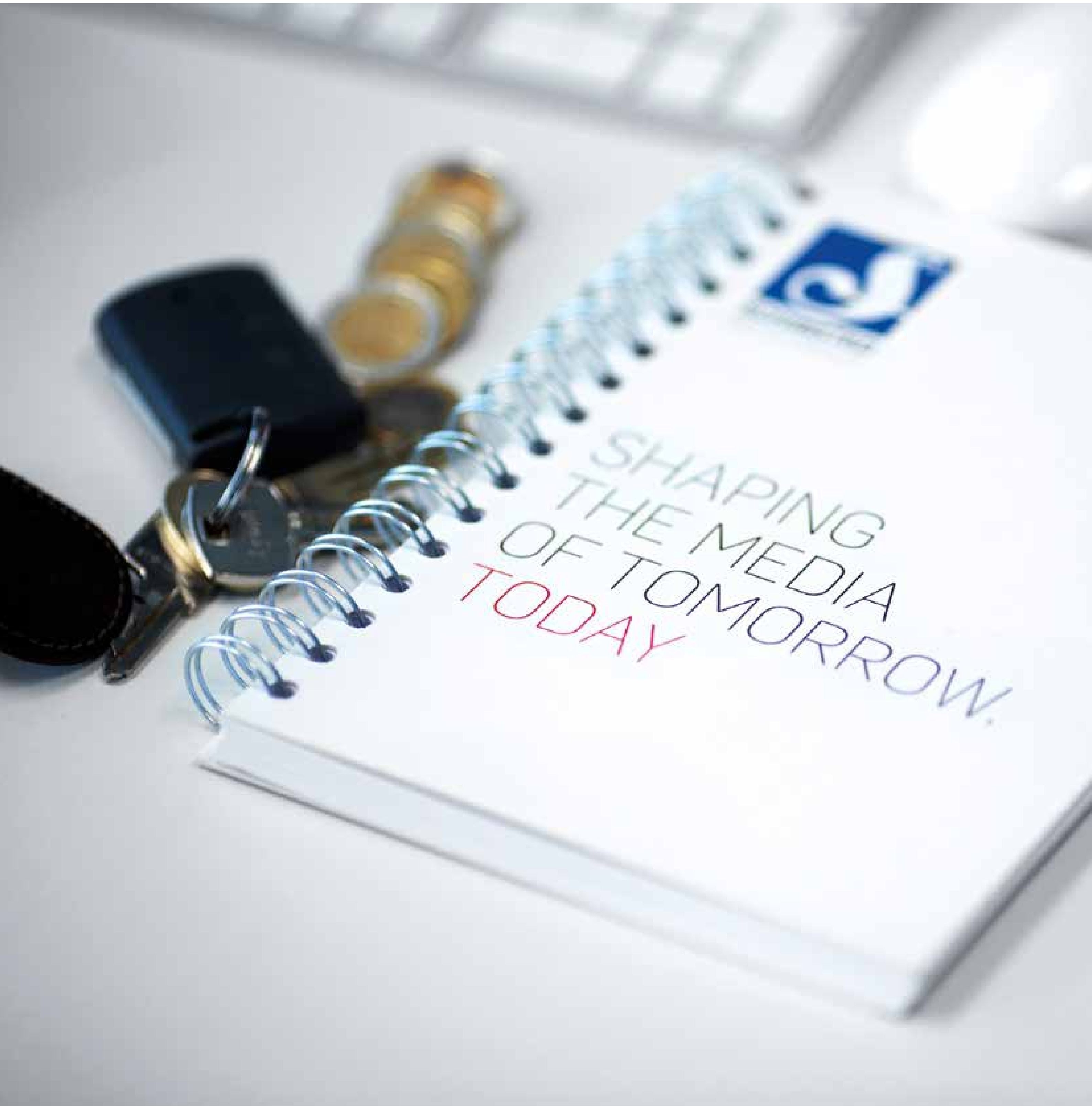
Schibsted Media Group is a large player in the market for reuse of products through our online classifieds sites. Our marketplaces extend the useful life of a range of products and contribute to reducing the need for manufacturing new ones.

Production of the Group's newspapers is a digital process up to the printing stage, and has little impact on the external environment. A newspaper printing works has a relatively neutral effect on the environment, and the chemicals used to produce the newspapers are treated as special waste and recycled as far as possible. Agreements with approved transport companies ensure that special waste is collected safely. Normal operations do not involve any danger of emissions from the printing plants.

The printing plants used 100 thousand tons (118 thousand tons) of paper, 2.3 thousand tons (2.7 thousand tons) of printing ink, and 36.9 GWh (38.9) of electricity in 2013.

The Group's newspaper companies in Norway and Sweden arrange for unsold newspapers to be returned and resold for recycling.

The Group's other operations pollute the environment to a minor extent only.


SHAPING
THE MEDIA
OF TOMORROW.
TODAY

# ORGANIZATIONAL DEVELOPMENT

Organizational development (OD) in Schibsted is about execution of business strategies. The key question for OD to answer is what it takes for our people and organizations to deliver on different business goals.
As the digital transformation is speeding up, we need to speed up our innovations. Whereas in the 'old days' we could investigate and prepare new ideas for months before launching, we now work in a more iterative process with testing, learning and adjusting. Inspired by Lean startup thinking and A/B testing, we encourage our organizations to take some risks, move quickly, learn and adjust.

One of the consequences of Schibsted's relatively decentralized structure and culture is that our companies are used to having responsibility for their own development and growth. As we develop more cooperation between the companies and establish horizontal services, we also strive to find common solutions in OD areas such as employee surveys, 360 degree assessments of our top 250 managers, business specific training programs, and mobility programs.

During 2013, we worked on developing our OD partnership. The members of this partnership are responsible for OD in each of our three divisions, working together with OD corporate. This group has chosen to focus on a new leadership development program, to improve our recruitment abilities, and to introduce performance management across the Group. In a cooperation between corporate and our divisions we are now designing a portfolio of new leadership training modules to be launched in 2014, making it possible for leaders to customize their own competence development.

To attract and keep top talent is one of our main focus areas. In an international business as ours, where we now can feel the competition from some of the world's biggest companies, the importance of attracting top talent is more vital than ever before. We are working with this issue on many different levels and with different methods. Based on the number and quality of applicants to our trainee programs, and the interest in permanent positions in our companies from all over the world, we are in a good position for further developing the organization.

The work within the OD partnership is aiming at improving efficiency and alignment of OD initiatives at all levels within the Group. An example of good alignment is the cooperation between OD corporate and our media houses in the area of digital training for journalists and editorial managers. We have agreed that the media houses themselves take care of the basic training relevant for all their editorial staff while Schibsted Journalism Academy focuses on training for operative editorial leaders and specialists.

## DISCRIMINATION

The companies' working environment committees are continuously striving to promote a good working environment and thus minimize incidents of workplace discrimination. Further measures to promote this objective as stated in the Norwegian Anti-Discrimination Act are not considered necessary.

# DIVIDEND AND CAPITAL STRUCTURE

Schibsted is a listed company that aims to provide a competitive rate of return based on a healthy financial position. Schibsted's Board believes it is essential that the company's shares be perceived as an interesting investment option. One of the Board's goals is therefore to maximize shareholder return through long-term growth in the share price and dividend. The Board will attempt to ensure that the price of the company's shares reflects the Group's long-term earnings capacity as far as possible.

Schibsted holds strong positions in the Scandinavian media markets. The media houses' strong brands and market-leading positions help ensure a good cash flow, even with continuing structural changes and lower profitability for print newspapers. Online classifieds operations both in Scandinavia and internationally contribute with strong, profitable growth. 2013 was a good year for Schibsted Media Group, with strong revenues and improvements in many of the markets in which the Group operates. The Group's financial flexibility has been stable during the year. At the end of 2013, the Group had a strong balance sheet, good cash flow, and healthy liquidity.

Schibsted's capital structure shall be sufficiently robust to maintain the desired scope of action and exploit growth opportunities based on strict assessment of our allocation of capital.

Schibsted will place emphasis on having a fixed dividend payout ratio which, over time, will constitute 25–40 percent of the Group's normalized cash flow per share. In years of economic slowdown, the company will aim to pay a dividend at the upper part of the target range, provided the Group's capital structure allows this.

Schibsted is currently in a phase of investments in online activities which will form a basis for future growth in profitability. The Board has taken a balanced approach to the dividend proposal, and has taken into consideration the fact that the Group is increasingly strengthening its growth profile. On this background, the Board will recommend to the Annual General Meeting that a dividend of NOK 3.50 per share be distributed for the 2013 financial year. This represents no change compared to 2012. The total number of shares is 108 million, and a dividend of NOK 3.50 per share means a payout of NOK 376 million (adjusted for shares owned by Schibsted). A dividend of NOK 3.50 per share amounts to around 75 percent of the net cash flow from operating activities for 2013.

# SCHIBSTED ASA

Schibsted ASA is the parent company of the Group. The company's accounts have been presented in accordance with the Norwegian Accounting Act and generally accepted accounting practices in Norway (NGAAP).

Operating revenues amounted to NOK 49 million (NOK 55 million). Operating expenses of NOK 271 million (NOK 249 million) relate to Group administration services. The operating loss in 2013 was NOK -222 million (NOK -194 million). Net financial items include distributions (dividends and group contributions) from subsidiaries of NOK 3,548 million. The pre-tax profit on ordinary operations amounted to NOK 2,887 million (NOK 2,540 million).

Schibsted ASA had 103 (104) employees at year-end, 32 (35) of whom were trainees assigned to the Group's companies. The Group's CEO is Schibsted ASA's President and CEO.

The Board of Schibsted ASA proposes allocating the profit for the year as follows:

**PROFIT FOR THE YEAR**
NOK 2,804 million

**PROPOSED ALLOCATION:**
Allocated to dividend, NOK 3.50 per share
NOK 376 million
Transferred to other equity
NOK 2,428 million

*Group contributions to subsidiaries total NOK 289 million.*

*Oslo, 25 March 2014*

## BOARD OF DIRECTORS SCHIBSTED ASA

OLE JACOB SUNDE
CHAIRMAN OF THE BOARD

KARL-CHRISTIAN AGERUP

EVA BERNEKE

MARIE EHRLING

JONAS FRÖBERG

GUNNAR KAGGE

ANNE LISE VON DER FEHR

ARNAUD DE PUYFONTAINE

CHRISTIAN RINGNES

EUGENIE VAN WIECHEN

ROLV ERIK RYSSDAL,
CEO

# Statement of Executive Compensation

## 1. BASIS FOR THE COMPANY'S EXECUTIVE COMPENSATION POLICY

The Group Board of Schibsted ASA ("Schibsted") considers the employees as the Group's most important resource. A competitive remuneration policy that attracts and retains talented employees is therefore crucial to our business. The company's human resource policy covers several factors, including terms related to pay and pension, working environment, development programs, and more traditional employee benefits. The executive compensation policy is part of the company's human resource policy.

## 2. WHO IS COVERED BY THE GUIDELINES?

The guidelines regarding executive compensation are determined by the Group Board. Schibsted's Group CEO and Group Management Team are directly covered by the guidelines. The guidelines are also normative for the remuneration of other senior managers and management groups in our core businesses.

## 3. PERIOD OF APPLICATION

The statement applies for the coming financial year; see section 6-16 a) (2) of the Norwegian Public Limited Companies Act. The Group Board will base its work on this statement, following discussions at the Annual General Meeting on 7 May 2014.

Schibsted's previous practice has been to submit the proposed statement of executive compensation to the Annual General Meeting for the current year. It is proposed to change this practice by submitting the Board's statement of executive compensation to the Annual General Meeting in the year prior to the financial year in which it should apply. The abovementioned practice will imply that this statement of executive compensation will cover the financial years 2014 and 2015. As from the Annual General Meeting in 2015, the statement of executive compensation will cover only one financial year, which means that in 2015 it will cover 2016.

## 4. MAIN PRINCIPLES OF THE COMPANY'S EXECUTIVE COMPENSATION POLICY

The Group Board regularly assesses the Group's executive compensation policy to ensure that compensations offered are reasonable, well balanced, and competitive.

The fixed salary of the Group's managers is moderate and forms the basis for the assessment of various additional benefits as parts of the managers' total compensation, annual variable pay, long-term incentive program, pension schemes, and other benefits.

The Group's further growth and profitability depend on the employees' efforts to ensure continuous business development and improvement in profitability. To motivate managers to make such efforts, variable pay and other incentive schemes are linked to factors that they can directly influence. These schemes must be reasonable in relation to the Group's results and to the value created for the shareholders.

**4.1. Fixed salary**
The fixed salary (the gross annual salary before tax and before variable pay and other additional benefits are calculated) shall represent the key component of manager compensation.

The increase in fixed salaries is expected to be moderate.

**4.2. Directors' fees**
Employees do not receive directors' fees for board appointments where they serve as board members as part of their position. Employee representatives are exempted from this rule.

**4.3. Benefits in kind and other special schemes**
Senior executives will normally be given the benefits in kind in line with common market practice, such as mobile phone, laptop, broadband, newspapers, company car or car allowance, and parking. There are no special restrictions on what other benefits may be agreed. The Group's management loan scheme was brought to an end in 2006 and has not been offered to new managers since. This scheme entitled managers to a loan of NOK 400,000–800,000 secured by a mortgage against the borrower's property. Schibsted ASA has posted an unconditional guarantee of NOK 2.5 million for the remaining loan portfolio, which currently represents approximately NOK 9 million.

**4.4. Variable pay and other incentive schemes**
Guidelines have been established for the use of variable pay and other incentive schemes in the Group. The Group Board believes that incentive schemes are necessary to ensure long-term value creation and entrepreneurship. Such schemes may consist of short-term incentives (normally annual) and long-term incentives (normally three years).

**4.4.1. Short-term incentive schemes**
Senior executives participate in an annual variable pay program that is linked to target achievement each year. Other Group employees may also participate in such schemes. Variable pay is limited to a maximum of six months' salary for the Group CEO and varies from three to six months' salary for other members of the Group Management Team.

For the top manager/editor-in-chief of larger units, the maximum payment is normally limited to four months' salary. For other employees taking part in short-term incentive schemes, the maximum payment is normally limited to three months' salary.

Variable pay consists of two parts: one part is linked to financial criteria, the other to strategic, operational, and organizational criteria. These criteria form part of an overall assessment.

The payment of variable compensation to senior executives for the 2013 financial year is shown in note 27 to the financial statements.

**4.4.2. Long-term incentive schemes for executives**

The objective of having long-term incentive schemes is to promote long-term value creation. By receiving a minor portion of the long-term value creation, the interests of the managers and the shareholders are aligned. In 2010, Schibsted's options program was replaced by the Long-Term Incentive program (LTI program); an annual, rolling, three-year share purchase program. The program was expanded in 2012 to include several online classifieds companies and management groups.

The introduction of an LTI program for a large group of managers means that we have common rules for incentive schemes in large parts of the Group. This in turn leads to administrative savings and creates greater predictability and equal treatment throughout the Group.

The LTI program provides settlement in Schibsted shares, mainly based on the performance and target achievement of the participant's employer company. Ownership of Schibsted shares promotes common goals and encourages cooperation between the companies.

Specialized incentive programs may be introduced for selected companies, especially in growth and start-up companies. Such programs will also be long-term, but may contain elements of cash.

The main elements of Schibsted's LTI program are as follows:

Schibsted's LTI program is divided into four participant levels. Level 1 is for the Group CEO, Level 2 is for members of the Group Management Team. Level 3 and Level 4 are for selected key managers in the Group and managers/management groups in key subsidiaries. Level 3 relates to the media house business while Level 4 relates to online classifieds. The participants at each level are given a defined basic amount, calculated as a percentage of their fixed salary. Guidelines has been established regarding allocations to the respective participant levels in order to ensure flexibility and mobility while also taking into account individual pay differences and variations in the compensation schemes.

At the start of the program, between 11 and 33 percent of the base amount (“share purchase amount”) is awarded in the form of Schibsted shares and subject to a lock-in period until the program expires (three years). If a Level 1 or Level 2 participant leaves the company during the lock-in period, shares that were bought for the share purchase amount must be handed back. No corresponding restriction applies to Level 3 and Level 4 participants.

The remaining 67–89 percent of the base amount ("performance amount") is linked to three-year performance or target achievements. At the end of the three-year period, the participants receive settlement in Schibsted shares based on their target achievement over the three-year period. The number of shares is calculated based on the average price during the program's three-year period. Level 1, 2 and 3 participants receive the full performance amount after three years. Level 4 participants receive one third of the performance amount after each program's three-year period, and the remaining two thirds one year thereafter. The maximum settlement amount in each program will depend on target achievement during the period. If the minimum target is not achieved during the three-year period, only the share purchase amount will be paid at the end of the three-year program.

The Group Board determines the allocation to the CEO. Other allocations are determined by the CEO within the program's frameworks and in compliance with the Board's allocation guidelines. The CEO's allocations are reported to the Board. Guidelines apply to the adjustment of the targets during the measurement period. The final outcome of the LTI program is determined by the Group Board.

Employees leaving the company during the three-year period of each LTI program are normally not entitled to partial accrual. An exception applies to the share purchase amount for Level 3 and Level 4 participants, and in general if a participant leaves the company due to illness, death, early retirement, normal retirement or other special reasons. In such cases, entitlement to partial accrual is granted.

Level 1 and Level 2 participants are required to hold their LTI-shares for 2 years following the end of each LTI-program.

The final cost of the 2014 LTI program, measured as the cost over the program's cycle, depends on the number of participants, the individual participant's salary on the allocation date, share price performance, and target achievement during the three-year period.

The cost of the LTI program in 2014 (2013 figures in brackets), with 108 (112) participants, is estimated at NOK 79 million (NOK 76 million) if the expected target achievement is reached (excluding employers' contribution). If the maximum outcome is achieved, the cost is estimated at NOK 161 million (NOK 133 million) (excluding employers' contributions). If target achievement falls below the minimum requirement, the cost of the program will only relate to the share purchase payment and is estimated at NOK 18 million (NOK 18 million) (excluding employers' contributions).

#### 4.4.3. Introduction of a share saving program for all Group employees effective from 2014

To motivate and retain our Group employees, the Group Board has decided to introduce a share saving program for all Group employees including executives participating in the LTI program. The share saving program will be effective from 2014. This program replaces the previous share purchase program for employees in Norway and Sweden.

All Group employees will be invited to save up to 5 percent, but a maximum of NOK 50,000, annually of their base salary through payroll deductions in order to purchase shares in Schibsted. The share purchase will be made on market terms four times a year, after the release of Schibsted's quarterly results. Employees, who chose to hold their shares for two years ("holding period") and are still employed by the Group at the end of the holding period, will receive one free bonus share from Schibsted per two shares purchased and held during the holding period.

## 5. PENSION SCHEMES

The Group CEO and other senior executives in Norway are, like other employees, members of the Group's company pension schemes; see note 21 to Schibsted's consolidated financial statements.

The Group CEO and other senior executives in the Group have individual pension plans which mainly entitle them to early retirement pension from the age of 62 (early retirement pension) and thereafter a lifelong retirement pension, disability pension, child pension, and spouse/cohabitant pension in addition to pension entitlements under the national insurance scheme. The pension costs for senior executives in Schibsted ASA are stated in note 27 to the financial statements. As from 2012, the Group's pension scheme for new managers in Norway is a defined contribution scheme. This is considered to be in line with market developments and will over time contribute to reducing the Group's pension costs.

Most of the Group senior executives based in Sweden belong to defined contribution pension schemes entitling them to benefits in line with those offered to Norwegian senior executives from the age of 62 years. The Group Board is of the opinion that the current schemes for senior executives based in Sweden are adapted to the market, and these schemes will continue in 2014 without any major changes.

Pension levels and schemes for senior executives outside Norway and Sweden must be viewed in connection with the individual manager's overall salary and employment conditions and should be comparable to the overall compensation package offered to managers in Norway and Sweden. Local rules governing pension legislation, social security entitlement, taxation, etc. are taken into account when designing individual pension plans.

## 6. SEVERANCE PAY

The Group CEO is entitled to a severance payment equivalent to 18 months' salary in addition to the six-month notice period. Members of the Group Management Team and senior executives are normally entitled to severance pay equivalent to 6–18 months' salary, depending on their position. A non-compete clause and provisions governing reduction in the severance pay normally apply during the severance pay period.

## 7. AGREEMENTS ENTERED INTO OR AMENDED IN 2013 AND THEIR IMPACT ON THE COMPANY AND THE SHAREHOLDERS

The Group Board believes that the guidelines for share-based remuneration promote value creation in the company/Group and that the impact they have on the company and shareholders is positive.

Oslo, 25 March 2014
Board of Directors, Schibsted ASA

Schibsted Media Group's headquarters in Oslo

# Statement of Corporate Social Responsibility


## OUR MISSION AND VALUES

Schibsted Media mission is "Empowering people in their daily life." We empower people by providing them with news and opinions, by providing transparent and secure marketplaces, and by defending freedom of the press and editorial integrity.

Throughout our history we have been driven by a desire to challenge conventions and to think in new directions. We consider ourselves a defining force within our industry, and as such our vision is "Shaping the media of tomorrow. Today."

The values that support our mission and vision are:

- We have integrity
- We are innovative
- We are a team
- We are here to win

*"You don't have to compromise between sustainability and profitability. It's a misconception to think that sustainability means foregoing profits for a better world. Re-examining your value chain with a keen eye on sustainability will reveal new and different ways of operating which are better for the externalities and at the same time reduce costs or increase revenues. To me, building a sustainable business is closely linked to innovation. You examine your business from the outside and ask if you could organize it more intelligently. We have an innovation culture, so I'm optimistic that identifying and integrating sustainability will continue to be part of our way of doing business."*
Ole Jacob Sunde, Board Chair, Schibsted Media Group.

*"Schibsted Media Group's history is founded on a long tradition of independent news, information, and transparent marketplaces. Trustworthiness and quality are essentials for a media group – our users must be able to trust our news and products. We believe this contributes to empowering people in their daily life and thereby to building more transparent and sustainable societies."*
Rolv Erik Ryssdal, CEO, Schibsted Media Group.

## OUR PRINCIPLES

In Schibsted we define our corporate social responsibility in terms of how we integrate social and environmental concerns within our business operations and interactions with our stakeholders at the same time as we address the expectations of our shareholders. It is closely linked to our mission, vision, and values. In other words, our corporate social responsibility dictates how we care about our own people and the world around us, including our users and readers, our employees, local communities impacted by our operations, the environment, and society at large. Our ambition is to maximize the creation of shared value for our shareholders, our stakeholders, and society at large while minimizing potentially adverse impacts of our operations.

In Schibsted we draw a distinction between our corporate social responsibility – which is a strategic business issue – and charity, sponsorship, and philanthropy. We acknowledge that charity, sponsorship, and philanthropy represent a valuable contribution towards creating a better world and towards contributing positively to our companies' reputation and brands, but we firmly believe that our corporate social responsibility goes beyond that.

Our corporate social responsibility also includes our principles relating to human rights, labor rights, and anti-corruption as described in our Code of Conduct. In addition to the areas mentioned in the Code of Conduct, our corporate social responsibility policy includes our principles relating to the environment.

### ENDORSEMENTS AND MEMBERSHIPS

Schibsted Media Group has been a member of the UN Global Compact since 2009, and continues to support and promote its ten principles. Schibsted is also committed to comply with the OECD's guidelines for multinational companies, which contain voluntary principles covering a variety of issues affecting companies' social responsibilities.

In 2011, Schibsted became a member of the Nordic Media CSR Forum with the aim of setting the stage for corporate social responsibility in the media sector. For more information and the Forum's activity report for 2013, visit www.nordicforum.org.

### HOW WE WORK ON CORPORATE SOCIAL RESPONSIBILITY

In 2013, the Board initiated a corporate social responsibility project led by our Executive Vice President for Communication and CSR. The project has had close dialog with the Chair of the Board and the CEO.

The project is closely linked to our mission "Empowering people in their daily life" and thereby to our core business. The objective of the project is to bring CSR to the strategic level, thus making it very clear that CSR is integrated in our daily business. We therefore express our CSR approach through two specific dimensions:

- Empower people & Empower business

### THE SIX PILLARS OF OUR CORPORATE SOCIAL RESPONSIBILITY

Our corporate social responsibility is structured around six pillars:

- Responsible business
- People and society
- Human rights, labor rights, and professional development
- Environment
- Governance and ethics
- Charity and humanitarian activities

## RESPONSIBLE BUSINESS

Trustworthiness and quality are essentials for Schibsted – our users must be able to trust our news, products, and services. We believe this contributes to empowering people in their daily life and thereby building societies that are more transparent.

For our media houses, this implies having a systematic and structured quality assurance process for all steps of the journalistic process and a keen awareness of how the content we publish influences our readers and society. For more information about out quality assurance process, visit www.schibsted.com for the Annual Editorial Report.

For our classifieds operations and online services, responsible business implies creating marketplaces that are reliable, effective, and safe for our users. Our classified sites work proactively to prevent various forms of undesirable activity such as advertising of illegal or unethical products, illegal marketing, and fraud.

### EDITORIAL FREEDOM AND EDITORIAL GOVERNANCE

One of Schibsted Media Group's foremost responsibilities is to ensure editorial freedom and the right to freedom of speech. Free media play a critical role in underpinning strong, viable democracies. Schibsted's Articles of Association states that the shareholders shall enable Schibsted to operate its information business in such a way that editorial freedom and integrity are fully ensured.

#### *EDITORS' FORUM*

The Schibsted Editors' Forum serves as a watchdog, guarding the principles of publishing within Schibsted Media Group. The Editors' Forum consists of approximately 40 editors with responsibility for Schibsted Media Group's media houses and print and digital products. They meet twice a year to discuss common challenges and to share experiences, best practices, and case studies from the world of publishing. The aim is to enhance quality and standards of journalism within the Group.

### *EDITORIAL GOVERNANCE*

In 2011, Schibsted's Editors' Forum adopted a framework for editorial governance in the Group's publishing businesses. The framework safeguards the principle of editorial freedom and defines it explicitly for the benefit of Schibsted's publishing companies in countries where this principle is not enshrined in local law.

- A Schibsted editor shall promote freedom of opinion and defend the democratic values of society, with full respect for human rights, equality, and diversity.
- A Schibsted editor shall have personal and full responsibility for all content, including advertising, and shall ensure that media act with integrity in every respect.
- A Schibsted editor has a free and independent role, and is entitled to independent leadership of the editorial department and editorial activities and to the freedom to shape editorial opinions within the framework of the fundamental ideas of the medium.
- A Schibsted editor shall ensure a form of journalism that makes it clear to the reader what is being presented as information and facts and what is being presented as the opinion of the medium.
- A Schibsted editor shall make it clear to the reader what is independent editorial content and what is commercial promotion.
- A Schibsted editor shall focus on editorial quality and credibility and shall establish ethical and journalistic standards to this end. The ethical guidelines should cover journalistic research as well as publishing.
- A Schibsted editor shall protect the freedom of speech, the freedom of the press, the principle of access to official documents, the free flow of information, and free access to sources.
- A Schibsted editor shall protect individuals and groups against injustice and shall uncover matters critical to society.

This framework of editorial governance has been presented to and endorsed by the Group Board.

### ANNUAL EDITORIAL REPORTS

Schibsted's publishing businesses prepare annual editorial reports and publish them on the Group's website. The purpose of the annual editorial reports is to increase transparency in our editorial activities. In the report, the editors-in-chief present a status report describing editorial goals, challenges, and results during the past year. The editors-in-chief submit the reports to their respective boards of directors. Due to the principle of editorial independence, these reports will not be subject to a board resolution. However, the editor-in-chief may answer questions about matters of interest from a publishing or journalistic perspective. Furthermore, the Group's annual editorial report is presented to the Group Board by the president of Schibsted's Editors Forum. The annual editorial report includes information on editorial quality control, how the newspapers work with sources, and the number of complaints to the respective countries' press complaints bodies. Visit www.schibsted.com for the annual editorial reports.

### CLASSIFIEDS SITES AND ONLINE SERVICES

All the online marketplaces and portals operate under a set of rules to prevent fraud and advertising of illegal or unethical goods. Our sites inform users of the terms and conditions of use, and several sites have implemented comprehensive and transparent consumer safety and privacy policies, notably Blocket, LetsDeal, and Finn.

Manual and automatic ad reviewing processes are in place locally to ensure that weapons, drugs, and other illegal or counterfeit items are not advertised on the sites.

All sites also have a zero-tolerance policy against pornography and prostitution. If the Group acquires companies that do not follow our policies at the time of acquisition, the Group has established procedures to ensure that such activities are discontinued as soon as possible after acquisition.

**DIGITAL IDENTIFICATION AND ENHANCED USER EXPERIENCE**

In 2011, Schibsted Payment was formed to establish a single-sign-on and payment solution for the Schibsted companies. Schibsted Payment ID (SPiD) is the primary product of Schibsted Payment, delivering an easy and secure way to log in and pay across many services. The goal is to make digital identification and payment transactions safe and easy for users and service/content providers.

Combined with our strategic focus on technology and advanced data analytics, we aim to create insights from our data that benefit our users with improved and more relevant products and a unique user experience. We believe that content adapted to individual users represents the future, and the Group is currently working on a solution that offers users freedom of choice. The international trend is to use such features not only for editorial content, but also for advertising. In 2013, the focus on data protection increased in society at large. For Schibsted, the opportunities represented by digitalization and increased insight also imply a stronger focus on privacy protection. Based on our value of integrity, we are highly committed to transparency and compliance with privacy legislation. To underline this commitment, the Group appointed a data protection officer in 2013. A key priority for the Group is to provide its users with sufficient and easily understandable information about the terms and other mechanisms to ensure that they understand what we do with the information we gather and why they are provided with specific content.

## PEOPLE AND SOCIETY

By people and society is meant the impacts on society at large of initiatives implemented by the Group and its subsidiaries and aimed at external stakeholders. These include concepts aimed at users, local communities, target groups, etc. developed by the Group and its subsidiaries or through strategic partnerships.

**THE CHANGING MEDIA LANDSCAPE**

Changes in consumption habits and the accelerated speed of transition from traditional channels to mobile platforms accelerated in 2013. Our media houses and online marketplaces have taken significant steps to adapt to this changing environment and to meet the needs and expectations of the users of our traditional and digital products and services.

Although the media landscape is changing, the role of the media remains the same. By highlighting and facilitating discussions on critical issues in society, the media move society forward. One of the most powerful strengths of the media is the ability to effect change. Schibsted believes our efforts to build world-class digital media houses will enable us to manage this important role even better. The digital platforms offer new opportunities for increased product relevance through continuous live coverage, interactive storytelling, and increased reader involvement. Continuous live reporting implies that journalistic decisions must be made in a fraction of the time available in traditional media; this, however, must not be allowed to compromise the quality and credibility of the content. Articles published on all our media houses' online platforms are open to comment by our

readers. Increased reader involvement, facilitated by mobile platforms, strengthens transparency and focus on quality in the relationship between the readers and the journalists. Additionally, the digital debate arenas bring public debates to a greater number of citizens and enable more people to have their voice heard.

The media houses have implemented several measures to prevent harassment, threats, and hateful comments. The media houses have moderators monitoring the debates and removing comments deemed inappropriate. Most of our media houses require people to be logged in via social media etc. to be able to comment on articles. In addition to traditional news reporting, our media houses have also created several new meeting places for our users, places where they can share knowledge and experiences with each other.

## ONLINE CLASSIFIEDS: A PEOPLE'S MOVEMENT

Our classified operations are online marketplaces that facilitate transactions of goods between individuals. In several of our markets, the classifieds sites have become a 'people's movement,' where secure and simple solutions create new possibilities for consumers. In our mature markets, the users add value to the marketplace by inventing new ways of trading. The marketplaces are simple, practical, and local, and create a personal relationship between buyer and seller. Our marketplaces empower people to help each other in useful ways and therefore align perfectly with the Group's mission.

Our online services enable transactions of goods and services between individuals and companies, and serve as portals for retrieving information. Consumers use our marketplaces to search for information they need in their daily life, enabling them to make better-informed and smarter purchase decisions.

### Leboncoin – Recognized as a people's movement in France

In January 2013, the renowned French newspaper Le Monde published an extensive article on the tremendous success of Schibsted's French classifieds site Leboncoin. After only six years, Leboncoin has become the second-most popular website in France, measured in terms of viewing time. It has more than 17 million unique visitors every month, and more than 3.6 million people visit the site daily. Seven new ads are placed every second, and currently total 21 million ads altogether.

The article in Le Monde stated that *"Leboncoin has not only become the leading site in terms of sales of physical items: it is also a tool that has allowed citizens to invent new consumer and exchange practices. In the middle of an economic recession, many people have found new ways of earning their income with the help of Leboncoin."* The media scientist Jacques Le Goff said: *"Leboncoin is the marketplace of the twenty-first century. It is a historic change, and creates a personal relationship between buyer and seller. Thus, it empowers people to help each other in useful ways".*

A selection of examples from our subsidiaries is presented below.

**DEMOCRACY AND FREEDOM**

By promoting and defending democracy and freedom of speech, practicing reliable and independent journalism, and facilitating marketplaces for services and jobs, we play a positive and important role in society and in people's lives.

Aftenposten – Min Stemme: Encouraging political participation by young people
During the Norwegian general election in 2013, Aftenposten launched the editorial campaign Min Stemme [My vote] aimed at encouraging young people to participate in the election. The main ideas were to use advertisement space to motivate people to vote and to focus on young people. Twenty-six media houses and commercial and non-commercial partners joined the project, which resulted in national advertising campaigns, editorial coverage, and increased interaction with readers.

Aftonbladet – Nya Tuffe Sverige: Ordinary people's experiences with authorities
Aftonbladet's webpage entitled Nya Tuffa Sverige [The new, tougher Sweden] depicts ordinary people's hardships and experiences with the authorities' hardened attitude towards people enduring hardship, unemployment, illness etc.

Bergens Tidende – The Janne story and «I verdens rikeste land»
In 2013, Bergens Tidende's investigative journalism put the spotlight on how two Norwegian children had their childhood destroyed due to system failure and neglect. The so-called Janne story was one of the most-shared articles in Norway in 2013, and received more than 40,000 likes on Facebook. This brought an important failure of the Norwegian welfare state to the attention of people outside the newspaper's traditional readership. In the article series "I verdens rikeste land" [In the richest country of the world], the newspaper used innovative methods to show how public funds are spent.

Svenska Dagbladet – Hyreskollen: Increased transparency in the housing rental market
In 2013, Svenska Dagbladet launched Hyreskollen [Check your rent] as part of series of investigative articles into the scarcity of rental apartments, particularly for young people in the Stockholm area, and illegal price levels for subletting. In cooperation with Blocket.se, Hyreskollen invited readers and users to register their housing rent in order to compare prices for similar apartments. Thousands of stories were generated, forcing the responsible minister to take action.

Aftenposten – "Bak forsiden": Increased transparency in the journalistic process
In September 2013, Aftenposten launched the Facebook page «Bak forsiden» [Behind the front page].The aims behind the initiative were to increase reader understanding of the journalistic process and to increase transparency in editorial decisions and ethical dilemmas faced by journalists and editors. Readers and others can interact and ask questions directly to eight journalists and editors. Aftenposten also has a dedicated website on the online edition providing tips on how to contact journalists and information about Aftenposten's anonymous news tips hotline.

**EMPLOYABILITY**

Several of the countries in which we operate have high unemployment rates, particularly among young people. Several of our classifieds sites and job sites represent an important source for the unemployed to find jobs in a tough job market. As an example, more than 500,000 new job ads were posted on our job classifieds site in Spain and Italy in 2013.

InfoJobs.es – Improving employability
InfoJobs Spain is a member of Prepárate, a collaborative jobs venue, organized voluntarily by HR and coaching expert companies. Under this project InfoJobs shares knowledge and tools to help job seekers to improve their employability by focusing on their personal and professional development. In 2009, InfoJobs launched InfoJobs Commitment, a series of initiatives aimed at increasing employability among vulnerable groups such as the young, the unemployed, and the disabled, all of whom are particularly affected by the financial crisis. To date, InfoJobs has launched a total of 16 Compromiso (commitments).

**YOUTH**

Blocket – Partnership with Retoy: Teaching sustainability through play
Blocket has a strategic partnership with Retoy.se, a charity that creates arenas and events where children discover how fun and easy it is to be sustainable and environmentally friendly. At the events, children practice sustainable consumption in toy swap bazaars, and recreate new toys from old toys and recycled materials in in Retoy Labs. Through participating in these events the children also learn about United Nations Convention of the Rights of the Child. Blocket supports the charity

through quarterly donations and employee participation in Retoy's events.

Bergens Tidende and Aftenposten – Debate arenas for youth
Aftenposten's SI;D (launched in 2005) and Bergens Tidende's BTbatt (launched in 2008) are arenas where youth between the age of 13 and 18 can participate in public debates by expressing their opinions, thoughts, and concerns. The paper and online editions are dedicated to debate articles written by young people.

Aftonbladet – Svenska Hjältar school project: Discussing ethics and moral courage with young people
Aftonbladet's annual campaign Svenska Hjältar [Swedish heroes] pays tribute to everyday heroes through editorial coverage across all platforms. In 2013, the campaign featured a school project where the editor-in-chief and Svenska Hjältar's spokesperson Mark Levengood visited ninth graders from 16 different schools to discuss ethics, moral courage, and humanity based on five Swedish heroes' stories. In the five videos, which are also featured on the Svenska Hjältar website, five young people talk about how they fought against bullying, coping with parents with addiction problems, overcame tough conditions, and intervened in abuse and assault situations.

InfoJobs.es – Promoting young entrepreneurship and knowledge
InfoJobs.es in Spain financed six local grants worth EUR 1,500 each to promote the entrepreneurial mindset of young people (Compromiso nº13). In the last program, Compromiso 16, InfoJobs Spain invited its customers to sponsor schools. The aim is to provide emotional education and practical knowledge to young people.

**AWARDS**

Schibsted's media houses received several awards in 2013. For a full listing of these awards, visit the 2013 Annual Editorial Report due for publication in May 2014.

**KNOWLEDGE AND INFORMATION: INCREASED TRANSPARENCY IN CONSUMER MARKETS**

Personal finance
In recent years, Schibsted Media Group has launched several services that contribute to increased transparency in the field of consumer services. These services are easy to use and are an efficient way for consumers to compare different service providers. One such example is Lendo, a marketplace for consumer loans in Sweden and Norway. When customers submit applications for consumer loans through Lendo, they receive offers from several banks, making it easier to compare terms and choose the bank with the best offer. In 2012, Lendo Sweden and the Riksbank (Sweden's central bank) started a joint review to better understand how an online marketplace for consumer loans is affecting competition within the consumer loans industry. The Riksbank's review of the retail payment market in Sweden was published in June 2013 and can be found here: http://www.riksbank.se.

In 2013, Schibsted Media Group took a leading position in Swedish online personal finance by acquiring the personal finance marketplace Compricer.se. Compricer has a broad product portfolio in the personal finance segments, with 25 different categories, and is particularly strong in insurance. It complements Schibsted Tillväxtmedier's existing portfolio of personal finance sites like Lendo, Suredo, Kundkraft, Elpriser.se, Mobilio, and MittBolån.se. The synergies between Schibsted's strength in online and offline media enable Compricer to help more consumers make informed decisions about their personal finances.

### SERVICES

Mittanbud.no is another example of a service that increases transparency. Founded in 2009, it has become the leading online marketplace for connecting buyers and sellers of services in Norway. The service was first developed to advertise skilled trades and services, but has since been expanded with new services every year. Since its launch, Mittanbud.no has handled over 300,000 projects throughout the country. The site also provides users with advice on how to write contracts and how to verify the quality and professionalism of service providers, including supplier evaluations posted by users. To date, 23,000 suppliers have registered, and users have posted more than 25,000 supplier evaluations of work performed.

### CONSUMER GOODS

In 2012, Schibsted acquired 96 percent of Prisjakt.nu. Prisjakt is a market leader in consumer support in online marketplaces. As one of Sweden's largest independent information and price comparison services, Prisjakt helps customers reach the best choice in products, prices and suppliers.

## HUMAN RIGHTS, LABOR RIGHTS AND PROFESSIONAL DEVELOPMENT

Schibsted supports and values international human rights principles, and works to ensure that the Group is not involved in any breaches of human rights. An important element in these efforts is the right to freedom of expression.

Schibsted Media Group recognizes our employees' right to freedom of association and collective negotiations, and facilitates elections of employee representatives. Schibsted also recognizes the International Labor Organization's fundamental conventions and national legislation on labor standards. Schibsted practices zero tolerance of forced labor and child labor across the Group, and managing this risk is high on our agenda.

