



SCHIBSTED
MEDIA GROUP

Q4 2017 INTERIM REPORT

JANUARY-DECEMBER 2017

EMPOWERING
PEOPLE IN THEIR
DAILY LIFE



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ROLV ERIK RYSSDAL
CEO



Q4 concluded a strong 2017 for Schibsted, with profit improvement throughout the whole year. In Q4 alone, the EBITDA growth was 39 percent. The positive development is a result of great efforts in both Online classifieds, Publishing and Schibsted Growth.

In the fourth quarter Schibsted's online classifieds operations continue to develop according to our ambitious plan, delivering 20 percent currency adjusted revenue growth and improved EBITDA margin. Our established operations were progressing well, and our investment phase companies have reduced their losses according to plan. Going forward, we aim to continue to grow revenue and profit by leveraging our leading local market positions to improve monetization in the verticals as well as reducing losses in investment phase operations. At the same time, we will benefit from our joint scalable products and technology.

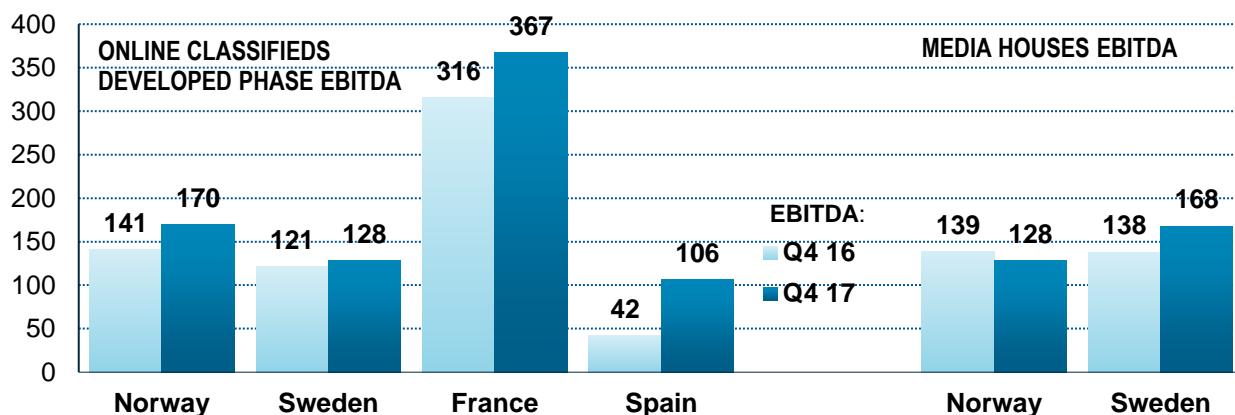
Our publishing operations delivered good results once again. The growth in digital subscribers continued, and our product focus within digital advertising is bearing fruit, leading to a solid digital revenue growth within publishing. We are developing our publishing operations towards long term viable digital businesses, and we need to further strengthen the two revenue sources and at the same time adapt the cost base. The very foundation of this is our high quality independent journalism.

In both divisions, we are working to roll new digital products out in the market. For example, in Q4, improved tools for professionals were rolled out in the classifieds verticals, and within Media, the feedback to our new news apps has been good.

Schibsted Growth has continued its positive development, particularly driven by the personal finance segment. Lendo experienced a strong end of the year, with revenue growth of 41 percent in Sweden, and the EBITDA margin exceeded 50 percent.

SCHIBSTED MEDIA GROUP - HIGHLIGHTS

EBITDA AND OPERATING REVENUE DEVELOPMENT IN KEY OPERATIONS (MILLION NOK)



Revenue Q4 17 (MNOK)	459	247	669	352	1 409	1 058
Change YoY in local currency	18 %	0 %	20 %	27 %	-1 %	-4 %

HIGHLIGHTS OF Q4 2017

- EBITDA ex. Investment phase of NOK 845 million, a growth of 24 percent
- Online classifieds pro forma* revenue growth of 20 percent, adjusted for currency fluctuations. Total Online classifieds EBITDA ex. Investment phase grew 27 percent to NOK 786 million
- Vertical driven growth in Developed phase, Online Classifieds
 - 20 percent revenue growth in France, driven by good growth in car and real estate verticals
 - 18 percent revenue growth in Norway driven by verticals and personal finance
 - 27 percent revenue growth in Spain. Strong trend in jobs and cars verticals
 - Unchanged revenues in Sweden affected positively by cars and jobs, whereas display advertising and Services contributed negatively
- 66 percent revenue growth and significantly reduced losses in Investment phase operations
 - Continued high revenue growth in OLX Brazil in Q4
 - Strong growth in operational metrics for Shpock. Continued trend of reduced investments
- Tight cost control and digital product innovation leads to stable EBITDA margins in publishing activities
- Continued high growth rate in the Schibsted Growth portfolio in Sweden. Personal finance portal Lendo.se grew revenues 41 percent with stable, high margins
- New organizational model implemented in December. Aim to strengthen local execution and global scale. Operations organized in two divisions; Marketplaces and Media
- Successful placement of B-shares, raising equity of NOK 2.5 billion
- Dividend of NOK 1.75 per share proposed for 2017

*) Online classifieds pro forma numbers include proportional consolidation of joint ventures and associates

OPERATIONAL DEVELOPMENT

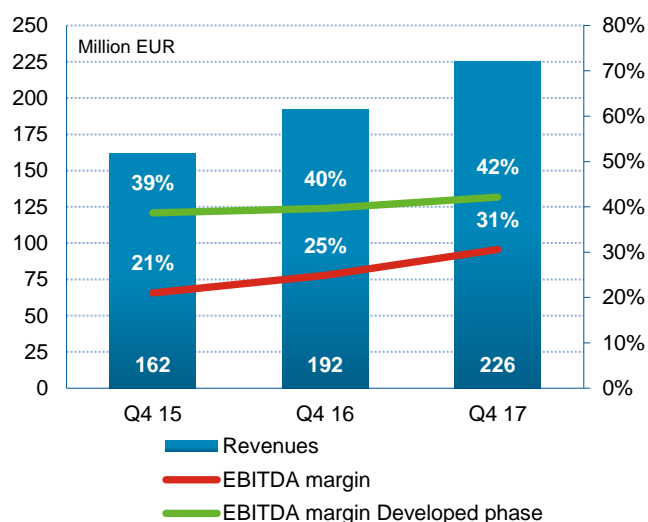
ONLINE CLASSIFIEDS

Schibsted Media Group operates online classifieds sites in 20 markets. Operations in Norway, Sweden, France, Spain, Italy, Austria, Ireland, Colombia and Hungary are in Developed phase, whereas online classifieds sites in Investment phase operate in several other countries.