The companies' working environment committees work continuously to facilitate a good working environment and thus minimize workplace discrimination.

### EMPLOYEE REPRESENTATION

Employee representation is safeguarded in several ways. The main arenas for employee representation are listed below. For more details, visit www.schibsted.com.

1. Employee representatives on the Group Board: To date, the Group Board consists of 10 members, three of whom are employee representatives elected by the employees for two-year terms.
2. Group employee representatives: Schibsted currently has three full-time Group employee representatives. Their task is to safeguard the interests of all employees in matters dealt with at Group level.
3. Schibsted European Work Council (EWC) – the EWC is intended to serve as a forum for information, dialog, and consultation between employees and the Group Management Team. The EWC currently consists of 35 representatives elected by and among the employees. The EWC convenes twice a year.

Our Group employee representatives visit our subsidiaries on a regular basis and review local working conditions and the results of the annual Schibsted Employee Survey with the local management. The representatives also organize meetings to which all local employees are invited, to inform them about the different levels of employee representation within the Group. In 2013, the Employee News intranet site was revitalized, and now includes news and updates on working conditions and other matters affecting employees in our various subsidiaries.

### EQUAL OPPORTUNITIES

Schibsted is a knowledge enterprise that is reliant on talented employees. Principles governing equal opportunities are stated in our Code of Conduct. We will ensure that employment related decisions are based on relevant qualifications, merit, performance, and other job-related factors, and we will not tolerate discrimination relating to employment. As an example, Schibsted has a clear objective to provide equal development opportunities for men and women. We strive to achieve a good gender balance when recruiting candidates for our competence and trainee programs. The Group Management Team has implemented initiatives to further enhance gender equality. Since 2011, all business units within Schibsted report on gender equality when hiring or promoting to management positions as part of their quarterly reports to the Group Management Team and the Group Board. Each company and unit carefully monitors their employee surveys and implements actions based on the results.

In January 2012, a group of female managers from the Swedish companies established a network with the objective of empowering female talent. The network organizes regular meetings facilitated by internal or external people. The network meetings serve as a platform discussing opportunities and growth, and for exchanging experiences and ideas.

In 2013, Schibsted organized two Lean In gatherings focusing on how to empower female talent in Schibsted. The first Lean In gathering for women in Schibsted Media Group was held in May, when the main topic was inspired by Facebook COO Sheryl Sandberg's book entitled "Lean In". The initiative proved extremely popular, and the second gathering held in November 2013 focused on how female employees in Schibsted can make the transition from talented employee to leader.

**PROFESSIONAL DEVELOPMENT**

Competence building and organizational development are critical to Schibsted's future success. As a knowledge enterprise in a disruptive industry, it is a strategic priority to ensure that our people have the right competence and expertise. We have principles we call the Schibsted Way, and several competence-based learning programs including innovation and brand building, Schibsted Sales Academy, Schibsted Sales and Business School, and Schibsted Journalism School. We also have cross-functional programs such as the Management Training Program, the Project Management program, the Mentor Program, and the Continuous Improvement Program. For further information on professional development in Schibsted Media Group, visit www.schibsted.com.

**AWARDS**

European Great Place to Work

In 2013, 2119 companies participated in the national Great Place to Work (GPTW) surveys in 19 countries around Europe. Of these, 100 companies were shortlisted as Europe's best places to work. On the list of the 50 Best Small and Medium Workplaces, Schibsted Media Group was represented by Blocket (number 11), InfoJobs (number 23), and Finn (number 40).

## ENVIRONMENT

Schibsted Media Group aims to ensure that protecting the environment becomes an integral part of daily activities across the Group. Our principles related to the environment are included in our corporate social responsibility policy. Our ambition is to continuously work to reduce the environmental impact of our operations. Additionally, we want to contribute to reducing the environmental impact of society at large by giving people the opportunity to make environmentally friendly choices by buying second-hand goods. We are continuously striving to adapt the best practices of our subsidiaries across the Group.

With the exception of our printing plants, our operations impact the environment through pollution to a very limited extent. Details about the impact of our operations on the environment are provided below.

**CLASSIFIEDS**

Schibsted Media Group is a large player in the market for the reuse of products through our online classifieds sites. Our marketplaces extend the economic life cycle of a range of products and contribute to reducing the need for manufacturing new products, thus alleviating the pressure on critical resources. In 2013, more than 250 million ads were posted on our largest classifieds sites (Blocket, Leboncoin, Subito, Willhaben, Bomnegocio and Segundamano. Our largest classified sites each facilitate the exchange of millions of used items per year, to a value of several billion euros.

The reuse market has increased significantly in our mature markets, supported by an increased focus on the environmental impact of the consumption society and by more temporary vintage trends. A survey conducted by Blocket in 2013 shows that 39 percent of users name environmental concerns as the main reason for using the service, representing an increase from 29 percent in 2012. In France, a study entitled Overview of Product Reuse in France conducted by the French Environment and Energy Management Agency (ADME) indicated that people put items they previously would have thrown away up for resale. In Norway, the National Institute for Consumer Research (SIFO) will launch a study to find out how online reuse marketplaces influence consumption. As these studies and surveys show, the approach to ownership of goods is starting to change: the 'leasing approach' is gradually gaining ground for items such as furniture and household objects. Our classifieds sites acts as enablers and accelerators of this phenomenon. As an illustration, in 2013 Finn's Torget (generalist marketplace) where individuals sell, give away, and purchase second-hand goods, registered an annual 17-per-cent increase in the "Give away" category, with more than 270,000 ads posted during the year.

Blocket – Environmental initiatives
Blocket is in many aspects our most advanced subsidiary when it comes to actively managing the environmental impact. In 2012, Blocket started an environmental study together with the IVL Swedish Environmental Research Institute. The aim of the study was to determine the environmental impacts of Blocket. The study, which was published in May 2013, presented impressive results: according to the study, the Blocket users' potential reduction of emissions and the environmental benefits of second-hand trade amounts to an impressive 1.6 million tonnes of CO2 equivalents. Achieving an equivalent reduction in greenhouse gas emissions would require stopping all road traffic in Stockholm for one and half years or all road traffic in Sweden for one month.

Additionally, Blocket has implemented an environmental policy formalizing principles related to the use of technology, recycling, and energy.

Finn.no – Bruktduellen and Christmas campaigns
In 2013, Finn.no launched Bruktduellen (Second-hand Challenge), a campaign that builds on the international trend to shop less. The initiative invited users to enter into agreements with friends on social media and commit not to buy any new goods for 50 days. For every hashtag posted, Finn.no donated money to the Rainforest Foundation Norway, resulting in 13,500 users saving money, reducing environmental impacts, and saving three million square meters of rainforest. In December 2013, Finn.no launched an advertising campaign in some Norwegian newspapers encouraging readers and users to buy second-hand items as Christmas presents.

## MEDIA HOUSES

Editorial coverage and editorial campaigns
As part of the editorial responsibility to uncover matters critical to society, several of our newspapers published articles covering climate change and provided insights into political processes.

Bergens Tidende – Gamifying reduction of inner city pollution
In February 2013, Bergens Tidende launched PUST (Breathe), an editorial campaign encouraging readers to reduce their car use in order to reduce smog and congestion in the Bergen area. The campaign invited individuals and companies to register their alternative way of commuting on the PUST website and competing against each other. The campaign resulted in 3,200 participants, more than 32,000 green commutes, and more than 32,000 green kilometers.

## PRINTING PLANTS

Production of the Group's newspapers is a digital process up to the printing stage, and has little impact on the external environment. A newspaper printing plant has a relatively neutral effect on the environment, and the chemicals used to produce the newspapers are treated as special waste and recycled as far as possible. Agreements with approved transport companies ensure that special waste is collected safely.

All companies in Schibsted Media Group operate within the scope of applicable environmental regulations. After selling Kroonpress in Estonia in August 2013, Schibsted currently owns five printing plants: one in Oslo, two in Bergen, one in Stavanger, and one in Kristiansand. Our newspaper production processes are digital all the way to the printers. If polluting chemicals are used, the processes take place in closed systems. Source separation processes have been introduced for almost every type of waste.

Schibsted Norge Trykk in Oslo now separates as much as 99 percent of its waste. Special waste is collected by approved transport companies, and the general volume of waste has been significantly reduced. Waste paper, cardboard, waste products from paper reels, and undistributed newspapers account for as much as 96 percent of the total waste volume.

The printing plant in Oslo is a member of Grønt Punkt, a waste recovery and recycling company, and pays an environmental fee to ensure proper treatment of all packaging and supervision of external suppliers.

Normal operations do not involve any danger of harmful emissions from the printing plants. All the printing plants owned by Schibsted in Norway are licensed under the Nordic Eco Label scheme to use the Swan Eco Label on all printed matter produced. The Swan Eco Label is the best known and most frequently used eco-labeling scheme in the Nordic countries.

In Sweden, newspapers print the main part of their circulation with the printing supplier V-TAB. V-TAB operates a system for environmental and quality control, and nine of its ten printing plants are certified under ISO 14001:2004 and ISO 9001:2008. All printing plants have been granted licenses by the Nordic Eco Label scheme in Sweden to use the Swan Eco Label on all the print items it produces.

In Spain and France, the newspapers print their circulation with different external printing suppliers. Most of the printing plants are certified under recognized environmental standards.

The Group's newspaper companies in Norway, Sweden, Spain, and France arrange for unsold newspapers to be returned and sold for recycling.

As a direct consequence of digitalization and structural changes in the media industry in Scandinavia, the consumption levels of our printing plants continue to decrease.

**❶ Trend in printing plants' consumption of paper, printing ink and electricity**

| | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|
| Paper (thousand tons) | 100 | 118 | 121 | 116 |
| Printing ink (thousand tons) | 2,3 | 2,7 | 2,7 | 2,6 |
| Electricity (GWh) | 36,9 | 38,9 | 43,6 | 40,8 |

**❷ Total emissions from main operations***

| | | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|
| Newspaper | tCO2e | 57 544 | 58 561 | 62 521 | 73 356 | 65 864 |
| Paper, heatset | tCO2e | 690 | 652 | 721 | | |
| **Total** | | **58234** | **59213** | **63242** | **73356** | **65864** |
| Transportation and stationary combustion | | | | | | |
| Transportation | tCO2e | 1 940 | 1 812 | 1 667 | 1 916 | 2 142 |
| Stationary combustion | tCO2e | 166,4 | 173,2 | 253,5 | 401,9 | 242,4 |
| **Total** | **tCO2e** | **2106** | **1985,4** | **1920,5** | **2317,4** | **2 384** |
| Electricity | | | | | | |
| District heating/cooling | tCO2e | 434 | 456 | 343 | 618 | 382 |
| Other electricity | tCO2e | 5234 | 5374 | 4872 | 5402 | 412 |
| **Total** | **tCO2e** | **5668** | **5831** | **5215** | **6020** | **2793** |
| **Total emissions** | **tCO2e** | **66 008** | **67 029** | **70 378** | **81 694** | **71 042** |

* Emissions from Norwegian entities have been reported from 1 October 2012 to 30 September 2013.

## EFFORTS TO REDUCE ENVIRONMENTAL IMPACT IN OUR SUBSIDIARIES

Property

Schibstedhuset, located in central Stockholm, is one of the world's most advanced office buildings in terms of energy efficient solutions and materials. Its energy consumption is a third of what is usual for equivalent buildings. Surplus energy is obtained by recovering excess body heat produced by the 200,000 commuters who pass through the Central Railway Station every day. Cooling comes from Lake Klara (a canal in central Stockholm). In its relocation process, Schibsted Sverige made several conscious choices to reduce environmental impact such as effective use of office space, video conferencing facilities, renovation of existing furniture, environmental requirements for the entire interior, light control, follow-me printing systems, environmental requirements for cleaning services, coordination of transport, and systematic waste management.

According to a study conducted in cooperation with KTH Stockholm, our Swedish operations have reduced their environmental impact by more than 50 percent since relocating to Schibstedhuset in 2011.

Schibsted Sverige measures its environmental impact of energy consumption, business travel, transport, and commuting on an annual basis. A report with detailed analyses and a breakdown of the main figures is prepared, and the key figures are presented to the Swedish management team.

Schibsted Sverige has several ongoing initiatives, including development of an environmental policy for Schibsted Sverige and application for environmental certification for Schibstedhuset. At Group level, we will investigate how we can formalize and implement the Swedish practices throughout the Group. Although the Group did not have a companywide environmental policy in 2013, several of our subsidiaries have implemented measures to reduce their environmental impact.

### WASTE MANAGEMENT

All companies located at Schibstedhuset in Sweden and several other subsidiaries such as Finn, Leboncoin, Blocket, Bergens Tidende, Aftenposten, and InfoJobs Spain have implemented waste management measures.

### CARBON DISCLOSURE PROJECT

Every year, Schibsted conducts a survey of emissions of greenhouse gases in our main subsidiaries. The results of these surveys form the basis of reporting to the Carbon Disclosure Project. The summary of emissions from the Group's 20 largest subsidiaries on page 56.

### AWARDS AND NOMINATIONS

In 2013, Finn.no was nominated for the City of Oslo's environmental award.

## GOVERNANCE AND ETHICS

Good corporate governance is an important premise for achieving our mission and vision. Schibsted Media Group emphasizes openness, transparency, accountability, equal treatment, and a long-term perspective in our way of doing business. For more information on governance in Schibsted Media Group, please refer to the Statement of Corporate Governance.

### TINIUS TRUST

The Tinius Trust was founded by Schibsted's previous largest owner, Tinius Nagell-Erichsen. "The ownership must uphold the freedom and independence of Schibsted's media services," said Tinius Nagell-Erichsen. His justification for setting up the trust was to consolidate his ownership interest in the Schibsted Group in order to create confidence that Schibsted's newspapers and other media outlets would always be able to maintain their position as free and independent. Nagell-Erichsen wanted to use his influence to protect Schibsted as a group of free and independent editors, characterized by trustworthiness and quality in conjunction with a long-term and healthy financial development. He also wanted to ensure that the Group's publications would uphold values such as freedom of religion, tolerance, human rights, and democratic principles. These principles are also enshrined in the objectives stated in the Trust's articles of association. The principles are mirrored in the Group's articles of association and referred to by the framework for editorial governance.

More information about the Tinius Trust can be found at www.tinius.com

### SCHIBSTED MEDIA GROUP'S CODE OF CONDUCT

One of Schibsted Media Group's core values is integrity. Integrity has always been a vital part of how we do business, as it is decisive for maintaining the trust on which a media organization depends. Schibsted Media Group has for many years demonstrated – and continues to demonstrate – that it upholds high standards of integrity. However, we must always ensure that we stay alert and continuously focus on delivering results with integrity.

In December 2011, the Group Board issued the Schibsted Media Group Code of Conduct. The Code of Conduct clearly supports the Group's value of integrity, and applies to all Group Board members and employees of Schibsted Media Group, including entities in which we own more than 50 percent voting rights. Where Schibsted Media Group does not exercise such control, the board members appointed by Schibsted shall promote the main principles outlined in the Code of Conduct.

The Code of Conduct serves as a guide for individual employees' daily business interactions, and clarifies the Group's standard for proper conduct in a number of areas. The way in which we interact with each other, our customers, our suppliers and our users, helps build Schibsted Media Group's reputation as a media group with high integrity. For further information, please refer to Schibsted Media Group's Code of Conduct.

The expansion into emerging markets undertaken by the Group in recent years implies working with new cultures, which may represent challenges with respect to the Code of Conduct.

We believe our corporate culture, governance model, and close follow-up of local management contribute to reducing the risks associated with internationalization. We work continuously to improve communication, understanding, and monitoring of compliance with the Code of Conduct in our emerging and established markets. We shall continue and strengthen our efforts to be recognized as a media group with a strong commitment to operating with integrity.

In 2012, we implemented the Code of Conduct throughout the Group. In 2013, we focused on assessing performance and identifying improvement areas. In 2014, our focus will be on integrating Code of Conduct training in our existing training programs such as Schibsted Sales Academy, the Schibsted Leadership Program and our training programs for new joiners.

Additionally, we will monitor awareness of the Code of Conduct through the Schibsted Employee Survey and perform targeted training based on geographical regions and positions as required. The Compliance Officer will also conduct annual compliance reviews with the general managers of our subsidiaries.

**WHISTLEBLOWING**

Schibsted Media Group promotes a culture in which discussing compliance issues is an integrated part of our business and in which employees should feel comfortable raising compliance issues with their colleagues and superiors.

There are a number of channels available for reporting compliance concerns, one of them being the Schibsted Media Group SpeakUp system, implemented in 2012.

The SpeakUp system is a last resort for reporting compliance issues and offers anonymity for the reporter as well as the possibility of conducting a dialog. Reports may be made in the reporter's native language by a web-interface or telephone. The handling of reported compliance concerns through the SpeakUp system is outsourced. For further information, please refer to Schibsted Media Group's Code of Conduct.

No material compliance concerns were raised through the SpeakUp in 2013.

**ANTI-CORRUPTION**

Schibsted Media Group has a zero tolerance for corruption. Our Code of Conduct covers principles related to bribery and facilitation payments, business gifts, and entertainment, and provides our employees, leaders, and board members with guidance on this important issue. Please refer to our Code of Conduct for more information on how to report compliance issues and on our principles regarding corruption.

In 2011, Schibsted Media Group became a member of Transparency International. Transparency International raises awareness of the damaging effects of corruption, and works with partners in government, business, and civil society to develop and implement effective measures to handle corruption.

In 2013, Schibsted achieved a score of 69 percent, ranking as number 17 of the 50 companies in Transparency International Norway's report on transparency in corporate reporting from 2013. We continuously focus on improving our anti-corruption work, and have identified improvement areas on which we are working systematically to address. In 2013, the Group worked on establishing a detailed framework for analyzing fraud and corruption risks. This work will be finalized and rolled out in 2014 as part of the annual compliance review.

Transparency International's report includes requirements on country-by-country reporting. We disclose the legally required country-specific information for our largest operations. Although our ambition is to be open and transparent about our operations, the requirements on the country-by-country figures would divulge information about certain markets that are sensitive from a strategic and competition point of view. We therefore chose not to include such reports for all countries, but will reevaluate this decision on an annual basis.

**OUR SUSTAINABILITY APPROACH WITH REGARDS TO INTERNATIONALIZATION**
In 2011, the Group Board approved Schibsted Classified Media's guidelines on internationalization. The guidelines align with official Norwegian foreign policy and the principles in the 2009 Government white paper on corporate social responsibility in a global economy. When launching operations in new countries the following principles prevail:

- Strict adherence to the ten UN Global Compact Principles to be included in the employment contracts of all personnel
- Obligation to enforce adherence, reasonable efforts to ensure compliance by employees, partners and suppliers

Additionally, the decision to launch in a new country is subject to approval by the Group Management Team.

## CHARITY AND HUMANITARIAN ACTIVITIES

As of 31 December 2013, the Group has no strategic partnerships at Group level. However, several of our subsidiaries have engaged in charity and humanitarian work in 2013. Additionally, the employees of several subsidiaries including VG, Fædrelandsvennen, Aftenposten, and Ayosdito forfeited their annual Christmas present, and donated money to various charities instead.

A selection of initiatives by our people and subsidiaries.in 2013 is presented below.

CustoJusto – Selling a spot in heaven: Helping Portuguese families in need
The objective of CustoJusto's 2013 charity campaign was to help its users help other Portuguese people affected by the financial crisis In late November CustoJusto.pt launched a charity campaign called "Vende-se Lugar no Céu" [Selling a Spot in Heaven]. The objective of the campaign was to invite everyone to make donations to the Portuguese Red Cross. The final amount of donations will be used by the Red Cross to help Portuguese families in need by promoting the education and integration of children in a social environment.

DoneDeal Foundation
In February 2010, DoneDeal started systemizing its charity activities. In 2012, The DoneDeal Foundation was created to formalize the company's philanthropic activities. As of October 2013, almost EUR 600,000 had been donated to Irish charities. The DoneDeal foundation focuses on charities that operate in four main categories: people, education, health, and animals. Using the power of e-commerce on the DoneDeal site, the foundation supports multiple charities by providing funding that can significantly impact the work they do. Funding is designed to ensure the effectiveness, impact, and long-term success of individual charities and groups. The foundation also supports communications efforts by advertising through its commercial site to raise awareness about the organization and increase its impact.

Ayosdito.ph – Helping the victims of typhoon Haiyan
When the Philippines was hit by the typhoon Haiyan, Ayosdito.ph collected clothes and money to help the victims. The employees donated money normally spent on traditional Christmas gifts. In the wake of the typhoon, Erlend Schei, developer and self-declared nerd in Finn.no, called on colleagues and fellow nerds to support Red Cross' work among the typhoon victims in the Philippines through his Nerd Aid initiative.

Leboncoin – Encouraging employees to engage in charity and humanitarian work
Employees at Leboncoin are rewarded with one additional day off for time spent engaging in charity and humanitarian work.

# Statement of Corporate Governance

Good corporate governance is an important prerequisite for achieving Schibsted Media Group's vision and implementing our strategy. Sound corporate governance contributes to the Group's long term value creation at the same time as the Group's resources are used in an efficient and sustainable manner. Corporate governance defines the business framework that all activities in the Group should operate within, and clarifies the roles and responsibilities between governing bodies in the Group.

Sound corporate governance involves transparency and trustful interaction with the various stakeholders.

Schibsted Media Group is a listed company and our guidelines for corporate governance are in accordance with the Norwegian Corporate Governance Board Code of Practice. The Code of Practice is available on the NCBG website at www.nues.no. The Group Board's Statement on Corporate Governance follows the structure of the Code and addresses each section of the Code, dated 23 October 2012. The statement also includes an item 16, which describes other key functions within the Group. Information on corporate governance, which Schibsted is required to provide in its Annual Report according to the Accounting Act, Section 3-3b, is also provided.

Corporate governance in Schibsted is subject to annual review and discussion by the Group Board, which also reviews the content of this Statement on Corporate Governance.

# 1. CORPORATE GOVERNANCE REPORT

The Group Board has approved the Group's policy for corporate governance stating that the Group will comply with the Norwegian Code of Practice for Corporate Governance.

The Group's values represent an important foundation for corporate governance and are important to develop a sound and strong corporate culture.

- We have integrity
- We are innovative
- We are a team
- We are here to win

For further details of our mission, vision and values can be found on our website www.schibsted.com.

**ETHICS AND CORPORATE SOCIAL RESPONSIBILITY**

A sound corporate culture is essential to building and maintaining trust both internally and externally. Schibsted's Group Board prepared a Code of Conduct for the Group which was approved by the Board in December 2011. The Code of Conduct applies to the Group board members and to all employees within Schibsted Media Group. The Code of Conduct includes our key principles and ethical guidelines, and serves as a guide for each individual employee's daily internal and external business interactions, and reflects our standard for proper behaviour. The Code of Conduct is subject to annual review, and is available on the Group's website.

Additionally, a number of subsidiaries have adopted a company-specific Code of Conduct which - in addition to the principles set out in the Group Code of Conduct - also includes additional principles pertaining to the company. Schibsted Speak Up - our whistle-blower hotline with external anonymous reporting - was launched at the beginning of 2012.

Schibsted's primary social responsibility is to safeguard and promote editorial freedom. Schibsted aims to be a Group that contributes to democracy and diversity through its integrity and editorial independence. A free and independent media is an important prerequisite and underpins strong and open democracies. Schibsted's core values rest on this foundation and are firmly enshrined in the Group's Articles of Association.

For further information about of our Code of Conduct, Corporate Social Responsibility, and anti-corruption program, please refer to the Statement of Corporate Social Responsibility or visit our website at www.schibsted.com.

# 2.
# BUSINESS ACTIVITIES

Schibsted's statutory objective reads as follows: The purpose of the company is to engage in the information business, as well as related business activities. The shareholders shall enable the company to operate its information business in such a way that editorial freedom and integrity are fully ensured. The requirement for editorial freedom and integrity shall apply to all media and publications encompassed by the Norwegian and international activities of the Schibsted Group.

The Articles of Association are shown in full here: www.schibsted.com.

Schibsted Media Group is an international media group headquartered in Oslo. Schibsted has operations in 29 countries. Schibsted's strategy comprises two main objectives: further development of our media houses and worldwide online classifieds services.

Strong media houses represent the core of our activities, and our corporate growth strategy is based on close collaboration between different media channels. Our objective is to develop our business activities so that we can offer our users a wide range of services, irrespective of which channels they choose to use. The diversity of Schibsted's product range is closely aligned with our strong tradition of editorial freedom and our ability to adapt to a media market that is constantly undergoing rapid change.

The Group's objectives and principal strategies are further described on the Group's website, www.schibsted.com.

# 3. EQUITY AND DIVIDEND

### EQUITY

As at 31.12.13, the Group's equity is NOK 8,111 million, equal to an equity ratio of 47 per cent. The Group Board considers this equity level appropriate to the Group's objectives, strategy and risk profile.

### DIVIDEND POLICY

Schibsted Media Group is a listed company aiming to provide a competitive return based on healthy finances. The Group Board believes it is essential that the company's shares are perceived to be an attractive investment alternative. One of the financial targets is therefore to maximize the shareholders' return through long-term growth in the share price and dividend. Schibsted's target is to have a fixed dividend payout ratio which, over time, should be 25-40 per cent of the Group's normalized cash flow per share. The Annual General Meeting approves the annual dividend based on the Group Board's recommendation. The Group's dividend policy is described in more detail in the Share information.

### PURCHASE OF OWN SHARES

In order to have flexible capital management, the Group Board has requested the General Meeting for authorization to repurchase the Group's own shares.

Such an authorization is granted by the General Meeting for one year at a time. At the Annual General Meeting in 2013, the Group Board's authorization to repurchase own shares in accordance with the Norwegian Public Limited Companies Act was extended. The authorization states certain terms and conditions:

a) *The authorization is valid until the next Annual General Meeting of Schibsted ASA in 2014 (i.e. until no later than 30 June 2014).*
b) *The total nominal value of the shares acquired under this authorization may not exceed NOK 10,800,361.*
c) *The minimum amount that can be paid for a share is NOK 30. The maximum amount that can be paid for a share is NOK 500.*
d) *The Board is free to decide the acquisition method and possible later sale of the shares.*

The authorization may also be used to buy or sell shares in take-over situations. For further comments on the authorization, refer to item 14 of this report.

For information on how the authorization has been used, refer to Share information.

# 4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

Schibsted has one class of shares, with equal rights linked to each share.

**RESTRICTIONS ON OWNERSHIP AND VOTING RIGHTS**

Based on Schibsted's publishing responsibilities and role in society as a media company, Schibsted's independence and integrity are safeguarded through restrictions on ownership and voting rights stated in the Articles of Association. Article 6 states that no shareholder may own or vote at the General Meetings in respect of more than 30 per cent of the shares.

Article 7 states that important decisions relating to the Group's key companies are to be submitted to Schibsted's shareholders for their approval. According to the wording of this provision, any amendments to the Articles of Association or any sales of shares or operations or corresponding transactions in any subsidiary are to be submitted to Schibsted's General Meeting for approval, with the exception of intercompany transactions which are exempt in their entirety. Through annual resolutions, the General Meeting can authorize the Group Board to manage further specified parts of the protection, which is inherent in this provision. Such an authorization was granted at the 2013 Annual General Meeting and applies until the next Annual General Meeting. The authorization granted in 2013 states
*"Pursuant to the third paragraph of Article 7 of the Articles of Association, the Board of Directors is authorized to make decisions on the following matters referred to in the second paragraph, litra a of Article 7 of the Articles of Association:*

*a) Voting relating to amendments to subsidiaries' Articles of Association.*
*b) Decisions to sell shares or operations, including private placements, mergers or demergers, in subsidiaries when the net payment (sales amount, merger or demerger payment, etc.) does not exceed NOK 1 billion after financial adjustments.*
*Within the framework of the Group CEO's general authorization, the Board of Directors may delegate its authority pursuant to this authorization to the management.*
*A director appointed pursuant to the second paragraph of Article 8 of the Articles of Association may demand that certain matters which are covered by this authorization are nonetheless to be submitted to the General Meeting for its decision."*

In total, this means that major transactions will not be covered by the Group Board's authorization and must therefore be submitted to Schibsted's General Meeting. The proposal is explained in further detail in the notice calling the General Meeting.

**TRANSACTIONS INVOLVING OWN SHARES**

The acquisition of own shares, in accordance with the Group Board's authorization referred to in item 3 of this report, is to take place in the market at the stock exchange price and in accordance with generally accepted Norwegian stock exchange practices. The disposal of acquired shares should be performed in the market, as settlement for the purchase of operations, to general share schemes for the Group's employees and to the Group's Long-term Incentive (LTI) program for selected Group managers. The Group's LTI program is described in further detail in the Statement of executive compensation and in the notice calling the General Meeting.

**TRANSACTIONS WITH CLOSE ASSOCIATES**

In 2013, the Board determined that there were no transactions between the Company and shareholders, members of the Group Board, executive personnel or close associates of any such parties that could be described as material transactions and as such requiring valuation from an independent third party.

# 5.
## FREELY NEGOTIABLE SHARES

Schibsted's shares are freely negotiable subject to the restrictions stated in Article 6 of the Articles of Association. Article 6 states that no shareholder may own or vote at the General Meetings in respect of more than 30 per cent of the shares.

Schibsted has introduced its Long-term Incentive (LTI) program which is a performance-based share purchase program that targets a large group of managers. The LTI program provides settlement in Schibsted shares. There are some restrictions on the sale of shares distributed through the LTI program. For further information, please refer to the Statement of executive compensation.

# 6. GENERAL MEETINGS

Through the General Meeting, the shareholders exercise the supreme authority of the company. The General Meetings deal with and decide on issues which are important to Schibsted in a way that reflects the shareholders' views.

An Annual General Meeting must be held within six months after the end of each financial year. Extraordinary General Meetings are to be held as required in accordance with the Articles of Association or Public Limited Companies Act or if required by at least five per cent of the shareholders.

### NOTICE

The Annual General Meeting for this year is scheduled for 7 May 2014. The notice calling the general meetings and documents to be considered is posted on the Schibsted website no later than 21 days prior. Shareholders not registered as electronic recipients will receive the notice by regular post with information that documents to be considered at the meeting may be downloaded from the website. The deadline for electronic registration is two working days prior to the meeting.

### PARTICIPATION

Representatives of the Group Board, at least one representative of the Nomination Committee and the External Auditor are required to attend the Annual General Meeting. As a minimum, the Group's CEO and CFO are to attend the meeting as representatives of the management.

Shareholders that cannot attend the General Meetings but wish to exercise their voting rights may authorize a proxy by the deadline for registration. An authorization containing voting instructions may also be given to the chair of the Group Board. The authorization form to be used is enclosed with the notice calling the meeting. Further information on how to appoint a proxy and how to raise an issue for consideration by the meeting is stated both in the notice calling the General Meeting and on Schibsted's website.

In 2013, the Annual General Meeting was held on 30 April. A total of 23 shareholders were present or represented by proxies and thus 64.4 per cent of the aggregate share capital was represented.

### AGENDA

The agenda is to be set by the Group Board and the main matters are to be in compliance with Article 10 of the Articles of Association.

Previously, the General Meeting has elected the entire Board as a coherent unit. This represents a deviation from item 6 of the Code of Practice stating that the General Meeting should vote separately on each candidate nominated. To be in line with the recommended practice, the Nomination Committee proposes one ballot for each individual director at the General Meeting on 7 May 2014.

Minutes of the Annual General Meeting will be made available on the Group's website, at www.schibsted.com

# 7. NOMINATION COMMITTEE

The Nomination Committee is laid down in Article 10 of Schibsted's Articles of Association, which also states the Nomination Committee's main mandate.

**THE NOMINATION COMMITTEE'S WORK**

The Nomination Committee prepares a recommendation to the General Meeting regarding the election of the shareholders' representatives and their alternate representatives to the Group Board. The Nomination Committee's most important task is to ensure a continuous evaluation of the Group Board's overall expertise and experience in relation to the challenges facing the Group at any time.

The Nomination Committee also proposes the remuneration payable to the Group Board's members at the Annual General Meeting.

**THE COMPOSITION OF THE NOMINATION COMMITTEE**

The Nomination Committee is elected by the General Meeting for two years at a time and consists of three members. The General Meeting elects the chair of the Nomination Committee.

The majority of the Nomination Committee is independent of both the Group Board and Schibsted's management. The CEO and chair of the Group Board attend Nomination Committee meetings as required, normally once or twice a year. Schibsted's Head of Legal Affairs acts as the secretary to the Nomination Committee.

The current Committee was re-elected for a two year term by the Annual General Meeting on 11 May 2012 and consists of John A. Rein (chair), Gunn Wærsted and Nils Bastiansen.

For more information on the Nomination Committee's work, refer to the Nomination Committee's Report.

# 8. BOARD OF DIRECTORS: COMPOSITION, INDEPENDENCE AND EMPLOYEE REPRESENTATION

Schibsted is exempt from the rules concerning the establishment of a corporate assembly. An agreement has been entered into with the employees regarding representation on the Group Board.

**THE COMPOSITION OF THE GROUP BOARD**
According to Article 8 of Schibsted's Articles of Association, the Group Board should consist of six to eleven members plus any alternate members. The Group's employees will be represented on the Group Board by Employee Representatives in accordance with prevailing agreements with the company (the Representation Agreement).

At present, the Board consists of ten members, of whom seven are shareholder representatives and three are Employee Representatives. Two Employee Representatives are chosen from Norway and one from the country in which we have the most significant operations outside Norway, currently Sweden.

The Annual General Meeting elects the shareholder representatives to the Board. The Nomination Committee draws up a recommendation for the shareholders' nominees to the Board prior to the election. The recommendation of nominees is sent to the shareholders along with the notification of the Annual General Meeting. The Annual General Meeting elects the Chair of the Board.

The Group Board's shareholder members are elected for one year at a time while Employee Representatives are elected for two years at a time. According to Article 8 in the Articles of Association any shareholder owning at least 25 per cent of the shares in the company is entitled to appoint a Board member directly. Blommenholm Industrier AS, which owns 26.1 per cent of the shares, is the only shareholder that has this right. At the General Meeting in 2013, Blommenholm Industrier AS exercised its right to directly appoint one director and gave notice that this person is Ole Jacob Sunde.

The Group Board has appointed a representative from Schibsted Editors' Forum as an observer. More information on the Editor's Forum can be found on our website: www.schibsted.com.

Detailed information on the individual board members can be found on the website www.schibsted.com.

**THE GROUP BOARD'S INDEPENDENCE**
The Group Board's independence is described in further detail in the Nomination Committee's report.

According to section 6-27 of the Public Limited Companies Act, a director may not take part in the discussions on or decision regarding an issue that is of such importance to the director or any of the director's related parties, that the director must be regarded as having a prominent personal or economic special interest in the matter. It is the individual director's responsibility to continuously assess whether or not there are any such circumstances that are objectively likely to weaken the public's confidence in the director's independence or which may lead to conflicts of interest in connection with the Board's handling of the matter. Such circumstances are to be brought to the attention of the chair of the Group Board. The Board's instructions particularly deal with directors' participation in competing enterprises.

The Directors' shareholdings are disclosed in note 13 of Schibsted ASA's Annual Financial Statements. Blommenholm Industrier is Schibsted's largest shareholder. The Board of Blommenholm Industrier consists of John A. Rein (chair), Ole Jacob Sunde and Per Egil Hegge. The Tinius Trust controls Blommenholm Industrier. The Tinius Trust board consists of Ole Jacob Sunde (chair), John A. Rein and Per Egil Hegge. Schibsted director Karl-Christian Agerup has been elected as Ole Jacob Sunde's personal alternate member on the boards of the Tinius Trust and Blommenholm Industrier. Ole Jacob Sunde is the chair of Schibsted's Group Board. John A. Rein is the chair of the Nomination Committee.

Formuesforvaltning, in which Ole Jacob Sunde (chair of the Board) is a major shareholder, has a management agreement with Blommenholm Industrier.

**GROUP BOARD MEETINGS IN 2013**

In 2013, the Group Board held a total of nine meetings, of which one was a strategy meeting lasting for two days. In addition, some issues were decided per capsulam. The Board considers such a procedure justifiable when issues have previously been discussed in a Board meeting. Meetings that are not on the meeting schedule may be attended by telephone.

The strategy meeting is normally held in June, and forms the basis for the Group's strategy- and budget processes.

## Participation on the board meetings and board committees in 2013

| Participation in meetings | Board meetings | Audit committee meetings | Compensation Committee meetings |
|---|---|---|---|
| Ole Jacob Sunde | 9/9 | | 3/3 |
| Karl-Christian Agerup | 9/9 | | 3/3 |
| Marie Ehrling | 8/9 | 8/8 | |
| Anne Lise Mørch von der Fehr | 9/9 | | |
| Gunnar Kagge | 8/9 | | |
| Arnaud de Puyfontaine | 8/9 | | |
| Eva Berneke | 9/9 | 8/8 | |
| Jonas Fröberg | 9/9 | | 3/3 |
| Eugénie van Wiechen | 9/9 | | |
| Christian Ringnes | 8/9 | 7/8 | |

# 9. THE WORK OF THE BOARD OF DIRECTORS

### THE GROUP BOARD'S ROLE

The Group Board monitors both the Group's day-to-day management as performed by the CEO and Schibsted's general activities. The Group Board actively participates in shaping Schibsted's strategy and ensures that the businesses are properly organized and that adequate governance and control systems are implemented. The Group Board also monitors the Group's financial performance, establishes necessary guidelines, and adopts plans and budgets for the businesses. The Group Board appoints the CEO and prepares the job description and terms and conditions for the position. The Group Board also discusses issues pertaining to the succession of key positions within the group.

### BOARD INSTRUCTIONS

The Group Board has established internal rules of procedures that describe the Board's responsibilities, duties and administrative procedures. The rules of procedure also state the CEO's duties in relation to the Board. The Board reviews the rules of procedure to the Board and general management each year.

### MEETING STRUCTURE

The Group Board works on the basis of an annual meeting schedule, which is normally agreed to at the first meeting after the Annual General Meeting. The meeting schedule includes strategic planning, business issues and oversight activities. At the same meeting, the Board appoints the members of the Board's Compensation Committee and Audit Committee. The company's Vice President Investor Relations is the Group Board secretary.

The CEO, in consultation with the chair of the Group Board, prepares the issues that are to be dealt with by the Group Board. Emphasis is placed on issues being well prepared with documentation being sent out in advance so that the Group Board has a satisfactory basis for its work. The Board discussions are presided over by the chair of the Group Board.

The meeting schedule, board documents and other important documents linked to the board work (stock exchange manual, board instructions, mandates for the board and committees, stock exchange notices and press releases, etc.), as well as general analyses and market information, are available to the directors through the Directors Portal, which is a web-based reading tool for the directors. The Directors Portal simplifies the directors' work and makes it more efficient, and gives the Board easier access to up-to-date information. It also allows the directors to study presentations given at meetings and the industry's regulatory framework, market and competitive situation, etc.

### THE GROUP BOARD'S EVALUATION OF ITS OWN WORK

The Group Board annually evaluates its own work and delivers a written report to the Nomination Committee. The report forms the basis for the Nomination Committee's annual board evaluation work. The Nomination Committee performs additional assessments of the Group Board, by interviewing the Board members themselves or using external consultants. The Group Board considers itself to be well functioning, with directors whose expertise and experience complement each other.

### INTERACTION WITH THE COMPANY

On a regular basis, the Group Board is invited to selected seminars and conferences arranged by Schibsted – such as Schibsted's annual "Journalism Award".

Schibsted is a member of the Norwegian Institute of Directors. The membership gives the Board members an opportunity to participate in seminars and discussion groups that consider key issues which affect the Board's work and the work of the committees.

In order to strengthen and utilize the directors' expertise and experience relating to the Group's operations, Group directors may also sit on the boards of the Group's subsidiaries. Currently, Karl-Christian Agerup is a board member for Aftenposten.

**THE GROUP BOARD'S USE OF COMMITTEES**

Schibsted has established an Audit Committee and a Compensation Committee which contribute to thorough preparations and discussions on matters covered by the committees' mandates.

As Schibsted has gradually grown in size and become more international, the Board's scope of work, and the complexity of the issues addressed have increased. The Board considers that the establishment of a Compensation Committee and an Audit Committee has improved the Board's preparatory work and discussions of complex cases. The committees function well and interact well with the Board, both with regard to the exchange of information and the division of responsibilities and work. The committees allow the Board to deal thoroughly with issues in important areas relating to corporate governance, risk management, internal controls and compensation schemes, and allow the Board more time to discuss fundamental and strategic issues. At the same time, the Group Board is aware that the use of committees may lead a dilution of responsibility. Committees are therefore only used when required due to the complexity and scope of an issue.

**THE GROUP BOARD'S COMPENSATION COMMITTEE**

The Compensation Committee is a sub-committee to the Group Board and has no decision-making authority. The Compensation Committee is appointed by and among the Group Board for one-year terms.

The Compensation Committee prepares matters relating to the Group CEO's remuneration for the Board. In addition, the committee assists the Board by dealing with fundamental questions, guidelines and strategies linked to the overall remuneration paid to other members of the Group management and senior managers in key subsidiaries.

The Committee monitors the use of long-term incentives in the Group and makes preparations for the Board's annual discussions on the LTI program for selected managers. For further information, refer to item 12 of this report.

The CEO attends Committee meetings except for discussions of his own remuneration. The company's Head of Legal Affairs acts as secretary to the Compensation Committee.

The Committee was established in 2004. Members of the Committee at present: Ole Jacob Sunde (chair), Karl-Christian Agerup and Jonas Fröberg.

**THE GROUP BOARD'S AUDIT COMMITTEE**

The Audit Committee is a sub-committee of the Group Board and has no decision-making authority. The Audit Committee is appointed by and among the Group Board for one-year terms.

The Audit Committee prepares the Board's quality assurance of the financial reports. In addition, the committee monitors the Group's internal control system and risk management systems for financial reporting, and assesses and monitors the external auditor's work and independence. As part of its work, the Audit Committee conducts targeted reviews of the Group's main activities in which representatives of the Group management and local management also participate. In 2013, the Audit Committee's review focused on three areas of strategic importance to the Group: Firstly the IT strategy, the IT organization and governance and IT reliability. Second Schibsted Payment, including the business model, organization and governance, and privacy protection. Thirdly, a review of the Brazilian classified operations, including organization and governance, the market and competitors, operational and financial performance, and risk management and internal control.

The Group's CFO is the management's main representative in relation to the Audit Committee and attends all Committee meetings. The External Auditor attends Audit Committee meetings when matters falling within the External Auditors' area of responsibility are considered. The company's Compliance Officer acts as secretary to the Audit Committee.

The Audit Committee which was established in 2007 presently has the following members: Marie Ehrling (chair), Christian Ringnes, and Eva Berneke.

# 10. RISK MANAGEMENT AND INTERNAL CONTROL

Schibsted's risk management and internal control system for financial reporting is based on internationally recognized frameworks, such as COSO. The risk management and internal control system reflects Schibsted's management model and the CEO and CFO of the entities are responsible for maintaining an effective internal control system over financial reporting. This includes safeguarding that the entity has the capacity and competence necessary to carry out adequate internal control.

## FINANCIAL REPORTING

As a tool to assist in the Board's oversight and control of the Group's operations, management prepares periodic reports on Group status. The reports provide periodic the financial reporting of the Group's key figures, the status of business matters, financial market information, non-financial indicators, and a status report on each business area. The Board has established routines for oversight and governance of the Group's ongoing projects. The establishment of an Audit Committee in 2007 has strengthened this function in the Group.

The Audit Committee's main responsibility is to exercise oversight of the integrity of the company's financial statements and financial reporting process and internal controls. This includes the review of the annual audited financial statements and quarterly financial statements, and the results of the annual audit and any interim reviews carried out by the External Auditor.

The quarterly and annual financial reports are also reviewed by the Group Board. In addition to the examination of the figures, emphasis is also placed on reviewing critical judgements and estimates in addition to any changes to accounting practices.

Schibsted's Group Accounting prepares the Group's financial reports and ensures compliance with prevailing accounting standards and legislation. When preparing the quarterly reports, general controls on the reasonableness and more detailed reconciliation controls are performed in connection with the quality assurance of figures reported by subsidiaries and the consolidated Group figures. Group Accounting supports subsidiaries and provides technical accounting expertise as required. Quarterly financial review meetings are also held with the largest companies in our operating segments.

Schibsted's Group Accounting publishes financial and accounting manuals that are available to all the subsidiaries on the Group's intranet. These manuals describe reporting requirements, content, guidelines and deadlines.

For information on external reporting of financial information and dialogue with shareholders, please refer to item 13 - Information and Communication - in this report.

## MONITORING OF RISK MANAGEMENT AND INTERNAL CONTROLS WITHIN THE COMPANY

Each manager in the Group is responsible for risk management and internal controls within his/her area of responsibility. Schibsted is continuously implementing and further developing guidelines for all companies relating to their continuous follow-up of risk management and internal controls over financial reporting.

The Compliance Officer is responsible for initiating and monitoring the annual risk management and internal controls process in the Group on behalf of the Group's CFO and CEO. The Compliance Officer reports functionally and administratively to the CFO. If necessary, the Compliance Officer will report directly to the Audit Committee.

Cross-functional management teams performed a bottom-up and top-down risk assessment for our operating segments in the autumn 2013. A consolidated risk assessment considering strategic and market; financial; legal, compliance and ethics; and operational and organizational risks was reviewed by the Group Management team. The result of this risk assessment has been reviewed at Audit Committee and Group Board meetings.

Schibsted ASA is a Norwegian group of companies with considerable international shareholdings. Companies outside Norway have established governing bodies in accordance with local legislation in each individual country. The internal controls over financial reporting are monitored by these governing bodies with assistance from management's day-to-day monitoring and the External Auditor's testing.

To improve the quality of financial reporting in the Group, reduce vulnerability and streamline processes, two service centers were set up in 2010, one in Sweden and one in Norway. The Service Centers are centers of expertise with consultants and service personnel available to deliver finance, credit, invoicing and payroll functions; and to support compliance pertaining to accounting, finance and tax laws and regulations. The majority of the Norwegian and Swedish subsidiaries receive accounting services from the service centers.

For further information on the Group's market risks, please refer to the Analysis of market risk section in the Board of Directors' report. For further information on the Group's financial risk, refer to note 9 of the Group's Annual Financial Statements.

## Overview of the Group's most important risks in 2013

| Risk factor | Inherent risk | Residual risk |
|---|---|---|
| Structural changes in the digital advertising market | High | High |
| Competition risk in selected classified markets | High | High |
| Structural change in media consumption (accelerated migration) | High | High |
| Competition from disruptive players/business models | High | High |
| High dependency on advertising revenue (cyclicality) | High | Medium |

# 11. REMUNERATION OF THE BOARD OF DIRECTORS

The Annual General Meeting determines the remuneration payable to the Group. The directors' fees are decided in advance for one year at a time and are fixed amounts that do not depend on results or involve options.

Any payments made to directors in addition to the normal directors' fees are disclosed in note 27 of the Group's Annual Financial Statements.

For further information on remuneration of the Group Board, refer to the Nomination Committee's report and to note 27 of the Group's Annual Financial Statements.

# 12. REMUNERATION OF EXECUTIVE PERSONNEL

The Compensation Committee prepares matters for the Board concerning the Group CEO's remuneration. In addition, the Committee assists the Group Board in dealing with fundamental questions, guidelines and strategies linked to the overall remuneration for other members of the Group management and senior managers in key subsidiaries.

Schibsted's statement regarding the determination of salary and other remuneration to the management, gives an account of the main principles of the Group's management remuneration policy, including the extent and arrangement of bonus schemes and the Group's Long-term Incentive (LTI) program. The statement of executive compensation is discussed by the Annual General Meeting and made available to the shareholders on the company's website when the notice calling the Annual General Meeting is sent out.

# 13. INFORMATION AND COMMUNICATION

**DIALOGUE WITH SHAREHOLDERS AND THE FINANCIAL MARKET**
Communication with the Norwegian and international stock markets has a high priority for Schibsted. Schibsted's dedicated and active management and investor relations department work on a daily basis with the financial markets to make sure that relevant and sufficient information reach the market in a timely manner and provides a basis for a correct pricing of Schibsted shares. The objective is to increase knowledge about the company, build trust in Schibsted in the investment market, achieve improved liquidity for our shares, and create the basis for the correct pricing of the share. Openness, accessibility and transparency are fundamental to good relationships with investors, analysts and other players in the financial market. The Group Board is regularly updated on these activities.

**THE REPORTING OF FINANCIAL INFORMATION**
Schibsted aims to issue financial reports that investors can have confidence in. In accordance with its mandate, the Group Board's Audit Committee monitors the work on the company's financial reports.

Schibsted publishes its financial figures quarterly. In connection with the Group's quarterly reports, open presentations to investors are held. At these presentations, the CEO and CFO review the results and comment on the market and outlook. The chair of the Group Board also attends these presentations. Members of the Group management attend these presentations as required.

The presentations in connection with the quarterly results are published on the company's website. The complete Annual Financial Statements and Directors' Report are published on the company's website at least 21 days before the Annual General Meeting. Schibsted's financial calendar is announced for one year at a time and published on the website.

**OTHER MARKET INFORMATION**
In accordance with the Norwegian Securities Trading Act and Stock Exchange Act, notifications are distributed to the Oslo Børs and national and international news agencies and are published on Schibsted's website.

Schibsted regularly arranges Investor Days in order to present its strategy and other key development trends. Schibsted's Investor Days were last held on October 9 (London) and 10 (New York) 2013. A video webcast of the event and the presentation material are available on the company's website.

In 2013 Schibsted ranked, for the third consecutive year, among the top five in the Stockman Awards. The Stockman Awards go to the listed companies in Norway that are best at providing the finance industry and shareholders with continuous information about their activities, and who also, based on principles of financial analysis, publish the best annual and quarterly reports.

For further information, refer to Share information and the company's website.

# 14. TAKE-OVERS

The Group Board has prepared principles and guidelines for handling any take-over bids. These principles were revised in 2011.

For more on this subject, please refer to the discussion of restrictions in the company's statutes on ownership and voting rights attached to the shares in item 4 of this statement.

As referred to in item 3 of this statement, the Group Board obtained continuing authority to buy back the Group's own shares in accordance with the Norwegian Public Limited Companies Act at the Annual General Meeting in 2013. The authority stipulates that the Group Board is free to determine the method of acquisition and any later sale of the shares and that the authorization may also be used to buy and sell shares in take-over situations.

Section 6-17, second subsection of the Securities Trading Act, allows the General Meeting to grant the Board such authorizations. The Board's use of such authorizations is, however, restricted under item 14 of the NCBG's Code of Practice. The Group Board must consider the use of such authorizations in the context of the specific take-over situation. As referred to above, the Group Board has prepared guidelines for handling any take-over bids and the issue of using authorizations in company acquisition situations is highlighted as one of the Group Board's most important tasks if a take-over situation should arise.

# 15. AUDITOR

## APPOINTMENT OF AUDITOR

The External Auditor is elected by the General Meeting. The Audit Committee presents a recommendation on the appointment of an External Auditor to the Group Board. The Group Board's recommendation is then presented to the General Meeting, which makes the formal appointment of the Group's External Auditor. As a general rule, all Group companies are to use the same audit firm. Exceptions may be approved by the Group CFO.

Tenders for the Group's external audit services as from the 2011 financial year were invited in the autumn of 2010. Following a thorough evaluation by management and the Audit Committee, it was decided to continue with Ernst & Young as the company's auditor.

## THE GROUP BOARD'S RELATIONSHIP WITH THE EXTERNAL AUDITOR

According to its mandate, the Audit Committee is responsible for ensuring that Schibsted is subject to an independent and effective external audit. The Audit Committee evaluates the following factors relating to the External Auditor each year:

- The audit firm's independence
- The quality of the auditing services
- The estimated fee

The Audit Committee will submit a proposal to the Group Board and the Annual General Meeting regarding the approval of the External Auditor's fee. For information on the fees payable to the External Auditor for the 2013 financial year, refer to note 27 of the Group's Annual Financial Statements.

The External Auditor presents an annual plan for the audit work to the Audit Committee. The company's External Auditor is present when the management presents the preliminary consolidated financial statements to the Group Board, and also when the final results are presented if deemed necessary. The External Auditor also reviews internal controls as part of the annual audit procedures, and reports identified weaknesses and proposed improvements to the Audit Committee. The External Auditor regularly attends Audit Committee meetings and holds annual meetings with the Group Board at which the management is not present.

The External Auditor attends the company's Annual General Meeting and comments on the Auditor's Report.

## THE EXTERNAL AUDITOR'S INDEPENDENCE

The External Auditor must under no circumstances perform advisory services or other services which could potentially affect or raise doubts about the auditor's independence. The Group has prepared guidelines on the relationship with the external auditor.

The amount of non-audit services provided by the External Auditor in 2013 is compliant with the requirements in the Norwegian Auditors Act and guidelines from the Financial Supervisory Authority of Norway. In the Group Board's view, the advisory services provided by the External Auditor in 2013 do not influence the auditor's independence, but the Group Board acknowledges the potential issues related to this. The Audit Committee is responsible for ensuring that the auditor does not provide any prohibited non-audit services for the Group. See note 27 for information on fees related to auditing and consulting.

# 16. OTHER KEY BODIES IN THE GROUP

**GROUP EMPLOYEE REPRESENTATIVES**
The Group has established a Group employee representative scheme that is intended to safeguard the employees' interests in relation to the Group management in cases dealt with at Group level that may be of importance to the Group's employees as a whole.
Further information may be found at our website www.schibsted.com.

**EDITORS' FORUM**
The Group's international Editors' Forum is described in greater detail in the Statement of Corporate Social Responsibility.

**SCHIBSTED'S GROUP COUNCIL**
Schibsted's Group Council was established in 2004 based on the rules stipulated concerning the Establishment of European Works Councils.

The Group Council's objective is to promote development, motivation, co-responsibility and mutual trust between the management and the employees. The Group Council is intended to ensure active collaboration and to be a forum for information, discussion and dialogue within the Group. The Group Council cooperates closely with the Group Employee Representatives. The Group Council is a supplement to the employees' representation in the subsidiaries.

Importance is attached to continuous contact between employees across national boundaries. The Council convenes twice a year. The Schibsted European Work Council currently comprises 35 representatives from seven countries who are elected by and among the employees. The Council is headed by Group Employee Representative Morten Lia.

# 17.
# DEVIATIONS FROM THE CODE OF PRACTICE

**DEVIATIONS FROM THE CODE OF PRACTICE**
According to the Group's own evaluation, we deviate from the Code of Practice on two points:

Item 5 – Freely negotiable shares
Based on Schibsted's publishing responsibilities and role in society as a media company, Schibsted's independence and integrity are ensured through restrictions on ownership and voting rights stated in the Articles of Association. Article 6 states that no shareholder may own or vote at the General Meetings in respect of more than 30 per cent of the shares.

Item 6 – General Meetings
The Chair of the Board is always present to respond to any questions. Other board members participate when needed.


20 minutos
Última Hora
evolución económica de la eurozona
Comentarios (18)
anteproyecto de reforma educativa
Comentarios (20)
Los sindicatos destacan el seguimiento masivo de la huelga y destacan la falta de incidentes
Comentarios (19)
Alonso estrena un alerón delantero en Singapur, su circuito talismán
Última Hora

# Members of the Board (2013-2014)

The Board of Schibsted ASA currently consists of ten members. The shareholders elect seven while three are elected by and from the employees. The shareholder-elected members are elected each year. The employee-elected board members are up for election every two years.

## OLE JACOB SUNDE

**CHAIRMAN OF THE BOARD**
Board member since May 2000. Chairman of the Board since May 2002. Chairman of the Compensation Committee since it was established in 2004. The founder and chairman of the board of Formuesforvaltning ASA (2000). Established Industrifinans Forvaltning ASA in 1983 and was managing director until 2000. Former consultant in McKinsey & Co. (1980-83). Various other directorships, including chairman of the board of The Tinius Trust and member of the board of Blommenholm Industrier AS. MBA (Université de Fribourg, Sveits) 1976 and Kellogg School of Management, Northwestern University (USA) (with distinction) 1980.

## KARL-CHRISTIAN AGERUP

Elected as a deputy board member in Schibsted in May 2004. Board member since May 2008. CEO Oslotech AS (2010 - d.d.) Northzone Ventures, Founder and partner (1994-2009). HU GIN AS, Founder and managing director (1995-1999). McKinsey & Co, Associate (1991-93), Engagement Manager (1993-94). Millipore Corp, Boston, USA, Corporate Planner (1990-91).
Vice Chairman of the board of Norfund. Massachusetts Institute of Technology (MIT) – Alfred P Sloan School of Management, Master of Science in Management (1990). The Copenhagen School of Business and Administration. MBA/HA (1988).

Personal deputy for Ole Jacob Sunde in the Tinius Trust.

## MARIE EHRLING

Board member in Schibsted since May 2008. Chair Telia Sonera AB, Vice chair Nordea AB, member of the board at Securitas AB, Oriflame Cosmetics SA, Centre for Advanced Studies of Leadership (CASL) at the Stockholm School of Business and Administration, Business Executive Council IVA and for the World Childhood Foundation. Marie Ehrling was CEO of TeliaSonera AB from 2003 to 2006. From 1982 until 2002 she worked for the SAS Group, among others as Vice CEO in SAS AB and CEO for SAS Scandinavian Airlines (2001-2002) and as CEO for SAS Ground Services (1997-2001). Head of Information at the Swedish Ministry of Finance (1980-82) and the Swedish Ministry of Education (1979- 1980), Financial Analysist in Fourth Swedish National Pension Fund (1977-1979). Bachelor of Science Business Administration and Economics from Stockholm School of Business and Administration (1977).

## EVA BERNEKE

Board member in Schibsted since May 2010. CEO KMD. Previously CEO of Wholesale at TDC AS Denmark. Appointed to the Executive Committee in 2007. MSc in Mechanical Engineering Technical University of Denmark, 1992, and MBA, INSEAD (Executive Management Training Program) 1995. Member of Board of Directors of Copenhagen Business School. Member of the Danish Council for Technology and Innovation under the Danish Ministry of Science, Technology & Innovation. Member of the Board of Directors of the Industrialization Fund for Development and Eastern Countries (IFU, IØ).

## CHRISTIAN RINGNES

Deputy board member in Schibsted from May 2002 to 2005. Elected as ordinary board member in May 2005. Managing director and major owner in Eiendomsspar AS/Victoria Eiendom AS (1984- ). McKinsey & Company, INC -Scandinavia, consultant (1981/82) and project manager (1983/84), Manufactures Hanover Trust Company, Assistant to Area Manager, Nordic Countries (1978/79). Chairman of the board in NSV-Invest AS, Sundt AS, Dermanor AS, Oslo Flaggfabrikk and Mini Bottle Gallery AS. Board member in Thor Corporation AS and Oslo's Council for City Architecture. Harvard Business School, Boston, USA (1979-81), Master of Business Administration. Ecole des Hautes Etudes Commerciales, Universite de Lausanne (1975-78), MBA.

## EUGÉNIE VAN WIECHEN

Member of the board in Schibsted since May 2012. CEO FD Mediagroep. Previously Publishing Director in FD Mediagroep, The Netherlands, Managing Director in LinkedIn.com, The Netherlands; Managing Director in eBay.nl, Marktplaats.nl, The Netherlands; Publisher Young Women's Magazines and Director Consumer Marketing in Sanoma Uitgevers, The Netherlands; Management Consultant and Engagement Manager in McKinsey& Company, The Netherlands. Educated at the University of Amsterdam in Chemical Engineering (MSc, 1994) and INSEAD, Fontainebleau, France (MBA, 1997).

## ARNAUD DE PUYFONTAINE

Member of the board in Schibsted since May 2012. Senior Executive Vice President, Media and Content Activities in Vivendi.

Previously CEO of Hearst Magazines UK and EVP Hearst Magazines International, President of the 'Industry' Committee in Summit Conference on the Press, France; President, Mondadori France Group and CEO, Mondadori France magazines operations, France; CEO and Chairman, Emap France and Excelsior Publications, COO, Emap France and Managing Director, Emap Star, France; Managing Director, Publisher of the daily newspapers, Le Figaro Economie, Le Figaro Grande Ecoles and Le Figaro Défense, Le Figaro, France; OTC Project Manager, Rhone Poulenc Sante, Indonesia; Consultant, Audit & Consulting, Arthur Andersen, France.

Board Memberships: Mondadori; Emap; Magazine Publishing Association APPM France; PPA UK, Magazine Union SPMI; Distribution Group NMPP; Aspen Institute; 24h00.fr, ecommerce site; SGAM AI;'Le Cercle' and 'Dialogue Economique', France.

Educated at the European School of Management, France in MBA, ESCP, ESCP (1988), Harvard Business School (2000).

## GUNNAR KAGGE

**EMPLOYEE ELECTED**
Gunnar Kagge (1960) has worked at Aftenposten since 1997. Formerly employed at NTB and the Norwegian Confederation of Business and Industry (NHO). He has mainly been writing about politics and economy, covering negotiations between employers and unions, trends in the workplace and the big organizations.

Elected leader of the local journalist union 2007-2010. Board member of SKUP, NJ Schibsted and deputy board member of NJ.

He is educated with a degree in history from the University of Oslo. All through school and studies he worked as a freelancer at Aftenposten, from 1975 and onwards.

## ANNE LISE VON DER FEHR

**EMPLOYEE ELECTED**
Member of the board in Schibsted since May 2009. Reporter and subeditor at VG since April 2002. Elected leader of the board of the local journalist union in VG (2007-2010). Member of the European Work Council, Schibsted (2008-2010). Leader of Norwegian Journalists' local union within Schibsted (2008-2010). Deputy member of the board of VG AS (2007-2009). Reporter and subeditor Asker og Bærum Budstikke (2000-2002). Researcher at Holmgang, TV2 (1999-2000). Board member of the Foundation of Asker and Bærum Budstikke (2009- ), deputy member (2007-2009).

She holds a master degree in Political Science from the University of Oslo, has studied History of Literature and has an International Diploma in Journalism from England.

## JONAS FRÖBERG

**EMPLOYEE ELECTED**
Member of the board in Schibsted Media Group since May 2012. With Svenska Dagbladet since 2006 as trade and industry reporter, chronicler and automotive editor. Reporter and web editor at the financial desk, Dagens Nyheter (2005-2006). Deputy Regional Director at Svensk Näringsliv (1999-2005).

MSc in Political Science Umeå University 1997, BBA Handelshögskolan, Umeå University, BBA University of Derby England (1998). Studied cultural journalism, Umeå University (2005). Member of the board at Schibsted Sverige (2009-2012) and Svenska Dagbladet (2009-).

# The Nomination Committee's Report 2013

The Nomination Committee consists of John A Rein (chair), Gunn Wærsted and Nils Bastiansen. The Nomination Committee is elected for two years at a time and is up for election at the Annual General Meeting on 7 May 2014

In recent years, the Nomination Committee has had a long-term focus on internationalization of the Group Board.

The Group Board consists of seven shareholder-elected directors and three directors elected by the employees. The leader of the Group's Editors Forum has been appointed as an observer to the Group Board.

The employees have elected two alternate directors. Alternate directors attend the meetings only in the event of an absence. No alternate directors have been appointed by the shareholders.

The Group Board's working language is English.

**THE NOMINATION COMMITTEE'S WORK ON RECRUITMENT FOR THE BOARD**

The Board's shareholder-elected directors are up for election each year. The Nomination Committee is continuously working on the recruitment of new directors and evaluation of the Group Board's work.

In 2013, the Nomination Committee has used an external recruitment bureau to conduct a thorough Board Review as well as the search for potential Board candidates.

The Board Review included interviews with all Board members and key management. The Board Review has been discussed by the Board.

In the election period 2013-2014 (as per 17 March 2014), the Nomination Committee has held 9 meetings, including interviews with potential candidates to the Board.

The Nomination Committee makes efforts to ensure that recruitment to Schibsted's Group Board has a sufficient balance between continuity and renewal, and that the Group Board has expertise and experience within the fields of the Group's operations, both inside and outside Scandinavia. In addition, Schibsted seeks to comply with the Norwegian Public Limited Companies Act's gender balance requirements.

Based on the Board Review, the Nomination Committee is satisfied that the Group Board is a well-functioning corporate body. At the Annual general meeting on 7 May 2014, the Nomination Committee invites the shareholders to vote on the shareholder directors at the Group Board for the period 2014-2015.

The candidates are presented in the notice to the annual general meeting. The notice, and a detailed presentation of the candidates, is available on the Schibsted website at www.schibsted.com.

The Nomination Committee has reconsidered whether there should be a ballot for each individual director. The Norwegian Recommendation for Corporate Governance recommends individual ballots for each individual director. To comply with the recommended practice, the Nomination Committee proposes one ballot for each individual director at the General Meeting on 7 May 2014.

## THE DIRECTORS' INDEPENDENCE

Information on the directors' business relationships with shareholders or others with links to the shareholders, or to Schibsted, is provided under "Corporate Governance". The representation on the Group Board reflects the ownership shares in Schibsted and the right to elect directors, which, according to Schibsted's Articles of Association, belongs to shareholders holding at least 25 per cent of the shares (§ 8). As a consequence of Ole Jacob Sunde's links with Blommenholm Industrier and the Tinius Trust, the Nomination Committee does not consider him to be an independent director. The Nomination Committee considers the other directors to be independent. Thus, six of the seven shareholder-elected Group Board members are considered independent.

## THE GROUP BOARD'S COMPENSATION COMMITTEE AND AUDIT COMMITTEE

The Compensation Committee and Audit Committee are both elected by the Group Board for a one-year period. The task of these select committees is to prepare the case files and documentation for Group Board consideration.

In the annual assessment of the Group Board's work, the preparatory efforts by the select committees are identified as important and positive contributions to the sound and thorough consideration of complex cases.

The Nomination Committee appreciates the need for the Group Board to be able to prepare complicated matters in committees. In general terms, the Nomination Committee is highly aware of the responsibilities that rest on the Group Board for its decisions and assessments, including the complex matters that require a preliminary examination in a select committee.

## COMPENSATION AND REMUNERATION

All compensation and remuneration payable to Schibsted's corporate bodies is stipulated in advance for one year at a time by the Annual General Meeting based on a compensation and remuneration proposal from the Nomination Committee.

The Nomination Committee considers the present compensation to Group Board members to be in line with market practice. Taking this into account, the compensation should normally be adjusted annually in order to avoid larger adjustments and achieve with general wage inflation in society as a whole.

The Nomination Committee proposes to continue this practice, and proposes the following adjustments for the period 2014-2015. A comparison with present figures is also provided below:

| All figures in NOK | 2013-14 | 2014-15 |
|---|---|---|
| a) Group Board members | | |
| Chair | 755,000 | 780,000 |
| Other directors | 325,000 | 335,000 |
| Alternate directors | 16,000 | 16,000 |
| b) Members of the Compensation Committee | | |
| Chair | 87,000 | 90,000 |
| Other committee members | 57,000 | 60,000 |
| (c) Members of the Audit Committee | | |
| Chair | 129,000 | 133,000 |
| Other committee members | 82,000 | 85,000 |
| (d) Members of the Nomination Committee | | |
| Chair, per meeting | 16,000 | 16,000 |
| Other committee members, per meeting | 11,000 | 11,000 |

An allowance of NOK 100,000 may be granted to Group Board members resident outside Oslo. For the upcoming period 2014-2015 the Nomination Committee has adopted the following allowance tariffs:
NOK 50,000 for Group Board members resident outside Oslo but in the Nordic countries, and NOK 100,000 for Group Board members resident outside the Nordic countries

# Share information

**Schibsted Media Group** is a listed company, and our aim is that our shares should be perceived as an attractive investment. A competitive return should be based on a healthy economy. The goal is to ensure a competitive return through long-term growth in the share price and dividend. The company's shares should as far as possible achieve a price which reflects the company's long-term earnings capacity.

The strategy and vision on which Schibsted's Board has agreed implies that the Group's operations must adapt quickly and develop rapidly. Schibsted's capital structure must be sufficiently robust to enable us to maintain the desired freedom of action. A cornerstone of Schibsted is its positions in the Scandinavian online and print media markets. Some of these operations are exposed to advertising markets that are subject to cyclical fluctuations.

Our media houses' strong brands and market-leading positions help to ensure a stable, good cash flow. Established online classifieds operations in Scandinavia, France and other countries contribute to strong, profitable growth. At the same time, Schibsted has an ambitious expansion strategy for its online classifieds businesses, and invests significant amounts over the P&L broadening our international footprint.

## THE SCHIBSTED SHARE - KEY FIGURES

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| Highest share price (NOK) | 403.90 | 240.00 | 182.70 | 172.80 | 132.30 |
| Lowest share price (NOK)*) | 219.70 | 150.20 | 120.00 | 119.10 | 27.66 |
| Share price at year end (NOK)*) | 401.20 | 235.50 | 148.90 | 172.00 | 130.10 |
| Earnings per share | 14.32 | 1.73 | 7.00 | 27.04 | 4.74 |
| Earnings per share - adjusted | 3.90 | 8.41 | 8.76 | 9.72 | 4.42 |
| Dividend per share | 3.50**) | 3.50 | 3.50 | 3.00 | 1.50 |
| Average number of outstanding shares | 107,273,587 | 107,026,293 | 106,020,714 | 103,337,507 | 83,256,121 |
| Outstanding shares at year end | 107,348,540 | 107,104,460 | 106,941,657 | 103,773,174 | 103,303,474 |

*) Historical share price adjusted for the split out of subscription rights in connection with the rights issue in 2009.
**) As proposed by the Board of Directors.

# DIVIDEND AND BUYBACK OF SHARES

**The distribution of dividend** and the opportunity to buy back shares are regarded as suitable ways to adapt the capital structure. The Group's dividend policy is to pay out 25–40 percent of the Group's cash flow per share. In periods of weak economic conditions, the dividend level is maintained as long as the Group's capital structure permits. Such a dividend level implies that the return on Schibsted's shares is competitive in both the Norwegian market and among European media companies.

The Board has decided to propose to the General Meeting on 7 May 2014 to pay a dividend for 2013 of NOK 3.50 per share. Depending on the decision of the General Meeting, the dividend will be paid on 20 May 2014 to those registered as shareholders on the date of the General Meeting.

The general meeting has authorized Schibsted's Board to buy back up to 10 percent of the company's shares. The buybacks will take place in the market over time and should be viewed in connection with Schibsted's dividend policy, investment opportunities, and long-term perspectives for its capital structure. The Board will ask the General Meeting to also allow the authorization for the coming period to be used in an acquisition situation.
No buyback of shares was carried out in 2013.

# SHAREHOLDER STRUCTURE

**Blommenholm Industrier,** which is controlled by the Tinius Trust, is Schibsted's largest shareholder, giving the Group long-term ownership stability. A consequence of this is that the number of issued shares will normally remain stable over time. This means that earnings from operations, combined with loans, will be the most important source of financing for growth in the form of acquisitions or organic investments. This implies that Schibsted should secure its freedom of action by maintaining a relatively high level of equity and low debt-to-equity ratio over time. Financial independence and a strong financial position are also important for ensuring public confidence and trust in our media businesses.

Schibsted's shares are freely marketable. The wording of the company's Articles of Association reflects the Group's publishing responsibilities and role in society as a media company. Schibsted's independence and integrity are ensured through restrictions on ownership and voting rights in article 6 of the Articles of Association. No shareholder may own or exercise voting rights for more than 30 percent of the shares represented at a general meeting.

Any shareholder owning 25 percent or more of Schibsted's shares is entitled to appoint one director directly. Blommenholm Industrier, which owns 26.1 percent of the shares, is currently the only shareholder to hold this right. The Tinius Trust has a controlling interest in Blommenholm Industrier.

# RETURN

**The Schibsted** share is listed on Oslo Børs with the ticker code SCH. The share is among the most traded in Norway, and has been a part of the OBX index during 2013.

Schibsted is covered by sell-side analysts in Scandinavia and in London. At year-end 2013, fourteen analysts had an official coverage of Schibsted, five of whom were based outside Scandinavia.

In 2013, the Schibsted share produced a return for shareholders of 72.9 percent, including dividend of NOK 3.50 per share (reinvested). By comparison, the Oslo Børs Benchmark Index (OSEBX) produced a return of 23.6 percent.

Updated share information, graph showing share price performance over longer or shorter intervals and comparison with other companies is available at Schibsted IR websites.

# SHAREHOLDERS

**The number of registered Schibsted shareholders** declined in 2013 from 4,869 to 4,707. At year-end 2013, 56 percent of Schibsted shares were owned by non-Norwegian shareholders (NWT Media AS counted as a Swedish shareholder). One year earlier, this share was 54 percent. On average, 237,000 Schibsted shares were traded per day on Oslo Børs in 2013, which was 7 percent fewer than in 2012. However, the value of the trading in Schibsted shares on Oslo Børs increased 35 percent to NOK 68.4 million per day in 2013. The turnover velocity in the Schibsted share on Oslo Børs was 54.1 percent in 2013, compared with 59.6 percent in 2012. The slight decline is better than the trend on Oslo Børs, where the turnover velocity declined from 60.7 percent in 2012 to 48.5 percent in 2013. At the same time, activity on alternative trading platforms is capturing market shares.

| SHAREHOLDERS | 2013 | 2012 | 2011 |
|---|---|---|---|
| Share of non-Norwegian registered shareholders: | 56% | 54% | 48% |
| Number of shareholders: | 4,707 | 4,869 | 5,275 |
| Number of shares: | 108,003,615 | 108,003,615 | 108,003,615 |
| Number of own shares: | 655,075 | 1,061,958 | 4,230,440 |

# SHAREHOLDERS

Schibsted conducts a quarterly analysis of shareholders registered at nominee accounts. This list is the outcome of this analysis and gives a richer picture of Schibsted's underlying shareholders than what is the case of the VPS register. Updated as of 20 January 2014.

| Rank | Name | Share | Holding |
|---|---|---|---|
| 1 | Blommenholm Industrier AS | 26,10 | 28,188,589 |
| 2 | Folketrygdfondet | 6,90 | 7,456,976 |
| 3 | Luxor Capital Group, L.P. | 6,45 | 6,971,066 |
| 4 | Baillie Gifford & Co. | 6,20 | 6,701,102 |
| 5 | NWT Media As | 3,70 | 4,000,000 |
| 6 | Alecta pensionsförsäkring, ömsesidigt | 3,06 | 3,302,000 |
| 7 | Caledonia (Private) Investments Pty Limited | 2,50 | 2,697,612 |
| 8 | SAFE Investment Company Limited | 1,87 | 2,019,943 |
| 9 | Capital Research Global Investors | 1,76 | 1,902,283 |
| 10 | Marathon Asset Management LLP | 1,74 | 1,882,227 |
| 11 | Taube, Hodson, Stonex Partners, LLP | 1,67 | 1,800,620 |
| 12 | Tweedy, Browne Company LLC | 1,39 | 1,505,622 |
| 13 | Swedbank Robur AB | 1,11 | 1,198,657 |
| 14 | Danske Capital (Norway) | 1,03 | 1,107,120 |
| 15 | Handelsbanken Asset Management | 0,96 | 1,041,227 |
| 16 | Fidelity Worldwide Investment (UK) Ltd. | 0,96 | 1,036,607 |
| 17 | Adelphi Capital LLP | 0,91 | 986,197 |
| 18 | The Vanguard Group, Inc. | 0,91 | 979,477 |
| 19 | Newbrook Capital Advisors, L.P. | 0,89 | 956,364 |
| 20 | DNB Asset Management AS | 0,88 | 947,436 |
| | **Total** | **71,00** | **76,681,125** |

The shareholder ID data are provided by Nasdaq OMX. The data are obtained through the analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Schibsted share register. Whilst every reasonable effort is made to verify all data, neither Thomson Reuters or Schibsted can guarantee the accuracy of the analysis.

For an overview of the 20 largest shareholders as of 31 December 2013 from the public VPS-list, refer to the annual accounts for Schibsted ASA, note 13.

# CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

| (NOK million) | Note | 2013 | Restated 2012 |
|---|---|---|---|
| **Operating revenues** | 7 | **15,232** | **14,763** |
| Raw materials and finished goods | 26 | (871) | (1,057) |
| Personnel expenses | 27 | (5,474) | (5,226) |
| Other operating expenses | 28 | (7,228) | (6,471) |
| Share of profit (loss) of associated companies | 13 | 13 | 34 |
| **Gross operating profit (loss)** | | **1,672** | **2,043** |
| | | | |
| Depreciation and amortisation | 11, 12 | (490) | (479) |
| **Gross operating profit (loss) after depreciation and amortisation** | | **1,182** | **1,564** |
| | | | |
| Impairment loss | 11, 12, 13 | (150) | (548) |
| Other income and expenses | 8 | 1,169 | (287) |
| **Operating profit (loss)** | | **2,201** | **729** |
| | | | |
| Financial income | 29 | 51 | 115 |
| Financial expenses | 29 | (237) | (224) |
| **Profit (loss) before taxes** | | **2,015** | **620** |
| | | | |
| Taxes | 30 | (453) | (426) |
| **Profit (loss)** | | **1,562** | **194** |
| | | | |
| Profit (loss) attributable to non-controlling interests | | 26 | 53 |
| Profit (loss) attributable to owners of the parent | | 1,536 | 141 |
| | | | |
| Earnings per share (NOK) | 31 | 14.32 | 1.32 |
| Diluted earnings per share (NOK) | 31 | 14.31 | 1.32 |
| | | | |
| Earnings per share – adjusted (NOK) | 31 | 3.90 | 8.18 |
| Diluted earnings per share – adjusted (NOK) | 31 | 3.90 | 8.17 |

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

| (NOK million) | Note | 2013 | Restated 2012 |
|---|---|---|---|
| **Profit (loss)** | | **1,562** | **194** |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Remeasurements of defined benefit pension liabilities | 21 | (300) | 812 |
| Income tax relating to remeasurements of defined benefit pension liabilities | 30 | 84 | (227) |
| Share of other comprehensive income of associated companies | | - | 9 |
| Items that will be reclassified subsequently to profit or loss: | | | |
| Change in cumulative unrealised gains financial assets available for sale | 14 | - | (80) |
| Exchange differences on translating foreign operations | | 933 | (328) |
| Hedges of net investments in foreign operations | | (132) | 26 |
| Income tax relating to hedges of net investments in foreign operations | 30 | 37 | (7) |
| **Other comprehensive income** | | **622** | **205** |
| **Comprehensive income** | | **2,184** | **399** |
| Comprehensive income attributable to non-controlling interests | | 35 | 48 |
| Comprehensive income attributable to owners of the parent | | 2,149 | 351 |

# CONSOLIDATED BALANCE SHEET

| (NOK million) | Note | 31.12.13 | Restated 31.12.12 | Restated 01.01.12 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Intangible assets | 11 | 10,337 | 9,113 | 9,611 |
| Investment property | 12 | 68 | 68 | 63 |
| Property, plant and equipment | 12 | 1,439 | 1,777 | 1,929 |
| Investments in associated companies | 13 | 1,074 | 488 | 483 |
| Non-current financial assets | 14 | 17 | 16 | 143 |
| Deferred tax assets | 30 | 123 | 96 | 58 |
| Other non-current assets | 15 | 157 | 194 | 213 |
| **Non-current assets** | | **13,215** | **11,752** | **12,500** |
| Inventories | 16 | 53 | 117 | 143 |
| Trade and other receivables | 17 | 2,623 | 2,447 | 2,406 |
| Current financial assets | 14 | 28 | 3 | 500 |
| Cash and cash equivalents | 18 | 1,240 | 1,031 | 778 |
| **Current assets** | | **3,944** | **3,598** | **3,827** |
| **Total assets** | | **17,159** | **15,350** | **16,327** |
| **EQUITY AND LIABILITIES** | | | | |
| Share capital | 19 | 108 | 108 | 108 |
| Treasury shares | 19 | (1) | (1) | (1) |
| Other paid-in equity | | 1,464 | 1,464 | 1,440 |
| Other equity | | 6,279 | 4,293 | 4,777 |
| **Equity attributable to owners of the parent** | | **7,850** | **5,864** | **6,324** |
| Non-controlling interests | | 261 | 245 | 156 |
| **Equity** | | **8,111** | **6,109** | **6,480** |
| Deferred tax liabilities | 30 | 741 | 907 | 732 |
| Pension liabilities | 21 | 1,114 | 909 | 1,691 |
| Non-current interest-bearing borrowings | 22 | 1,971 | 2,124 | 1,907 |
| Other non-current liabilities | 23 | 458 | 296 | 339 |
| **Non-current liabilities** | | **4,284** | **4,236** | **4,669** |
| Current interest-bearing borrowings | 22 | 428 | 347 | 523 |
| Income tax payable | | 360 | 365 | 428 |
| Other current liabilities | 24 | 3,976 | 4,293 | 4,227 |
| **Current liabilities** | | **4,764** | **5,005** | **5,178** |
| **Total equity and liabilities** | | **17,159** | **15,350** | **16,327** |

Oslo, 25 March 2014
Schibsted ASA's Board of Directors

Ole Jacob Sunde
Chairman of the Board

Karl-Christian Agerup

Arnaud de Puyfontaine

Marie Ehrling

Christian Ringnes

Eva Berneke

Anne Lise von der Fehr

Gunnar Kagge

Jonas Fröberg

Eugénie Van Wiechen

Rolv Erik Ryssdal
CEO

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

| (NOK million) | Note | 2013 | Restated 2012 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit (loss) before taxes | | 2,015 | 620 |
| Gain from remeasurement of previously held equity interest in business combination achieved in stages | | (2) | (57) |
| Share of profit of associated companies | 13 | (13) | (34) |
| Dividends received from associated companies | 13 | 56 | 44 |
| Taxes paid | | (636) | (628) |
| Sales losses / (gains) non-current assets | | (1,468) | (65) |
| Amortisation and impairment losses intangible assets | 11 | 236 | 553 |
| Depreciation and impairment losses property, plant and equipment | 12 | 274 | 295 |
| Impairment loss associated companies | 13 | 130 | 179 |
| Write-down of inventories | 16 | - | 28 |
| Impairment losses financial instruments | 29 | 3 | 1 |
| Change in working capital | | 40 | 339 |
| **Net cash flow from operating activities** | | **635** | **1,275** |
| | | | |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of intangible assets and property, plant and equipment | 11, 12 | (531) | (366) |
| Acquisition of subsidiaries and joint ventures, net of cash acquired | 33 | (257) | (94) |
| Proceeds from sale of intangible assets and property, plant and equipment | | 344 | 26 |
| Proceeds from sale of subsidiaries and joint ventures, net of cash sold | 33 | 1,014 | 9 |
| Investments in / sale of other shares | | (66) | 2 |
| Other investments / sales | | (27) | 23 |
| **Net cash flow from investing activities** | | **477** | **(400)** |
| | | | |
| **Net cash flow before financing activities** | | **1,112** | **875** |
| | | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| New interest-bearing loans and borrowings | | 991 | 1,220 |
| Repayment of interest-bearing loans and borrowings | | (1,164) | (1,403) |
| Payment due to increase in ownership interests in subsidiaries | | (478) | (39) |
| Capital increase | | 1 | 44 |
| Purchase / sale of treasury shares | | 24 | 16 |
| Dividends paid to owners of the parent | 20, 33 | (375) | (375) |
| Dividends paid to non-controlling interests | 33 | (58) | (54) |
| **Net cash flow from financing activities** | | **(1,059)** | **(591)** |
| | | | |
| Effects of exchange rate changes on cash and cash equivalents | | 156 | (31) |
| | | | |
| **Net increase / (decrease) in cash and cash equivalents** | | **209** | **253** |
| | | | |
| Cash and cash equivalents as at 1.1 | | 1,031 | 778 |
| **Cash and cash equivalents as at 31.12** | 18 | **1,240** | **1,031** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (NOK million) | Note | Share capital | Treasury shares | Other paid-in equity | Retained earnings | Foreign currency transl. reserve | Net unrealised gains reserve | Total | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **As at 31.12.2011** | | **108** | **(1)** | **1,440** | **5,239** | **(509)** | **225** | **6,502** | **157** | **6,659** |
| Changes in accounting policies | | - | - | - | (178) | - | - | (178) | (1) | (179) |
| **As at 01.01.2012 (restated)** | | **108** | **(1)** | **1,440** | **5,061** | **(509)** | **225** | **6,324** | **156** | **6,480** |
| Profit (loss) 2012 | | - | - | - | 141 | - | - | 141 | 53 | 194 |
| Remeasurements of defined benefit pension liabilities | 21 | - | - | - | 812 | - | - | 812 | - | 812 |
| Income tax relating to remeasurements of defined benefit pension liabilities | | - | - | - | (227) | - | - | (227) | - | (227) |
| Share of other comprehensive income of associated companies | | - | - | - | 9 | - | - | 9 | - | 9 |
| Change in fair value of investments available for sale | 14 | - | - | - | - | - | (80) | (80) | - | (80) |
| Translation differences | | - | - | - | - | (323) | - | (323) | (5) | (328) |
| Hedging of net investment in foreign operations | | - | - | - | - | 26 | - | 26 | - | 26 |
| Tax effect hedging of net investment in foreign operations | | - | - | - | - | (7) | - | (7) | - | (7) |
| **Comprehensive income 2012** | | **-** | **-** | **-** | **735** | **(304)** | **(80)** | **351** | **48** | **399** |
| Capital increase | | - | - | - | - | - | - | - | 20 | 20 |
| Share-based payment | 27 | - | - | 24 | - | - | - | 24 | - | 24 |
| Dividends paid to owners of the parent | 20 | - | - | - | (375) | - | - | (375) | - | (375) |
| Dividends to non-controlling interests | | - | - | - | - | - | - | - | (54) | (54) |
| Change in treasury shares | 19 | - | - | - | 16 | - | - | 16 | - | 16 |
| Business combinations | 5 | - | - | - | - | - | - | - | 35 | 35 |
| Loss of control of subsidiaries | | - | - | - | - | - | - | - | (3) | (3) |
| Changes in ownership of subsidiaries that do not result in a loss of control | | - | - | - | (331) | - | - | (331) | 43 | (288) |
| Other changes in the composition of the Group | 14 | - | - | - | - | - | (145) | (145) | - | (145) |
| **Total transactions with the owners** | | **-** | **-** | **24** | **(690)** | **-** | **(145)** | **(811)** | **41** | **(770)** |
| **As at 31.12.2012** | | **108** | **(1)** | **1,464** | **5,106** | **(813)** | **-** | **5,864** | **245** | **6,109** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (NOK million) | Note | Share capital | Treasury shares | Other paid-in equity | Retained earnings | Foreign currency transl. reserve | Net unrealised gains reserve | Total | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **As at 31.12.2012** | | **108** | **(1)** | **1,464** | **5,106** | **(813)** | **-** | **5,864** | **245** | **6,109** |
| Profil (loss) 2013 | | - | - | - | 1,536 | - | - | 1,536 | 26 | 1,562 |
| Remeasurements of defined benefit pension liabilities | 21 | - | - | - | (300) | - | - | (300) | - | (300) |
| Income tax relating to remeasurements of defined benefit pension liabilities | | - | - | - | 84 | - | - | 84 | - | 84 |
| Translation differences | | - | - | - | - | 924 | - | 924 | 9 | 933 |
| Hedging of net investment in foreign operations | | - | - | - | - | (132) | - | (132) | - | (132) |
| Tax effect hedging of net investment in foreign operations | | - | - | - | - | 37 | - | 37 | - | 37 |
| **Comprehensive income 2013** | | **-** | **-** | **-** | **1,320** | **829** | **-** | **2,149** | **35** | **2,184** |
| Capital increase | | - | - | - | - | - | - | - | 21 | 21 |
| Share-based payment | 27 | - | - | 26 | - | - | - | 26 | - | 26 |
| Dividends paid to owners of the parent | 20 | - | - | - | (375) | - | - | (375) | - | (375) |
| Dividends to non-controlling interests | | - | - | - | 8 | - | - | 8 | (58) | (50) |
| Change in treasury shares | 19 | - | - | - | 24 | - | - | 24 | - | 24 |
| Business combinations | 5 | - | - | - | - | - | - | - | 3 | 3 |
| Loss of control of subsidiaries | | - | - | - | - | - | - | - | (1) | (1) |
| Changes in ownership of subsidiaries that do not result in a loss of control | | - | - | - | 154 | - | - | 154 | 16 | 170 |
| **Total transactions with the owners** | | **-** | **-** | **26** | **(189)** | **-** | **-** | **(163)** | **(19)** | **(182)** |
| **As at 31.12.2013** | | **108** | **(1)** | **1,490** | **6,237** | **16** | **-** | **7,850** | **261** | **8,111** |

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All amounts are in NOK million unless otherwise stated.

# NOTE 1 COMPANY INFORMATION

Schibsted ASA is domiciled in Norway. The company's head office is located at Apotekergaten 10, Oslo. The company's postal address is P.O. Box 490 Sentrum, 0105 Oslo. The company is a public limited company that is listed on the Oslo Stock Exchange under ticker SCH.

Schibsted Media Group is one of Scandinavia's leading media groups. The major businesses are in Norway, Sweden, France and Spain, but the Group also has operations in other countries in Europe, Latin America, Asia and Africa. Schibsted's operations are divided in four operating segments: Online classifieds, Schibsted Norge media house, Schibsted Sverige media house and Media Houses International. Schibsted has a presence in classifieds, printed newspapers, online newspapers and directories.

The financial statements were approved by the Board of Directors on 25 March 2014 and will be proposed to the General Meeting 7 May 2014.

# NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

## BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements have been prepared based on a historical cost basis, with the exception of financial instruments in the categories Financial assets and financial liabilities at fair value through profit or loss and Financial assets available for sale which are measured at fair value and Loans and receivables and Other financial liabilities which are measured at amortised cost.

In the consolidated income statement, expenses are presented using a classification based on the nature of the expenses.

Determining the carrying amounts of some assets and liabilities requires management to estimate the effects of uncertain future effects on those assets and liabilities at the balance sheet date. Key sources of estimation uncertainty at the balance sheet date having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 3.

## CHANGE IN ACCOUNTING POLICIES

Except for the mandatory implementation of amendments to IAS 19 Employee Benefits and IAS 1 Presentation of Financial Statements and the mandatory implementation of IFRS 13 Fair Value Measurement as at 1 January 2013, the accounting policies adopted are consistent with those of the financial year 2012.

Amendments to IAS 19 Employee Benefits have removed the option for deferred recognition of changes in pension plan assets and liabilities ("the corridor approach"). Actuarial gains (losses) and the actual return on plan assets ("remeasurements") are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the period in which they occur. Such remeasurements are not reclassified to profit or loss subsequently. Interest expense or income is calculated on the net defined benefit liability (asset) by applying the discount rate to the net defined benefit liability (asset). This replaces the interest cost on the defined benefit obligation and the expected return on plan assets. Past service cost is recognised in the period when a plan is amended.

Amendments to IAS 19 Employee benefits are applied retrospectively. As a result of the accounting policy change, the following adjustments were made to the financial statements:

| (NOK million) | As previously reported | Effect of restatement | Restated |
|---|---|---|---|
| **As at 1 January 2012:** | | | |
| Consolidated balance sheet | | | |
| Investments in associated companies | 492 | (9) | 483 |
| Equity attributable to owners of the parent | 6,502 | (178) | 6,324 |
| Non-controlling interests | 157 | (1) | 156 |
| Deferred tax liabilities | 798 | (66) | 732 |
| Pension liabilities | 1,455 | 236 | 1,691 |
| **As at and for the year ended 31 December 2012:** | | | |
| Consolidated income statement: | | | |
| Personnel expenses | (5,241) | 15 | (5,226) |
| Other income and expenses | (257) | (30) | (287) |
| Financial expenses | (176) | (48) | (224) |
| Taxes | (443) | 17 | (426) |
| Profit (loss) | 240 | (46) | 194 |
| Earnings per share (NOK) | 1.73 | (0.41) | 1.32 |
| Diluted earnings per share (NOK) | 1.73 | (0,41) | 1.32 |
| Consolidated statement of comprehensive income: | | | |
| Remeasurements of defined benefit pension liabilities | - | 812 | 812 |
| Income tax relating to remea-surements of defined benefit pension liabilities | - | (227) | (227) |
| Share of comprehensive income of associated companies | - | 9 | 9 |
| Other comprehensive income | (389) | 594 | 205 |
| Comprehensive income | (149) | 548 | 399 |
| Consolidated balance sheet: | | | |
| Equity attributable to owners of the parent | 5,492 | 372 | 5,864 |
| Non-controlling interests | 248 | (3) | 245 |
| Deferred tax liabilities | 763 | 144 | 907 |
| Pension liabilities | 1,422 | (513) | 909 |

Amendments to IAS 1 Presentation of Financial Statements have changed the grouping of items presented in other comprehensive income. Items that will be reclassified subsequently to profit or loss are presented separately from items that will not be reclassified. Comparable figures for 2012 are restated.

IFRS 13 Fair Value Measurement, establishing a single source of guidance for all fair value measurements, is implemented with prospective effect. Application of IFRS 13 has not materially impacted the fair value measurements of the Group.

## CONSOLIDATION PRINCIPLES

The consolidated financial statements include the parent Schibsted ASA and all subsidiaries, presented as the financial statements of a single economic entity. Intragroup balances, transactions, income and expenses are eliminated.

Subsidiaries are all entities that are controlled, directly or indirectly by Schibsted ASA. Control is the power to govern the financial and operational policies of an entity and is normally achieved through ownership of more than half of the voting power of an entity or by virtue of an agreement with other investors. The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether control exists.

Subsidiaries are included in the consolidated financial statements from the date Schibsted ASA effectively obtains control of the subsidiary (acquisition date) and until the date Schibsted ASA ceases to control the subsidiary.

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to the parent Schibsted ASA. Non-controlling interests are presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent. Profit or loss and comprehensive income attributable to non-controlling interests are disclosed as allocations for the period of profit or loss and comprehensive income attributable to non-controlling interests and owners of the parent, respectively.

All business combinations in which Schibsted ASA or a subsidiary is the acquirer, i.e. the entity that obtains control of an other entity or business, are accounted for by applying the acquisition method.

The identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values. Any non-controlling interest in the acquiree is measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. The consideration transferred is measured at fair value. Any excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and the fair value of any previously held equity interest in the acquiree over the net of identifiable assets acquired and liabilities assumed, is recognised as goodwill. Acquisition-related costs incurred, except those related to debt or equity, are expensed.

The acquisition-date fair value of contingent consideration is recognised as part of the consideration transferred in exchange for the acquiree. Subsequent changes in the fair value of contingent consideration deemed to be a liability is recognised in profit or loss.

In business combinations achieved in stages, the previously held equity interest is remeasured at its acquisition-date fair value with the resulting gain or loss recognised in profit or loss.

Changes in ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in their relative share in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

When control of a subsidiary is lost, the assets and liabilities of the subsidiary and the carrying amount of any non-controlling interests are derecognised. Any consideration received and any investment retained in the former subsidiary is recognised at their fair values. The difference between amounts recognised and derecognised is recognised as gain or loss in profit or loss. Amounts recognised in other comprehensive income related to the subsidiary are reclassified to profit or loss or transferred to equity similarly as if the parent had disposed of the assets and liabilities directly. Amounts reclassified to profit or loss (including accumulated translation differences and accumulated fair value adjustments to financial assets available for sale) are included in gain or loss on loss of control of subsidiary in profit or loss.

### Interests in joint ventures

A joint venture is an economic activity which, based on a contractual agreement, is subject to joint control by two or more parties. A jointly controlled entity is an entity in which Schibsted holds an ownership interest, and where the entity is subject to joint control based on a contractual agreement between Schibsted and one or more other parties.

Schibsted recognises its share in jointly controlled entities using proportionate consolidation. Schibsted combines its share of each of the assets, liabilities, income and expenses of jointly controlled entities with similar items in the consolidated financial statements on a line-by-line basis.

When joint control is lost, the difference between the fair value of proceeds received and any retained investment and the carrying amount of the investment is recognised as gain or loss in profit or loss.

### Investments in associates

Associated companies are defined as companies in which Schibsted ASA, directly or indirectly through subsidiaries, does not have a controlling interest but exercises significant management influence. Significant influence is normally presumed to exist when Schibsted controls 20% or more of the voting power of the investee.

Associated companies are accounted for applying the equity method of accounting and are initially recognised at cost. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss. Schibsted recognises its share of the company's profit (loss) and gains or losses on sale in a separate line in the income statement within operating profit (loss). When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses. In the balance sheet, the investment is carried at cost adjusted for the share of profit (loss), changes in equity not recognised in profit or loss and dividends received.

## ACCRUAL, CLASSIFICATION AND VALUATION PRINCIPLES

### Classification – current / non-current distinction

Cash and cash equivalents, assets included in the normal operating cycle and other financial assets expected to be realised within twelve months after the reporting period are classified as current assets. Liabilities included in the normal operating cycle and liabilities due to be settled within twelve months after the reporting period are classified as current liabilities. Other assets and liabilities are classified as non-current.

**Operating segments**

The division into operating segments is based on the organisation of the Group and corresponds to the internal management reporting to the chief operating decision maker, defined as the CEO.

**Revenue recognition**

Revenue from sale of goods is recognised when delivery has occurred and the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction (the percentage of completion method) provided that the outcome of the transaction can be estimated reliably. Discounts are recognised as a revenue reduction.

Advertising revenue in printed media is recognised when inserted. Subscription revenues for printed media are invoiced in advance and recognised upon delivery over the subscription period. Revenue from other sales of goods, including casual sales, are recognised upon delivery, taking into account estimated future returns.

Online advertising revenue is recognised when displayed. Other revenues from the internet, including subscription based revenues, are recognised in the periods in which the service is rendered.

Commissions related to sales of ads and casual sales are recognised as operating expenses.

When goods are sold or services rendered in exchange for dissimilar goods or services, revenue is recognised in accordance with the recognition policy related to relevant goods or services. Revenue is measured at the fair value of the goods or services delivered or received, depending on which item that can be measured reliably.

Interest income is recognised using the effective interest method and dividends are recognised when the right to receive payment is established.

**Government grants**

Government grants are recognised when there is reasonable assurance that the conditions attaching to them will be complied with, and that the grants will be received.

Government grants, including press subsidies, are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

**Financial instruments**

The Group initially recognises loans, receivables and deposits on the date that they are originated. All other financial assets and financial liabilities (including financial assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group classifies at initial recognition its financial instruments in one of the following categories: Financial assets or financial liabilities at fair value through profit or loss, Loans and receivables, Financial assets available for sale and Other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired.

Financial assets or financial liabilities at fair value through profit or loss are financial assets held for trading and acquired primarily with a view of selling in the near term. The category consists of financial derivatives unless they are designated and effective hedging instruments. Financial derivatives are included in the balance sheet items Trade and other receivables and Other current liabilities.

These financial assets and liabilities are measured at fair value when recognised initially, and transaction costs are charged to expense as incurred. Subsequently, the instruments are measured at fair value, with changes in fair value, including interest income, recognised in profit or loss as financial income or financial expenses.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The category is included in the balance sheet items Other non-current assets, Trade and other receivables and Cash and cash equivalents. Loans and receivables are recognised initially at fair value plus directly attributable transaction costs. Subsequently, loans and receivables are measured at amortised cost using the effective interest method, reduced by any impairment loss. Short-term loans and receivables are for practical reasons not amortised. Effective interest related to loans and receivables is recognised in profit or loss as Financial income.

Financial assets available for sale are non-derivative financial assets that are designated as available for sale or which are not classified in any other category. Carrying amount of financial assets available for sale is included in the balance sheet items Non-current financial assets and Current financial assets.

These financial assets are measured initially at fair value plus directly attributable transaction costs. Changes in fair value are recognised in other comprehensive income, except for impairment losses that are recognised in profit or loss. When an investment is derecognised, the cumulative gain or loss is transferred to profit or loss under financial income or expenses. Dividends are recognised when the right to receive payment is established.

Financial liabilities not included in any of the above categories are classified as other financial liabilities. The category other financial liabilities is included in the balance sheet items Non-current interest-bearing borrowings, Other non-current liabilities, Current interest-bearing borrowings and Other current liabilities. Other financial liabilities are recognised initially at fair value. Subsequently, other financial liabilities are measured at amortised cost using the effective interest method. Effective interest is recognised in income as financial expenses. Short-term financial liabilities are for practical reasons not amortised.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire and the Group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires. Any rights and obligations created or retained in such a transfer are recognised separately as assets or liabilities.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. Indications of impairment is evaluated separately for each investment, but normally decline in value of more than 20% compared to cost will be considered to be significant, and normally a decline in value below cost lasting for more than 12 months will be considered to be prolonged. For Trade and other receivables, default in payments, significant financial difficulties of the debtor or probability that the debtor will enter bankruptcy or debt settlement negotiations are considered to be indicators that the Group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the trade receivables is reduced through the use of an allowance account, and the loss is recognised as other operating expenses in the income statement, while impairment of other financial assets are recognised as financial expenses.

Fair value of financial instruments is based on quoted prices in an active market if such markets exist. If an active market does not exist, fair value is established by using valuation techniques that are expected to provide a reliable estimate of the fair value. The fair value of listed securities is based on current bid prices. The fair value of unlisted securities is based on cash flows discounted using an applicable risk-free market interest rate and a risk premium specific to the unlisted securities. Fair value of forward contracts is estimated based on the difference between the spot forward price of the contracts and the closing rate at the date of the balance sheet. The forward rate addition and deduction is recognised as interest income or interest expense. Fair value of interest and currency swaps is estimated based on discounted cash flows, where future interest rates are derived from market-based future rates.

**Treasury shares and transaction costs of equity transactions**

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Consideration paid or received is recognised directly in equity.

The transaction costs of issuing or acquiring own equity instruments are accounted for as a deduction from equity, net of any related income tax benefit.

**Foreign currency translation**

Each individual entity included in the consolidated financial statements measures its results and financial position using the currency of the primary economic environment in which it operates (the functional currency). The consolidated financial statements are presented in NOK which is Schibsted ASA's functional and presentation currency.

Foreign currency transactions are translated into the entity's functional currency on initial recognition by using the spot exchange rate at the date of the transaction. At the balance sheet date, assets and liabilities are translated from foreign currency to the entity's functional currency by

- translating monetary items using the exchange rate at the balance sheet date
- translating non-monetary items that are measured in terms of historical cost in a foreign currency using the exchange rate at the transaction date, and
- translating non-monetary items that are measured at fair value in a foreign currency using the exchange rate at the date when the fair value was determined.

Exchange differences arising on the settlement of, or on translating monetary items not designated as hedging instruments, are recognised in profit or loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss.

On initial designation of a hedge, the Group formally documents the relationship between the hedging instrument(s) and the hedged item(s), including risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows for the respective hedged items during the period for which the hedge is designated.

Gains or losses related to loans or currency derivatives in foreign currencies, designated as hedging instruments in a hedge of a net investment in a foreign operation, are recognised in other comprehensive income until disposal of the operation.

Upon incorporation of a foreign operation into the consolidated financial statements by consolidation, proportionate consolidation or the equity method, the results and financial position is translated from the functional currency of the foreign operation into NOK (the presentation currency) by using the step-by-step method of consolidation. Assets and liabilities are translated at the closing rate at the balance sheet date and income and expenses are translated at average rates for the period. Resulting exchange differences are recognised in other comprehensive income until the disposal of the foreign operation.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation, is treated as assets and liabilities of that foreign operation. They are therefore expressed in the functional currency of the foreign operation and translated at the closing rate at the balance sheet date.

**Property, plant and equipment**

Property, plant and equipment are measured at its cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount (cost less residual value) of property, plant and equipment is allocated on a systematic basis over its useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item, is depreciated separately.

Costs of repairs and maintenance are recognised in profit or loss as incurred. Cost of replacements and improvements are recognised in the carrying amount of the asset.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no economic benefits are expected from its use or disposal. Gain or loss arising from derecognition is included in profit or loss when the item is derecognised.

**Investment property**
Property that is not owner-occupied, but held to earn rentals or for capital appreciation, is classified as investment property. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

**Intangible assets**
Intangible assets are measured at its cost less accumulated amortisations and accumulated impairment losses. Amortisation of intangible assets with a finite useful life is allocated on a systematic basis over its useful life. Intangible assets with an indefinite useful life are not amortised.

Costs of developing software and other intangible assets are recognised as an expense until all requirements for recognition as an asset is met. The requirements for recognition as an asset include, among other requirements, the requirement to demonstrate probable future economic benefits and the requirement that the cost of the asset can be measured reliably. Costs incurred after the time that all the requirements for recognition as an asset are met are recognised as an asset. The cost of an internally generated intangible asset is the sum of expenditure incurred from the time all requirements for recognition as an asset are met and until the time the asset is capable of operating in the manner intended by management.

Expenditure related to development of technology-based intangible assets to be used in new markets will normally be charged to expense as the requirement to demonstrate probable future economic benefits will normally not be met.

Subsequent expenditure incurred in the operating stage to enhance or maintain an intangible asset are normally recognised as an expense as the requirement to demonstrate probable increased economic benefits will normally not be met.

**Impairment of non-financial assets**
Property, plant, equipment, intangible assets and goodwill are reviewed for impairment whenever an indication that the carrying amount may not be recoverable is identified. Goodwill and other intangible assets that have an indefinite useful life are tested annually for impairment. Impairment indicators will typically be changes in market developments, the competitive situation or technological developments.

An impairment loss is recognised in the Income statement if the carrying amount of an asset (cash generating unit) exceeds its recoverable amount.

The recoverable amount is the higher of value in use and fair value less cost to sell. Value in use is assessed by discounting estimated future cash flows. Estimated cash flows are based on management's experience and market knowledge for the given period, normally five years. For subsequent periods growth factors are used that do not exceed the long-term average rate of growth for the relevant market. Expected cash flows are discounted using an after tax discount rate that takes into account the expected long-term interest rate with the addition of a risk margin appropriate for the assets being tested. For the purpose of impairment testing, assets, except goodwill, are grouped together into the smallest group of assets that generates independent cash flows (cash-generating units). Goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Testing for impairment of goodwill is done by comparing recoverable amount and carrying amount of the same groups of cash-generating units as to which goodwill is allocated. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill. Any remaining amount is then allocated to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses are reversed if the loss no longer exists for all property, plant and equipment and intangible assets with the exception of goodwill where impairment losses are not reversed.

**Leases**
Leases are classified as either finance leases or as operating leases. Leases that transfer substantially all the risks and rewards incidental to the asset are classified as finance leases. Other leases are classified as operating leases.

When Schibsted is lessee in a finance lease, the leased asset and the liability related to the lease is recognised in the balance sheet. Depreciable leased assets are depreciated systematically over the useful life of the asset. Lease payments are apportioned between interest expense and reduction of the liability.

Lease payments related to operating leases are recognised as an expense over the lease term.

**Borrowing Costs**
Borrowing costs are generally recognised as an expense in the period in which they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale ("qualifying asset"), are capitalised as part of the cost of that asset.

**Inventories**
Inventories are measured at the lower of cost and net realisable value. The cost of inventories are assigned by using the first-in, first-out (FIFO) cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Post-employment benefits**
Pension plans, including multi-employer plans, are classified as defined contribution plans or defined benefit plans depending on the economic substance of the plan. Pension plans in which Schibsted's obligation is limited to the payment of agreed contributions and in which the actuarial risk and the investment risk fall on the employee, are classified as defined contribution plans. Other plans are classified as defined benefit plans.

As net defined benefit liability is recognised the present value of the benefit obligation at the balance sheet date, less fair value of plan assets.

Net pension expense related to defined benefit plans include service cost and net interest on the net defined benefit liability recognised in profit or loss and remeasurements of the net defined benefit liability recognised in other comprehensive income.

The present value of defined benefit obligations, current service cost and past service cost is determined using the Projected Unit Credit Method and actuarial assumptions regarding demographic variables and financial variables.

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service cost is recognised at the earlier date of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised.

The contribution payable to a defined contribution plan attributable to the reporting period is recognised in profit or loss.

Multi-employer plans classified as defined benefit plans, but for which sufficient information is not available to enable recognition as a defined benefit plan, are accounted for as if they were defined contribution plans.

Social security taxes are included in the determination of defined benefit obligations and net pension expense.

**Share-based payment**

In equity settled share-based payment transactions with employees, the employee services and the corresponding equity increase is measured by reference to the fair value of the equity instruments granted. The fair value of the equity instruments are measured at grant date, and is recognised as personnel expenses and equity increase immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period.

At each reporting date the companies remeasure the estimated number of equity instruments that is expected to vest. The amount recognised as an expense is adjusted to reflect the number of equity instruments which is expected to be, or actually become vested.

In cash settled share-based payment transactions with employees, the employee services and the incurred liability is measured at the fair value of the liability. The employee services and the liability are recognised immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period. Until the liability is settled, the fair value of the liability is revised at each balance sheet date and at settlement date, with changes in fair value recognised in profit or loss.

**Income taxes**

Current tax, which is the amount of income taxes payable in respect of taxable profit for a period, is, to the extent unpaid, recognised as a liability. If the amount paid exceeds the amount due, the excess is recognised as an asset.

A deferred tax liability is recognised for all taxable temporary differences, except for liabilities arising from the initial recognition of goodwill.

A deferred tax asset is recognised for deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits to the extent that it is probable that future taxable profit will be available against which these benefits can be utilised.

No deferred tax liability is recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures when Schibsted is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income). Any amount recognised as current tax assets or liabilities and deferred tax assets or liabilities are recognised in profit or loss, except to the extent that the tax arises from a transaction or event recognised in other comprehensive income or directly in equity or arises from a business combination.

**Provisions, contingent liabilities and contingent assets**

A provision is recognised when an obligation exists (legal or constructive) as a result of a past event, it is probable that an economic settlement will be required as a consequence of the obligation, and a reliable estimate can be made of the amount of the obligation.

The best estimate of the expenditure required to settle the obligation is recognised as a provision. When the effect is material, the provision is discounted using a market based pre-tax discount rate.

A provision for restructuring costs is recognised when a constructive obligation arises. Such an obligation is assumed to have arisen when the restructuring plan is approved and the implementation of the plan has begun or its main features are announced to those affected by it.

Contingent liabilities and contingent assets are not recognised. Contingent liabilities are disclosed unless the possibility of an economic settlement as a consequence of the obligation is remote. Contingent assets are disclosed where an economic settlement as a consequence of the asset is probable.

**Other income and expenses**

Income and expenses included in operating profit, but being of a non-recurring nature and material in relation to operating segments, are reported on a separate line in the income statement. Other income and expenses will normally include restructuring costs, material gains and losses on sale of property, plant and equipment or intangible assets, as well as gains or losses relating to sale of subsidiaries, joint ventures and associated companies.

**Non-current assets held for sale**

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sales transaction rather than through continuing use.

A disposal group includes assets to be disposed of, by sale or otherwise, together in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

A non-current asset or a disposal group classified as held for sale is measured at the lower of carrying amount and fair value less costs to sell. Non-current assets classified as held for sale and non-current assets that are part of a disposal group classified as held for sale, are not depreciated.

Non-current assets and assets of a disposal group classified as held for sale are presented separately from other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

**Discontinued operations**

The results of discontinued operations are presented separately in the income statement. A component of the Group that either has been disposed of or is classified as held for sale, and represents a separate major line of business, is classified as discontinued operations.

The results of discontinued operations are presented separately from the period the operation is disposed of or classified as held for sale. Previous periods are reclassified so that all items related to discontinued operations are presented separately from continuing operations for all periods presented.

**Statement of cash flows**

The statement of cash flows is prepared under the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

**Earnings per share**

Earnings per share and diluted earnings per share are presented for ordinary shares. Earnings per share are calculated by dividing profit (loss) attributable to owners of the parent by the weighted average number of shares outstanding. Diluted earnings per share is calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding, adjusted for all dilutive potential shares.

**Dividends**

Dividends are recognised as a liability at the date such dividends are appropriately approved by the company's shareholders' meeting.

## IFRS AND IFRIC INTERPRETATIONS NOT YET EFFECTIVE

IASB has published certain new standards and interpretations and amendments to existing standards and interpretations that are not effective for the annual period ending 31.12.2013 and that are not applied when preparing these financial statements. Standards and interpretations expected to have effect on the Group's financial position, performance or disclosures are presented below.

**Changes with effect for the annual period beginning 1.1.2014**

IFRS 10 Consolidated financial statements replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the principles for the presentation and preparation of consolidated financial statements. In addition it also includes the issues raised in SIC-12 Consolidation – Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 is not expected to have significant effect on the determination of whether an investee must be consolidated in the financial statements of Schibsted.

IFRS 11 Joint Arrangements replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities – Non-monetary contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities must be accounted for using the equity method. This will affect the presentation of jointly controlled entities in profit or loss and in the balance sheet, but will generally not affect net profit or shareholders' equity. IFRS 11 will affect the presentation of all investments currently accounted for as joint ventures by using proportionate consolidation. The significant operations and their effect on the consolidated financial statements are presented in note 32 Joint Ventures.

The use of the equity method of accounting in restated financial statements for 2013 also implies that any investment retained, when reducing ownership interest and reclassifying investment from joint venture to associated company, shall not be remeasured at fair value. This implies that the gain of NOK 781 million recognised in respect of reduced ownership interest in 701 Search Pte., recognised in profit or loss in the line item Other income and expenses, is reduced to NOK 256 million with a corresponding effect on equity.

The standard will be implemented with retrospective effect and comparable figures will be restated. Restated figures for 2013 are expected to deviate as follows from figures presented in these consolidated financial statements:

- Profit and equity is reduced by NOK 525 million as a consequence of change in gain from reduced ownership interest in 701 Search Pte.
- The use of the equity method of accounting for operations previously recognised using proportionate consolidation has no effect on profit or equity but leads to the following reclassifications in the income statement:
  - Reduction of operating revenues by NOK 362 million.
  - Reduction of operating expenses by NOK 480 million.
  - Recognition of share of profit (loss) of joint ventures by NOK (136) million.
  - Reduction of gross operating profit by NOK 18 million and reduction of operating profit (loss) by NOK 1 million.

IFRS 12 Disclosure of Interests in Other Entities includes all of the disclosures previously included in IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures. These disclosures relate to an entity's interests in subsidiaries, joint ventures, associate companies and structured entities. A number of new disclosures are also required, but have no impact on the Group's financial position or performance.

**Changes with effect for annual periods beginning 1.1.2015 or later**

IFRS 9 Financial Instruments, as issued, reflects the two first phases of IASB's work on the replacement of IAS 39 Financial Instruments: Recognition and Measurement, which are classification and measurement of financial assets and financial liabilities and hedge accounting. Third and last phase of this project will address amortised cost measurement and impairment of financial assets. No mandatory effective date has been determined. The Group will evaluate potential effects of IFRS 9 as soon as the final standard, including all phases, is issued.

# NOTE 3 USE OF ESTIMATES

In many areas the consolidated financial statements are affected by estimates. Important areas in which the use of estimates has significant effect on carrying amounts, and thus involve a risk of changes that could affect results in future periods, are described below.

The valuation of intangible assets in connection with business combinations and the testing of property, plant and equipment and intangible assets for impairment (see note 11 Intangible assets and note 12 Property, plant and equipment and investment property) will to a large extent be based on estimated future cash flows. Correspondingly, the expected useful lives and residual values included in the calculation of depreciation and amortisation will be based on estimates. The Group has activities within established media, but is also active in establishing positions at an early point in time in new media channels both through business combinations and its own start-ups. Estimates related to future cash flows and the determination of discount rates to calculate present values are based on management's expectations on market developments, the competitive situation, technological development, the ability to realise synergies, interest rate levels and other relevant factors. Such estimates involve uncertainty, and management's view on, and the actual development in the matters referred to, may change over time. Changes in management's opinion and actual development may lead to impairment losses in future periods.

Tangible and intangible fixed assets are tested for impairment if there are indications that an asset is impaired. Intangible assets that are not amortised are, as a minimum, tested annually for impairment. Indications of impairment will typically be changes in market development, the competitive situation and technological development. In the same way, depreciation and amortisation schedules and any residual values are reviewed periodically.

The risk of changes in expected cash flows that affect the financial statements will naturally be higher in markets in an early phase and be more limited in established markets. Further, the risk of changes will be significantly higher in periods with uncertain macroeconomic prognosis. In the present situation management considers the macroeconomic situation in Spain to be particularly affected by uncertainty. Valuation of the Group's assets in SCM Spain is based on cash flows where growth compared to the present cash flows is expected. Lack of improvement in the macroeconomic situation in Spain can consequently lead to a necessary negative adjustment to the cash flows.

Goodwill and intangible assets recognised is specified by cash-generating unit in note 11 Intangible assets.

In 2012, Schibsted recognised impairment losses related to goodwill of NOK 350 million of which NOK 345 million was related to SCM Spain. The impairment was mainly a consequence of poor macroeconomic development in Spain. In 2008, an impairment loss of NOK 1,291 million related to goodwill of SCM Spain was recognised.

In 2013, Schibsted has recognised no impairment losses related to goodwill.

Value in use for SCM Spain is in 2013 calculated using a pre-tax discount rate (WACC) of 10.0% and a sustained growth of 1.5%. Changes in significant assumptions used would have increased (decreased) recoverable amount (NOK million) at 31.12.2013 for SCM Spain as follows:

| | | **SCM Spain** |
|---|---|---|
| WACC | +1% | (426) |
| | (1%) | 576 |
| Sustained growth year 6 and forward | +1% | 590 |
| | (1%) | (460) |

An increase in WACC and a decrease in sustained growth year 6 and forward of one percentage point would not have resulted in recognition of an impairment loss in 2013.

As described above, the estimated recoverable amount is also affected by the assumptions used for future cash flows. These estimates are uncertain. The expected future net cash flows related to SCM Spain could decrease by approximately 20% compared to the estimates actually used, before any impairment loss would have to be recognised.

An impairment loss of NOK 179 million was recognised in 2012 related to the investment in the associated company Metro Nordic Sweden AB. An additional impairment loss of NOK 130 million is recognised in 2013 and remaining carrying amount is NOK 20 million.

Accounting for pension obligations requires that financial assumptions relating among others to the discount rate, expected salary increases and expected increases in pensions and National Insurance basic amount are determined. The effect on the defined benefit liabilities from changes in financial actuarial assumptions is disclosed in note 21 Pension plans.

Financial instruments are measured at fair value. When no quoted market price is available, fair value is estimated using different valuation techniques. The Group's financial instruments and valuation techniques are presented in note 10 Financial instruments by category.

Contingent consideration in business combinations and the present value of future consideration to be paid related to non-controlling interests' put options over shares in subsidiaries are recognised as financial liabilities, see note 25 Financial liabilities business combinations and increases in ownership interests. The liabilities are recognised using estimated value, and the estimate can be changed in future periods as the consideration to be paid is dependent upon future fair value and / or future results.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with tax planning strategies.

Schibsted could potentially at any time be involved in litigations as a result of the Group's ordinary operations. The financial implications of litigations are constantly monitored and a liability is recognised when it is probable that the litigation will result in a future payment and a reliable estimate of the liability can be made.

# NOTE 4 CHANGES IN THE COMPOSITION OF THE GROUP

**CHANGES IN 2013:**

Schibsted has in 2013 invested NOK 295 million (net NOK 258 million adjusted for cash in acquired companies) related to acquisition of subsidiaries (business combinations). See note 5 Business combinations for further information related to the business combinations.

Schibsted has in 2013 invested NOK 602 million related to increased ownership interests in subsidiaries. The most significant investments are the increase of ownership interest in Anuntis Segundamano Espana SL from 76.23% to 100% and the increase of ownership interest from 55% to 95% in Sibmedia Interactive S.R.L. (tocmai.ro). When ownership interest in subsidiaries increase, the carrying amount of non-controlling interests is adjusted to reflect the change in their relative interest in the subsidiary. The difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid, in excess of any amount already recognised as a liability related to non-controlling interests' put options, is recognised directly in equity and attributed to the owners of the parent.

Schibsted has in 2013 sold shares for NOK 33 million related to decreased ownership interests in subsidiaries, mainly related to reduced ownership interest from 100% to 90.2% in Hittapunktse AB. When ownership interest in subsidiaries decrease, the carrying amount of non-controlling interests is adjusted to reflect the change in their relative interest in the subsidiary. The difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration received, is recognised directly in equity and attributed to the owners of the parent.

Schibsted has in 2013 lost control over certain subsidiaries through disposals. The sales price amount to NOK 908 million and a net gain of NOK 554 million is recognised in profit or loss in the line item Other income and expenses. Significant transactions are disclosed below.

In September 2013, Schibsted disposed of its operations in the Baltic countries. A loss of NOK 216 million is recognised in profit or loss in the line item Other income and expenses.