The figures presented are pro forma figures, using proportional consolidation of joint ventures and associates. For IFRS figures, please see Note 3 (Operating segment disclosures). An overview of definitions and reconciliations is provided at the end of the report.

Fourth quarter			Online Classifieds Revenues		Full year	
2016	2017	Pro-forma (MEUR)			2017	2016
58,2	69,6	France			257,4	214,0
28,7	36,6	Spain			137,7	110,7
43,2	48,5	Norway			201,2	170,9
25,9	25,8	Sweden			109,0	110,0
22,3	22,8	Other			89,3	82,9
178,3	203,2	Total Developed phase			794,6	688,5
13,8	23,0	Investment phase			76,7	44,7
192,1	226,2	Total revenues			871,3	733,2

Fourth quarter			Online Classifieds EBITDA		Full year	
2016	2017	Pro-forma (MEUR)			2017	2016
35,0	38,1	France			152,5	129,2
4,7	11,0	Spain			34,4	23,7
15,6	17,8	Norway			82,3	72,1
13,5	13,3	Sweden			58,2	62,1
1,9	4,3	Other			11,7	5,7
70,7	84,6	EBITDA Developed phase			339,3	292,8
(22,9)	(16,3)	Investment phase			(79,6)	(93,6)
47,8	68,2	EBITDA			259,6	199,2
40 %	42 %	EBITDA margin Dev. phase			43 %	43 %



Pro forma operating revenue growth was 18 percent in EUR terms and 20 percent on a currency neutral basis in Q4 2017.

The EBITDA margin for Developed phase operations increased to 42 percent from 40 percent Q4 last year.

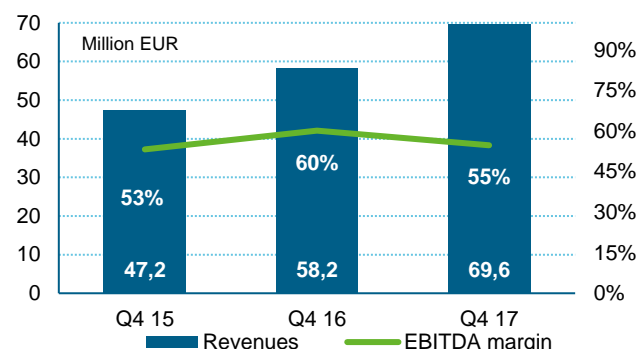
Investment phase revenues growth was 66 percent, year over year in Q4. The negative EBITDA of Investment phase

operations was EUR 16.3 million in Q4 2017, compared to EUR 22.9 million in Q4 2016. The investment phase losses decreased from last year in all assets. The divestment of certain assets also contributes to the decreased investment level.

ONLINE CLASSIFIEDS INTERNATIONAL

Online Classifieds International comprises all online classifieds operations outside Scandinavia. The segment had consolidated revenues of NOK 1,376 million in Q4, up 29 percent from NOK 1,067 million in Q4 2016. The revenue increase is broad-based, and all sites are growing. Consolidated EBITDA is NOK 349 million in Q4 2017 compared to NOK 189 million in Q4 2016. The EBITDA-margin in Q4 2017 was 25 percent, up from 18 percent in Q4 2016.

France

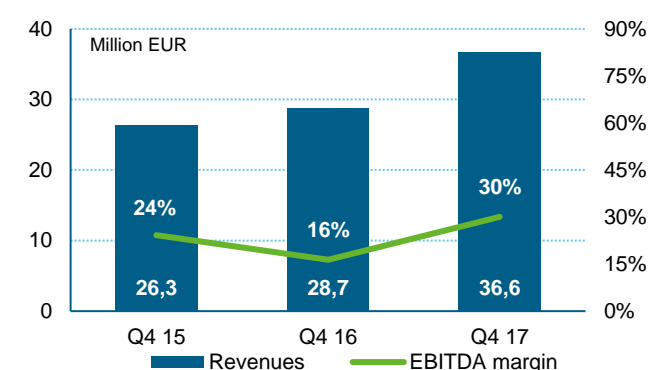


Operating revenues in France grew by 20 percent in Q4. The revenue growth was driven by positive results from monetization efforts in jobs, continued growth in real estate and M&A. Still soft growth in display advertising revenues.

The EBITDA margin for Leboncoin was 55 percent (60%). Margin decline was driven by a higher level of marketing spend in Q4 2017 compared to last year.

The acquisition of real estate site avendrealouer.fr was completed by 1 December 2017.

Spain



Operating revenues in Spain increased by 27 percent in Q4 to EUR 36.6 million. Jobs, cars and the acquisition of Habitacalia led to improvement from last year.

We still see strong competition in the real estate market and a slowdown in display advertising.

The EBITDA margin was 30 percent in Q4, up from 16 percent in Q4 last year.

Other Developed operations

The growth of operating revenues in Other Developed operations was 2 percent in Q4 2017. The growth was affected negatively by non-organic effects, mainly divestment of Mudah (Malaysia). Adjusted for this, the growth rate was 12 percent.

EBITDA in Q4 was EUR 4.3 million (1.9 million). EBITDA-margin for Other Developed operations in total was 19 percent in Q4 (9%).

In Q4 the growth rates continued at a stable, high level in **Italy**, **Hungary** and **Austria**, partly driven by increased monetization in professional verticals. In **Ireland**, the growth rate was lower.

Investment phase

The Investment phase portfolio continued to develop strongly in Q4 both in terms of revenue and traffic growth. The revenue growth was 66 percent compared to Q4 2016.

The pro-forma EBITDA of operations in Investment phase amounted to EUR -16.3 million (-22.9 million). The negative EBITDA from Shpock was EUR -11.5 million in Q4 (-12.9 million). The negative EBITDA from Joint Ventures and Associates continued to go down year over year as revenue growth is accelerating and several sites see reduced need for growth in marketing spending.

The investment level (EBITDA loss) in **OLX.com.br** in Brazil is materially reduced compared to Q4 2016. This is due to both reduced marketing spending and continued strong revenue growth. The revenue growth is mainly driven by professional revenues in classifieds, due to monetization efforts launched last year, with listing fees for car dealers and real estate agents.

Schibsted sees good potential for value creation in the Mexican market, and investments remained high.

Segundamano.mx is focusing on consolidating the leading market position in key states, showing strong traffic numbers.