In September 2013, Schibsted and Telenor agreed to form a joint venture for online classified services in selected key markets in South America and Asia. The transaction was closed in December 2013. The new company SnT Classifieds is owned 50/50 by the two parties. Schibsted contributed its South American assets Bomnegocio.com (Brazil) and Yapo.cl (Chile) into the joint venture while Telenor contributed its Bangladeshi asset Cellbazaar.com. In addition, Schibsted received a cash contribution from Telenor. A gain of NOK 755 million, related to the 50% interest disposed of, is recognised in profit or loss in the line item Other income and expenses. From closing, Schibsted will account for its investment in SnT Classifieds as a Joint Venture.

In September 2013, Schibsted reduced its ownership interest in Schibsted Classified Media AG (tutti.ch) from 100% to 50% by contributing the company to a newly established joint venture. Schibsted has in addition disposed of certain other businesses, including the film distributor Sandrew Metronome and Aspiro TV. A net gain of NOK 15 million is recognised in profit or loss in the line item Other income and expenses.

Simultaneously with the establishing of SnT Classifieds, Telenor also entered as an equal partner with Schibsted and Singapore Press Holdings, each owning 1/3 of the company, in the South East Asian online classifieds operation 701 Search Pte. A gain of NOK 781 million, including gain from remeasuring the retained investment at fair value, is recognised in profit or loss in the line item Other income and expenses. Fair value of the retained investment is measured at the price per share paid by Telenor in the transaction. From closing, Schibsted accounts for its investment in 701 Search Pte. as an associated company.

In December 2013, Schibsted disposed of an office building in Bergen through the sale of 100% of the shares of Krinkelkroken 1 AS. A lease-back agreement, expiring at the end of the first quarter of 2017, with options to prolong, is entered into. The transaction will have a net negative annual effect on gross operating profit of around NOK 20 million. A gain on sale of NOK 130 million is recognised in profit or loss in the line item Other income and expenses.

Anuntis Segundamano Espana SL, Sibmedia Interactive S.R.L, SnT Classifieds, Schibsted Classified Media AG and 701 Search Pte is included in operating segment Online classifieds. Hittapunktse AB is included in operating segment Schibsted Sverige media house. Krinkelkroken 1 AS is included in operating segment Schibsted Norge media house. Sandrew Metronome and Aspiro is included in Other.

**CHANGES IN 2012:**

Schibsted has in 2012 invested NOK 87 million (net NOK 35 million adjusted for cash in acquired companies) related to acquisition of subsidiaries (business combinations). See note 5 Business combinations for further information related to the business combinations.

Schibsted has in 2012 invested NOK 98 million related to increased ownership interests in subsidiaries. The most significant investments are the increase of ownership interest in Aspiro AB from 64.4% to 75.9% and the increase of ownership interest from 70% to 96% in Prisjakt AB.

Schibsted has in 2012 sold shares for NOK 59 million related to decreased ownership interests in subsidiaries. The sale is related to reduced ownership interest from 100% to 73.4% in Streaming Media AS, the company controlling 75.9% of the shares of Aspiro AB.

Schibsted has in 2012 sold certain minor businesses, including the business of Tasteline Sweden AB and 100% of the shares of Flytteportalen AS. Net loss on sale of subsidiaries amounts to NOK 7 million and is recognised in profit or loss in the line item Other income and expenses.

In November 2012, Schibsted acquired 50% of the shares of Használtautó Kft, the company operating Hungary's leading car classifieds portal. The investment is recognised as a joint venture using proportionate consolidation.

In 2012, Schibsted reduced its financial interest in Polaris Media ASA from 43.4% to 29.0% but simultaneously increased its share of voting rights from 7.1% to 29.0%. Consequently, the classification for accounting purposes of the investment i Polaris Media ASA is changed from an available-for-sale financial asset to an investment in an associated company. A gain of NOK 69 million is recognised in financial income as a consequence of the reduced financial interest. See note 14 Financial assets.

Flytteportalen AS and Használtautó Kft is included in operating segment Online classifieds. Polaris Media ASA is included in operating segment Schibsted Norge media house. Prisjakt AB and Tasteline Sweden AB is included in operating segment Schibsted Sverige media house. Aspiro AB and Streaming Media AS is included in Operating segment Other.

# NOTE 5 BUSINESS COMBINATIONS

**BUSINESS COMBINATIONS IN 2013:**

Schibsted has in 2013 invested NOK 179 million related to acquisition of new subsidiaries (business combinations). The amount comprises consideration transferred reduced by cash and cash equivalents of the acquiree. Schibsted has in addition paid NOK 79 million of contingent consideration related to prior year's business combinations (leboncoin.fr).

In July 2013, Schibsted increased its ownership interest in Sentinel Software AS from 33% to 87% through acquisition of shares. The company has developed and operates the industry system for handling used cars in Norway. The previously held equity interest was accounted for as an associated company and the business combination is accounted for as a step acquisition. The previously held equity interest is measured at fair value at the acquisition date, and a gain from remeasurement of NOK 2 million is recognised in profit or loss in the line item Other income and expenses.

In September 2013, Schibsted acquired 100% of the shares of Compricer AB. The company operates an online personal finance market place (compricer.se) and is a good strategic fit with the existing portfolio of fast growing personal finance services in Schibsted.

Schibsted has also been involved in some other minor business combinations.

The tables below summarise the consideration transferred and the preliminary amounts recognised for assets acquired and liabilities assumed after the business combinations:

| | Total business combinations |
|---|---|
| **Consideration:** | |
| Cash | 216 |
| Contingent consideration | 166 |
| **Consideration transferred** | **382** |
| Fair value of previously held equity interest | 22 |
| **Total** | **404** |

| | |
|---|---|
| **Amounts for assets and liabilities recognised:** | |
| Trademarks (indefinite useful life) | 48 |
| Trademarks (definite useful life) | 4 |
| Customer relations | 6 |
| Data systems and licenses | 29 |
| Property, plant and equipment | 3 |
| Trade receivables and other receivables | 35 |
| Cash and cash equivalents | 37 |
| Deferred tax liabilities | (13) |
| Non-current interest-bearing borrowings | (5) |
| Other non-current liabilities | (2) |
| Current liabilities | (49) |
| **Total identifiable net assets** | **93** |
| Non-controlling interests | (3) |
| Goodwill | 314 |
| **Total** | **404** |

The goodwill of NOK 314 million recognised is attributable to inseparable non-contractual customer relationships, the assembled workforce of the companies and synergies. NOK 14 million of the goodwill recognised is expected to be deductible for income tax purposes. The business combinations are carried out as part of Schibsted's growth strategy, and the businesses acquired are good strategic fits with existing operations within the Schibsted Media Group.

The fair value of acquired receivables is NOK 35 million, of which NOK 16 million are trade receivables. There is no material difference between the gross contractual amounts receivable and the fair value of the receivables.

Non-controlling interests are measured at the proportionate share of the acquiree's identifiable net assets. When Schibsted is obligated to acquire ownership interests from non-controlling interests, a financial liability is recognised with a corresponding adjustment to equity, see note 25 Financial liabilities business combinations and increases in ownership interests.

The companies acquired in the business combinations have since the acquisition dates contributed NOK 71 million to operating revenues and contributed negatively NOK 9 million to consolidated profit (loss).

If the acquisition date of all business combinations was as of 1.1.2013, the operating revenues of the Group would have increased by NOK 94 million and profit (loss) would have decreased by NOK 12 million.

**BUSINESS COMBINATIONS IN 2012:**

Schibsted has in 2012 invested NOK 35 million related to acquisition of new subsidiaries (business combinations). The amount comprises consideration transferred reduced by cash and cash equivalents of the acquiree.

In February, Schibsted increased its ownership interest in Aspiro AB to 64.4% through acquisition of shares based on an offer to acquire all the shares in the company. Aspiro AB is a leading provider of music and TV streaming services. Before the business combination, Schibsted held 18.3% of the shares in Aspiro AB and had the financial interest in 21.3% of the shares through a TRS agreement. These equity interests were accounted for as available-for-sale financial assets. The business combination is accounted for as a step acquisition. The previously held equity interest is measured at fair value at the acquisition date, and a gain from remeasurement of NOK 48 million is recognised in profit or loss in the line item Other income and expenses. Acquisition-related costs of NOK 7 million is recognised in profit or loss in the line item Other income and expenses.

In April, Schibsted increased its ownership interest in Economy OK AB from 37.9% to 51.5% through acquisition of shares. Economy OK AB operates the online coupon service Let's deal in Sweden. The previously held equity interest was accounted for as an associated company and the business combination is accounted for as a step acquisition. The previously held equity interest is measured at fair value at the acquisition date, and a gain from remeasurement of NOK 9 million is recognised in profit or loss in the line item Other income and expenses.

Schibsted has also been involved in some other minor business combinations. The acquisition of Economy OK AB is a result of the strategy to develop web-based growth companies benefiting from strong traffic positions and brands of established operations in Norway and Sweden. The acquisition of Aspiro AB was based on Schibsted's existing financial exposure and Schibsted's ability to develop web-based operations.

The tables below summarise the consideration transferred and the amounts recognised for assets acquired and liabilities assumed after the business combinations:

| | Total business combinations |
|---|---|
| **Consideration:** | |
| Cash | 87 |
| **Consideration transferred** | **87** |
| Fair value of previously held equity interest | 134 |
| **Total** | **221** |

| | |
|---|---|
| **Amounts for assets and liabilities recognised:** | |
| Trademarks (indefinite useful life) | 5 |
| Customer relations | 5 |
| Data systems and licenses | 36 |
| Property, plant and equipment | 11 |
| Other non-current assets | 5 |
| Trade receivables and other receivables | 90 |
| Cash and cash equivalents | 52 |
| Deferred tax liabilities | (10) |
| Current liabilities | (96) |
| **Total identifiable net assets** | **98** |
| Non-controlling interests | (35) |
| Goodwill | 158 |
| **Total** | **221** |

The business combinations have resulted in recognition of goodwill of NOK 158 million attributable to inseparable non-contractual customer relationships, the assembled workforce of the companies and synergies. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of acquired receivables is NOK 90 million, of which NOK 45 million are trade receivables. There is no material difference between the gross contractual amounts receivable and the fair value of the receivables.

Non-controlling interests are measured at the proportionate share of the acquiree's identifiable net assets.

The companies acquired in the business combinations have since the acquisition dates contributed NOK 235 million to operating revenues and contributed negatively NOK 79 million to consolidated profit (loss).

If the acquisition date of all business combinations was as of 1.1.2012, the operating revenues of the Group would have increased by NOK 75 million and profit (loss) would have decreased by NOK 13 million.

# NOTE 6 EVENTS AFTER THE REPORTING PERIOD

In February Schibsted agreed to acquire Milanuncios.com which over the last few years has gained a significant position in Spain. This reinforces Schibsted's position as a clear market leader in the Spanish online classified market. The founder of Milanuncios will receive proceeds of EUR 50 million in cash and 10% of the shares in the combined Schibsted Classified Media Spain (excluding 20 Minutos). Expected closing in April/May 2014.

Schibsted has bought out minorities in the Irish online classifieds site DoneDeal.ie. In 2011 Schibsted bought 50.1% of the company. In March 2014 the holdings were increased to 90.1%.

# NOTE 7 DISCLOSURE OF OPERATING SEGMENTS

Schibsted reports four operating segments; Online classifieds, Schibsted Norge media house, Schibsted Sverige media house and Media Houses International.

Operating segment Online classifieds comprises the Norwegian online marketplace Finn and Schibsted Classified Media comprising all the Group's online classifieds operations outside Norway.

Operating segment Schibsted Norge media house comprises the media houses VG, Aftenposten, Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen, printing and distribution operations, and the publishing house Schibsted Forlag.

Operating segment Schibsted Sverige media house comprises the media houses Aftonbladet and Svenska Dagbladet and a portfolio of internet-based growth companies (including the online directory service Hitta).

Media Houses International comprises the concept for free newspapers 20 Minutes in Spain and France and Eesti Meedia Group (sold in September 2013, see note 4) comprising the Group's operations in the Baltic States.

Other comprises operations not included in the four reported operating segments, including Sandrew Metronome (sold 1 April 2013), Aspiro and Mötesplatsen.

Headquarters comprise the Group's headquarters Schibsted ASA and centralised functions within finance, real estate and IT.

Eliminations comprise intersegment sales. Transactions between operating segments are conducted on normal commercial terms. Headquarters has the majority of its operating revenues from other operating segments. The reported operating segments have only insignificant shares of intragroup operating revenues.

The division into operating segments corresponds to the management structure and the internal reporting to the Group's chief operating decision maker, defined as the CEO. The division reflects an allocation based partly on the type of operation and partly on geographical location.

In the operating segment information presented, Gross operating profit (loss) after depreciation and amortisation is used as measure of operating segment profit or loss. For internal control and monitoring, Gross operating profit (loss) is also used as measure of operating segment profit or loss.

**Information about operating revenues and profit (loss) by operating segments is as follows:**

| 2013 | Online classifieds | Schibsted Norge media house | Schibsted Sverige media house | Media Houses International | Other | Head-quarters | Eliminations | Total |
|---|---|---|---|---|---|---|---|---|
| Subscription revenues | - | 1,300 | 428 | 59 | - | - | - | 1,787 |
| Casual sales revenues | 9 | 1,256 | 1,041 | 29 | - | - | - | 2,335 |
| Advertising revenues | 4,028 | 2,810 | 1,712 | 467 | - | - | - | 9,017 |
| Other revenues | 126 | 952 | 495 | 144 | 345 | 31 | - | 2,093 |
| **Operating revenues from external customers** | **4,163** | **6,318** | **3,676** | **699** | **345** | **31** | **-** | **15,232** |
| Operating revenues from other segments | 102 | 50 | 55 | 29 | - | 324 | (560) | - |
| **Operating revenues** | **4,265** | **6,368** | **3,731** | **728** | **345** | **355** | **(560)** | **15,232** |
| Operating expenses | (3,388) | (5,646) | (3,378) | (726) | (396) | (599) | 560 | (13,573) |
| Share of profit (loss) of associated companies | (15) | 2 | 10 | - | - | 16 | - | 13 |
| **Gross operating profit (loss)** | **862** | **724** | **363** | **2** | **(51)** | **(228)** | **-** | **1,672** |
| Depreciation and amortisation | (151) | (209) | (50) | (25) | (14) | (41) | - | (490) |
| **Gross operating profit (loss) after depreciation and amortisation** | **711** | **515** | **313** | **(23)** | **(65)** | **(269)** | **-** | **1,182** |

| 2012 Restated | Online classifieds | Schibsted Norge media house | Schibsted Sverige media house | Media Houses International | Other | Head-quarters | Eliminations | Total |
|---|---|---|---|---|---|---|---|---|
| Subscription revenues | - | 1,263 | 398 | 83 | - | - | - | 1,744 |
| Casual sales revenues | 12 | 1,350 | 1,074 | 42 | - | - | - | 2,478 |
| Advertising revenues | 3,478 | 2,974 | 1,647 | 555 | - | - | - | 8,654 |
| Other revenues | 45 | 888 | 376 | 224 | 317 | 37 | - | 1,887 |
| **Operating revenues from external customers** | **3,535** | **6,475** | **3,495** | **904** | **317** | **37** | **-** | **14,763** |
| Operating revenues from other segments | 112 | 10 | 43 | 35 | - | 310 | (510) | - |
| **Operating revenues** | **3,647** | **6,485** | **3,538** | **939** | **317** | **347** | **(510)** | **14,763** |
| Operating expenses | (2,547) | (5,716) | (3,139) | (942) | (356) | (564) | 510 | (12,754) |
| Share of profit (loss) of associated companies | - | 3 | 30 | - | - | 1 | - | 34 |
| **Gross operating profit (loss)** | **1,100** | **772** | **429** | **(3)** | **(39)** | **(216)** | **-** | **2,043** |
| Depreciation and amortisation | (144) | (207) | (45) | (32) | (15) | (36) | - | (479) |
| **Gross operating profit (loss) after depreciation and amortisation** | **956** | **565** | **384** | **(35)** | **(54)** | **(252)** | **-** | **1,564** |

**Information about operating revenues by products and services are as follows:**

| Operating revenues | 2013 | 2012 |
|---|---|---|
| Classified | 4,268 | 3,661 |
| Printed newspapers | 8,249 | 8,415 |
| Online newspapers | 2,882 | 2,255 |
| Live pictures | 5 | 134 |
| Others | 611 | 864 |
| Eliminations | (783) | (566) |
| **Total** | **15,232** | **14,763** |

Operating revenues include government grants at NOK 59 million in 2013 and NOK 57 million in 2012. In addition barter agreements are included with NOK 77 million in 2013 and NOK 67 million in 2012.

**Information about operating revenues and non-current assets by geographical areas**

In presenting geographical information, attribution of operating revenues is based on the location of group companies. There are no significant differences between the attribution of operating revenues based on the location of group companies and an attribution based on the customers' location. Non-current assets are attributed based on the geographical location of the assets.

| Operating revenues | 2013 | 2012 |
|---|---|---|
| Norway | 7,726 | 7,842 |
| Sweden | 4,736 | 4,206 |
| France | 1,173 | 955 |
| Spain | 803 | 823 |
| Baltics | 381 | 461 |
| Other Europe | 275 | 383 |
| Other countries | 138 | 93 |
| **Total** | **15,232** | **14,763** |

| Non-current assets | 2013 | 2012 |
|---|---|---|
| Norway | 3,803 | 3,608 |
| Sweden | 1,960 | 1,412 |
| France | 3,566 | 3,100 |
| Spain | 2,697 | 2,372 |
| Baltics | - | 336 |
| Other Europe | 372 | 549 |
| Other countries | 525 | 82 |
| **Total** | **12,923** | **11,459** |

Non-current assets comprise assets excluding deferred tax assets and financial instruments, expected to be recovered more than twelve months after the reporting period.

# NOTE 8 OTHER INCOME AND EXPENSES

Operating income and operating expenses that are of a non-recurring nature and are of material importance to the operating segments are separated from other ordinary operating revenues and expenses and reported in a separate line in the income statement.

**Other income and expenses consist of:**

| | 2013 | Restated 2012 |
|---|---|---|
| Restructuring costs | (161) | (284) |
| Write-down of inventories | - | (23) |
| Gain (loss) on sale of subsidiaries, joint ventures and associated companies | 1,327 | (13) |
| Gain (loss) on sale of intangible assets, property, plant and equipment and investment property | 130 | 4 |
| Gain (loss) on amendment of pension plans | (1) | (21) |
| Gain from remeasurement of previously held equity interest in business combination achieved in stages | 2 | 57 |
| Acquisition-related costs | - | (7) |
| Other | (128) | - |
| **Total** | **1,169** | **(287)** |

## 2013

Restructuring costs of NOK 161 million mainly come from Schibsted Sverige media house, Anuntis and the Norwegian printing operations.

Gain (loss) on sale of subsidiaries, joint ventures and associated companies include gains and losses on sale of SnT Classifieds, 701 Search Pte, the operations in the Baltic countries and other businesses. For further explanation see note 4 Changes in the composition of the Group.

Gain (loss) on sale of intangible assets, property, plant and equipment and investment property include gain on sale of an office building in Bergen.

Other includes a provision related to refocusing of the online classified operations in France.

## 2012

Restructuring costs of NOK 284 million are mainly related to measures implemented in connection with the cost reduction programmes introduced to meet the structural changes facing print media. Schibsted Norge and Schibsted Sverige media houses account for NOK 193 million and NOK 55 million respectively. The costs are mainly related to reduction in headcount, but also include certain printing contract termination costs.

The remaining restructuring costs are related to restructuring of the free newspapers 20 Minutes, changes in management structure in the Norwegian online classifieds operations Finn, restructuring of Aspiro and the ongoing downscaling of Sandrew Metronome.

Write-down of inventories is carried out in Schibsted Forlag.

Gain from remeasurement of previously held equity interest in business combination achieved in stages and acquisition related costs relate to Aspiro AB and Economy OK AB.

# NOTE 9 FINANCIAL RISK MANAGEMENT

**Funding and capital management**
Schibsted is a listed company that aims to provide a competitive rate of return based on healthy finances. Schibsted aims to maximise the shareholders' return through long-term growth in the share price and dividend.

The Group's strategy and vision imply a high rate of change and development of the Group's operations. Schibsted's capital structure must be sufficiently robust in order to maintain the desired freedom of action and utilise growth opportunities based on strict assessments relating to allocation of capital.

**The Group's capital consists of net interest-bearing debt and equity:**

| | 2013 | 2012 |
|---|---|---|
| Non-current interest-bearing borrowings | 1,971 | 2,124 |
| Current interest-bearing borrowings | 428 | 347 |
| Current interest-bearing securities | 28 | 3 |
| Cash and cash equivalents | 1,240 | 1,031 |
| **Net interest-bearing debt** | **1,131** | **1,437** |
| Group equity | 8,111 | 6,109 |
| Net gearing (net interest-bearing debt/ equity) | 0.14 | 0.24 |
| Undrawn long-term bank facilities | 3,772 | 2,386 |

Schibsted will emphasise having a fixed dividend payout ratio which, over time, is to be 25-40% of the Group's normalised cash flow per share. In years when there is an economic slowdown, the company will try to pay dividend at the upper part of the target interval provided that the Group's capital structure allows this.

Funding and control of refinancing risk is handled by Group treasury on the parent company level. Schibsted has a diversified loan portfolio both in terms of loan sources and maturity profile. The most important funding sources are the Norwegian bond market and banks. Schibsted does not have an official credit rating, but is rated by lenders and was classified BBB by most of them. Schibsted's objective is to be considered as an investment grade rated company over time (BBB- or better) and for time being official rating is not considered as necessary. The financial flexibility is considered as good and the Group's ratio of net interest-bearing debt to gross operating profit was 0.6 according to the definition of the loan agreements at the end of 2013. The target level is 1-2. Refinancing risk is considered as low.

Available liquidity should at all times be equal to at least 10% of expected annual revenues. Available liquidity refers to the Group's cash and cash equivalents and available long-term bank facilities.

**Financial risk**
Schibsted is exposed to financial risks, such as currency risk, interest rate risk, liquidity risk and credit risk. Group treasury is responsible for keeping the Group's exposure in financial risks in accordance with the financial strategy over time.

**Currency risk**
Schibsted has Norwegian kroner (NOK) as its base currency, but is through its operations outside Norway also exposed to fluctuations in the exchange rates of other currencies, mainly Euro (EUR) and Swedish kronor (SEK). Schibsted has currency risks linked to both balance sheet monetary items and the translation of investments in foreign operations. The Group makes use of loans in foreign currencies and financial derivatives (forward contracts and cross currency swaps) to reduce its currency exposure. The loans in foreign currencies and the financial derivatives are managed actively in accordance with the Group's financial strategy. The Group's monetary items exposure appears in note 22 Interest-bearing borrowings and in note 18 Cash and cash equivalents. As at 31.12.2013 the Group had entered into several forward contracts involving the purchase and sale of currencies and several interest rate and currency swap agreements for this purpose.

Currency gains and losses relating to borrowings and forward contracts which hedge net investments in foreign operations are recognised in Other comprehensive income until the foreign operation is disposed of. Other currency gains and losses are recognised in the income statement on an ongoing basis as other financial income or expenses.

As at 31.12.2013 Schibsted has the following forward contracts, which all mature in 2014:

| | Currency | Amount | NOK |
|---|---|---|---|
| Forward contracts, sale | CHF | 4 | 24 |
| Forward contracts, sale | SEK | 155 | 147 |
| Forward contracts, purchase | SEK | 100 | 95 |
| Forward contracts, purchase | SGD | 23 | 109 |

As at 31.12.2013 forward contracts for the sale of SEK 155 million are related to hedging of net investments in foreign operations. Fair value of the contracts accounted for as hedges was NOK (3) million as at 31.12.2013. Fair value of other forward contracts was NOK 0 million as at 31.12.2013.

Cash flows in foreign currencies relating to considerable investments or significant individual transactions are hedged by using financial instruments. At year-end the Group had no such contracts. The Group's foreign exchange exposure relating to operations is low, since most of the cash flows take place in the individual businesses' local currency.

As at 31.12.2013 Schibsted has the following cross currency swaps, which mature in 2015–2017:

| | Currency | Currency Payment | | NOK Receive | |
|---|---|---|---|---|---|
| Cross currency swap | EUR | 35 | Euribor 6 months + margin | 300 | Nibor 6 months + margin |
| Cross currency swap | EUR | 38 | Euribor 3 months + margin | 315 | Nibor 3 months + margin |
| Cross currency swap | SEK | 450 | Stibor 3 months +margin | 400 | Nibor 3 months + margin |
| Cross currency swap | SEK | 200 | Stibor 3 months +margin | 185 | Nibor 3 months + margin |

The cross currency swap agreements are linked to bonds and floating rate notes and matches the payments completely during the contract period. The agreements are accounted for as hedges. The fair value of the agreements was NOK (33) million as at 31.12.2013.

Schibsted follows a currency hedging strategy where parts of net investments in foreign operations are hedged. As at 31.12.2013 75% of the Group's net interest-bearing debt including derivatives was in EUR. Similarly, 25% of the Group's net interest-bearing debt including derivatives was in SEK. The degree of hedge is higher than normal due to the low net interest-bearing debt at year end.

The sensitivity of exchange rate fluctuations is as follows: if NOK changes by 10% compared to the actual rate as at 31.12.2013 for SEK and EUR, the Group's net interest-bearing debt (including currency derivatives) will change by approximately NOK 114 million. Currency effects will have a limited effect on Group profits since changes in value will be tied to instruments hedging the net foreign investments, but will change the net interest-bearing debt to gross operating profit ratio by approximately 0.06.

A change in exchange rates also affects the translation of net foreign assets to NOK. The equity effect of these changes is to some extent reduced by the Group's currency hedging, where changes in the value of net foreign assets are mitigated by changes in the value of the Group's foreign-denominated interest-bearing borrowings and currency derivatives.

**Interest rate risk**

Schibsted has floating interest rates on most of its interest-bearing borrowings according to the financial strategy, see note 22 Interest-bearing borrowings and is thereby influenced by changes in the interest market. A change of 1 percentage point in the floating interest rate means a change in Schibsted's interest expenses of approximately NOK 24 million. This will partly be compensated by a change in interest income of approximately NOK 12 million.

Interest rate swap agreements have been entered into to swap the bonds issued in 2012 from fixed interest rates to floating interest rates based on Nibor 6 months with addition of a margin. An interest rate swap has also been entered into converting the floating rate note issued in December 2012 from Nibor 3 months with addition of a margin to Nibor 6 months with addition of a margin.

As at 31.12.2013 Schibsted has the following interest rate swap agreements in NOK:

| | Amount | Pay | Receive |
|---|---|---|---|
| Interest rate swap | 150 | Nibor 6 months + margin | 5.9% |
| Interest rate swap | 150 | Nibor 6 months + margin | 5.9% |
| Interest rate swap | 250 | Nibor 6 months + margin | 5.4% |
| Interest rate swap | 150 | Nibor 6 months + margin | Nibor 3 months + margin |

The fair value of the interest rate swap agreements was NOK 12 million as at 31.12.2013.

**Raw materials risk**

Schibsted is a consumer of newsprint and is therefore exposed to price changes. A change in the price of 1% has an impact on raw materials expenses for the Group of approximately NOK 4 million per year. Newsprint prices in Norway, Sweden and Spain are negotiated annually with suppliers and have already been settled for 2014.

**Credit and counterparty risk**

The Group has recorded a low level of losses relating to trade receivables, see Note 17 Trade and other receivables.

Account receivables are diversified among many customers, customer categories and markets. Account receivables consist of a combination of prepaid subscription or advertisements and sales invoiced after delivery of the product. For some receivables there is no or very little credit risk (prepaid subscription and payments made by credit card at purchase date) and for other receivables the credit risk is higher. Credit risk will also vary among countries in which Schibsted operates. To some extent credit insurance is also used. In total the credit risk is considered as low. Net carrying amount of the Group's financial assets, except for equity instruments, represents maximum credit exposure, and the exposure as at 31.12.2013 is disclosed in note 10 Financial instruments by category. Exposure related to the Group's trade receivables is disclosed in note 17 Trade and other receivables.

Schibsted has a conservative placement policy where excess liquidity is used for loan repayments. Until due date the excess liquidity is temporarily placed in the Group's cash pool, and at times in the short-term money market with the relationship banks. Schibsted requires all relationship banks to have a certain rating.

**Liquidity risk**

At year-end the Group's portfolio of loans and loan facilities is well diversified both regarding maturity profile and lenders.

At the end of 2013 Schibsted has a long-term liquidity reserve of NOK 5.0 billion and net interest-bearing debt is NOK 1,131 million. The liquidity reserve corresponds to 33% of the Group's turnover. The Group has as target that the aggregate liquidity reserve should be at least 10% of the next 12 months' expected turnover.

Schibsted's loan agreements contain financial covenants regarding the ratio of net interest-bearing debt to gross operating profit. The ratio shall normally not exceed 3, but can be reported at higher levels up to three quarters during the loan period, as long as the ratio stays below 4. According to the definition of the loan agreements, the ratio was 0.6 as at 31.12.2013.

# NOTE 10
# FINANCIAL INSTRUMENTS BY CATEGORY

**Carrying amount of assets and liabilities are divided into categories as follows:**

| | Note | Balance as at 31.12.2013 | Financial assets and liabilities at fair value through profit or loss | Loans and receivables | Financial assets available for sale | Other financial liabilities | Other assets and liabilities |
|---|---|---|---|---|---|---|---|
| Intangible assets | 11 | 10,337 | - | - | - | - | 10,337 |
| Property, plant and equipment and investment property | 12 | 1,507 | - | - | - | - | 1,507 |
| Investments in associated companies | 13 | 1,074 | - | - | - | - | 1,074 |
| Non-current financial assets | 14 | 17 | - | - | 17 | - | - |
| Deferred tax assets | 30 | 123 | - | - | - | - | 123 |
| Other non-current assets | 15 | 157 | - | 152 | - | - | 5 |
| Inventories | 16 | 53 | - | - | - | - | 53 |
| Trade and other receivables | 17 | 2,623 | 2 | 2,323 | - | - | 298 |
| Current financial assets | 14 | 28 | - | - | 28 | - | - |
| Cash and cash equivalents | 18 | 1,240 | - | 1,240 | - | - | - |
| **Total assets** | | **17,159** | **2** | **3,715** | **45** | **-** | **13,397** |
| Deferred tax liabilities | 30 | 741 | - | - | - | - | 741 |
| Pension liabilities | 21 | 1,114 | - | - | - | - | 1,114 |
| Non-current interest-bearing borrowings | 22 | 1,971 | - | - | - | 1,971 | - |
| Other non-current liabilities | 23 | 458 | - | - | - | 398 | 60 |
| Current interest-bearing borrowings | 22 | 428 | - | - | - | 428 | - |
| Income tax payable | 30 | 360 | - | - | - | - | 360 |
| Other current liabilities | 24 | 3,976 | 5 | - | - | 3,845 | 126 |
| **Total liabilities** | | **9,048** | **5** | **-** | **-** | **6,642** | **2,401** |

| | Note | Balance as at 31.12.2012 Restated | Financial assets and liabilities at fair value through profit or loss | Loans and receivables | Financial assets available for sale | Other financial liabilities | Other assets and liabilities |
|---|---|---|---|---|---|---|---|
| Intangible assets | 11 | 9,113 | - | - | - | - | 9,113 |
| Property, plant and equipment and investment property | 12 | 1,845 | - | - | - | - | 1,845 |
| Investments in associated companies | 13 | 488 | - | - | - | - | 488 |
| Non-current financial assets | 14 | 16 | - | - | 16 | - | - |
| Deferred tax assets | 30 | 96 | - | - | - | - | 96 |
| Other non-current assets | 15 | 194 | - | 181 | - | - | 13 |
| Inventories | 16 | 117 | - | - | - | - | 117 |
| Trade and other receivables | 17 | 2,447 | 2 | 2,144 | - | - | 301 |
| Current financial assets | 14 | 3 | - | - | 3 | - | - |
| Cash and cash equivalents | 18 | 1,031 | - | 1,031 | - | - | - |
| **Total assets** | | **15,350** | **2** | **3,356** | **19** | **-** | **11,973** |
| Deferred tax liabilities | 30 | 907 | - | - | - | - | 907 |
| Pension liabilities | 21 | 909 | - | - | - | - | 909 |
| Non-current interest-bearing borrowings | 22 | 2,124 | - | - | - | 2,124 | - |
| Other non-current liabilities | 23 | 296 | - | - | - | 257 | 39 |
| Current interest-bearing borrowings | 22 | 347 | - | - | - | 347 | - |
| Income tax payable | 30 | 365 | - | - | - | - | 365 |
| Other current liabilities | 24 | 4,293 | - | - | - | 3,608 | 685 |
| **Total liabilities** | | **9,241** | **-** | **-** | **-** | **6,336** | **2,905** |

**The fair value of the Group's financial derivatives is as follows:**

| | Assets | | Liabilities | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| Forward contracts | 2 | 2 | 5 | - |
| Interest rate and currency swap | - | - | - | - |
| **Total** | **2** | **2** | **5** | **-** |

**The Group's financial assets and liabilities measured at fair value, analysed by valuation method, are as follows:**

| 31.12.2013: | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets available for sale | - | 28 | 17 | **45** |
| Financial assets at fair value through profit or loss | - | 2 | - | **2** |
| Financial liabilities at fair value through profit or loss | - | 5 | - | **5** |
| Financial liabilities business combinations and increases in ownership interests | - | - | 544 | **544** |

| 31.12.2012: | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets available for sale | - | 3 | 16 | **19** |
| Financial assets at fair value through profit or loss | - | 2 | - | **2** |
| Financial liabilities business combinations and increases in ownership interests | - | - | 1,067 | **1,067** |

**The different valuation methods have been defined as follows:**

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Valuation based on inputs for the asset or liability that are unobservable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and these prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

**Changes in level 3 instruments:**

| | 2013 | 2012 |
|---|---|---|
| Net carrying amount 1.1 | (1,051) | (821) |
| Additions | (173) | (83) |
| Disposals | - | (1) |
| Settlements | 677 | 57 |
| Changes in fair value recognised in equity | 148 | (217) |
| Changes in fair value recognised in other comprehensive income | (103) | 39 |
| Changes in fair value recognised in profit or loss | (25) | (25) |
| **Net carrying amount 31.12** | **(527)** | **(1,051)** |

Changes in fair value recognised in other comprehensive income is recognised in the line item Exchange differences on translating foreign operations. Changes in fair value recognised in profit or loss is recognised in the line item Financial expenses.

# NOTE 11 INTANGIBLE ASSETS

| | Goodwill | Other intangible assets | Total |
|---|---|---|---|
| **1.1 – 31.12.2013** | | | |
| Net carrying amount 1.1.2013 | 6,452 | 2,661 | 9,113 |
| Additions | - | 217 | 217 |
| Additions on purchase of businesses | 326 | 110 | 436 |
| Disposals on sale of businesses | (183) | (14) | (197) |
| Reclassification | - | 23 | 23 |
| Amortisation | - | (219) | (219) |
| Impairment loss | - | (17) | (17) |
| Translation differences | 725 | 256 | 981 |
| **Net carrying amount 31.12.2013** | **7,320** | **3,017** | **10,337** |
| | | | |
| **As at 31.12.2013** | | | |
| Cost | 9,086 | 4,204 | 13,290 |
| Accumulated amortisation and impairment losses | (1,766) | (1,187) | (2,953) |
| **Net carrying amount** | **7,320** | **3,017** | **10,337** |

| | Goodwill | Other intangible assets | Total |
|---|---|---|---|
| **1.1 – 31.12.2012** | | | |
| Net carrying amount 1.1.2012 | 6,878 | 2,733 | 9,611 |
| Additions | - | 178 | 178 |
| Additions on purchase of businesses | 216 | 46 | 262 |
| Disposals on sale of businesses | (12) | (1) | (13) |
| Reclassification | - | 17 | 17 |
| Amortisation | - | (196) | (196) |
| Impairment loss | (350) | (7) | (357) |
| Translation differences | (280) | (109) | (389) |
| **Net carrying amount 31.12.2012** | **6,452** | **2,661** | **9,113** |
| | | | |
| **As at 31.12.2012** | | | |
| Cost | 8,203 | 3,401 | 11,604 |
| Accumulated amortisation and impairment losses | (1,751) | (740) | (2,491) |
| **Net carrying amount** | **6,452** | **2,661** | **9,113** |

**Other intangible assets include:**

| | Expected useful life | Carrying amount 31.12.2013 | Carrying amount 31.12.2012 |
|---|---|---|---|
| Trademarks | Indefinite | 2,496 | 2,201 |
| Trademarks | Finite | 62 | 65 |
| Software and licenses | Finite | 397 | 340 |
| Customer relations | Finite | 62 | 55 |
| **Total** | | **3,017** | **2,661** |

**Trademarks with indefinite expected useful lives can be specified on cash-generating units as follows:**

| | Operating segment | 2013 | 2012 |
|---|---|---|---|
| Schibsted Norge | Schibsted Norge media house | 439 | 439 |
| Schibsted Sverige | Schibsted Sverige media house | 107 | 54 |
| SCM Spain | Online classifieds | 908 | 795 |
| SCM France | Online classifieds | 761 | 666 |
| SCM Italy | Online classifieds | 172 | 151 |
| SCM Belgium | Online classifieds | 53 | 47 |
| SCM Ireland | Online classifieds | 51 | 45 |
| SCM Romania | Online classifieds | 5 | 4 |
| **Total** | | **2,496** | **2,201** |

Trademarks with an indefinite expected useful life have been acquired through acquisitions and are expected to generate cash flows over an indefinite period of time.

Intangible assets with a finite expected useful life are as a general rule amortised on a straight line basis over the expected useful life. The amortisation period of intangible assets is 1.5–10 years. The amortisation method, expected useful life and any residual value are assessed annually.

Schibsted has a clear goal of building a foundation for future growth by establishing in new markets. This is done to a large extent within Schibsted Classified Media through establishing operations that are primarily based on the successful Swedish Blocket.se concept.

For operations successfully established; technology, trademarks and goodwill that may have a significant value, will have been developed through the expenditure incurred. Such expenditure do not meet the requirements for recognition as intangible assets during the establishment phase, and all the expenditure related to such roll-outs, mainly marketing expenditure, are thus recognised as an expense when it is incurred. Such investments reduced Gross operating profit by NOK 1,000 million in 2013 and NOK 530 million in 2012.

**Goodwill can be specified on cash-generating units as follows:**

| | Operating segment | 2013 | 2012 |
|---|---|---|---|
| Schibsted Forlag | Schibsted Norge media house | 55 | 56 |
| VG Group | Schibsted Norge media house | 58 | 58 |
| Schibsted Vekst | Schibsted Norge media house | 7 | 7 |
| Other Schibsted Norge | Schibsted Norge media house | 641 | 624 |
| Schibsted Sverige | Schibsted Sverige media house | 447 | 396 |
| Compricer | Schibsted Sverige media house | 242 | - |
| Hitta | Schibsted Sverige media house | 128 | 115 |
| Eesti Meedia | Media Houses International | - | 167 |
| Finn.no | Online classifieds | 306 | 265 |
| SCM France | Online classifieds | 2,702 | 2,366 |
| SCM Spain | Online classifieds | 1,811 | 1,589 |
| SCM Sweden | Online classifieds | 495 | 438 |
| SCM Belgium | Online classifieds | 86 | 75 |
| SCM Ireland | Online classifieds | 53 | 46 |
| SCM Hungary | Online classifieds | 58 | 56 |
| Other online classifieds | Online classifieds | 50 | 31 |
| Aspiro | Other | 151 | 136 |
| Møteplassen | Other | 30 | 27 |
| **Total** | | **7,320** | **6,452** |

As a result of negative development in certain markets Schibsted has in 2012 recognised impairment losses of NOK 357 million related to goodwill and other intangible assets. Impairment loss goodwill is mainly related to the Group's Online classifieds operations in Spain and is included in the amount with NOK 345 million.

Recoverable amounts of the cash-generating units were estimated based on value in use. Expected cash flows in 2013 are discounted using a pre-tax discount rate (WACC) from 10% to 12% (10.5% to 12.5%) and expected sustained growth year 6 and forward of 1.5% to 3.5%. When WACC is determined, consideration is given to the risk-free interest rate with risk premium for the relevant country as well as business specific risk. For SCM France, recoverable amount is significantly higher than the carrying amount. For SCM Spain, recoverable amount exceeds the carrying amount by approximately NOK 700 million. See Note 3 Use of estimates for sensitivity related to recoverable amount for SCM Spain.