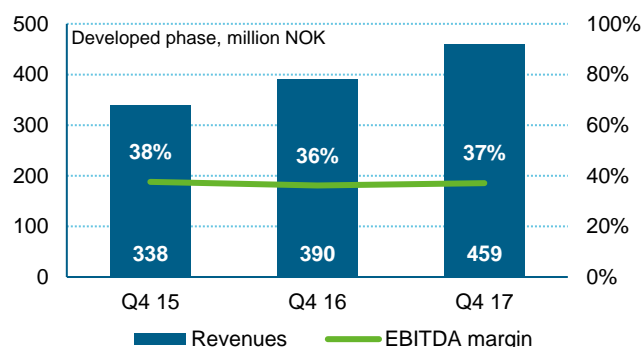
Schibsted is at the forefront of the development of mobile-only marketplaces with the native app **Shpock**. Shpock expands the market and attracts new user groups and items. It is among the most downloaded apps in the shopping category in large markets like Germany and the UK, and is experiencing strong growth in ad listings and number of active sellers in these markets. In Q4, Shpock continued with marketing campaigns in several markets.

Sweden's operating revenues were SEK 252 million in Q4, flat development from last year. The slower growth was in part due to a decline in revenues for Servicefinder, a marketplace for services. The revenue growth excluding Servicefinder was 4 percent in Q4.

The main drivers of growth were cars and jobs while display advertising is more challenging.

EBITDA was SEK 131 million (131 million) in Developed phase, implying an EBITDA margin of 52 percent (52%).

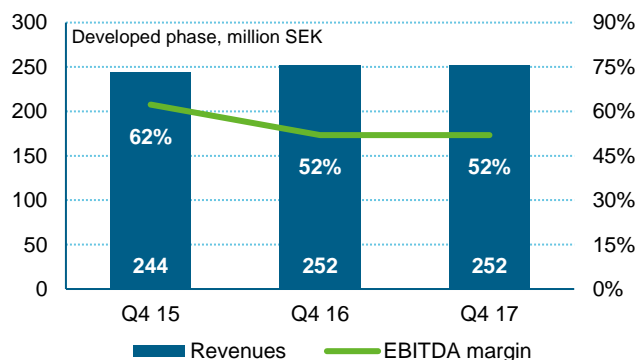
ONLINE CLASSIFIEDS NORWAY



Norway showed a strong revenue growth of 18 percent in Q4. Revenues grew in all classified verticals, especially real estate and jobs. Personal finance continued to show strong growth. MittAnbud, which is a marketplace for services, also had good growth in the quarter. Display advertising sales were still soft.

EBITDA was NOK 170 million (141 million) in Developed phase in Q4, implying an EBITDA margin of 37 percent, slightly up from last year.

ONLINE CLASSIFIEDS SWEDEN



MEDIA HOUSES INCLUDING GROWTH

MEDIA HOUSE NORWAY

2017 was a good year for Media house Norway. Revenues were flat compared to 2016 and margin improved to 10 percent (8%) in 2017. In Q4, Media house Norway had all time high online revenues, with a growth from last year of 15 percent.

Verdens Gang (VG) media house

Fourth quarter			Full year	
2016	2017	Verdens Gang (MNOK)	2017	2016
449	447	Operating revenues	1,746	1,700
251	207	of which offline	882	1,017
198	240	of which online	863	683
85	76	EBITDA	339	272
19 %	17 %	EBITDA margin	19 %	16 %

VG showed a flat revenue development in Q4 compared to Q4 last year. Online revenues continued to improve in Q4 2017, with a growth of 21 percent. This is the first quarter in VG's history where online revenues are higher than offline revenues.

For full year 2017, VG showed a revenue growth of 3 percent compared to 2016.

The number of subscribers to the premium digital subscription product VG+ was growing steady, and total subscriptions passed 142,000 in Q4.

The EBITDA margin was 17 percent (19%) in Q4 and 19 percent (16%) for full year 2017.

Subscription-based newspapers Norway

Fourth quarter Subscription			Full year	
2016	2017	newspapers (MNOK)	2017	2016
746	648	Operating revenues	2,522	2,848
568	478	of which offline	1,890	2,233
178	170	of which online	631	615
71	40	EBITDA	185	161
10 %	6 %	EBITDA margin	7 %	6 %

Operating revenues declined by 13 percent in Q4 compared to a very strong Q4 last year. The trend in print revenues continued in Q4 with a decline of 16 percent. Online revenues showed a good development in the quarter, but declined slightly from a very strong quarter last year.

Total subscription revenues increased 3 percent in Q4 compared to the same quarter last year, driven by growth in digital subscriptions.

The EBITDA margin was 6 percent (10%). Total operating expenses were reduced by 10 percent as a result of continuous work on adapting the cost base to the markets.

MEDIA HOUSE SWEDEN

Revenues grew 2 percent in SEK terms in Q4 compared to the same period last year (excl. Hitta). Total EBITDA increased 30 percent in Q4 compared to last year (excluding Hitta).

Aftonbladet media house

Fourth quarter			Full year	
2016	2017	Aftonbladet (MSEK)	2017	2016
505	486	Operating revenues	1,861	1,933
248	226	of which offline	959	1,045
257	260	of which online	902	888
66	91	EBITDA	255	236
13 %	19 %	EBITDA margin	14 %	12 %

Operating revenues were down 4 percent compared to Q4 2016. Online revenues had a growth of 1 percent, while print revenues were down 9 percent in the quarter.

Print circulation volume on weekdays continued to decline rapidly per Q4.

Operating expenses were 10 percent down compared to Q4 2016. The EBITDA margin was 19 percent (13%).

Subscription-based newspaper - Svenska Dagbladet (SvD)

Fourth quarter			Full year	
2016	2017	SvD (MSEK)	2017	2016
260	245	Operating revenues	915	951
23	29	EBITDA	78	74
9 %	12 %	EBITDA margin	9 %	8 %

Operating revenues declined 6 percent in Q4 compared to the same period in 2016.

Print revenues decreased 5 percent in Q4, while digital revenues declined 9 percent compared to Q4 last year.

SvD's EBITDA in Q4 was SEK 29 million, a 25 percent improvement from last year due to cost reductions.

Operating expenses were down 9 percent in the quarter.

Schibsted Growth Sweden

Schibsted Growth consists of a portfolio of web-based growth companies. These companies benefit from the strong traffic positions and brands of Schibsted's established operations in Sweden. Figures below are excluding Hitta.se (divested end of July 2017).

Fourth quarter Schibsted Growth ex. Hitta			Full year	
2016	2017	(MSEK)	2017	2016
254	320	Operating revenues	1,147	893
57	85	EBITDA	295	210
22 %	26 %	EBITDA margin	26 %	24 %

Total revenue growth was 26 percent in Q4 2017.

EBITDA margin of 26 percent (22%), and total EBITDA was up SEK 28 million to SEK 85 million in Q4.

Fourth quarter Lendo Sweden			Full year	
2016	2017	(MSEK)	2017	2016
92	130	Operating revenues	485	340
48	68	EBITDA	240	154
53 %	53 %	EBITDA margin	50 %	45 %

The personal finance services, particularly Lendo, is an important driver of the revenues and EBITDA growth. The growth rate of Lendo.se was 41 percent compared to Q4 2016.

GROUP OVERVIEW

PROFIT AND LOSS

OPERATING PROFIT

Group consolidated revenues increased 10 percent in Q4. Total consolidated online classifieds revenues (Norway, Sweden and International) grew by 23 percent in Q4 in NOK terms. Media House Norway revenues decreased by 1 percent in Q4. Media House Sweden revenues increased 1 percent in Q4 in NOK terms (flat development in SEK excluding Hitta). Consolidated operating expenses increased by 6 percent in Q4.

Share of profit (loss) of joint ventures and associates was NOK -29 million (-45 million). Other income and expenses are disclosed in note 4 to the Condensed financial statements.

Operating profit in Q4 2017 amounted to NOK 479 million (295 million). Please also refer to notes to the Condensed consolidated financial statements.

NET PROFIT AND EARNINGS PER SHARE

Net financial items are disclosed in note 5 to the Condensed financial statements.

The underlying effective tax rate was stable around 30 percent. The reported tax rate is 30 percent for 2017, compared to 56 percent for 2016. Generally, Schibsted reports a high effective tax rate which is primarily related to losses for which no deferred tax benefit is recognized. The effective tax rate in 2017 was lowered significantly by non-taxable gains. Reduced net investment spend through increased monetization and reduced marketing spend may reduce future effective tax rates.

Basic earnings per share is NOK 0.85 compared to NOK 0.36 in Q4 2016. Adjusted earnings per share is NOK 0.88 compared to NOK 0.44 in Q4 2016

UNDERLYING DEVELOPMENT

The currency adjusted revenue growth rate for the Group was 6 percent in Q4.

Total revenue growth for all three online classifieds segments combined, adjusted for currency effects and Joint Ventures and Associates was 20 percent in Q4.

Revenues for both media house segments combined, adjusted for currency effects decreased 2 percent compared to the same period in 2016.

Adjusted for currency, Group operating expenses grew 2 percent in Q4.

Consolidated EBITDA ex. Investment phase was NOK 845 million (681 million) in Q4 2017.

Group EBITDA margin ex. Investment phase was 20 percent (17%) in Q4.

OTHER MATERIAL EVENTS AS OF Q4 2017

SCHIBSTED SPAIN ACQUIRED HABITACLIA

On 16 January 2017, Schibsted Spain announced the acquisition of the real estate portal Habitaclia.com. With this movement, Schibsted Spain, owner of the Spanish real estate site Fotocasa.es, strengthens its leadership in the real estate classified ads sector. Fotocasa and Habitaclia will continue to operate autonomously, although processes will be established so that both brands can learn from the strengths of the other.

INCREASED OWNERSHIP IN BRAZIL AND CHILE

In May 2017, Schibsted entered into an agreement to acquire Telenor's 25% interest in the Brazilian online classifieds operation olx.com.br and its 50% interest in the Chilean online classifieds operation Yapo.cl. The transaction was closed in June 2017. This led to an increase in effective ownership of OLX Brazil from 25 to 50 percent and from 50 to 100 percent of Yapo in Chile. At the same time, Schibsted exited Malaysia, Vietnam and Myanmar by selling shares in 701 Search to Telenor. As a result of the difference in valuation between the assets in Asia and LatAm, Schibsted made a cash payment of USD 405 million to Telenor.

ADJUSTED ORGANIZATIONAL MODEL

Schibsted presented in Q3 2017 a new organizational setup with two operational divisions, named "Marketplaces" and "Media", with effect from December 2017. The ambition is to enable Schibsted to further increase the speed of development and increasingly leverage our local competence and strong brands. In the new organization, digital product development will be better integrated with the business units, thereby coming closer to the users and be able to gain more impact in the local markets.

The overall strategy of Schibsted remains unchanged; to be a global leader in online classifieds, to develop world-class media houses and develop new growth services.

The new organizational model implies changes in the Group's management team. The new team consists of CEO Rolv Erik Ryssdal, EVP CFO Trond Berger, EVP People Tina Stiegler, EVP Chief Platform Officer Rian Liebenberg, and EVP Communication, Brand & Public Affairs Lena K. Samuelsson. Sondre Gravir is the CEO of the new Marketplaces division, whereas Raoul Grünthal is the CEO of the Media division.

SUCCESSFUL OFFERING OF B-SHARES

On 21 November 2017, Schibsted completed an offering of 11,880.397 B-shares equal to 5.2% of the existing total share capital of the Company or equal to 10.0% of the B-shares outstanding. The Offering consisted of a private placement to institutional investors in Norway and internationally. Gross proceeds of the Offering amounted to approximately NOK 2,507 million, and the net proceeds from the Offering will be used to strengthen the Company's capital base and to finance strategic acquisition activities, especially within the Online Classifieds segment.

CASH FLOW AND CAPITAL FACTORS

CASH FLOW

Net cash flow from operating activities was NOK 1,290 million for the year 2017, compared to NOK 1,506 million in 2016. Increase in gross operating profit contributes positively while increased tax payments and working capital are the primary items contributing negatively. A strong development in working capital in 2016 is followed by a poorer development in 2017.

Net cash outflows from investing activities was NOK 4,546 million for the year 2017, compared to NOK 1,248 million in 2016. The increase is primarily related to net cash outflows from investments in and sales of subsidiaries, joint ventures and associates.

Net cash inflows from financing activities was NOK 3,558 million for the year 2017, compared to a net cash outflow of NOK 877 million in 2016. The change is primarily related to increased borrowings from financing of investments and proceeds from share issue.

EQUITY AND DEBT

The carrying amount of the Group's assets increased by NOK 7,209 during 2017. The increase is primarily related to business combinations, increased investments in joint ventures and effects of foreign currency translation. The Group's net interest-bearing debt increased by NOK 1,540 million to NOK 2,614 million. The Group's equity ratio was 55% at the end of 2017, compared to 52% at the end of 2016.