# NOTE 12 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

| | Buildings and land | Investment properties | Construction in progress | Plant and machinery | Equipment, furniture and similar assets | Total |
|---|---|---|---|---|---|---|
| **1.1 – 31.12.2013** | | | | | | |
| Net carrying amount 1.1.2013 | 823 | 68 | - | 584 | 370 | 1,845 |
| Additions | 7 | - | - | 69 | 238 | 314 |
| Additions on purchase of businesses | - | - | - | - | 2 | 2 |
| Disposals | (204) | - | - | - | (9) | (213) |
| Disposals on sale of businesses | (71) | - | - | (90) | (8) | (169) |
| Reclassification | - | - | - | - | (23) | (23) |
| Depreciation | (31) | - | - | (107) | (133) | (271) |
| Impairment loss | - | - | - | - | (3) | (3) |
| Translation differences | 2 | - | - | 4 | 19 | 25 |
| **Net carrying amount 31.12.2013** | **526** | **68** | **-** | **460** | **453** | **1,507** |
| **As at 31.12.2013** | | | | | | |
| Cost | 756 | 68 | - | 2,030 | 1,333 | 4,187 |
| Accumulated depreciation and impairment loss | (230) | - | - | (1,570) | (880) | (2,680) |
| **Net carrying amount** | **526** | **68** | **-** | **460** | **453** | **1,507** |
| **1.1 – 31.12.2012** | | | | | | |
| Net carrying amount 1.1.2012 | 882 | 63 | 27 | 663 | 357 | 1,992 |
| Additions | 17 | - | - | 39 | 132 | 188 |
| Additions on purchase of businesses | 2 | - | - | - | 10 | 12 |
| Disposals | (13) | - | - | - | (4) | (17) |
| Reclassification | (28) | 5 | (27) | - | 33 | (17) |
| Depreciation | (32) | - | - | (112) | (139) | (283) |
| Impairment loss | - | - | - | - | (12) | (12) |
| Translation differences | (5) | - | - | (6) | (7) | (18) |
| **Net carrying amount 31.12.2012** | **823** | **68** | **-** | **584** | **370** | **1,845** |
| **As at 31.12.2012** | | | | | | |
| Cost | 980 | 68 | - | 1,653 | 1,086 | 3,787 |
| Accumulated depreciation and impairment loss | (157) | - | - | (1,069) | (716) | (1,942) |
| **Net carrying amount** | **823** | **68** | **-** | **584** | **370** | **1,845** |

Investment properties and property, plant and equipment, excluding land, are depreciated on a straight line basis over their estimated useful lives. Depreciation schedules reflect the assets' residual value. Items of property, plant and equipment where material components can be identified with different useful lives are depreciated over the individual component's expected useful life.

Depreciation is calculated over the estimated useful lives: Buildings (25– 50 years), Plant and machinery (5–20 years), Equipment, furniture and similar assets (3–10 years). The depreciation method, expected useful life and any residual value are reviewed annually.

**Investment property**

Schibsted has two properties classified as investment properties as at 31.12.2013. The properties are a separable and unused property reserve in Stavanger with a carrying amount of NOK 63 million and a commercial building in Farsund with a book value of NOK 5 million. Valuations from real estate agents are obtained and the fair values as at 31.12.2013 are not expected to deviate significantly from the carrying amount.

**Lease agreements**

Property, plant and equipment include assets owned under financial lease agreements. These assets have a cost of NOK 23 million in 2013 and NOK 23 million in 2012, and a carrying amount of NOK 9 million in 2013 and NOK 11 million in 2012. Depreciation amounts to NOK 2 million for 2013 and NOK 2 million for 2012.

Schibsted has lease obligations related to off-balance sheet operating assets, mainly office buildings. Rental expenses were NOK 413 million in 2013 and NOK 404 million in 2012. The most significant leases relate to the leases of Aftenposten's premises at Biskop Gunnerus gate 14A in Oslo (revised agreement in 2013 due to relocation, the agreement expires in 2019), Schibsted Sverige's premises in Västra Järnvägsgatan 21 in Stockholm (the agreement expires 2020), VG's premises at Akersgata 55 (the agreement expires in 2023) and Schibsted Norge's premises in Sandakerveien 121 (the agreement expires in 2025). The most significant of the Group's leases contains a right to an extension.

**Future minimum payments under non-cancellable operational leases where Schibsted is the lessee are as follows:**

| | 2013 | 2012 |
|---|---|---|
| Within one year | 444 | 410 |
| Between one and five years | 1,484 | 1,214 |
| More than five years | 1,154 | 1,306 |

NOK 20 million is recognised as sub lease payments related to the Group's operating leases in 2013 and NOK 30 million in 2012. Expected future minimum lease payments for non-cancellable subleases are NOK 5 million as at 31.12.2013 and NOK 21 million as at 31.12.2012.

Schibsted's rental income related to operating leases for office premises was NOK 17 million in 2013 and NOK 15 million in 2012.

**Future minimum payments under non-cancellable operating leases where Schibsted is the lessor are as follows:**

| | 2013 | 2012 |
|---|---|---|
| Within one year | 13 | 16 |
| Between one and five years | 10 | 30 |
| More than five years | 1 | 7 |

# NOTE 13 INVESTMENTS IN ASSOCIATED COMPANIES

**The development in the carrying amount of investments in associated companies is as follows:**

| | 2013 | 2012 |
|---|---|---|
| Carrying amount 1.1 | 488 | 492 |
| Transition from joint venture | 690 | - |
| Reclassification from financial assets | - | 210 |
| Additions | 75 | 9 |
| Transition to subsidiary | (22) | (9) |
| Disposals | (9) | (12) |
| Share of profit (loss) of associated companies | 13 | 34 |
| Gain (loss) | (6) | (5) |
| Impairment loss | (130) | (179) |
| Dividends received | (56) | (44) |
| Translation differences | 21 | (8) |
| Other changes | 10 | - |
| **Carrying amount 31.12** | **1,074** | **488** |

Impairment loss in associated companies of NOK (130) million (NOK -179 million) is related to Metro Nordic Sweden AB. It is a result of negative market development.

**The Group's share of assets, liabilities, operating revenues and share of profit (loss) of associated companies are as follows:**

| | 2013 | 2012 |
|---|---|---|
| Assets | 1,591 | 982 |
| Liabilities | (517) | (494) |
| **Carrying amount** | **1,074** | **488** |
| | | |
| Operating revenues | 982 | 579 |
| **Share of profit (loss)** | **13** | **34** |

**Share of profit (loss) of associated companies and carrying amount of investments in associated companies are as follows:**

| | | Ownership % | Share of profit (loss) | | Carrying amount | |
|---|---|---|---|---|---|---|
| | Location | 31.12.2013 | 2013 | 2012 | 2013 | 2012 |
| 701 Search Pte. Ltd. | Singapore | 33 | (12) | - | 679 | - |
| Metro Nordic Sweden AB | Stockholm | 35 | 4 | 20 | 20 | 152 |
| Polaris Media ASA | Trondheim | 29 | 14 | 1 | 209 | 211 |
| Other | | | 7 | 13 | 166 | 125 |
| **Total** | | | **13** | **34** | **1,074** | **488** |

In December 2013, 701 Search Pte. Ltd. was reclassified from a joint venture to an associated company. See note 4 Changes in the composition of the Group.

Until October 2012, Schibsteds investment in Polaris Media ASA was classified as a financial asset into the category available for sale, see note 14 Financial assets.

Price quotations are available for shares in Polaris Media ASA. Based on quoted prices at year-end, the value of the investment in Polaris Media ASA is NOK 362 million (NOK 347 million) as at 31.12.

# NOTE 14 FINANCIAL ASSETS

**The development in carrying amount of investments categorised as financial assets available for sale is as follows:**

| | 2013 | 2012 |
|---|---|---|
| As at 1.1 | 19 | 643 |
| Additions | 26 | 4 |
| Disposals | - | (114) |
| Reclassification to associated companies | - | (210) |
| Reclassification to subsidiaries | - | (67) |
| Changes in fair value | | |
| Change recognised in comprehensive income | - | 29 |
| Change recognised in profit or loss | - | (1) |
| Reclassification adjustment from comprehensive income to profit (loss) by derecognition | - | (109) |
| Reclassification adjustment from comprehensive income to equity by derecognition | - | (145) |
| Translation differences | - | (11) |
| **As at 31.12** | **45** | **19** |
| Of which non-current financial assets | 17 | 16 |
| Of which current financial assets | 28 | 3 |

**Financial assets consist of:**

| | 2013 | 2012 |
|---|---|---|
| Shares unlisted | 17 | 16 |
| Current interest-bearing securities | 28 | 3 |
| **Total financial assets** | **45** | **19** |

Until February 2012, Schibsted held 18.3% of the shares in Aspiro AB and had the financial interest in an additional 21.3% of the shares through a Total Return Swap. In February 2012, Schibsted increased its ownership interest in Aspiro AB to 64.4% in a business combination achieved in stages. Changes in fair value of the previously held equity interest of 39.6% previously recognised in other comprehensive income was reclassified to profit or loss. A gain from remeasurement of those 39.6% of NOK 48 million is recognised in the line Other income and expenses.

Until October 2012, Schibsted held 7.1% of the shares in Polaris Media ASA. From September 2011, Schibsted had a continuing involvement in an additional 36.3% of the shares from an agreement under which Schibsted had transferred those shares to other owners, but where those other owners had a right, but not an obligation, expiring in October 2012, to sell those shares back to Schibsted. Until September 2011, Schibsted had a financial interest in those 36.3% of the shares through a Total Return Swap. In October 2012, 21.9% of the shares were sold back to Schibsted, and Schibsted's equity interest of 29% is from then on accounted for as an investment in an associated company. Changes in fair value previously recognised in comprehensive income related to the 29% interest was charged to equity with NOK 145 million. Changes in fair value previously recognised in comprehensive income related to the 14.4% of the shares not sold back and consequently derecognised, were reclassified to profit or loss. A gain from derecognition of NOK 69 million is recognised in the line Financial income.

# NOTE 15 OTHER NON-CURRENT ASSETS

**Other non-current assets consist of:**

| | 2013 | 2012 |
|---|---|---|
| Loans to associated companies | - | 1 |
| Prepaid expenses | 5 | 13 |
| Other receivables | 152 | 180 |
| **Total** | **157** | **194** |

There are no significant differences between the fair value and the carrying value of loans to associated companies and other receivables as the interest calculation is based on a market rate.

# NOTE 16 INVENTORIES

**Inventories consist of:**

| | 2013 | 2012 |
|---|---|---|
| Books and other inventories | 30 | 32 |
| Newsprint purchased | 23 | 46 |
| DVDs and publication rights | - | 39 |
| **Total** | **53** | **117** |

Write-down of inventories to net realisable value was NOK 0 million in 2013 and NOK 28 million in 2012.

Inventories carried at fair value less cost of sales were NOK 28 million as at 31.12.2013 and NOK 32 million as at 31.12.2012.

# NOTE 17 TRADE AND OTHER RECEIVABLES

**Trade receivables and other receivables consist of:**

| | 2013 | 2012 |
|---|---|---|
| Trade receivables | 1,982 | 1,856 |
| Less provision for impairment of trade receivables | (88) | (80) |
| **Trade receivables (net)** | **1,894** | **1,776** |
| Prepaid expenses and accrued revenue | 322 | 291 |
| Income tax receivables | 143 | 155 |
| Loans to associated companies | 8 | - |
| Financial assets at fair value through profit or loss (note 10) | 2 | 2 |
| Other receivables | 254 | 223 |
| **Total** | **2,623** | **2,447** |

The carrying amount of trade and other receivables are considered to represent a reasonable approximation of fair value.

The maximum exposure to credit risk at the reporting date for trade and other receivables is the carrying value of the receivables. In some group entities credit insurance and other agreements are obtained. Carrying value of trade receivables with security is NOK 167 million as at 31.12.2013.

**Movements in the Group's provision for impairment of trade receivables are as follows:**

| | 2013 | 2012 |
|---|---|---|
| As at 1.1 | (80) | (79) |
| Provision for impairment | (40) | (52) |
| Receivables written off as uncollectible | 14 | 30 |
| Unused amounts reversed | 15 | 19 |
| Disposal on sale of group companies | 2 | - |
| Translation differences | 1 | 2 |
| **As at 31.12** | **(88)** | **(80)** |

As at 31.12.2013 trade receivables of NOK 121 million were impaired. The amount of the provision was NOK 88 million. As at 31.12.2012 trade receivables of NOK 174 million were impaired and the provision was NOK 80 million.

**The aging of impaired trade receivables is as follows:**

| | 2013 | 2012 |
|---|---|---|
| Not due* | 35 | 88 |
| Up to 45 days | 23 | 22 |
| More than 45 days | 63 | 64 |
| **Total** | **121** | **174** |

* Also includes provisions not individualised

As at 31.12.2013 trade receivables of NOK 528 million were past due but not impaired, compared to NOK 478 million as at 31.12.2012. These receivables relate to a number of independent customers in different locations.

**The aging of the past due, not impaired trade receivables, is as follows:**

| | 2013 | 2012 |
|---|---|---|
| Up to 45 days | 370 | 366 |
| More than 45 days | 158 | 112 |
| **Total** | **528** | **478** |

# NOTE 18 CASH AND CASH EQUIVALENTS

| | 2013 | 2012 |
|---|---|---|
| Cash and cash equivalents | 1,240 | 1,031 |

**The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:**

| | 2013 | 2012 |
|---|---|---|
| NOK | 631 | 450 |
| SEK | 395 | 241 |
| EUR | 167 | 285 |
| Other | 47 | 55 |
| **Total** | **1,240** | **1,031** |

Carrying amount of cash and bank deposits are considered to represent a reasonable approximation of fair value. Schibsted has a multi-currency cash pool with Danske Bank in which almost all the Nordic subsidiaries are included. The cash pool has been established to optimise liquidity management for Schibsted.

The Group has an overdraft facility under the cash pool system of NOK 400 million. At the end of 2013 this facility was not drawn.

Excess liquidity is mainly placed in the cash pool or in the short-term money market. The bank deposits of subsidiaries outside the Nordic countries are deposited at local banks.

The deposit and borrowing interest rates in Danske Bank are based on Ibor rates for each currency with a subtraction or addition of a margin. The Ibor rates are fixed daily in the market. A cross-currency netting of margins is established for the currencies in the cash pool.

Other bank deposits are credited interests based on the bank's daily deposit rates in each country.

Of the Group's cash and cash equivalents, NOK 17 million are considered to be restricted as at 31.12.2013. Payroll withholding tax is not included in restricted cash as the Group has provided a tax guarantee instead.

# NOTE 19 NUMBER OF SHARES

The development in share capital and other paid-in equity is set out in the Consolidated statement of changes in equity. The development in the number of issued and outstanding shares is as follows:

| | Number of shares 2013 | | | Number of shares 2012 | | |
|---|---|---|---|---|---|---|
| | Outstanding | Treasury shares | Issued | Outstanding | Treasury shares | Issued |
| As at 1.1 | 107,104,460 | 899,155 | 108,003,615 | 106,941,657 | 1,061,958 | 108,003,615 |
| Decrease in treasury shares | 244,080 | (244,080) | - | 162,803 | (162,803) | - |
| **As at 31.12** | **107,348,540** | **655,075** | **108,003,615** | **107,104,460** | **899,155** | **108,003,615** |

The Group's share capital consists of 108,003,615 shares of NOK 1 par value. No shareholder may own or vote at a shareholders' meeting for more than 30% of the shares.

The Annual Shareholders' Meeting has given the Board authorisation to acquire treasury shares up to 10,800,361 shares (10%). The authorisation was renewed at the Annual Shareholders' Meeting on 30 April 2013 for a period until the Annual Shareholders' Meeting in 2014. At the Annual Shareholders' Meeting on 7 May 2014 the Board will present a resolution to extend the authorisation for the Board to purchase and dispose of up to 10% of the share capital in Schibsted ASA according to the Norwegian public limited liability companies act under the conditions evident from the notice of the Annual Shareholders' Meeting.

In connection with exercise of share options under an earlier option programme for key employees, Schibsted has during 2013 sold 131,880 treasury shares for a total consideration of NOK 19 million.

Schibsted has in May and June 2013 transferred a total of 100,363 treasury shares at NOK 246.60 to key managers in connection with a performance-based share purchase programme. Total value consideration was NOK 25 million.

In December 2013, 11,837 treasury shares at NOK 389.30 were sold in connection with an offer to the Group's employees to purchase shares at a discounted price of NOK 311.44. The total consideration was NOK 4 million.

During 2012 Schibsted has sold 91,060 treasury shares to key personnel at NOK 132.70 per share in connection with exercise of 72,500 options with the right to acquire 91,060 shares. The total value consideration was NOK 12 million.

Schibsted has in July and December 2012 transferred respectively 28,475 treasury shares at NOK 186.50 and 23,468 treasury shares at NOK 237.49 to key managers in connection with performance-based share purchase programme. The total value consideration was NOK 11 million.

In November 2012, 19,800 treasury shares at NOK 225.10 were sold in connection with an offer to the Group's employees to purchase shares at a discounted price of NOK 180.08. The total consideration was NOK 4 million.

As at 31.12.2013 Schibsted held 655,075 treasury shares.

During the first quarter of 2014 number of treasury shares is unchanged as at 31.12.12. The holding as at 14 March 2014 was 655,075 shares.

# NOTE 20 DIVIDENDS

At Schibsted's Annual Shareholders' Meeting on 7 May 2014 a dividend of NOK 3.50 per share will be proposed (total NOK 376 million). No provision for this dividend has been recognised in the Group's balance sheet as at 31.12.2013.

In 2013 dividends of NOK 3.50 per share were paid (total NOK 375 million).

# NOTE 21 PENSION PLANS

Accounting policy for defined benefit pension plans is changed with effect from 1 January 2013 following mandatory implementation of amendments to IAS 19 Employee Benefits. See note 2 Significant accounting policies for description of those accounting policy changes and disclosure of effects of restatements of previous periods.

Schibsted has occupational pension plans in several countries established partly as defined benefit plans (in Norway), partly as multi-employer defined benefit plans accounted for as defined contribution plans (in Norway and Sweden) and partly as defined contribution plans (in Norway, Sweden and other countries).

Schibsted has its occupational pension plans for its employees in Norwegian companies with Storebrand Livsforsikring AS. These pension plans meet the requirements of the Act on Mandatory occupational pensions applicable to Norwegian companies. Schibsted is entitled to make changes to those pension plans. A significant part of the existing funded defined benefit plans are closed.

The terms of the funded defined benefit plans are mainly uniform. The benefits are mainly dependent upon number of years of employment, salary level at retirement age and the amount of benefits from the National Insurance pension. The majority of the funded defined benefit plans comprise retirement pension for life from 67 years and full retirement pension amounts to approximately 66% of the basis (limited to 12G (the social security base amount)) including assumed pension from the National Insurance pension (based on calculated National Insurance pension). Some of the plans include spouse pension, child pension and disability pension.

As at 31.12.2013 the funded defined benefit plans in Norway covered approximately 1,850 working members and approximately 1,800 retirees. Estimated contributions in 2014 to the above mentioned funded defined benefit plans amount to approximately NOK 130 million. Future contributions will be dependent on the accumulation period for each member's pension rights according to the principle of linear accumulation.

The terms related to contributions to defined contribution plans in Norway are mainly uniform, and for most companies the contribution amounts to 5% of salaries within the interval from 1G to 6G and 8% in the interval from 6G to 12G. The plans include disability pension.

In addition to the pension obligations that arises from the funded defined benefit plans, the Group's Norwegian companies have unfunded defined benefit obligations related to disability pensions (if not covered by other pension plans or insurances), supplementary pensions for salaries above 12G, Agreement-based pension (AFP) and early retirement pensions.

The Group's companies outside Norway have pension plans, mainly defined contribution plans, in accordance with local practice and local legislation.

The Group has certain pension schemes in Norway and Sweden established in multi-employer plans. These multi-employer plans are defined benefit plans, but the Group does not have access to the necessary information for the accounting years 2013 and 2012 required to account for these plans as defined benefit plans, and the plans are therefore accounted for as defined contribution plans.

**The amounts recognised in profit or loss and in comprehensive income are as follows:**

| | 2013 | Restated 2012 |
|---|---|---|
| Current service cost | 127 | 183 |
| Past service cost and gains and losses arising from settlements | 16 | 44 |
| Net interest on the net defined benefit liability (asset) | 25 | 48 |
| Remeasurements of the net defined benefit liability | 300 | (812) |
| **Net pension expense defined benefit plans** | **468** | **(537)** |
| Pension expense defined contribution plans | 144 | 124 |
| Pension expense multi-employer defined benefit plans accounted for as defined contribution plans | 59 | 55 |
| **Net pension expense** | **671** | **(358)** |
| Of which included in Profit or loss – Personnel expenses (note 27) | 326 | 365 |
| Of which included in Profit or loss – Other income and expenses | 20 | 41 |
| Of which included in Profit or loss – Financial expenses (note 29) | 25 | 48 |
| Of which included in Other comprehensive income – Remeasurements of defined pension liabilities | 300 | (812) |

Past service cost comprise restructuring costs in the form of pensions as well as the effect of plan amendments.

**The amounts recognised in the balance sheet are as follows:**

| | 2013 | Restated 2012 |
|---|---|---|
| Present value of funded defined benefit obligations | 3,305 | 3,015 |
| Fair value of plan assets | (3,054) | (2,947) |
| Present value of unfunded defined benefit obligations | 863 | 841 |
| **Net pension liability** | **1,114** | **909** |

The average duration of the defined benefit plan obligation at the end of the reporting period is 28.5 years.

**Changes in net pension liability, present value of defined benefit obligations and plan assets are as follows:**

| | 2013 | | | 2012 Restated | | |
|---|---|---|---|---|---|---|
| | Net pension liability | Defined benefit obligations | Plan assets | Net pension liability | Defined benefit obligations | Plan assets |
| As at 1 January | 909 | 3,856 | 2,947 | 1,691 | 4,617 | 2,926 |
| Current service cost | 127 | 127 | - | 183 | 183 | - |
| Past service cost and gains and losses arising from settlements | 16 | 11 | (5) | 44 | 44 | - |
| Interest income and expense | 25 | 140 | 115 | 48 | 136 | 88 |
| Remeasurements | 300 | 264 | (36) | (812) | (890) | (78) |
| Contributions to the plan | (147) | - | 147 | (134) | - | 134 |
| Payments from the plan | (84) | (198) | (114) | (93) | (216) | (123) |
| Business combinations and disposals | (10) | (10) | - | - | - | - |
| Social security costs | (22) | (22) | - | (18) | (18) | - |
| **As at 31 December** | **1,114** | **4,168** | **3,054** | **909** | **3,856** | **2,947** |

Contributions to the plan includes NOK 4 million (NOK 3 million) of contributions from plan participants.

**Remeasurements of defined benefit pension obligations include:**

| | 2013 | Restated 2012 |
|---|---|---|
| Actuarial gains and losses arising from changes in demographic assumptions | 426 | - |
| Actuarial gains and losses arising from changes in financial assumptions | 26 | (801) |
| Other remeasurements (experience adjustments) | (188) | (89) |
| **Remeasurements of defined benefit pension obligations** | **264** | **(890)** |

**Remeasurements of fair value of plan assets include:**

| | 2013 | Restated 2012 |
|---|---|---|
| Return on plan assets, excluding amounts included in interest | 78 | 43 |
| Cost of managing plan assets | (13) | (9) |
| Other remeasurements (experience adjustments) | (101) | (112) |
| **Remeasurements of fair value of plan assets** | **(36)** | **(78)** |

**The fair value of plan assets is disaggregated by class as follows:**

| | 2013 | Quoted in active markets | Unquoted | 2012 | Quoted in active markets | Unquoted |
|---|---|---|---|---|---|---|
| Global equities | 10.0% | 100% | - | 8.5% | 100% | - |
| Norwegian equities | 2.0% | 100% | - | 2.1% | 100% | - |
| Private equity | 3.3% | - | 100% | 3.3% | - | 100% |
| Alternative investments | 3.1% | - | 100% | 3.7% | - | 100% |
| Real estate | 11.3% | - | 100% | 13.6% | - | 100% |
| Bonds | 4.2% | 95% | 5% | 11.6% | 95% | 5% |
| Corporate bonds | 39.8% | 80% | 20% | 19.5% | 80% | 20% |
| Money market / other | 26.3% | 100% | - | 37.7% | 100% | - |
| **Total** | **100.0%** | | | **100.0%** | | |

The actual return on plan assets (value-adjusted return on relevant portfolio of assets) was approximately 5.3% in 2013 and approximately 6.8% in 2012.

The plan assets are transferred to a new portfolio as per 1 January 2014. The risk profiles of the portfolios are similar but the new portfolio has a different allocation between classes of interest-bearing investments.

**Significant actuarial assumptions used to determine the present value of the defined benefit obligation is as follows:**

| | 2013 | 2012 |
|---|---|---|
| Discount rate | 4.10% | 3.80% |
| Future salary increases | 3.75% | 3.50% |
| Future increase in the social security base amount | 3.50% | 3.25% |
| Future pension increases | 0.60% | 0.20% |

The assumption regarding expected pension increases is used for pensions being increased in accordance with the Act on Company pensions. For pension agreements containing specific clauses on increases in pension, those clauses are applied.

Following recent years' declining mortality rate and rising life expectancy in Norway, a new mortality table for collective pension insurance was made public in 2013 and Schibsted has implemented the new table (K2013) in 2013. The resulting increase in defined benefit pension liabilities of NOK 426 million is recognised in Other comprehensive income as a component of the net amount of NOK 300 million in the line item Remeasurements of defined benefit pension liabilities.

Schibsted changed in 2012 the reference for determination of discount rate for Norwegian pension plans. Previously, the rate was determined by reference to Norwegian government bonds. With effect from 2012, the rate is determined with reference to high quality corporate bonds. Schibsted has concluded that a deep market exists for covered bonds ("OMF-obligasjoner") in Norway and that this interest rate therefore shall be used as reference under IAS 19 Employee benefits. The resulting increase in the discount rate significantly reduced the present value of defined benefit obligations at 31.12.2012 and was the major contributing factor to NOK 812 million of remeasurements of defined benefit pension liabilities being recognised in Other comprehensive income in 2012.

**Sensitivity analysis, indicating increase (decrease) in present value of defined benefit pension liabilities, for significant actuarial assumptions is as follows:**

| | 2013 |
|---|---|
| Discount rate – increase 0.5 percentage points | (299) |
| Discount rate – decrease 0.5 percentage points | 339 |
| Future salary increases – increase 0.5 percentage points | 186 |
| Future salary increases – decrease 0.5 percentage points | (172) |
| Future increase in social security base amount – increase 0.5 percentage points | (82) |
| Future increase in social security base amount – decrease 0.5 percentage points | 77 |
| Future pension increases – increase 0.5 percentage points | 236 |
| Future pension increases – decrease 0.5 percentage points | (216) |

Any increases or decreases in present value of defined benefit pension liabilities from changes in actuarial assumptions are recognised in other comprehensive income.

# NOTE 22 INTEREST-BEARING BORROWINGS

**The Group has the following composition and maturity structure on its interest-bearing borrowings:**

| | Current | | Non-current | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| Bond issues | - | 300 | 1,600 | 1,600 |
| Bank loans | 317 | 45 | 368 | 518 |
| Financial lease agreements | 2 | 2 | 3 | 6 |
| Other loans | 109 | - | - | - |
| **Total** | **428** | **347** | **1,971** | **2,124** |
| Maturity within 3 months | 235 | 2 | - | - |
| Maturity between 3 months and 1 year | 198 | 354 | - | - |
| Maturity between 1 and 2 years | - | - | 457 | 221 |
| Maturity between 2 and 5 years | - | - | 805 | 1,168 |
| Maturity beyond 5 years | - | - | 713 | 742 |
| **Total** | **433** | **356** | **1,975** | **2,131** |

Schibsted has issued two bonds with fixed interests, but due to interest rate swap agreements almost all of the Group's non-current interest-bearing borrowings are at floating interest rates in practice. For information on interest rate risk, see note 9 Financial risk management. The interest rate periods relating to the Group's borrowings are between one and six months.

Schibsted has a loan portfolio with a diversified maturity profile. For the portfolio of bonds and floating rate notes, there is a difference of NOK -43 million between the book value and the market value (based on tax value as at 31.12.2013). This is partly compensated by existing interest rate swap agreements, see note 9 Financial risk management. Schibsted has not issued any new bonds during 2013. The current terms of the Group's other interest-bearing borrowings as at 31.12.2013 has been reviewed and compared to the market pricing at year-end, and the carrying amount is considered to represent a reasonable approximation to fair value.

**Carrying amount in NOK million of interest-bearing borrowings breaks down as follows by currency:**

| | **2013** | **2012** |
|---|---|---|
| NOK | 1,785 | 2,076 |
| EUR | 423 | 395 |
| Other | 191 | - |
| **Total** | **2,399** | **2,471** |

Schibsted ASA repaid a floating rate note of NOK 300 million at maturity in December and the total amount of bonds and floating rate notes issued are NOK 1,600 million as at 31.12.2013:

| Loan | Amount | Interest rate |
|---|---|---|
| ISIN NO0010593262 (2010-2015) | 400 | FRN: Nibor 3 months + 205 bps |
| ISIN NO0010637176 (2012-2017) | 500 | FRN: Nibor 3 months + 215 bps |
| ISIN NO0010637275 (2012-2019) | 300 | 5.9% |
| ISIN NO0010667843 (2012-2022) | 250 | 5.4% |
| ISIN NO0010667850 (2012-2022) | 150 | FRN: Nibor 3 months + 250 bps |

The bonds with fixed interest rate, and the floating rate note maturing in 2022 have been swapped to floating interest rate, Nibor 6 months with addition of a margin.

In addition, cross currency swap agreements have been entered into to match the payments of some of the bonds and floating rate notes, see note 9 Financial risk management.

The Group has two bank loans of EUR 25 million each. These loans were entered into in January 2011 and expire in January 2014 and January 2016. There are no installments before maturity date. The interest terms on these loans are based on Euribor with the addition of a margin.

The Group has a bank loan of NOK 148 million. The loan has a term of 12 years from 2007 and the interest terms are six month Nibor with the addition of a margin. The loan has a repayment schedule with installments twice a year.

The Group has a EUR bank loan of EUR 0.4 million. The loan, from 2004, follows a repayment schedule with installments twice a year and final maturity in 2014. The interest term on the loan is six month Euribor with the addition of a margin.

The Group's bank loans also includes a share (pro rata) of loans raised by a joint venture, totalling NOK 82 million.

Other loans consists of a loan from an associated company. The loan amounted to NOK 109 million as at 31.12.2013.

Of the revolving credit facility that was entered into in August 2010 there is a remaining facility amount totalling EUR 325 million. The facility matures in 2015. A revolving credit facility of EUR 175 million that expired in 2013 was replaced by a new revolving credit facility of EUR 125 million with maturity in 2018. For both the facilities the lenders consists of seven Nordic and international banks. None of the facilities were drawn as of year-end 2013. The facilities have interest terms based on Euribor with the addition of a margin. Schibsted must pay a commitment fee to maintain the facilities' availability. The commitment fee is calculated as a percentage of the loan margin, on the undrawn part of the facilities. As at 31.12.2013, Schibsted has available long-term revolving credit facilities totalling NOK 3,772 million through the unutilised drawing right on the loan facilities of totally EUR 450 million.

Schibsted's loan agreements contain financial covenants regarding the ratio of net interest-bearing debt (NIBD) to gross operating profit (EBITDA). The reported ratio was well within the financial covenants as at 31.12.2013. See note 9 Financial risk management – Liquidity risk.

The Group has provided guarantees of NOK 9 million. The Group has no mortgage debt.

# NOTE 23 OTHER NON-CURRENT LIABILITIES

**Other non-current liabilities consist of:**

| | 2013 | 2012 |
|---|---|---|
| Financial liabilities related to non-controlling interests' put options (note 25) | 162 | 205 |
| Provision for other obligations | 22 | 12 |
| Contingent considerations business combinations (note 25) | 169 | - |
| Other non-current employment benefits | 36 | 28 |
| Deferred revenue recognition | - | 5 |
| Provision for restructuring costs | 16 | 40 |
| Other non-current liabilities | 53 | 6 |
| **Total other non-current liabilities** | **458** | **296** |

Schibsted has received claims from Swedish tax authorities for repayment of value added tax for previous years of SEK 205 million. The basis for those claims is a decision in the EU-court in 2010 stating that certain printing services shall have a VAT-rate of 6%, not 25%. Schibsted challenges these claims and no liability is recognised in the 2013 and 2012 financial statements. Two verdicts in The Supreme Administrative Court in Sweden issued 26 February 2014 related to similar cases, implies that the Swedish tax authorities will be entitled to claim repayment of value added taxes for previous years provided that Schibsted will be able to have similar amounts refunded from the supplier of printing services. Schibsted is of the opinion that the Group's financial exposure is very limited.

# NOTE 24 OTHER CURRENT LIABILITIES

**Other current liabilities consist of:**

| | 2013 | 2012 |
|---|---|---|
| Financial liabilities related to non-controlling interests' put options (note 25) | 213 | 791 |
| Contingent considerations business combinations (note 25) | - | 71 |
| Trade payables | 758 | 717 |
| Prepaid revenues | 757 | 684 |
| Public duties payable | 630 | 555 |
| Accrued salaries and other current employment benefits | 629 | 598 |
| Accrued expenses | 449 | 418 |
| Provision for restructuring costs | 167 | 243 |
| Other | 373 | 216 |
| **Total other current liabilities** | **3,976** | **4,293** |

The Group has no other significant liabilities with an uncertain payment date.

Provision for restructuring costs as at 31.12.2013 is pertaining to accrued restructuring cost in the Scandinavian companies.

# NOTE 25 FINANCIAL LIABILITIES BUSINESS COMBINATIONS AND INCREASES IN OWNERSHIP INTERESTS

**Development in financial liabilities recognised related to non-controlling interests' put options and contingent considerations in business combinations is as follows:**

| | Non-controlling interests' put options | | Contingent considerations | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| As at 1.1 | 996 | 762 | 71 | 74 |
| Additions | 8 | 86 | 166 | - |
| Settlement | (598) | (57) | (79) | - |
| Change in fair value | (148) | 217 | - | - |
| Interest expenses | 23 | 23 | 2 | 1 |
| Translation differences | 94 | (35) | 9 | (4) |
| **As at 31.12** | **375** | **996** | **169** | **71** |
| Of which non-current (note 23) | 162 | 205 | 169 | - |
| Of which current (note 24) | 213 | 791 | - | 71 |

**The maturity profile of the financial liabilties is as follows:**

| | Non-controlling interests' put options | | Contingent considerations | |
|---|---|---|---|---|
| Maturity within 1 year | 213 | 791 | - | 71 |
| Maturity between 1 and 2 years | 110 | 14 | 36 | - |
| Maturity between 2 and 5 years | 52 | 191 | 133 | - |

When non-controlling interests have put options related to shares in subsidiaries and Schibsted is recquired to acquire such shares, a financial liability is recognised. Any liability resulting from a contingent consideration arrangement in a business combination is recognised as a financial liability as part of the consideration transferred in exchange for the acquiree.

The liabilities are measured at fair value which is based on the best estimate of future considerations. The estimates takes into account the principles for determination of the consideration in the existing agreements. The estimates take further into account, when relevant, management's expectations regarding future economic development used in determining recoverable amount in impairment tests.

A liability related to non-controlling interests' put options is initially recognised directly in equity. Change in fair value of the liability, except for interest expenses, is also recognised directly in equity. In the consolidated statement of changes in equity, such amounts are included in the line item Changes in ownership interests in subsidiaries that does not result in a loss of control.

Changes in the fair value of a liability related to contingent consideration arrangements are recognised in profit or loss.

Liabilities related to non-controlling interests' put options recognised as at 31.12.2013 are related to shareholdings in InfoJobs S.A., Done Deal Ltd, Sibmedia Interactive S.R.L. and Infobras Spain S.L within the operating segment Online classifieds, Duplo Media AS within the operating segment Schibsted Norge media house and Lendo AB, Prisjakt Sverige AB, ServiceFinder Sverige AB, Lets Deal AB and FlexiDrive Sverige AB within the operating segment Schibsted Sverige media house.

Liabilities related to contingent consideration arrangements recognised as at 31.12.2013 are related to the acquisition of Compricer AB and Offshore.no AS.

# NOTE 26 RAW MATERIALS AND FINISHED GOODS

**Raw materials and finished goods consist of:**

| | 2013 | 2012 |
|---|---|---|
| Newsprint, raw materials and purchased goods | 863 | 971 |
| TV / Film production expenses | 71 | 83 |
| Changes in inventories | (63) | 3 |
| **Total** | **871** | **1,057** |

# NOTE 27
# PERSONNEL EXPENSES AND SHARE-BASED PAYMENT

**Personnel expenses consist of:**

| | 2013 | Restated 2012 |
|---|---|---|
| Salaries and wages | 4,058 | 3,842 |
| Social security costs | 884 | 811 |
| Net pension expense (note 21) | 326 | 365 |
| Share-based payment | 63 | 46 |
| Other personnel expenses | 143 | 162 |
| **Total** | **5,474** | **5,226** |
| Number of man-years | 6,935 | 7,951 |

**Details of salary, variable pay and other benefits provided to group management in 2013 (in NOK 1,000):**

| Members of Group management: | Salary incl. holiday pay | Variable pay (paid 2013) | LTI programme | Other benefits | Pension expense | Loan outstanding |
|---|---|---|---|---|---|---|
| Rolv Erik Ryssdal | 3,318 | 845 | 5,368 | 217 | 1,748 | - |
| Trond Berger | 2,636 | 680 | 3,564 | 245 | 1,242 | 798 |
| Camilla Jarlsby | 1,856 | 350 | 2,381 | 126 | 580 | 399 |
| Terje Seljeseth | 2,582 | 795 | 3,217 | 238 | 2,325 | 402 |
| Frode Eilertsen | 1,530 | - | 609 | 13 | 196 | - |
| Raoul Grünthal | 3,504 | 764 | 2,699 | 30 | 940 | - |
| Didrik Munch | 2,823 | 702 | 638 | 234 | 1,050 | - |
| Lena K. Samuelsson | 3,318 | 680 | 1,116 | - | 664 | - |
| Sverre Munck | 2,488 | 1,763 | 2,536 | 189 | 1,130 | - |
| Gunnar Strömblad | 1,285 | 924 | 3,652 | 5 | 170 | - |

Loans to group management have no installments, and the interest rate is 1% lower than the government set benchmark interest rate.

Sverre Munck was resigned from the group management 1 September 2013. Gunnar Strömblad was resigned from the group management 31 March 2013.

**Details of salary, variable pay and other benefits provided to group management in 2012 (in NOK 1,000):**

| Members of Group management: | Salary incl. holiday pay | Variable pay (paid 2012) | LTI programme | Other benefits | Pension expense | Loan outstanding |
|---|---|---|---|---|---|---|
| Rolv Erik Ryssdal | 3,263 | 1,041 | 1,266 | 214 | 2,323 | - |
| Trond Berger | 2,574 | 858 | 852 | 236 | 1,448 | 800 |
| Camilla Jarlsby | 1,771 | 392 | 584 | 128 | 653 | 398 |
| Sverre Munck | 2,581 | 858 | 852 | 218 | 1,452 | 370 |
| Terje Seljeseth | 2,493 | 824 | 836 | 234 | 2,502 | 400 |
| Gunnar Strömblad | 1,977 | 624 | 624 | 1,078 | 623 | - |
| Raoul Grünthal | 2,817 | 670 | 782 | - | 804 | - |
| Didrik Munch | 2,770 | 960 | 738 | 213 | 1,073 | - |

Loans to group management have no installments, and the interest rate is 1% lower than the government set benchmark interest rate.

**Variable pay**

Schibsted's CEO and other executive management participate in an annual variable pay programme that is linked to annual achievements of targets. The targets are twofold and related to financial and non-financial targets. The criteria are part of a total evaluation. For the CEO the variable pay is limited to a maximum of six months' salary. For other executive management, the variable portion of salary varies from a maximum of four to six months' salary. The CEO and other executive directors also participate in Schibsted's three-year performance based share programme (LTI), linked to the three-year performance criteria.

**Termination payment schemes**

The CEO has termination payment equal to eighteen months salary in addition to the six-month period of notice. The other Group management and managers are normally entitled to termination payments equal to 6-18 months' salary, depending on the level of their position. Competition restrictions and curtailments will normally apply during the termination-pay period. The Chairman of the Board has no special remuneration scheme that applies if he resigns.