Schibsted ASA repaid a bond of NOK 500 million in March. The loan was replaced by a new 7-year bond of NOK 500 million. To finance the acquisition of the Telenor deal, Schibsted ASA issued three new bonds in the domestic bond market in June, a 3-year FRN of NOK 1 billion, a 6-year FRN of 600 million and a 6-year bond with fixed interest of NOK 300 million. In addition, a new bridge facility of NOK 600 million was established and the revolving credit facility of EUR 300 million was drawn by NOK 1 billion. After the issue of B-shares in fourth quarter the bridge facility was repaid and the revolving credit facility of EUR 300 million was not drawn at year-end. The revolving credit facility of EUR 125 million has been cancelled.

A dividend of NOK 1.75 per share is proposed for 2017.

OUTLOOK

ONLINE CLASSIFIEDS

Schibsted sees continued revenue growth potential and inherent operational leverage for its portfolio of developed online classifieds sites, on the back of the strong brand

positions and traffic leadership in a range of markets and verticals. On a medium- to long-term horizon, the target for annual revenue growth remains at 15-20 percent, driven by increased monetization – particularly within verticals - and structural growth in online markets.

Our strategy of building online classifieds traffic and brand leadership positions as well as new product rollouts will continue as long as it is considered to create long-term shareholder value. We will focus on developing new mobile services, including native apps that are expanding the online classifieds markets. The native mobile marketplace Shpock has achieved good market positions and high level of user engagement in several markets. The positive trend in terms of profitability development in Brazil is expected to continue, and we expect OLX Brazil to grow well and show profitability in 2018. Full year investment phase losses are expected to go down compared to 2017.

The reduction in investment phase losses are driven by all assets on the back of increased monetization combined with reduced need for extraordinary marketing spending. Several sites are approaching break-even in 2018, some assets have been divested in 2017 and the spending level in Shpock will be lower in 2018 compared with 2017. The exact level of the investment phase losses will, among other things, depend on the pace of monetization growth and the competitive situation in each market.

Note that the investments are affecting profit and loss, and that the impact is split between consolidated companies (EBITDA) and joint ventures and associates.

MEDIA HOUSES

The publishing operations of the media houses in Schibsted will continue the transformation into world-class digital media houses based on strong editorial products.

Overall, the structural digital shift and the transformation process are expected to continue. Schibsted will remain focused on digital product development combined with cost adaptations, aimed at producing continued healthy cash flows and operating margins. With a continued weak trend for print advertising, some margin contraction is likely during the coming 12 months.

INVESTMENTS IN TECHNOLOGY AND ONLINE PRODUCT DEVELOPMENT

Schibsted intends to leverage the strong local operations by utilizing the size of our international footprint by developing scalable components and converge towards common platforms. The adjusted organizational setup that was announced in Q3 2017 implies that the coordination and responsibility for the common components and platforms primarily will be allocated to each of the two divisions; Marketplaces and Media.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

Fourth quarter			Year	
2016	2017		2017	2016
4,059	4,455	Operating revenues	16,943	15,854
(124)	(113)	Raw materials and finished goods	(432)	(500)
(1,615)	(1,678)	Personnel expenses	(6,317)	(6,141)
(1,819)	(1,969)	Other operating expenses	(7,588)	(7,082)
501	695	Gross operating profit (loss)	2,606	2,131
(147)	(175)	Depreciation and amortisation	(634)	(529)
(45)	(29)	Share of profit (loss) of joint ventures and associates	(113)	(171)
(25)	(38)	Impairment loss	(49)	(80)
11	28	Other income and expenses	1,505	(114)
295	479	Operating profit (loss)	3,315	1,237
(7)	(66)	Net financial items	(171)	21
288	414	Profit (loss) before taxes	3,144	1,258
(194)	(207)	Taxes	(958)	(699)
94	207	Profit (loss)	2,186	559
		Profit (loss) attributable to:		
12	11	Non-controlling interests	55	94
82	196	Owners of the parent	2,130	465
		Earnings per share in NOK:		
0.36	0.85	Basic	9.36	2.05
0.36	0.85	Diluted	9.35	2.05
0.44	0.88	Basic - adjusted	3.43	2.70
0.44	0.88	Diluted - adjusted	3.43	2.69
226,048	231,481	Weighted average number of shares outstanding (1,000)	227,529	226,064
226,247	231,694	Weighted average number of shares outstanding - diluted (1,000)	227,804	226,315

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Fourth quarter			Year	
2016	2017		2017	2016
94	207	Profit (loss)	2,186	559
295	84	Remeasurements of defined benefit pension liabilities	(333)	(15)
(74)	(23)	Income tax relating to remeasurements of defined benefit pension liabilities	77	4
-	(3)	Share of other comprehensive income of joint ventures and associates	(3)	5
221	58	Items not to be reclassified subsequently to profit or loss	(259)	(6)
144	469	Exchange differences on translating foreign operations	717	(583)
(8)	(34)	Hedges of net investments in foreign operations	(55)	68
2	8	Income tax relating to hedges of net investments in foreign operations	13	(17)
(4)	4	Share of other comprehensive income of joint ventures and associates	(8)	1
134	447	Items to be reclassified subsequently to profit or loss	667	(531)
355	505	Other comprehensive income	408	(537)
449	712	Comprehensive income	2,593	22
		Comprehensive income attributable to:		
13	13	Non-controlling interests	61	76
436	699	Owners of the parent	2,533	(54)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December	
	2017	2016
Intangible assets	16,983	14,100
Investment property and property, plant and equipment	988	1,019
Investments in joint ventures and associates	4,514	954
Other non-current assets	364	353
Non-current assets	22,850	16,426
Trade receivables and other current assets	3,141	2,714
Cash and cash equivalents	1,626	1,268
Current assets	4,767	3,982
Total assets	27,617	20,408
Equity attributable to owners of the parent	14,793	10,235
Non-controlling interests	261	305
Equity	15,054	10,540
Non-current interest-bearing borrowings	4,212	1,814
Other non-current liabilities	2,586	2,447
Non-current liabilities	6,798	4,261
Current interest-bearing borrowings	28	528
Other current liabilities	5,736	5,079
Current liabilities	5,764	5,607
Total equity and liabilities	27,617	20,408

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Fourth quarter		Year	
2016	2017	2017	2016
288	414	3,144	1,258
172	215	685	609
(36)	(14)	(91)	(65)
44	32	134	199
(56)	(150)	(828)	(577)
(57)	(150)	(1,697)	(137)
355	347	1,347	1,287
150	(11)	(57)	219
505	335	1,290	1,506
(187)	(245)	(865)	(698)
(385)	(182)	(1,279)	(507)
2	11	23	11
-	-	380	1
(15)	(68)	(2,929)	(69)
14	83	124	14
(571)	(401)	(4,546)	(1,248)
(66)	(66)	(3,256)	258
(26)	(1,613)	1,772	(313)
(5)	(7)	(228)	(70)
-	2,491	2,491	-
(21)	4	17	(5)
(6)	(19)	(493)	(489)
(58)	855	3,558	(877)
4	54	55	(4)
(120)	843	357	(623)
1,388	783	1,268	1,891
1,268	1,626	1,626	1,268

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year 2017	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity at start of period	10,235	305	10,540
Comprehensive income	2,533	61	2,593
Transactions with the owners	2,025	(105)	1,921
<i>Capital increase</i>	2,494	7	2,501
<i>Share-based payment</i>	29	(0)	29
<i>Dividends paid to owners of the parent</i>	(396)	-	(396)
<i>Dividends to non-controlling interests</i>	12	(98)	(86)
<i>Change in treasury shares</i>	17	-	17
<i>Business combinations</i>	-	7	7
<i>Loss of control of subsidiaries</i>	-	(16)	(16)
<i>Changes in ownership of subsidiaries that do not result in a loss of control</i>	(127)	(5)	(132)
<i>Share of transactions with the owners of joint ventures and associates</i>	(5)	-	(5)
Equity at end of period	14,793	261	15,054
Year 2016			
Equity at start of period	10,776	314	11,090
Comprehensive income	(54)	76	22
Transactions with the owners	(487)	(85)	(572)
<i>Share-based payment</i>	42	-	42
<i>Dividends paid to owners of the parent</i>	(396)	-	(396)
<i>Dividends to non-controlling interests</i>	11	(93)	(82)
<i>Change in treasury shares</i>	(5)	-	(5)
<i>Business combinations</i>	-	9	9
<i>Loss of control of subsidiaries</i>	-	(1)	(1)
<i>Changes in ownership of subsidiaries that do not result in a loss of control</i>	(139)	-	(139)
Equity at end of period	10,235	305	10,540

NOTES

NOTE 1 GENERAL INFORMATION

The condensed consolidated interim financial statements comprise the Group and the Group's interests in joint ventures and associates. The interim financial statements have been prepared in compliance with IAS 34 Interim Financial Reporting.

The accounting policies adopted in preparing these interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016.

Schibsted has recognised actuarial losses of NOK 256 million net of tax related to remeasurement of defined benefit pension obligations in Other comprehensive income. The amount recognised is primarily related to changes in financial assumptions.

The interim financial statements are unaudited. All numbers are in NOK million unless otherwise stated. Tables may not summarize due to roundings.

NOTE 2 CHANGES IN THE COMPOSITION OF THE GROUP

Business combinations 2017

During 2017, Schibsted has invested NOK 1,279 million related to acquisition of businesses (business combinations). The amount comprises cash consideration transferred reduced by cash and cash equivalents of the acquiree. The amount includes NOK 1 million of contingent consideration paid related to prior year's business combinations.

In January 2017, Schibsted acquired the real estate portal Habitacalia.com through the acquisition of 100% of the shares of Habitacalia, S.L.U and Inmofusion, S.L.U. Schibsted Spain, owner of the Spanish real estate site Fotocasa.es, thereby strengthened its leadership in the real estate classified ads segment.

In June 2017, Schibsted increased its ownership interest from 50% to 100% in Yapo.cl SpA, a company operating the Chilean online classifieds site Yapo.cl. The previously held ownership interest was accounted for as a joint venture and the business combination is accounted for as a step acquisition. The acquisition was part of a larger agreement with Telenor described further under the subheading Other changes in the composition of the Group below.

In November 2017, Schibsted acquired the French real estate online classifieds operation avendrealouer.fr through the acquisition of 100% of the shares of CityOne SAS. The acquisition strengthens Schibsted's product offering and market position among professional real estate agents in France.

Schibsted has also been involved in some other minor business combinations, including step acquisitions.

In step acquisitions, the previously held equity interest is measured at fair value at the acquisition date, and a total gain from remeasurement of NOK 506 million is recognised in profit or loss in the line item Other income and expenses. Acquisition-related costs of NOK 8 million related to business combinations are recognised in profit or loss in the line item Other income and expenses.

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

	Yapo.cl	Other	Total business combinations
Consideration:			
Cash	582	788	1,370
Deferred consideration	-	-	-
Fair value of previously held equity interest	442	75	517
Total	1,024	863	1,887
Amounts for assets and liabilities recognised:			
Intangible assets	65	162	227
Other non-current assets	1	3	4
Current assets	18	114	132
Non-current liabilities	(123)	60	(63)
Current liabilities	(11)	(92)	(103)
Total identifiable net assets	(50)	247	197
Non-controlling interests	-	(7)	(7)
Goodwill	1,074	623	1,697
Total	1,024	863	1,887

Other changes in the composition of the Group 2017

Schibsted has during 2017 invested NOK 228 million related to increased ownership interests in subsidiaries. The amount invested is primarily related to increase in effective ownership interest in Finn Eiendom AS from 79.8% to 90%.

In May 2017, Schibsted discontinued the operation and sold certain assets of the online classifieds site Kapaza.be in Belgium.

In May 2017, Schibsted entered into an agreement to acquire Telenor's 25% interest in the Brazilian online classifieds operation olx.com.br and its 50% interest in the Chilean online classifieds operation Yapo.cl. Simultaneously, Schibsted entered into an agreement to sell to Telenor its 33.3% ownership interest in the associate 701 Search Pte Ltd operating online classifieds operations in Malaysia, Vietnam and Myanmar. The transactions were closed 30 June 2017. As a result of differences in value of assets acquired and sold, Schibsted made a cash payment of USD 405 million. Before the transaction, the Brazilian and Chilean operations were both joint ventures of Schibsted, accounted for using the equity method of accounting. The transaction in respect of olx.com.br is accounted for as an increase in ownership interest of a joint venture from 25% to 50%. The transaction in respect of Yapo.cl in Chile is accounted for as a business combination as described above.

In August 2017, Schibsted closed the sale of its 90.2% interest in the Swedish online directory service Hitta.se.

Total net gains of NOK 1,066 million from the sale of subsidiaries, joint ventures and associates is recognised in profit or loss in the line item Other income and expenses.

NOTE 3 OPERATING SEGMENT DISCLOSURES

Schibsted reports five operating segments; Online Classifieds (Norway, Sweden and International) and Media Houses (Norway and Sweden). For information about the segments, see note 6 to the Annual consolidated financial statements.