**Pension schemes**

The Group's CEO is entitled and, if Schibsted so requires, obliged to retire at the age of 62. His full annual early retirement pension is 66% of his pensionable earnings. The retirement pension solution means that, when he reaches 67 years of age, the CEO will receive a retirement pension for life which equals 66% of his fixed salary. He is entitled to a disability pension of 66% of his fixed salary. The spouse/cohabitant pension is 50% of his fixed salary and the child pension is 15% of his fixed salary.

The Norwegian executive directors are entitled and, if Schibsted so requires, obliged to retire at the age of 62 years. During the period leading up to the ordinary retirement age (67 years), they will receive a pension that is 66% of their fixed salary. Full annual retirement/disability pension for the Norwegian executive directors is 66% of their fixed salary. Other members of the group management have different pension schemes within the limit of benefits to the Norwegian executive directors. The executive directors based in Sweden have a defined benefit pension insurance on level with the Norwegian executive directors.

### Remuneration to the Board of Directors in 2013 (in NOK 1,000):

| | Board remuneration* | Commitee remuneration | Board remuneration from other group companies | Salary incl. holiday pay | Other benefits | Pension cost | Total remuneration |
|---|---|---|---|---|---|---|---|
| **Members of the Board and Committees:** | | | | | | | |
| Ole Jacob Sunde, chairman of the Board and the Compensation Committee | 730 | 85 | - | - | 74 | - | 889 |
| Karl-Christian Agerup, member of the Board and member of the Compensation Committee | 315 | 55 | 90 | - | - | - | 460 |
| Marie Ehrling, member of the Board and Chairman of the Audit Committee | 365 | 125 | - | - | - | - | 490 |
| Christian Ringnes, member of the Board and the Audit Committee | 315 | 80 | - | - | - | - | 395 |
| Eva Berneke, member of the Audit Committee and member of the Board | 356 | 80 | - | - | - | - | 436 |
| Arnaud de Puyfontaine, member of the Board | 415 | - | - | - | - | - | 415 |
| Eugénie van Wiechen, member of the Board | 405 | - | - | - | - | - | 405 |
| Jonas Fröberg, employee representative of the Board and Compensation Committee ** | 356 | 55 | - | 382 | - | 54 | 847 |
| Anne-Lise Mørch von der Fehr, employee representative of the Board ** | 405 | - | - | 564 | 697 | 46 | 1,712 |
| Gunnar Kagge, employee representative of the Board ** | 315 | - | - | 748 | 10 | 96 | 1,169 |
| Torbjörn Harald Ek, deputy employee representative of the Board ** | - | - | - | 758 | - | 61 | 819 |
| Finn Våga, deputy employee representative of the Board from 30.04.13 ** | - | - | - | 933 | 116 | 32 | 1,081 |
| Frank Johan Johansen, deputy employee representative of the Board until 30.04.13** | - | - | 75 | 519 | 4 | 36 | 634 |
| Arve Jakobsen, deputy employee representative of the Board until 30.04.13 ** | - | - | - | 562 | 11 | 22 | 595 |
| Hege Lyngved Odinsen, deputy employee representative of the Board until 30.04.13 ** | - | - | - | 708 | 65 | 51 | 824 |
| Øystein Simensen, deputy employee representative of the Board until 30.04.13 ** | - | - | - | 819 | 12 | 57 | 888 |
| John A. Rein, chairman of the Election Committee | - | 112 | - | - | - | - | 112 |
| Gunn Wærsted, member of the Election Committee | - | 77 | - | - | - | - | 77 |
| Nils Bastiansen, member of the Election Committee | - | 77 | - | - | - | - | 77 |
| **Total** | **3,977** | **746** | **165** | **5,993** | **989** | **455** | **12,325** |

* Board remunerations include compensation for travelling hours to directors who do not live in Oslo.

** For employee representatives total remuneration includes salary and other benefits in their ordinary position.

### Auditor

Fees to the Group's auditors for the fiscal year 2013 were as follows:

| (NOK 1,000 excl. VAT) | Audit services | Other attestation services | Tax advisory services | Other non-audit services | Total |
|---|---|---|---|---|---|
| **Schibsted group** | | | | | |
| Ernst & Young | 11,762 | 406 | 3,423 | 2,153 | 17,744 |
| Other auditors | 959 | - | 192 | 457 | 1,608 |
| **Total** | **12,721** | **406** | **3,615** | **2,610** | **19,352** |
| | | | | | |
| **Schibsted ASA** | | | | | |
| Ernst & Young | 571 | 38 | 2,546 | 329 | 3,484 |

**Share-based payment (included in personnel expenses) consists of:**

| | 2013 | 2012 |
|---|---|---|
| Expense option programme | - | 1 |
| Expense LTI programme | 63 | 45 |
| **Total** | **63** | **46** |
| Of which is equity settled | 29 | 24 |
| Of which is cash settled | 34 | 22 |

**Option programme**

Until 2010, Schibsted had an option programme for group management and key personnel. The programme was terminated in 2010 by the introduction of a new share-based programme (LTI programme), but the individual outstanding option schemes are still valid. The programme is accounted for as a share-based payment transaction settled in equity. Expenses and increase in equity are recognised over the service period of 3 and 4 years.

**The development in the number of options outstanding has been as follows:**

| | 2013 | 2012 |
|---|---|---|
| Outstanding 1.1 | 202,500 | 275,000 |
| Exercised | (90,701) | (72,500) |
| Expired and forfeited | (51,799) | - |
| **Outstanding 31.12** | **60,000** | **202,500** |
| Of which fully vested | 60,000 | 202,500 |

**Outstanding options as at 31.12.2013 have the following terms:**

| Expiry date | Exercise price (NOK) | Number of options |
|---|---|---|
| 7 October 2014 | 51.00 | 60,000 |

The maximum gain per share that a manager can achieve when exercising the options is equal to 1.460375 multiplied with the exercise price per share. Each option entails the right to acquire 1.256 shares.

Total exercise price for options exercised in 2013 was NOK 12 million (NOK 12 million). Fair value of the shares at the time was NOK 28 million (NOK 17 million).

**Options outstanding for managers included in the option programme are presented below:**

| | Opening balance 1.1.2013 | Exercised during 2013 | Expired and forfeited during 2013 | Closing balance 31.12.2013 | Average maturity |
|---|---|---|---|---|---|
| Rolv Erik Ryssdal | 37,500 | (7,500) | - | 30,000 | 0.76 |
| Gunnar Strömblad | 15,000 | (6,106) | (8,894) | - | - |
| Trond Berger | 30,000 | (15,000) | - | 15,000 | 0.76 |
| Sverre Munck | 30,000 | (18,600) | (11,400) | - | - |
| Raoul Grünthal | 15,000 | (7,500) | - | 7,500 | 0.76 |
| Camilla Jarlsby | 7,500 | - | - | 7,500 | 0.76 |
| Lena K. Samuelsson | 15,000 | (10,553) | (4,447) | - | - |
| Others | 52,500 | (25,442) | (27,058) | - | - |
| **Total** | **202,500** | **(90,701)** | **(51,799)** | **60,000** | |

**Long-term incentive programme (LTI programme)**

In 2010, Schibsted introduced an annual rolling three-year performance-based share programme (LTI programme) for key managers in the Group. The programme was expanded in 2012 to include Online classified companies and management groups. The scheme includes a total of 58 participants in the 2011 programme, 91 participants in the 2012 programme and 100 participants in the 2013.

The LTI programme is divided into four participating levels. Level 1 is for the CEO, level 2 for members of Group Management and level 3 and level 4 for key personnel in the Group, as well as the managers/management groups in key subsidiaries. For each level, participants are given a defined “Basic Amount” which is calculated as a percentage of salary. The Group Board has stipulated guidelines for the percentage to be allocated to the various participant levels in order to ensure flexibility and mobility, while also taking into account individual pay differences and variations in the compensation schemes.

Between 11% and 33% of the Basic amount (the “Share Amount “) is awarded at start in form of shares in Schibsted which cannot be sold during the three-year period. If a participant at level 1 or 2 leaves during the three years, the Share Amount shall be refunded. A similar restriction does not apply to participants in level 3 and level 4.

The rest, i.e. between 67% and 89% of the Basic amount (“Performance Amount “), is linked to three-year performance criteria. Performance criteria are performance measures that are compared to the three-year EBITA/EBITDA for the Group or participant’s operations for level 1, 2 and 3. For level 4 the performance criteria are connected to the development of the market value of the companies during the vesting period compared to a predetermined hurdle. At the end of the three-year period, the participants receive settlement in Schibsted shares based on their goal achievement, and the number of shares is calculated based on the average price during the programme’s three-year period. Level 1, 2 and 3 participants receive the full Performance Amount after three years. Level 4 participants receive 1/3 of the Performance Amount after three years and the remaining 2/3 after a one year lock-up period. The maximum settlement in each programme will depend on the target achievement during the period. If the minimum target is not achieved during the three-year period, only the Share Amount will be paid at the end of the three-year programme.

Upon payment of the Share Amount and Performance Amount, Schibsted is responsible for tax deduction on behalf of the participant so that only the net amount after tax is paid in Schibsted shares. The programme is therefore treated partly as a share-based payment transactions settled in cash (tax) and partly as share-based payment transactions settled in equity (net payment in form of shares). The expense related to the portion that is recognised as a share-based payment transaction settled in equity is recognised in equity, while the expense related to the portion that is treated as a share-based payment transaction settled in cash is recognised as a liability.

The expense and the increase in equity or liability are recognised over the vesting period of 3 or 4 years for the parts of the total compensation that contains a service condition throughout the three or four-year period. This applies to the Performance Amount and the part of Share Amount for level 1 and 2 that is recognised as a share-based payment transactions settled in equity. The remaining expense and increase in equity or liability are recognised immediately upon the start of the programme.

Performance Amounts will vary based on the degree of achievement of the performance criteria. Expenses to be recognised over the vesting period are estimated at the end of each reporting period based on the estimated fair value of the liability for transactions that are settled in cash and based on the number of equity instruments that is expected to vest for transactions settled in equity.

**Estimated total expense of the LTI programme's maturity (3 and 4 years):**

| | 2013 Programme | 2012 Programme | 2011 Programme |
|---|---|---|---|
| Value Share Amount at grant date | 15 | 21 | 11 |
| Value Performance Amount at grant date | 54 | 54 | 22 |
| Adjustment to Performance Amount | 8 | (10) | (8) |
| **Estimated total expense over the programme's maturity** | **77** | **65** | **25** |

| | 2013 Programme | 2012 Programme | 2011 Programme | Total |
|---|---|---|---|---|
| Recognised in Personnel expense in 2011 | - | - | 15 | **15** |
| Recognised in Personnel expense in 2012 | - | 32 | 4 | **36** |
| Recognised in Personnel expense in 2013 | 37 | 20 | 6 | **63** |
| To be recognised over the remaining vesting period | 40 | 13 | - | **53** |

In case a minimum performance target is reached, the estimated total expense for Performance Amount will be increased or decreased in a range of 50 percent. If not, the Performance Amount will be NOK 0.

**Assumptions used for calculating the value of the LTI programme:**

| | 2013 Programme | 2012 Programme | 2011 Programme |
|---|---|---|---|
| Dividends | 3.50 | 3.11 | 3.25 |
| Closing price used for bonus shares level 1, 2, 3 and 4 granted 30.6 | 246.60 | 186.50 | 172.60 |
| Closing price used for bonus shares level 4 granted 13.12.12 | - | 238.10 | - |
| Average price of the programme | 243.95 | 246.69 | 215.53 |
| Closing price 31.12 | 401.20 | 401.20 | 401.20 |
| Risk-free interest rate | 1.23% | 1.34% | 1.46% |
| Model | Monte Carlo | Monte Carlo | Monte Carlo |

**Share programme**

Employees in the Group are given the opportunity each year to buy shares for NOK 7,500 at a 20% discount.

# NOTE 28 OTHER OPERATING EXPENSES

**Other operating expenses consist of:**

| | 2013 | 2012 |
|---|---|---|
| Distribution | 1,104 | 1,140 |
| Commissions | 933 | 916 |
| Rent, maintenance, office expenses and energy | 680 | 649 |
| PR, advertising and campaigns | 1,731 | 1,176 |
| Printing contracts | 373 | 376 |
| Editorial material | 405 | 372 |
| Professional fees | 837 | 718 |
| Travelling expenses | 286 | 254 |
| IT expenses | 314 | 318 |
| Other operating expenses | 565 | 552 |
| **Total** | **7,228** | **6,471** |

# NOTE 29 FINANCIAL ITEMS

**Financial income and financial expenses consist of:**

| | 2013 | Restated 2012 |
|---|---|---|
| Interest income | 46 | 37 |
| Gain on sale of financial assets available for sale | 3 | 70 |
| Dividends received | 1 | 7 |
| Other financial income | 1 | 1 |
| **Total financial income** | **51** | **115** |
| | | |
| Interest expenses | (164) | (190) |
| Net foreign exchange loss | (44) | (11) |
| Impairment loss financial assets available for sale | (3) | (1) |
| Other financial expenses | (26) | (22) |
| **Total financial expenses** | **(237)** | **(224)** |

**Net foreign exchange loss consists of:**

| | 2013 | 2012 |
|---|---|---|
| Net foreign exchange gain (loss) currency derivatives | (4) | 18 |
| Net foreign exchange gain (loss) other financial instruments | (40) | (29) |
| **Net foreign exchange loss** | **(44)** | **(11)** |

Interest expenses includes NOK 25 million (NOK 48 million) related to pension liabilities, see note 21 Pension plans.

In 2012 gain on sale of financial assets available for sale is mainly related to the sale of shares in Polaris Media ASA.

Schibsted hedges its currency exposure in SEK and EUR by using loans and derivatives, see note 9 Financial risk management. As a result of this, foreign exchange gain (loss) effects in the income statement will normally be limited. Net foreign exchange losses in 2013 and 2012 are primarily related to currency effects in the Group's businesses outside the eurozone.

Financial income and financial expenses include the following amounts of interest income and interest expenses related to financial assets and liabilities that are not included in the category financial assets or financial liabilities at fair value through profit or loss:

| | 2013 | Restated 2012 |
|---|---|---|
| Interest income | 31 | 29 |
| Interest expenses | (164) | (190) |

# NOTE 30 TAXES

**The Group's income tax expense comprises the following:**

| | 2013 | Restated 2012 |
|---|---|---|
| Current income taxes | 606 | 504 |
| Deferred income taxes | (274) | 156 |
| **Taxes** | **332** | **660** |
| Of which recognised in profit or loss | 453 | 426 |
| Of which recognised in other comprehensive income | (121) | 234 |

The Group's effective tax rate differs from the nominal tax rate in countries where the Group has operations. The relationship between tax expense and accounting profit (loss) before taxes is as follows:

| | 2013 | Restated 2012 |
|---|---|---|
| **Profit (loss) before taxes** | **2,015** | **620** |
| Estimated tax expense based on nominal tax rate in Norway | 564 | 174 |
| Tax effect share of profit (loss) of associated companies | (4) | (10) |
| Tax effect impairment loss goodwill | - | 98 |
| Tax effect impairment loss investments in associated companies | 36 | 50 |
| Tax effect gain from remeasurement of previously held equity interest in business combination achieved in stages | (1) | (16) |
| Tax effect other permanent differences | (373) | 18 |
| Change in unrecognised deferred tax assets | 236 | 106 |
| Effect of tax rate differential abroad | (3) | 22 |
| Effect of changes in tax rates | 5 | (16) |
| Effect of adjustments recognised related to prior periods | (7) | - |
| **Taxes recognised in profit or loss** | **453** | **426** |

Permanent differences include, in addition to non-deductible operating expenses, tax-free dividends and gains (losses) on sale of shares as well as non-deductible impairment losses related to shares. Gain (loss) on sale of subsidiaries, joint ventures and associated companies are recognised in the line item Other income and expenses, while gain (loss) on sale and impairment losses of financial assets available for sale are recognised in the line item Financial income and expenses, respectively.

**The Group's net deferred tax liabilities (assets) are made up as follows:**

| | 2013 | Restated 2012 |
|---|---|---|
| Current items | (56) | (32) |
| Pension liabilities | (292) | (235) |
| Other non-current items | 1,182 | 1,115 |
| Unused tax losses | (802) | (561) |
| **Calculated net deferred tax liabilities (assets)** | **32** | **287** |
| Unrecognised deferred tax assets | 586 | 524 |
| **Net deferred tax liabilities (assets) recognised** | **618** | **811** |
| Of which deferred tax liabilities | 741 | 907 |
| Of which deferred tax assets | (123) | (96) |

The Group's unused tax losses are related to operations in Norway, Sweden, France, Spain and Italy as well as other countries in which Schibsted Classified Media has established online classified operations. The majority of the tax losses can be carried forward for an unlimited period. Approximately 20% of the unused tax losses expire in the period until 2023.

**The development in the recognised net deferred tax liabilities (assets) is as follows:**

| | 2013 | Restated 2012 |
|---|---|---|
| As at 1.1 | 811 | 674 |
| Change included in tax expenses | (274) | 156 |
| Change from purchase and sale of subsidiaries | 13 | 13 |
| Translation differences | 68 | (32) |
| **As at 31.12** | **618** | **811** |

Deferred tax assets are recognised when it is likely that the benefit can be realised through expected future taxable profits. The Group's deferred tax assets recognised are mainly related to operations in Norway and Spain. The Group's unrecognised deferred tax assets are mainly related to foreign operations with recent tax losses where future taxable profits may not be available before unused tax losses expire.

Deferred tax liabilities and assets are offset for liabilities and assets in companies which are included in local tax groups.

# NOTE 31 EARNINGS PER SHARE

**Average number of shares outstanding (diluted) is calculated as follows:**

| | 2013 | 2012 |
|---|---|---|
| Average number of shares outstanding | 107,273,587 | 107,026,923 |
| Adjustment for dilutive effect shares outstanding | 54,623 | 92,101 |
| **Average number of shares outstanding diluted)** | **107,328,210** | **107,119,024** |

The dilutive effect is calculated as the difference between the number of shares which can be acquired on exercise of outstanding options and the number of shares which could be acquired at fair value (calculated as the average price of the Schibsted share in the period) for the consideration which is to be paid for the shares which can be acquired based on outstanding options.

Earnings per share is calculated as profit (loss) attributable to owners of the parent divided by the average number of shares outstanding.

| | 2013 | Restated 2012 |
|---|---|---|
| Profit (loss) attributable to owners of the parent | 1,536 | 141 |
| Average number of shares outstanding | 107,273,587 | 107,026,923 |
| Earnings per share (NOK) | 14.32 | 1.32 |

Diluted earnings per share is calculated as profit (loss) attributable to owners of the parent divided by the average number of shares outstanding, adjusted for the dilutive effect of all potential shares.

| | 2013 | Restated 2012 |
|---|---|---|
| Profit (loss) attributable to owners of the parent | 1,536 | 141 |
| Average number of shares outstanding (diluted) | 107,328,210 | 107,119,024 |
| Diluted earnings per share (NOK) | 14.31 | 1.32 |

Earnings per share – adjusted is calculated as profit (loss) attributable to owners of the parent adjusted for items reported in the income statement as Other income and expenses and Impairment loss, adjusted for taxes and non-controlling interests. The number of shares included in the calculation is the same as the number for earnings per share and diluted earnings per share, as described above.

| | 2013 | Restated 2012 |
|---|---|---|
| Profit (loss) attributable to owners of the parent | 1,536 | 141 |
| Other income and expenses | (1,169) | 287 |
| Impairment loss | 150 | 548 |
| Tax and non-controlling effect of Other income and expenses and Impairment loss | (99) | (100) |
| **Profit (loss) attributable to owners of the parent - adjusted** | **418** | **876** |
| Average number of shares outstanding | 107,273,587 | 107,026,923 |
| Earnings per share – adjusted (NOK) | 3.90 | 8.18 |
| Average number of shares outstanding (diluted) | 107,328,210 | 107,119,024 |
| Diluted earnings per share – adjusted (NOK) | 3.90 | 8.17 |

# NOTE 32 JOINT VENTURES

**Significant operations reported as joint ventures are specified below:**

| | Ownership | | | | |
|---|---|---|---|---|---|
| **Company** | **31.12.2013** | **31.12.2012** | **Location** | **Operating segments** | **Business** |
| Romerike Mediadistribusjon AS | 34% | 34% | Kjeller | Schibsted Norge media house | Distribution |
| 20 Minutes France S.A.S | 50% | 50% | Paris | Media Houses International | Free newspapers |
| Willhaben Internet Service GmbH | 50% | 50% | Vienna | Online classifieds | Classifieds on the Internet |
| Használtautó Informatikai Kft | 50% | 50% | Budapest | Online classifieds | Classifieds on the Internet |
| SnT Classifieds | 50% | - | Oslo | Online classifieds | Classifieds on the Internet |
| Swiss Classified Media AG | 50% | - | Zürich | Online classifieds | Classifieds on the Internet |
| 701 Search Pte. Ltd. | - | 50% | Singapore | Online classifieds | Classifieds on the Internet |
| AS Ajakirjade Kirjastus | - | 50% | Tallinn | Media Houses International | Magazines |
| AS SL Õhtuleht | - | 50% | Tallinn | Media Houses International | Newspapers |
| Express Post AS | - | 50% | Tallinn | Media Houses International | Distribution |

**These amounts are included in the Group's income statement and balance sheet from joint ventures subject to using proportionate consolidation:**

| | **2013** | **2012** |
|---|---|---|
| Operating revenues | 387 | 415 |
| Operating expenses | (504) | (476) |
| **Gross operating profit (loss)** | **(117)** | **(61)** |
| Profit (loss) before taxes | (136) | (77) |
| | | |
| Non-current assets | 141 | 98 |
| Current assets | 201 | 238 |
| **Total assets** | **342** | **336** |
| Non-current liabilities | 90 | 35 |
| Current liabilities | 256 | 155 |
| **Total liabilities** | **346** | **190** |
| Net assets | (4) | 146 |

In September 2013, Schibsted and Telenor agreed to form a joint venture for online classified services in selected key markets in South America and Asia. The transaction was closed in December 2013. The new company SnT Classifieds is owned 50/50 by the two parties. From closing, Schibsted will account for its investment in SnT Classifieds as a Joint Venture.

Simultaneously with the establishing of SnT Classifieds, Telenor also entered as an equal partner with Schibsted and Singapore Press Holdings, each owning 1/3 of the company, in the South East Asian online classifieds operation 701 Search Pte. From closing, Schibsted will account for its investment in 701 Search Pte. as an associated company.

In September 2013, Schibsted reduced its ownership interest in Schibsted Classified Media AG (tutti.ch) from 100% to 50% by contributing the company to a newly established joint venture.

In 2012 Schibsted Classified Media acquired 50% of the shares in the Hungarian car portal Használtautó Informatikai Kft.

# NOTE 33 SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

**Interest and dividends included in the consolidated statement of cash flows are as follows:**

| | 2013 | 2012 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| Interest paid | (133) | (118) |
| Interest received (note 29) | 46 | 37 |
| Dividends received (note 13 and 29) | 57 | 51 |
| | | |
| **Cash flow from financing activities:** | | |
| Dividends paid to owners of the parent | (375) | (375) |
| Dividends paid to non-controlling interests | (58) | (54) |

Schibsted's consolidated statement of cash flows presents net payments and receipts on the acquisition and sale of subsidiaries and interests in joint ventures.

**The liquidity effect of acquisitions consists of:**

| | 2013 | 2012 |
|---|---|---|
| Cash in acquired companies | 37 | 55 |
| Acquisition cost other current assets | 35 | 91 |
| Acquisition cost non-current assets | 404 | 279 |
| **Aggregate acquisition cost assets** | **476** | **425** |
| Equity and liabilities assumed | (73) | (142) |
| Contingent consideration paid | 79 | - |
| Contingent consideration deferred | (166) | - |
| **Gross purchase price** | **316** | **283** |
| Fair value of previously held equity interest (note 5) | (22) | (134) |
| Cash in acquired companies (note 5) | (37) | (55) |
| **Acquisition of subsidiaries and joint ventures, net of cash acquired** | **257** | **94** |

**The liquidity effect of sales consists of:**

| | 2013 | 2012 |
|---|---|---|
| Cash in sold companies | 88 | 3 |
| Carrying amount other current assets | 208 | 1 |
| Carrying amount non-current assets | 354 | 17 |
| **Aggregate carrying amount assets** | **650** | **21** |
| Equity and liabilities transferred | (193) | (2) |
| Gain (loss) | 1,335 | (7) |
| Fair value of investment retained | (690) | - |
| **Gross sales price** | **1,102** | **12** |
| Cash in sold companies | (88) | (3) |
| **Proceeds from sale of subsidiaries and joint ventures, net of cash sold** | **1,014** | **9** |

# NOTE 34 TRANSACTIONS WITH RELATED PARTIES

For remuneration to management, see note 27 Personnel expenses and share-based payment.

For loans to associated companies, see note 15 Other non-current assets and note 17 Trade and other receivables.

Christian Ringnes, member of the Board and the Audit Committee, controls the company from which Schibsted's subsidiary Eesti Meedia hires offices in Tallinn. In September 2013, Schibsted sold Eesti Meedia. The office rental amounts to NOK 5 million (7 million) in the period prior to the sale.

# NOTE 35 SUBSIDIARIES

**The following subsidiaries were directly and indirectly owned as at 31.12.:**

| **Online classifieds** | **Location** | **2013** | **2012** |
|---|---|---|---|
| Finn.no AS | Oslo | 89.88% | 89.88% |
| Bilanalyse AS | Oslo | 78.23% | - |
| Eiendomsprofil AS | Bergen | 40.58% | 40.58% |
| Finn Bil AS * | Oslo | - | 89.88% |
| Finn Eiendom AS | Oslo | 79.56% | 79.56% |
| Finn Foto AS * | Oslo | - | 79.56% |
| Finn Jobb AS * | Oslo | - | 89.88% |
| Finn Oppdrag AS * | Oslo | - | 89.88% |
| Finn Reise AS * | Oslo | - | 89.88% |
| Finn SMB AS | Oslo | 89.88% | 89.88% |
| Penger.no AS | Oslo | 92.92% | 92.92% |
| Sentinel Software AS | Trondheim | 78.23% | - |
| Schibsted Classified Media AS | Oslo | 100.00% | 100.00% |
| Anuntis Brasil Actividades de Internet Ltda (previously Editora Anuntis Segundamano Online do Brazil Ltda) | Sao Paulo | 76.23% | 76.22% |
| Anuntis Chile, S.A. | Santiago de Chile | 99.99% | 76.22% |
| Anuntis Perú, S.A.C | Lima | - | 76.22% |
| Anuntis Segundamano Argentina Holdings SA ** | Buenos Aires | - | 76.23% |
| Anuntis Segundamano Argentina S.A ** | Buenos Aires | - | 76.23% |
| Anuntis Segundamano España SL | Barcelona | 100.00% | 76.23% |
| ASM Classificados de México SA de CV | Mexico City | 100.00% | 76.22% |
| Blocket AB | Stockholm | 100.00% | 100.00% |
| Blocket Wäxt AB | Stockholm | 100.00% | - |
| Bom Negócio Atividades de Internet Ltda ** | Rio de Janeiro | - | 100.00% |
| Byt Bil Nordic AB | Stockholm | 100.00% | 100.00% |
| CustoJusto Unipessoal, Lda | Lisbon | 100.00% | 100.00% |
| DoneDeal Ltd | Wexford | 50.09% | 50.09% |
| Editora Balcão Ltda | Rio de Janeiro | 99.99% | 99.99% |
| Editora Urbana Ltda | Bogotá | 100.00% | 76.23% |
| Hebdo Mag Brazil Holdings BV | Amsterdam | 100.00% | 100.00% |
| Hebdo Mag Brazil Holdings Ltda | Rio de Janeiro | 99.99% | 99.99% |
| Infobras Spain S.L | Barcelona | 76.23% | - |
| InfoJobs Italia S.r.l | Milan | 72.89% | 72.89% |
| InfoJobs S.A. | Barcelona | 98.50% | 98.50% |
| IT Competence Center S.L | Barcelona | 100.00% | 76.23% |
| Kapaza BV | Amsterdam | 100.00% | 100.00% |
| Kapaza! Belgium NV | Brussels | 100.00% | 100.00% |
| Kapaza! Holding BV * | Amsterdam | - | 100.00% |
| LBC France, SAS | Paris | 100.00% | 100.00% |
| Primerama S.L. | Barcelona | 100.00% | - |
| Schibsted Chile, SpA ** | Santiago de Chile | - | 100.00% |
| Schibsted Classified Media Hungary Kft | Budapest | 100.00% | 100.00% |

| | | | |
|---|---|---|---|
| Schibsted Classified Media Ireland Ltd | Dublin | 100.00% | 100.00% |
| Schibsted Classified Media LLC | Minsk | 100.00% | 100.00% |
| Schibsted Classified Media Morocco SARL | Casablanca | 100.00% | 100.00% |
| Schibsted Classified Media NV | Amsterdam | 100.00% | 100.00% |
| Schibsted Classified Media Schweiz AG ** | Zurich | - | 100.00% |
| Schibsted Développement SASU | Paris | 100.00% | 100.00% |
| Schibsted España S.L. | Barcelona | 100.00% | 100.00% |
| Schibsted France SAS | Paris | 100.00% | 100.00% |
| Schibsted Ibérica S.L | Madrid | 100.00% | 100.00% |
| SCM Growth Partner AB | Stockholm | 100.00% | - |
| SCM Hellas MEPE | Athens | 100.00% | 100.00% |
| SCM Local, SARL | Paris | 100.00% | 100.00% |
| SCM Northern Europe AB | Stockholm | 100.00% | 100.00% |
| SCM Suomi Oy | Helsinki | 100.00% | 100.00% |
| SCM Ventures AB | Stockholm | 100.00% | 100.00% |
| SCM Ventures BV | Amsterdam | 100.00% | 100.00% |
| SFI Holding AS * | Oslo | - | 100.00% |
| Sibmedia Interactive S.R.L. | Sibiu | 95.00% | 55.00% |
| StepStone AB | Stockholm | 100.00% | - |
| Subito.it S.r.l | Milan | 100.00% | 100.00% |
| Tripwell Sweden AB | Stockholm | 100.00% | - |

| **Schibsted Norge media house** | **Location** | **2013** | **2012** |
|---|---|---|---|
| Schibsted Norge AS | Bergen | 100.00% | 100.00% |
| Aftenbladet Eiendom AS * | Stavanger | - | 100.00% |
| Aftenposten AS | Oslo | 100.00% | 100.00% |
| Aftenposten Mobil AS | Oslo | 100.00% | - |
| AS Farsund Aktiebogtrykkeri | Farsund | 86.20% | 86.20% |
| Askøyværingen AS | Askøy | 100.00% | 100.00% |
| Avisprodukter AS | Bergen | 100.00% | 100.00% |
| Avisretur AS | Oslo | 50.10% | 50.10% |
| Bergens Ringen DA | Bergen | 100.00% | 100.00% |
| Bergens Tidende AS | Bergen | 100.00% | 100.00% |
| BT Adrift1 AS (previously Fanaposten AS) | Bergen | 100.00% | 100.00% |
| BT Beta AS | Bergen | 100.00% | 100.00% |
| BT Respons AS | Bergen | 100.00% | 100.00% |
| Bydelsavisene Bergen AS | Bergen | 50.00% | - |
| Bygdanytt AS | Bergen | 100.00% | 100.00% |
| Byttestrøm.no AS | Oslo | 95.95% | - |
| Dine Penger AS * | Oslo | - | 100.00% |
| Distribution Innovation AS | Oslo | 60.00% | 60.00% |
| Duplo Media AS | Horten | 70.00% | 70.00% |
| E24 Dine Penger AS (previously E24 Næringsliv AS) | Oslo | 100.00% | 100.00% |
| Ebok.no AS | Oslo | 97.57% | 97.57% |
| Fanaposten AS (previously Åsaneposten AS) | Bergen | 50.00% | 100.00% |
| Forlaget Strilen AS | Lindås | 100.00% | 100.00% |
| Fædrelandsvennen AS | Kristiansand | 100.00% | 100.00% |
| Fædrelandsvennen Distribusjon AS * | Kristiansand | - | 100.00% |
| Infill Eiendom AS | Stavanger | - | 100.00% |

| | | | |
|---|---|---|---|
| Janaflaten 24 AS | Stavanger | 100.00% | 100.00% |
| Katapult Bøker AS | Oslo | 100.00% | 100.00% |
| Krinkelkroken 1 AS | Bergen | - | 100.00% |
| Kristiansand Avis AS | Kristiansand | 100.00% | 100.00% |
| Lendo AS | Oslo | 95.95% | 95.95% |
| Let's Deal AS | Oslo | 74.20% | 74.20% |
| Lindesnes AS | Mandal | 100.00% | 100.00% |
| Lokalavisene AS | Bergen | 100.00% | 100.00% |
| Lyderhorn Bydelsavis AS | Bergen | 50.00% | - |
| Media AS | Kristiansand | 100.00% | 100.00% |
| Mittanbud.no AS | Oslo | 100.00% | 100.00% |
| Nykirkebakken 2 AS | Stavanger | 100.00% | 100.00% |
| Nykirkebakken 7 AS | Stavanger | - | 100.00% |
| Offshore.no AS (previously Bergensopplevelser AS) | Bergen | 100.00% | 100.00% |
| Radio Sør AS | Kristiansand | 100.00% | 100.00% |
| Riks AS | Oslo | 100.00% | 100.00% |
| Schibsted Distribusjon AS | Oslo | 100.00% | - |
| Schibsted Distribusjon Vest AS (previously Aftenbladet Distribusjon AS) | Sandnes | 100.00% | 100.00% |
| Schibsted Distribusjon Øst AS (previously Aftenposten Distribusjon AS) | Oslo | 100.00% | 100.00% |
| Schibsted Eiendom Vest AS | Stavanger | 100.00% | 100.00% |
| Schibsted Forlag AS | Oslo | 100.00% | 100.00% |
| Schibsted Förlag AB | Helsingborg | 100.00% | 100.00% |
| Schibsted Magasiner AS | Oslo | 100.00% | 100.00% |
| Schibsted Norge Annonseproduksjon AS | Kristiansand | 100.00% | - |
| Schibsted Norge Kundesenter AS | Fagernes | 100.00% | - |
| Schibsted Norge Salg AS (previously WebTraffic Norge AS) | Oslo | 100.00% | 100.00% |
| Schibsted Tech Polska sp z.o.o | Krakow | 100.00% | 100.00% |
| Schibsted Trykk AS | Oslo | 100.00% | 100.00% |
| Schibsted Trykk Bergen AS | Godvik | 100.00% | 100.00% |
| Schibsted Trykk Flesland AS | Bergen | 100.00% | 100.00% |
| Schibsted Trykk Kristiansand AS | Kristiansand | 100.00% | 100.00% |
| Schibsted Trykk Oslo AS | Oslo | 100.00% | 100.00% |
| Schibsted Trykk Stavanger AS | Sandnes | 100.00% | 100.00% |
| Schibsted Vekst AS | Oslo | 95.95% | 95.95% |
| Schibsted Vekst Hylleselskap 1 AS | Oslo | 95.95% | 95.95% |
| Stavanger Aftenblad AS | Stavanger | 100.00% | 100.00% |
| Stokkamyrveien 30 AS | Stavanger | 100.00% | 100.00% |
| Strandgaten og Eilertsbakken Eiendomsselskap AS | Farsund | 86.20% | 86.20% |
| Sydvesten Lokalavis AS | Bergen | 50.00% | - |
| Søgne og Songdalen Budstikke AS | Søgne | 97.14% | 57.62% |
| Sørlandspakken Vest AS | Kristiansand | - | 100.00% |
| Sørlandssamkjøringen AS | Mandal | 62.00% | 62.00% |
| Trafikkfondet AS | Oslo | 100.00% | 100.00% |
| TV Sør AS | Kristiansand | 100.00% | 100.00% |
| Tyggo AS | Oslo | 100.00% | - |
| Verdens Gang AS | Oslo | 100.00% | 100.00% |
| Vestnytt AS | Fjell | 100.00% | 100.00% |
| VG Mobil AS | Oslo | 100.00% | 100.00% |
| VGTV AS | Oslo | 100.00% | - |

| | | | |
|---|---|---|---|
| WoldCam AS | Stavanger | 100.00% | 100.00% |
| WR Start Up 62 AS | Oslo | 50.00% | - |
| Åsane Tidende AS | Bergen | 50.00% | - |

| **Schibsted Sverige media house** | **Location** | **2013** | **2012** |
|---|---|---|---|
| Schibsted Sverige AB | Stockholm | 100.00% | 100.00% |
| A Perfect Guide Sales Scandinavia AB | Stockholm | 84.50% | - |
| A Perfect Guide Scandinavia AB | Stockholm | 84.50% | - |
| Aftonbladet Hierta AB | Stockholm | 91.00% | 91.00% |
| Aftonbladet Kolportage AB | Stockholm | 91.00% | 91.00% |
| Compricer AB | Stockholm | 100.00% | - |
| Destinationpunktse AB | Stockholm | 100.00% | 100.00% |
| E24 Näringsliv AB | Stockholm | 100.00% | 100.00% |
| FlexiDrive Sverige AB | Stockholm | 80.00% | - |
| HB Svenska Dagbladets AB & Co | Stockholm | 99.41% | 99.41% |
| Hittapunktse AB | Stockholm | 90.20% | 100.00% |
| Jobb 24 HB | Stockholm | - | 100.00% |
| Klart Vädertjänster AB (previously K Lartpunktse Vädertjänster AB) | Stockholm | 100.00% | 100.00% |
| Kundkraft i Sverige AB | Stockholm | 100.00% | 100.00% |
| Lendo AB | Stockholm | 98.50% | 98.50% |
| Lets deal AB | Stockholm | 51.55% | 51.55% |
| Mediateam Bemanning AB | Stockholm | 51.00% | 51.00% |
| Mini Media Sweden AB | Stockholm | 51.00% | 51.00% |
| Mobilio Sweden AB | Stockholm | 85.00% | 50.10% |
| Omnipunktse AB (previously Resdagboken AB) | Stockholm | 100.00% | 100.00% |
| Personal Finance Sverige AB | Stockholm | 100.00% | 100.00% |
| PGME Sverige AB | Stockholm | 100.00% | 100.00% |
| Plan 3 AB (previously MinTur AB) | Stockholm | 99.41% | 99.41% |
| PriceSpy Media Ltd | Manukau | 98.00% | 96.00% |
| Prisjakt Norge AB | Stockholm | 98.00% | - |
| Prisjakt Polen Sp z.o.o | Krakow | 98.00% | 96.00% |
| Prisjakt Sverige AB | Ängelholm | 98.00% | 96.00% |
| Rörlig Bild Sverige AB | Stockholm | 100.00% | 100.00% |
| Schibsted Centralen AB | Stockholm | 100.00% | 100.00% |
| Schibsted Media AB | Stockholm | 100.00% | 100.00% |
| Schibsted PersonalFinance Bolån AB | Stockholm | 100.00% | 100.00% |
| Schibsted Sales AB | Stockholm | 100.00% | 100.00% |
| Schibsted Sök AB | Stockholm | 100.00% | 100.00% |
| Schibsted Tillväxtmedier AB | Stockholm | 100.00% | 100.00% |
| Schibsted Tillväxtmedier Annonsförsäljning AB | Stockholm | 100.00% | 100.00% |
| Schibsted TM AB | Stockholm | 100.00% | 100.00% |
| Schibsted TM II AB | Stockholm | 100.00% | - |
| ServiceFinder Sverige AB | Stockholm | 69.95% | 69.95% |
| Suredo AB | Stockholm | 98.50% | 98.50% |
| Svenska Dagbladet Annons AB | Stockholm | 99.41% | 99.41% |
| Svenska Dagbladet Digitala Medier AB * | Stockholm | - | 99.41% |
| Svenska Dagbladet Distribution AB * | Stockholm | - | 99.41% |
| Svenska Dagbladet Holding AB | Stockholm | 99.41% | 99.41% |
| Svenska Dagbladets AB | Stockholm | 99.41% | 99.41% |

| | | | |
|---|---|---|---|
| The You Way AB | Stockholm | 91.00% | - |
| TVNU Sweden AB | Stockholm | 100.00% | 100.00% |

| **Mediehus International** | **Location** | **2013** | **2012** |
|---|---|---|---|
| 20 Min Holding AG | Zurich | 100.00% | 100.00% |
| 20 Min International B.V. | Rotterdam | 100.00% | 100.00% |
| 20 Minutos España S.L. (previously 20 Minutos España S.A.) | Madrid | 100.00% | 100.00% |
| Carrie & Serena S.L. | Madrid | 99.87% | 63.92% |
| Grupo 20 Minutos SL | Madrid | 99.87% | 99.87% |
| AS Eesti Meedia | Tartu | - | 100.00% |
| AS Kanal 2 | Tallinn | - | 100.00% |
| AS Kroonpress | Tartu | - | 99.90% |
| AS Postimees | Tallinn | - | 100.00% |
| AS Schibsted Baltics | Tallinn | - | 100.00% |
| AS Trio LSL | Tallinn | - | 99.75% |
| Kultuurinet OÜ | Tartu | - | 51.00% |
| OÜ Meediasüsteemid | Tartu | - | 100.00% |
| OÜ Webplanet | Tallinn | - | 100.00% |
| Reisiguru OÜ | Tartu | - | 51.00% |
| SIA Tvnet | Riga | - | 100.00% |
| Soov Kirjastus OU | Tallinn | - | 100.00% |
| UAB 15 Minuciu | Vilnius | - | 99.90% |
| UAB 15 Minuciu Online | Vilnius | - | 99.90% |
| UAB Plius | Vilnius | - | 100.00% |
| UAB Zurnalu Leidybos Grupe | Vilnius | - | 100.00% |
| Ühinenud Ajalehed AS | Tartu | - | 66.00% |

| **Other** | **Location** | **2013** | **2012** |
|---|---|---|---|
| Sandrew Metronome AB | Stockholm | 100.00% | 100.00% |
| Sandrew Metronome Danmark A/S | Copenhagen | - | 100.00% |
| Sandrew Metronome Distribusjon Norge AS | Oslo | - | 100.00% |
| Sandrew Metronome Distribution Sverige AB | Stockholm | - | 100.00% |
| Sandrew Metronome International AB | Stockholm | - | 100.00% |
| Sandrew Metronome Video Finland OY | Helsinki | - | 100.00% |
| Streaming Media AS | Oslo | 72.82% | 73.40% |
| Aspiro AB | Malmö | 55.30% | 55.74% |
| Aspiro AS | Oslo | 55.30% | 55.74% |
| Aspiro Innovation AB | Malmö | 55.30% | 55.74% |
| Aspiro Søk AS | Oslo | 55.30% | 55.74% |
| Aspiro TV AS | Oslo | 55.30% | 55.74% |
| RADR Entertainment AB (previously Aspiro Inpoc AB) | Stockholm | 55.30% | 55.74% |
| Rubberduck Media Lab Inc | Carlsbad | 55.30% | 55.74% |
| SMS Opplysningen 1985 AS | Oslo | 55.30% | 55.74% |
| SMS Opplysningen 2100 AS | Oslo | 55.30% | 55.74% |
| WiMP ApS | Copenhagen | 55.30% | 55.74% |
| WiMP Music AB (previously Aspiro Musik AB) | Malmö | 55.30% | 55.74% |
| WiMP Music AS | Oslo | 55.30% | 55.74% |
| WiMP Music GmbH | Berlin | 55.30% | 55.74% |
| WiMP Music SP. Z O.O. | Warsaw | 55.30% | 55.74% |

| | | | |
|---|---|---|---|
| WiMP Norway AS | Oslo | 55.30% | 55.74% |
| Tesked AB | Varberg | 97.98% | 97.98% |
| Mötesplatsen i Norden AB | Varberg | 97.98% | 97.98% |
| 20 Min Holding AS * | Oslo | - | 100.00% |
| E24 France SAS | Paris | - | 100.00% |
| E24 International AB | Stockholm | 100.00% | 100.00% |
| European Media Ventures AS * | Oslo | - | 100.00% |
| Gratisavisen avis1 AS * | Oslo | - | 100.00% |
| Scanpix Scandinavia AB | Stockholm | - | 100.00% |
| Schibsted AG | Berlin | 100.00% | 100.00% |
| Schibsted Movie AS | Oslo | 100.00% | 100.00% |
| Schibsted Multimedia AS | Oslo | 100.00% | 100.00% |
| Schibsted Print Media AS | Oslo | 100.00% | 100.00% |
| SI Företagstjänster AB | Stockholm | - | 100.00% |
| SI Företagstjänster Holding AB | Stockholm | - | 100.00% |

| **Headquarters** | **Location** | **2013** | **2012** |
|---|---|---|---|
| Schibsted Eiendom AS | Oslo | 100.00% | 100.00% |
| Schibsted Finans AS | Oslo | 100.00% | 100.00% |
| Schibsted IT AS | Oslo | 100.00% | 100.00% |
| Schibsted Payment AS | Oslo | 100.00% | 100.00% |

* Merged with other companies in Schibsted group.