Gross operating profit (loss) excl. Investment phase excludes operations in growth phase with large investments in market positions, immature monetization rate and where sustainable profitability has not been reached.

Information about operating revenues and profit (loss) by operating segment:

Fourth quarter 2017	Online Classifieds			Media Houses		Other /		Total
	Norway	Sweden	International	Norway	Sweden	Headquarters	Eliminations	
Operating revenues from external customers	459	248	1,352	1,358	1,008	29	-	4,455
Operating revenues from other segments	14	9	23	50	50	161	(308)	(0)
Operating revenues	474	257	1,376	1,409	1,058	190	(308)	4,455
Gross operating profit (loss) excl. Investment phase	170	128	488	128	168	(236)	-	845
Gross operating profit (loss)	163	123	349	128	168	(236)	-	695
Operating profit (loss)	150	119	265	24	106	(185)	-	479

Year 2017

Operating revenues from external customers	1,870	1,017	4,886	5,189	3,900	81	-	16,943
Operating revenues from other segments	60	34	80	193	177	537	(1,080)	-0
Operating revenues	1,929	1,051	4,966	5,382	4,077	618	(1,080)	16,943
Gross operating profit (loss) excl. Investment phase	768	544	1,737	552	573	(878)	-	3,297
Gross operating profit (loss)	705	504	1,149	552	573	(878)	-	2,606
Operating profit (loss)	657	495	2,175	331	608	(950)	-	3,315

Fourth quarter 2016

Operating revenues from external customers	390	233	1,043	1,378	1,000	15	-	4,059
Operating revenues from other segments	16	8	24	43	46	81	(218)	-
Operating revenues	406	241	1,067	1,421	1,046	96	(218)	4,059
Gross operating profit (loss) excl. Investment phase	141	121	355	139	138	(213)	-	682
Gross operating profit (loss)	138	111	189	139	138	(214)	-	501
Operating profit (loss)	175	108	119	89	89	(285)	-	295

Year 2016

Operating revenues from external customers	1,587	1,021	3,972	5,222	3,968	84	-	15,854
Operating revenues from other segments	63	31	113	171	177	301	(856)	-
Operating revenues	1,650	1,052	4,085	5,393	4,145	385	(856)	15,854
Gross operating profit (loss) excl. Investment phase	670	577	1,403	439	507	(692)	-	2,904
Gross operating profit (loss)	658	547	692	439	507	(712)	-	2,131
Operating profit (loss)	671	526	379	165	348	(852)	-	1,237

NOTE 4 OTHER INCOME AND EXPENSES

Fourth quarter			Year	
2016	2017		2017	2016
(44)	(113)	Restructuring costs	(170)	(189)
-	16	Gain (loss) on sale of subsidiaries, joint ventures and associates	1,066	39
-	10	Gain from remeasurement of previously held equity interests in business combinations achieved in stages	506	-
57	124	Gain (loss) on amendment of pension plans	123	57
(2)	(5)	Acquisition-related costs	(8)	(19)
-	(4)	Other	(12)	(2)
11	28	Total other income and expenses	1,505	(114)

For further information on gain from sales and remeasurement, see note 2.

NOTE 5 NET FINANCIAL ITEMS AND INTEREST BEARING DEBT

Fourth quarter			Year	
2016	2017		2017	2016
(22)	(29)	Net interest income (expenses)	(94)	(73)
18	(32)	Net foreign exchange gain (loss)	(60)	64
(3)	(4)	Net other financial income (expenses)	(16)	30
(7)	(66)	Net financial items	(171)	21

DEFINITIONS AND RECONCILIATIONS

This section includes definitions and reconciliations of financial measures presented in this report. These financial measures are included as they provide information of our financial performance in addition to the financial statements presented in accordance with IFRS.

EBITDA

Gross operating profit (loss)

EBITDA margin

Gross operating profit (loss) / Operating revenues

Revenues and operating expenses adjusted for currency fluctuations

Growth rates adjusted for currency effects are calculated using the same foreign exchange rates for the period last year and this year.

Fourth quarter			Year	
2016	2017	Currency rates used when converting profit or loss	2017	2016
0.9262	0.9812	Swedish krona (SEK)	0.9680	0.9823
9.0356	9.6157	Euro (EUR)	9.3301	9.2927

Online classifieds operations - Developed phase and Investment phase

Online classifieds - Developed phase

Subsidiaries

Norway: Finn, MittAnbud and Lendo

Sweden: Blocket, Servicefinder and Bytbil

France: Leboncoin, MB Diffusion, Kudoz and Avendrealouer

Spain: mainly Coches, FotoCasa, Vibbo, Milanuncios, InfoJobs, Habitacalia

Italy: Subito

Ireland: Daft, Done Deal and Adverts

Hungary: Hasznaltauto

Colombia: Fincaraiz

Joint ventures and associates

Malaysia: Mudah (until Q2 2017)

Austria: Willhaben

Online classifieds - Investment phase

Subsidiaries

Finland: Tori

Hungary: Jofogas

Italy: Infojobs

Brazil: Infojobs

Chile: Yapo (as subsidiary from Q3 2017)

Mexico: Segundamano

Belgium: Kapaza (until Q2 2017)

Belarus: Kufar

Tunisia: Tayara

Morocco: Avito

Dominican Republic: Corotos

Portugal: Custo Justo

Shpock in all markets: Austria, Germany, United Kingdom,

Norway, Sweden and Italy

Price comparison and personal finance marketplaces in early stage in certain markets are included here

Joint ventures and associates

Chile: Yapo (as 50% JV until Q2 2017)

Brazil: OLX (increased ownership from 25% to 50% from Q3 2017)

Vietnam: Cho Tot (until Q2 2017)

Indonesia: OLX

Thailand: Kaidee

Bangladesh: Ekhanei (until Q2 2017)

Online classifieds operations in investment phase are defined as operations in growth phase with large investments in market positions, immature monetization rate and sustainable profitability has not been reached.

Fourth quarter		Reconciliation of EBITDA excl. Investment phase and gross operating profit in accordance with financial statements	Year	
2016	2017		2017	2016
682	845	EBITDA excl. Investment phase	3,297	2,904
(180)	(151)	EBITDA Investment phase Online Classifieds	(690)	(753)
(1)	0	EBITDA Investment phase Other	(1)	(20)
501	695	Gross operating profit (loss)	2,606	2,131

Fourth quarter		Reconciliation of Online classifieds pro forma information and Operating segments in accordance with financial statements (EUR million)	Year	
2016	2017		2017	2016
1,714	2,106	Online Classifieds operating revenues in Operating segments (in NOK)	7,946	6,787
189.8	219.0	Online Classifieds operating revenues in Operating segment disclosure	851.1	730.8
7.8	11.1	Operating revenues from joint ventures and associates	38.3	25.9
(0.3)	(0.0)	Operating revenues from other Online Classifieds companies	(0.5)	(1.4)
(5.2)	(3.9)	Eliminations	(17.6)	(22.1)
192.1	226.2	Pro forma operating revenues	871.3	733.2
438	635	Online Classifieds gross operating profit in Operating segments (in NOK)	2,358	1,897
48.4	66.1	Online Classifieds EBITDA in Operating segment disclosure	252.1	204.2
(2.2)	(0.3)	EBITDA from joint ventures and associates	(2.3)	(9.5)
1.6	2.4	EBITDA from other Online Classifieds companies	9.9	4.5
47.8	68.2	Pro forma EBITDA	259.6	199.2

Other Online Classifieds companies are companies not included in pro forma Online Classified, that mainly consist of holding companies and overhead within Online Classifieds International.

Fourth quarter		Online classifieds pro forma information - details (EUR million)	Year	
2016	2017		2017	2016
43.2	48.5	Norway	201.2	170.9
25.9	25.8	Sweden	109.0	110.0
58.2	69.6	France	257.4	214.0
28.7	36.6	Spain	137.7	110.7
22.3	22.8	Other	89.3	82.9
178.3	203.2	Developed phase	794.6	688.5
13.8	23.0	Investment phase	76.7	44.7
192.1	226.2	Pro forma operating revenues	871.3	733.2
15.6	17.8	Norway	82.3	72.1
13.5	13.3	Sweden	58.2	62.1
35.0	38.1	France	152.5	129.2
4.7	11.0	Spain	34.4	23.7
1.9	4.3	Other	11.7	5.7
70.7	84.6	Developed phase	339.3	292.8
(22.9)	(16.3)	Investment phase	(79.6)	(93.6)
47.8	68.2	Pro forma EBITDA	259.6	199.2

Fourth quarter		Developed phase (EUR million)	Year	
2016	2017		2017	2016
69.9	84.2	EBITDA subsidiaries	336.3	289.7
0.8	0.4	EBITDA joint ventures and associates	3.0	3.1
70.7	84.6	EBITDA	339.3	292.8

Fourth quarter		Investment phase (EUR million)	Year	
2016	2017		2017	2016
(19.9)	(15.7)	EBITDA subsidiaries	(74.3)	(81.0)
(3.0)	(0.7)	EBITDA joint ventures and associates	(5.3)	(12.6)
(22.9)	(16.3)	EBITDA	(79.6)	(93.6)

Fourth quarter		Underlying tax rate	Year	
2016	2017		2017	2016
288	414	Profit (loss) before taxes	3,144	1,258
45	29	Share of profit (loss) of joint ventures and associates	113	171
149	234	Other losses for which no deferred tax benefit is recognised	1,000	715
41	(24)	Gain on sale and remeasurement of subsidiaries, joint ventures and associates	(1,023)	(39)
15	3	Impairment losses (goodwill and associates)	3	31
538	656	"Adjusted" tax base	3,237	2,136
194	207	Taxes	958	699
36.1 %	31.5 %	Adjusted effective tax rate	29.6 %	32.7 %

	31 December	
Liquidity reserve	2017	2016
Cash and cash equivalents	1,626	1,268
Unutilised drawing rights on credit facilities	2,952	3,862
Liquidity reserve	4,578	5,130

	31 December	
Net interest-bearing debt	2017	2016
Non-current interest-bearing borrowings	4,212	1,814
Current interest-bearing borrowings	28	528
Cash and cash equivalents	(1,626)	(1,268)
Net interest-bearing debt	2,614	1,074

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)

Fourth quarter			Year	
2016	2017	Earnings per share - adjusted	2017	2016
82	196	Profit (loss) attributable to owners of the parent	2,130	465
(11)	(28)	Other income and expenses	(1,505)	114
25	38	Impairment loss	49	80
3	(4)	Taxes and Non-controlling interests related to Other income and expenses and Impairment loss	106	(49)
99	203	Profit (loss) attributable to owners of the parent - adjusted	780	610
0.44	0.88	Earnings per share – adjusted (NOK)	3.43	2.70
0.44	0.88	Diluted earnings per share – adjusted (NOK)	3.43	2.69

FINANCIAL KEY FIGURES

Fourth quarter			Year	
2016	2017		2017	2016
		Pro forma Online Classifieds		
178.3	203.2	Operating revenues Developed phase (EUR million)	794.6	688.5
70.7	84.6	EBITDA Developed phase (EUR million)	339.3	292.8
40 %	42 %	EBITDA margin Developed phase	43 %	43 %
(22.9)	(16.3)	EBITDA Investment phase (EUR million)	(79.6)	(93.6)
		Operating revenues for operating segments		
406	474	Online Classifieds Norway	1,929	1,650
241	257	Online Classifieds Sweden	1,051	1,052
1,067	1,376	Online Classifieds International	4,966	4,085
1,421	1,409	Media House Norway	5,382	5,393
1,046	1,058	Media House Sweden	4,077	4,145
		EBITDA Group		
682	845	EBITDA excl. Investment phase	3,297	2,904
501	695	EBITDA (gross operating profit (loss))	2,606	2,131
		Operating margin		
17 %	20 %	EBITDA excl. Investment phase	20 %	19 %
12 %	16 %	EBITDA (gross operating profit (loss))	15 %	13 %
		Operating margins operating segments (EBITDA)		
34 %	34 %	Online Classifieds Norway	37 %	40 %
46 %	48 %	Online Classifieds Sweden	48 %	52 %
18 %	25 %	Online Classifieds International	23 %	17 %
10 %	9 %	Media House Norway	10 %	8 %
13 %	16 %	Media House Sweden	14 %	12 %
		Cash flow and capital factors		
		Equity ratio	55 %	52 %
		Interest-bearing borrowings	4,240	2,342
		Net interest-bearing debt	2,614	1,074
505	335	Cash flow from operating activities	1,290	1,506
2.23	1.45	Cash flow from operating activities per share (NOK)	5.67	6.66
187	245	CAPEX	865	698



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Financial calendar

Annual General Meeting	3 May 2018
Q1 report 2018	3 May 2018
Q2 report 2018	17 July 2018
Q3 report 2018	26 October 2018

For information regarding conferences, roadshows etc., please visit www.schibsted.com/en/ir/Financial-calendar/