** From subsidiary to joint venture.

# SCHIBSTED ASA INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

| (NOK million) | Note | 2013 | Restated 2012 |
|---|---|---|---|
| **Operating revenues** | 3 | **49** | **55** |
| Personnel expenses | 4 | (145) | (125) |
| Depreciation and amortisation | 5 | (2) | (2) |
| Other operating expenses | 6 | (124) | (122) |
| **Operating profit (loss)** | | **(222)** | **(194)** |
| Financial income | 7 | 3,721 | 2,916 |
| Financial expenses | 7 | (612) | (182) |
| **Net financial items** | | **3,109** | **2,734** |
| **Profit (loss) before taxes** | | **2,887** | **2,540** |
| Taxes | 8 | (83) | (134) |
| **Profit (loss)** | | **2,804** | **2,406** |

# SCHIBSTED ASA BALANCE SHEET AS AT 31 DECEMBER

| (NOK million) | Note | 2013 | Restated 2012 |
|---|---|---|---|
| **ASSETS** | | | |
| Deferred tax assets | 8 | 58 | 52 |
| Property, plant and equipment and licences | 5 | 18 | 13 |
| **Intangible assets and tangible assets** | | **76** | **65** |
| | | | |
| Investments in subsidiaries | 9 | 14,975 | 5,237 |
| Investments in associated companies | 9 | 1,541 | 1,541 |
| Investments in other shares | 9 | 2 | 3 |
| Non-current receivables | 10 | 1,604 | 1,905 |
| **Financial assets** | | **18,122** | **8,686** |
| **Non-current assets** | | **18,198** | **8,751** |
| Current receivables | 11 | 1,279 | 4,381 |
| Cash and cash equivalents | 12 | 7 | 13 |
| **Current assets** | | **1,286** | **4,394** |
| | | | |
| **Total assets** | | **19,484** | **13,145** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| Share capital | | 108 | 108 |
| Treasury shares | | (1) | (1) |
| Other paid-in capital | | 1,432 | 1,422 |
| **Paid-in capital** | | **1,539** | **1,529** |
| Other equity | | 9,848 | 7,404 |
| **Retained earnings** | | **9,848** | **7,404** |
| **Equity** | 14 | **11,387** | **8,933** |
| Pension liabilities | 15 | 203 | 173 |
| **Provisions** | | **203** | **173** |
| **Non-current liabilities** | 10 | **2,795** | **3,095** |
| **Current liabilities** | 16 | **5,099** | **944** |
| | | | |
| **Total equity and liabilities** | | **19,484** | **13,145** |

Oslo, 25 March 2014
Schibsted ASA's Board of Directors

Ole Jacob Sunde
Chairman of the Board

Karl-Christian Agerup

Arnaud de Puyfontaine

Marie Ehrling

Christian Ringnes

Eva Berneke

Anne Lise von der Fehr

Gunnar Kagge

Jonas Fröberg

Eugénie Van Wiechen

Rolv Erik Ryssdal
CEO

# SCHIBSTED ASA
# STATEMENT OF CASH FLOWS
# FOR THE YEAR ENDED 31 DECEMBER

| (NOK million) | Note | 2013 | Restated 2012 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit (loss) before taxes | | 2,887 | 2,540 |
| Tax payable | | (6) | - |
| Depreciation and amortisation | 5 | 2 | 2 |
| Impairment loss on shares | 7 | 520 | 72 |
| Gain on sale of non-current assets | | (6) | (2,060) |
| Share-based payment | | (3) | 3 |
| Group contributions included in financial income | 7 | (917) | (621) |
| Change in current receivables | | (16) | (28) |
| Change in current liabilities | | 757 | 21 |
| Difference between pension cost and cash flow related to pension plans | | 8 | 14 |
| Change in other accruals | | 1 | (5) |
| **Net cash flow from operating activities** | | **3,227** | **(62)** |
| | | | |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Purchase of intangible assets and property, plant and equipment | 5 | (7) | (9) |
| Change in non-current receivables | 10 | 301 | (439) |
| Acquisition of subsidiaries | | (10,350) | (579) |
| Sale of shares | | 9 | 3,541 |
| **Net cash flow from investing activities** | | **(10,047)** | **2,514** |
| | | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Change in non-current interest-bearing borrowings | | (300) | - |
| Change in current interest-bearing borrowings | | 7,292 | (2,760) |
| Group contributions received (net) | | 152 | 656 |
| Dividends paid | 14 | (375) | (375) |
| Purchase / sale of treasury shares | | 45 | 27 |
| **Net cash flow from financing activities** | | **6,814** | **(2,452)** |
| | | | |
| **Net increase (decrease) in cash and cash equivalents** | | **(6)** | **-** |
| | | | |
| Cash and cash equivalents as at 1.1 | | 13 | 13 |
| | | | |
| **Cash and cash equivalents as at 31.12** | 12 | **7** | **13** |

# TABLE OF CONTENTS NOTES TO THE SCHIBSTED ASA FINANCIAL STATEMENTS 2013

All amounts are in NOK million unless otherwise stated

# NOTE 1 ACCOUNTING POLICIES

The financial statements of Schibsted ASA have been prepared in accordance with the provisions of the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway.

**Revenue recognition**
Operating revenues are recognised when the goods are delivered or the service rendered.

**Classification**
Assets and liabilities related to the normal operating cycle are classified as current assets and current liabilities. Receivables and liabilities not related to the normal operating cycle are classified as current if they are of a short-term nature, normally due within one year. Shares and other investments not intended for continued use or ownership are classified as current assets. Other assets and liabilities are classified as non-current.

**Shares**
Shares are measured at cost and impairment loss is recognised if the carrying amount exceeds the recoverable amount. The impairment is reversed if the basis for the write-down is no longer present.

Group contributions received are included in financial income provided that the Group contribution received does not represent a repayment of capital invested. Group contributions that represent a repayment of capital invested are accounted for as a reduction in the cost of investments in subsidiaries. Net Group contributions payable (gross Group contributions less the associated tax effect) are included in the cost of investments in subsidiaries. Dividends from subsidiaries and associated companies are included in financial income.

Gain on intra-group sales of subsidiaries, in excess of retained earnings of the subsidiaries sold, is recognised as deferred income and classified as non-current liabilities.

**Property, plant and equipment and intangible assets**
Property, plant and equipment and intangible assets are measured at cost less accumulated depreciation, amortisation and impairment. Property, plant and equipment and intangible assets with limited economic lives are depreciated over the expected economic life. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net sales value and the present value of future cash flows expected to be generated. Impairment losses are reversed if the basis for the impairment is no longer present.

**Leases**
Leases are classified as either finance leases or as operating leases. Leases that transfers substantially all the risks and rewards incidental to the asset are classified as finance leases. Other leases are classified as operating leases.

When Schibsted ASA is lessee in a finance lease, the leased asset and the liability related to the lease are recognised in the balance sheet. Depreciable leased assets are depreciated systematically over the useful life of the asset. Lease payments are apportioned between interest expense and reduction of the liability.

Lease payments related to operating leases are recognised as expenses over the lease term.

**Foreign currency**
Foreign currency monetary items are translated at the closing rate at the date of the balance sheet. Foreign currency gains and losses are reported in the income statement in the lines Financial income and Financial expenses respectively.

**Trade receivables**
Trade receivables are measured at fair value including allowance for bad debt.

**Treasury shares**
The cost of acquisition and proceeds from sale of treasury shares are offset against equity.

**Pension expense – Defined benefit plans**
Schibsted ASA has chosen, in accordance with NRS 6, to use measurment and P&L classification rules according to IAS 19 R – Employee Benefits.

Pension liabilities related to defined benefit plans are measured at the net present value of future pension benefits earned at the balance sheet date. Plan assets are measured at fair value.

As a result of the application of IAS 19R, the periods net interest expense is now calculated by applying the discount rate for the liability at beginning of period to the net liability. Net interest expense consists therefore of interest on the obligation and return on assets, both calculated using the discount rate.

Changes in net pension obligation as a result of premium payments and pension payments are taken into account. The difference between the actual and the recorded return on plan assets are recogniced with final effect directly as other equity.

Current service cost and net interest income (expense) are recogniced immediately. Current service cost is classified as payroll expenses in the income statement, while net interest income (expenses) are classified as financial items. Changes in value, both assets and liabilities are recorded with final effect directly as other equity.

Gains and losses on the curtailment or settlement of a defined benefit plan are recognised at the time the curtailment or settlement occurs.

A curtailment occurs when a company adopts a significant reduction in the number of employees covered by a plan or changes the terms of a defined benefit plan such that a significant part of future earnings to current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

Introduction of a new benefit plan or an improvement of the current plan will involve changes in the obligation. This is expensed on a straight line basis over the period until the effect of the change is retained. The introduction of new systems or changes to existing plans that have retroactive effect so that employees immediately have earned a policy (or change in policy) are recogniced immediately.

Gains or losses on the curtailment or settlement of pension plans are recognized when they occur.

**Pension expense - Defined contribution plans**
For pension plans as defined as contribution plans, for accounting purposes, the contribution payable is recogniced as pension cost.

**Share-based payment**
In equity settled share-based payment transactions with employees, the fair value of the employee services and the corresponding equity increase are measured by reference to the fair value of the equity instruments granted. The fair value of equity instruments granted is measured at grant date, and recognised as personnel expenses and equity increase immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period.

The estimated number of equity instruments expected to vest are remeasured at each reporting date. The amount recognised as an expense is adjusted to reflect the number of equity instruments which are expected to be, or actually become vested.

In cash settled share-based payment transactions with employees, the employee services and the incurred liability are measured at the fair value of the liability. The employee services and the liability are recognised immediately or over the vesting period when performance vesting conditions require an employee to serve over a specified time period. Until the liability is settled, the fair value of the liability is revised at each balance sheet date and at settlement date, with changes in fair value recognised in profit or loss.

**Restructuring costs**
Restructuring costs are recognised in accordance with the matching principle and therefore expenses not related to revenues in future periods are charged to expense when incurred. Restructuring costs are incurred when a restructuring plan is approved and announced.

**Taxes**
Income taxes are calculated from the profit (loss) before tax and comprise taxes payable and the change in deferred taxes. Deferred tax assets and liabilities are calculated in accordance with the liability method without discounting and provided for all differences between the carrying amount in the balance sheet and the tax base of assets and liabilities, and for unused tax losses. Deferred tax assets are recognised only when it is expected that the benefit can be utilised through sufficient taxable profits from expected future earnings.

**Contingent liabilities**
Contingent liabilities are recognised when it is more probable than not that the liability will become effective. The best estimate of the amount to be paid is included in other provisions in the balance sheet. Other obligations, for which no liability is recognised, are disclosed in notes to the financial statements.

**Dividend**
The dividend for the financial year, as proposed by the Board of Directors, is recognised as a liability as at 31.12.

**Statement of cash flows**
The statement of cash flows is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

# NOTE 2 CHANGE IN ACCOUNTING POLICIES

Schibsted ASA has chosen, in accordance with NRS 6, to use measurment and P&L classification rules according to IAS 19 R – Employee Benefits. As at January 1, 2013 Schibsted ASA applied IAS 19 Employee Benefits (June 2011) ("IAS 19R") and changed the basis for calculating the pension liability and costs. The company previously used the corridor approach when recognizing unamortised changes in accounting estimates. The corridor approach is no longer accepted and all changes in accounting estimates shall be recognised in equity in accordance with IAS 19R. In the 2013 financial statements the accumulated change in the accounting estimate has been recognised in equity as at January 1, 2012.

Previously the return on the plan assets was calculated by using a long-term expected return on the plan assets. As a result of applying IAS 19R, the net interest costs for the period is now calculated by using the discount rate for the liability at the beginning of the period on the net liability. As such the net interest cost consists of interest on the liability and the return on the plan assets, whereas both have been calculated by using the discount rate. Changes in net pension liabilities as a result of payments of premiums and pension payments have been taken into consideration. The difference between the actual return and the accounted return is recognised continuously through equity.

Due to the implementation of IAS 19 R the company has chosen to change the classification of the pension costs. The pension benefit payment is reported as a part of personnel expences in the financial statements, while net pension income/expense is classified as a financial cost.

IAS19R has been applied retrospective and the comparative figures have been changed.

| Adjustments in balance sheet as at 01.01.2012 | Balance 31.12.2011 | Effect of restatement | Balance 01.01.2012 |
|---|---|---|---|
| Pension liabilities | 155 | 62 | 217 |
| Deferred tax assets | 47 | 17 | 64 |
| Other equity | 5,354 | (45) | 5,309 |

| Adjustments in income statement 2012 | As previously reported | Effect of restatement | Restated 2012 |
|---|---|---|---|
| Personal expenses | (134) | 9 | (125) |
| Financial expenses | (175) | (7) | (182) |
| Taxes | (133) | (1) | (134) |
| Profit (loss) | 2,405 | 1 | 2,406 |

| | Cange in pension liabilities | Change in deferred tax assets | Change in other equity |
|---|---|---|---|
| Unrecognised actuarial gain (loss) recogniced in equity as at 31.12.2012 | 4 | (1) | (3) |

# NOTE 3 OPERATING REVENUES

**Operating revenues consist of:**

| | 2013 | 2012 |
|---|---|---|
| Operating revenues | 49 | 55 |
| **Total** | **49** | **55** |

Operating revenues consist of consultant fees and income from lease of office premises, as well as fees for subsidiaries' participation in programmes for management and organisational development.

# NOTE 4 PERSONNEL EXPENSES AND MAN-YEARS

**Personnel expenses consist of:**

| | 2013 | Restated 2012 |
|---|---|---|
| Salaries and wages | 93 | 78 |
| Social security costs | 16 | 15 |
| Net pension expense (note 15) | 19 | 17 |
| Other personnel expenses | 6 | 4 |
| Share-based payment | 11 | 11 |
| **Total** | **145** | **125** |

The number of man-years, including trainees, was 95 in 2013. Note 27 Personnel expenses and share-based payment to the consolidated financial statements contains further information concerning auditor's fee and remuneration to management, including share-based payment.

# NOTE 5 PROPERTY, PLANT AND EQUIPMENT AND LICENCES

| | Equipment, furniture, vehicles | Licences |
|---|---|---|
| Cost as at 1.1.2013 | 38 | 5 |
| Additions | - | 7 |
| Disposals | (16) | (4) |
| **Cost as at 31.12.2013** | **22** | **8** |
| Accumulated depreciation and amortisation 1.1.2013 | (26) | (4) |
| Accumulated depreciation on scrapped items | 16 | 4 |
| Depreciation and amortisation for the year | (1) | (1) |
| **Accumulated depreciation and amortisation 31.12.2013** | **(11)** | **(1)** |
| **Carrying amount 31.12.2013** | **11** | **7** |
| Depreciation method | Straight line | Straight line |
| Depreciation period | 3–10 years | 3–5 years |

The depreciation and amortisation for the year include depreciation of leasehold improvements of NOK 1 million. Operating lease payments of NOK 26 million are expensed in 2013 and consist mainly of leased computer technology amounted to 4 million and leased office premises amounted to 20 million with a remaining lease term of 4,5 years with an option to extend for another 4 years.

# NOTE 6 OTHER OPERATING EXPENSES

**Other operating expenses consist of:**

| | 2013 | 2012 |
|---|---|---|
| Rent and maintenance (note 5) | 26 | 25 |
| Office and administrative expenses | 23 | 25 |
| Professional fees | 41 | 39 |
| Travel, meetings and marketing | 34 | 33 |
| **Total** | **124** | **122** |

# NOTE 7 FINANCIAL ITEMS

**Financial income consists of:**

| | 2013 | Restated 2012 |
|---|---|---|
| Interest income | 140 | 119 |
| Group contributions received | 917 | 621 |
| Dividends from subsidiaries | 2,525 | - |
| Dividends from associated companies | 132 | 87 |
| Gain on sale of shares | 6 | 2,089 |
| Other financial income | 1 | - |
| **Total** | **3,721** | **2,916** |

Gain on sale of shares in 2013 is related to partly sale of Streaming Media AS of NOK 0.6 million and the liquidation of Scanpix AB of NOK 5.7 million (note 9). Gain on sale of shares in 2012 is related to the derecognition of shares in Polaris Media ASA of NOK 26 million (note 9) and to the sale of the subsidiaries Verdens Gang AS and Schibsted Forlag AS to Schibsted Norge AS of NOK 2,062 million. Gain in excess of retained earnings in the subsidiaries sold is treated as deferred income and classified as non-current liabilities (note 10).

**Financial expenses consist of:**

| | 2013 | Restated 2012 |
|---|---|---|
| Interest expenses | 83 | 70 |
| Interest expenses cash pool system (note 12) | - | 2 |
| Interest expenses on pension plans (note 15) | 5 | 7 |
| Impairment loss on shares | 520 | 72 |
| Loss on sale of shares | - | 29 |
| Other financial expenses | 4 | 2 |
| **Total** | **612** | **182** |

Interest expenses in 2013, NOK 83 million, relates to bond issues compared to NOK 65 million in 2012. Impairment loss on shares in 2013 relates to Schibsted Movie AS of NOK 155 million, and reversal of the impairment loss ralated to Streaming Media AS in 2012 of NOK 70 million. The impairment losses on shares in 2012 relates to Streaming Media AS. Loss on sale of shares in 2012 relates to Trafikkfondet AS and Aspiro AB. Other financial expenses in 2013 and 2012 relate primarily to foreign exchange losses and bank charges.

# NOTE 8 TAXES

**Set out below is a specification of the difference between the profit before taxes and taxable income of the year:**

| | 2013 | Restated 2012 |
|---|---|---|
| Profit (loss) before taxes | 2,887 | 2,540 |
| Dividends and tax free group contributions received | (3,103) | (84) |
| Group contributions payable | (289) | (469) |
| Other permanent differences | 506 | (1,980) |
| Change in temporary differences | 30 | 13 |
| Effect of changes in accounting policy and unrecognised actuarial gain (loss) in the pension liability | (26) | - |
| **Taxable income** | **5** | **20** |
| Tax rate | 28% | 28% |

**Taxes payable and taxes charged to expenses are calculated as:**

| | 2013 | Restated 2012 |
|---|---|---|
| Calculated taxes payable | 1 | 6 |
| Change in net deferred tax asset | (8) | (4) |
| Tax related to change in tax rate on deferred tax | 2 | - |
| Tax related to changes in accounting policy and unrecognised actuarial gain (loss) in the pension liability | 7 | - |
| Tax related to Group contributions payable | 81 | 132 |
| **Taxes** | **83** | **134** |

**The net deferred tax asset consists of the following:**

| | 2013 | Restated 2012 |
|---|---|---|
| **Temporary differences related to:** | | |
| Property, plant and equipment | (2) | (2) |
| Pension liabilities | (203) | (173) |
| Other current liabilities | (8) | (11) |
| **Total basis for deferred tax asset** | **(213)** | **(186)** |
| Tax rate | 28% | 28% |
| Net deferred tax liability (asset) with 28% tax | (60) | (52) |
| The effect on Net deferred tax liability (asset) related to change in tax rate from 28% to 27% | 2 | - |
| **Net deferred tax liability (asset)** | **(58)** | **(52)** |

**Effective tax rate is a result of:**

| | 2013 | Restated 2012 |
|---|---|---|
| **Profit (loss) before taxes** | **2,887** | **2,540** |
| Tax charged based on nominal rate | 808 | 712 |
| Tax effect permanent differences | (727) | (578) |
| Tax related to change in tax rate from 28% to 27% on deferred tax | 2 | - |
| **Taxes** | **83** | **134** |

# NOTE 9 INVESTMENTS IN SHARES

| | Ownership % 31.12.2013 | Location | Carrying amount 2013 | Carrying amount 2012 |
|---|---|---|---|---|
| **Shares in subsidiaries** | | | | |
| 20 Min Holding AS | - | Oslo | - | 2 |
| Schibsted Norge AS | 100.00 | Bergen | 3,649 | 1,349 |
| Schibsted Eiendom AS | 100.00 | Oslo | 190 | 164 |
| Schibsted Finans AS | 100.00 | Oslo | 392 | 392 |
| Schibsted Movie AS | 100.00 | Oslo | 60 | 215 |
| Schibsted Multimedia AS | 100.00 | Oslo | 10,285 | 2,352 |
| Schibsted Print Media AS | 100.00 | Oslo | 169 | 546 |
| Schibsted Sverige AB | 100.00 | Stockholm | 63 | 63 |
| Schibsted IT AS | 100.00 | Oslo | 2 | 2 |
| Schibsted Payment AS | 100.00 | Oslo | 10 | 11 |
| Streaming Media AS | 73.40 | Oslo | 155 | 141 |
| **Total** | | | **14,975** | **5,237** |

Group contributions payable to subsidiaries, NOK 208 million (net) is capitalised as part of investments in subsidiaries.
Group contributions from Schibsted Norge AS of NOK 300 million is considered to represent repayment of capital invested and thus recognised as a reduction in the carrying amount of the shares in Schibsted Norge AS.

| **Shares in associated companies** | Ownership % 31.12.2013 | Location | Carrying amount | Equity | Profit (loss) |
|---|---|---|---|---|---|
| Finn.no AS | 39.87 | Oslo | 1,413 | 317 | 581 |
| Polaris Media ASA | 28.99 | Trondheim | 127 | 521 | 41 |
| Svanedamsveien 10 AS | 25.00 | Kristiansand | 1 | 64 | 4 |
| **Total** | | | **1,541** | | |

| **Other shares** | | | |
|---|---|---|---|
| Schibsted Vekst AS | 10.00 | Oslo | 2 |
| Schibsted Tech Polska sp. z.o.o | 1.00 | Krakow | - |
| **Total** | | | **2** |

Finn.no AS and Schibsted Vekst AS are also held by other Group companies and are therefore in the consolidated financial statements note 35 presented as subsidiaries.
The fair value of the shares in Polaris Media ASA is NOK 361 million based on the last market price.

# NOTE 10
# NON-CURRENT RECEIVABLES AND NON-CURRENT LIABILITIES

**Non-current receivables consist of:**

| | 2013 | 2012 |
|---|---|---|
| Receivables from Group companies | 1,600 | 1,900 |
| Other receivables | 4 | 5 |
| **Total** | **1,604** | **1,905** |

Receivables from Group companies consist of loans to Schibsted Finans AS. The loan amounts and terms are identical to what Schibsted ASA has on the bond loans with Norsk Tillitsmann ASA.

**Non-current liabilities consist of:**

| | 2013 | 2012 |
|---|---|---|
| Liabilities Group companies | 2 | 3 |
| Bond issues | 1,600 | 1,900 |
| Deferred income from sale of subsidiaries | 1,184 | 1,184 |
| Other liabilities | 9 | 8 |
| **Total** | **2,795** | **3,095** |

Gain on intra-group sales of subsidiaries, in excess of retained earnings of the subsidiaries sold, are recognised as deferred income (note 7).

Schibsted ASA has issued five unsecured bonds in the Norwegian bond market at a total of NOK 1,600 million as at December 2013.

**The loans have the following characteristics:**

| Loan | Issued | Amount | Maturity | Interest |
|---|---|---|---|---|
| ISIN NO001059326.2 | Dec 2010 | NOK 400 million | Dec 2015 | 3 months Nibor plus 205 basis points |
| ISIN NO0010637176 | March 2012 | NOK 500 million | March 2017 | 3 months Nibor plus 215 basis points |
| ISIN NO0010637275 | March 2012 | NOK 300 million | March 2019 | 5.9% |
| ISIN NO0010667850 | Dec 2012 | NOK 150 million | Dec 2022 | 3 months Nibor plus 250 basis points |
| ISIN NO0010667843 | Dec 2012 | NOK 250 million | Dec 2022 | 5.4% |

# NOTE 11 CURRENT RECEIVABLES

**Current receivables consist of:**

| | 2013 | 2012 |
|---|---|---|
| Current receivables from Group companies | 1,260 | 675 |
| Current receivable related to the cash pool system (note 12) | - | 3,688 |
| Other receivables | 19 | 18 |
| **Total** | **1,279** | **4,381** |

# NOTE 12 CASH AND CASH EQUIVALENTS

Total cash and cash equivalents of NOK 7 million include NOK 2.5 million pledged as security for trading on Nord Pool, NASDAQ OMX Oslo ASA and StatNett SF.

Schibsted ASA's bank account is included in the Schibsted Group's cash pool with Danske Bank. The cash pool system has been established to contribute to an optimal liquidity management for the Schibsted Group. As at 31 December 2013 Schibsted ASA had drawn NOK 3.604 million on sub-accounts in the cash pool system, which is managed and controlled by Schibsted Finans AS. The amount is included as current liabilities in the balance sheet. Note 9 Financial risk management and note 18 Cash and cash equivalents to the consolidated financial statements contain further information concerning financial market risk.

# NOTE 13 SHAREHOLDER STRUCTURE

**The 20 largest shareholders as at 31 December 2013:**

| | Number of shares | Share in % |
|---|---|---|
| Blommenholm Industrier | 28,188,589 | 26.1% |
| Folketrygdfondet | 7,486,976 | 6.9% |
| State Street Bank and Trust Co. | 4,292,239 | 4.0% |
| NWT Media AS | 4,000,000 | 3.7% |
| The North Trust | 3,302,000 | 3.1% |
| The Bank Of New York | 2,672,320 | 2.5% |
| JP Morgan Clearing Co | 2,542,180 | 2.4% |
| Clearstream Banking S.A | 2,139,745 | 2.0% |
| Morgan Stanley & Co | 1,980,200 | 1.8% |
| J.P.Morgan Chase Bank | 1,902,283 | 1.8% |
| UBS AG, London Branch | 1,889,134 | 1.7% |
| Goldman Sachs & Co – Equity, Security Client Segregation | 1,858,202 | 1.7% |
| JP Morgan Chase Bank | 1,760,994 | 1.6% |
| The Northern Trust Co | 1,221,669 | 1.1% |
| State Street Bank and Trust Co | 1,154,447 | 1.1% |
| Credit Suisse Securities | 1,138,128 | 1.1% |
| Skandinaviska Enskilda Banken | 1,107,493 | 1.0% |
| J.P.Morgan Chase Bank | 1,079,586 | 1.0% |
| J.P.Morgan Chase Bank | 1,078,051 | 1.0% |
| Svenska Handelsbanken | 955,577 | 0.9% |
| **Total 20 largest shareholders** | **71,749,813** | **66.5%** |

The shareholderes are based on the public VPS list. For further information regarding the ownership, see the chapter Shareholder information in Schibsted's annual report.

**Number of shares owned by the Board of Directors and the Group Management:**

| | Number of shares |
|---|---|
| Ole Jacob Sunde | 121,244 |
| Karl Christian Agerup | 3,082 |
| Eva Berneke | 4,020 |
| Christian Ringnes | 40,000 |
| Anne-Lise Mørch von Der Fehr | 201 |
| Gunnar Kagge | 259 |
| Rolv Erik Ryssdal | 30.417 |
| Trond Berger | 15,843 |
| Camilla Jarlsby | 10,006 |
| Terje Seljeseth | 13,124 |
| Lena K. Samuelsson | 6,730 |
| Didrik Munch | 5,169 |
| Raoul Grünthal | 9,418 |
| Frode Eilertsen | 1,295 |
| **Total Board of Directors and Group Management** | **260,808** |

The total number of issued shares in Schibsted ASA was 108,003,615 and the number of shareholders was 4,707, as at 31 December 2013. Foreign ownership was 52.1 percent (56,6%). Schibsted ASA owned 655,075 treasury shares at 31 December 2013. The Annual Shareholders' Meeting gave the Board of Directors authorisation to acquire treasury shares up to 10,800,361 shares (10%). The authorisation was renewed at the Annual Shareholders' Meeting 30 April 2013 for a period until the Annual Shareholders' Meeting in 2014. At the Annual Shareholders' Meeting on 7 May 2014 the Board will present a resolution to extend the authorisation to the Board of Directors for the purchase and disposal of up to 10 percent of the share capital in Schibsted ASA in accordance with the Norwegian Public Limited Liability Companies Act based on the conditions presented in the notification to the Annual Shareholders' Meeting.

Ole Jacob Sunde, is also the chairman of the Board in Blommenholm Industrier.

# NOTE 14
# EQUITY

**The development in the company's equity in 2013 is as follows:**

| | Share capital | Treasury shares | Other paid-in capital | Other equity | Total |
|---|---|---|---|---|---|
| **Equity as at 31.12.2011** | **108** | **(1)** | **1,414** | **5,354** | **6,875** |
| Effect of Changes in accounting policy and unrecognised actuarial gain (loss) in pension plans | - | - | - | (45) | (45) |
| **Equity as at 01.01.2012** | **108** | **(1)** | **1,414** | **5,309** | **6,830** |
| Change in treasury shares | - | - | - | 23 | 23 |
| Share-based payment | - | - | 8 | - | 8 |
| Profit (loss) | - | - | - | 2,406 | 2,406 |
| Dividend | - | - | - | (375) | (375) |
| Unrecognised actuarial gain (loss) in pension plans | - | - | - | 41 | 41 |
| **Equity as at 31.12.2012** | **108** | **(1)** | **1,422** | **7,404** | **8,933** |
| Change in treasury shares | - | - | 3 | 31 | 34 |
| Share-based payment | - | - | 7 | - | 7 |
| Profit (loss) | - | - | - | 2,804 | 2,804 |
| Dividend | - | - | - | (376) | (376) |
| Unrecognised actuarial gain (loss) in pension plans | - | - | - | (15) | (15) |
| **Equity as at 31.12.2013** | **108** | **(1)** | **1,432** | **9,848** | **11,387** |

Schibsted ASA's share capital consists of 108,003,615 shares of NOK 1 par value. The par value of treasury shares is presented on a separate line within Other paid-in capital with a negative amount.

No shareholder may own or vote at the Annual Shareholders' Meeting for more than 30 percent of the shares.

# NOTE 15 PENSION PLANS

The company is obliged to have an occupational pension scheme in accordance with the Act on Mandatory Company Pensions ("Lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of the Act.

As at 31 December 2013 the company's pension plan had 96 members. Note 21 Pension Plans to the consolidated financial statements contains further description of the pension plans and the principal assumptions applied.

In 2012 the company changed the reference for determining the discount rate. Previously the discount rate was determined by reference to the Norwegian governmental bonds. From 2012 an onwards it is determined with a reference to the market yields at the end of the reporting period on high quality corporate bonds. The company has concluded that, by the end of the accounting year 2013, a solid market for the OMF bonds exists in Norway, and this market yield will therefore be used as a reference according to IAS 19 Employee Benefits. The increase in the discount rate as at 31 December 2012 caused a solid reduction of the present value of the future pension benefits (net pension liabilities).

Schibsted ASA has chosen, in accordance with NRS 6, to use measurment and P&L classification rules according to IAS 19 R – Employee Benefits. As at 1 January 2013, Schibsted ASA applied IAS 19 Employee Benefits (June 2011) ("IAS 19R") and changed the basis for calculating the pension liability and costs. See Note 1 Accounting policies and Note 2 Change in accounting policies for full description.

**Amounts recognised in profit or loss:**

| | 2013 | Restated 2012 |
|---|---|---|
| Current service cost | 15 | 14 |
| Net interest cost on pension liabilities | 5 | 7 |
| **Net pension expense – defined benefit plans** | **20** | **21** |
| Pension expense – defined contribution plans | 3 | 3 |
| Pension expense – new pension plan (AFP) | 1 | - |
| **Net pension expense** | **24** | **24** |
| | | |
| Pension expense recognised as Personnel expenses | 19 | 17 |
| Pension expense recognised as Financial expenses | 5 | 7 |

**Amounts recognised in the balance sheet:**

| | 2013 | Restated 2012 |
|---|---|---|
| Present value of funded defined benefit obligations | 63 | 55 |
| Fair value of plan assets | (58) | (56) |
| **Present value (net of plan assets) of funded defined benefit obligations** | **5** | **(1)** |
| Present value of unfunded defined benefit obligations | 198 | 174 |
| **Pension liabilities** | **203** | **173** |
| | | |
| Social security tax included in present value of defined benefit obligations | 25 | 21 |

**Changes in pension liabilities:**

| | 2013 | Restated 2012 |
|---|---|---|
| As at 1.1 | 173 | 217 |
| Net pension expense | 20 | 21 |
| Contributions / benefits paid | (12) | (9) |
| Unrecognised actuarial gain (loss) recognised in equity (incl. tax) | 22 | (56) |
| **As at 31.12** | **203** | **173** |

Liabilities as at 31.12.2013 is calculated based on the mortality table K2013. Liabilities as at 31.12.2012 and cost in 2013 was estimated on the mortality tariff K2005. Changes in applied mortality tariff has led to increased liabilities of NOK 22 million as at 31.12.2013.

# NOTE 16 CURRENT LIABILITIES

**Current liabilities consist of:**

| | 2013 | 2012 |
|---|---|---|
| Trade creditors | 3 | 7 |
| Public duties payable | 12 | 13 |
| Dividends accrued | 376 | 375 |
| Current liabilities Group company (cash pool system) (note 12) | 3,604 | - |
| Current liabilities to Group companies | 1,058 | 502 |
| Taxes payable (note 8) | 1 | 6 |
| Accrued interest | 18 | 18 |
| Other current liabilities | 27 | 23 |
| **Total** | **5,099** | **944** |

# NOTE 17 GUARANTEES AND PROVISIONS OF SECURITY

| | 2013 | 2012 |
|---|---|---|
| Guarantees for loans and drawing facilities on behalf of Group companies | 5,346 | 4,639 |
| Other guarantees on behalf of Group companies | 279 | 266 |
| Other guarantees | 9 | 95 |
| **Total** | **5,634** | **5,000** |

NOK 0.7 billion of the total of NOK 5.3 billion of guarantees for loans and credit facilities were drawn at the end of 2013. At the end of 2012 a total of NOK 0.6 billion was drawn.

A guarantee of NOK 226 million to Danske Bank is included in Other guarantees on behalf of Group companies. The amount relates to guarantees for tax withholdings and other guarantees. In addition a guarantee of NOK 5 million to BNP Paribas regarding Multiprensa Y Mas' loan, and guarantees regarding subsidiaries' unsecured pension liabilities of NOK 40 million related to key management personnel, as well as a guarantee of NOK 8 million to Grensen 5–7 AS regarding office lease, are included.

A Parent Company Guarantee (PCG) to Entra Eiendom AS was provided by Schibsted ASA. The guarantee covers security for payment of office lease.

Other guarantees include a guarantee of unfunded pension liabilities of NOK 4 million. In addition NOK 2.5 million pledged as security for trading on Nord Pool, NASDAQ OMX Oslo ASA and StatNett SF, as well as Guarantees related to loans to employees in the Group of NOK 2.5 million and are also included. Note 27 Personnel expenses and share-based payment in the consolidated financial statements contains further information regarding loans to members of the Group management.

# DECLARATION BY THE BOARD OF DIRECTORS AND CEO

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2013 has been prepared in accordance with applicable accounting standards and gives a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations, and that the Report of the Board of directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that they are facing.

Oslo, 25 March 2014
Schibsted ASA's Board of Directors

| | | |
|---|---|---|
| Ole Jacob Sunde<br>Chairman of the Board | Karl-Christian Agerup | Marie Ehrling |
| Eva Berneke | Christian Ringnes | Arnaud de Puyfontaine |
| Eugénie Van Wiechen | Gunnar Kagge | Anne Lise von der Fehr |
| Jonas Fröberg | Rolv Erik Ryssdal<br>CEO | |

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Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of
Schibsted ASA

## AUDITOR'S REPORT

### Report on the financial statements

We have audited the accompanying financial statements of Schibsted ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2013, the statements of income, cash flows and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated balance sheet as at 31 December 2013, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

*The Board of Directors' and Chief Executive Officer's responsibility for the financial statements*

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

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*Opinion on the financial statements of the Parent Company*

In our opinion, the financial statements of Schibsted ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

*Opinion on the financial statements of the Group*

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

**Report on other legal and regulatory requirements**

*Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

*Opinion on registration and documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 25 March 2014
ERNST & YOUNG AS

Jan Egil Haga
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

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