SCHIBSTED
MEDIA GROUP

Q1 2018
INTERIM REPORT

JANUARY-MARCH 2018

EMPOWERING
PEOPLE IN THEIR
DAILY LIFE

CONTENTS

ROLV ERIK RYSSDAL
CEO

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In Q1 we continued to further improve profitability and cash flow, driven by strong growth in Marketplaces and Schibsted Growth. EBITDA increased by 41 percent and we reduced our capital investments.

In our Marketplaces division, we continued to increase revenue, particularly in the professional verticals. Revenue growth in Q1 was 14 percent, adjusted for currency fluctuations. Our EBITDA improved by 47 percent. The development was particularly strong in Leboncoin.fr, Finn in Norway and our Spanish business. Our joint venture in Brazil is growing fast, and was profitable in Q1. At the same time, we reduced the losses in our investment phase operations considerably. We are pleased by this good result, particularly when activity in our markets was negatively affected by Easter and cold weather in Europe.

Our Publishing business also saw higher digital revenues. VG and Aftonbladet are growing well in terms of digital advertising, whereas the growth of Aftenposten, Svenska Dagbladet and the rest of our subscription papers is driven by digital subscriptions. High quality editorial products lie at the heart of our Publishing division, and I am proud to say that our newsrooms have collected several awards for investigative journalism during the last months.

In Q1, we are for the first time reporting Schibsted Growth as a separate segment. This unit has developed into a significant value driver for Schibsted, and it is time to create more transparency regarding its future development. Our most important driver is the personal finance company Lendo, which is growing rapidly across all its markets. In total, revenue growth for Q1 was 46 percent and EBITDA margin reached 44 percent.

Across our operations, we continue to strengthen our efforts within product and technology development. We are developing joint platforms and common components in order to take advantage of our global scale. At the same time, we will continue to maintain important capabilities in the local operations in order to innovate efficiently and adapt rapidly to market demand.

SCHIBSTED MEDIA GROUP – HIGHLIGHTS

Alternative performance measures (APM) used in this report are presented in the section Definitions and reconciliations at the end of the report.

KEY FIGURES FOR SCHIBSTED MEDIA GROUP

(NOK million)	First quarter			Full year
SCHIBSTED MEDIA GROUP	2018	2017	yoy %	2017
Operating revenues	4,357	4,000	9 %	**16,943**
Gross operating profit (EBITDA)	610	434	41 %	2,606
EBITDA margin	14 %	11 %		15 %
EBITDA excl. Investment phase	754	662	14 %	**3,282**
EBITDA margin excl. Investment phase	18 %	17 %		20 %
Operating profit (loss)	417	228	83 %	3,315
Profit (loss) before taxes	389	216	80 %	3,144
Adjusted earnings per share (EPS)	0.72	0.15	>100 %	3.43
CAPEX	172	198	-13 %	865
Operating revenues - segments				
Marketplaces	2,009	1,721	17 %	7,512
Publishing	2,024	1,964	3 %	8,160
Growth	456	436	5 %	1,835
Other and headquarters	185	110	68 %	568
Eliminations	(317)	(230)	-38 %	-1,133
EBITDA - segments				
Marketplaces	603	409	47 %	2,297
Publishing	113	157	-28 %	795
Growth	101	79	28 %	392
Other and headquarters	(207)	(211)	2 %	-879

Note: The effect of new revenue recognition in IFRS 15 implementation on Operating revenues and EBITDA for Group is NOK -22 million in Q1. Adjusted for this effect, Group revenues is 4,378 million, adjusted EBITDA is NOK 632 million.

HIGHLIGHTS OF Q1 2018

- **Marketplaces: Revenues continue to increase**
  - Revenues up 14%* (17% in NOK); EBITDA margin up 6%-points to 30%
  - Driving monetization by broadening product portfolio and footprint in verticals
  - France, Spain, Norway and Brazil all showing strong developments in Q1
  - Reducing investment phase losses
- **Publishing: Continued digital growth**
  - Growing digital subscriptions revenue with 26% in Q1; digital advertising revenues +7%
  - Total revenue +3%, EBITDA margin 6% – managing the structural change, as expected
- **Schibsted Growth: Continues to expand**
  - Revenues up 21% to NOK 456m. EBITDA margin increased to 22%
  - Personal finance portal Lendo increased revenues by 46% with 44% EBITDA margin
- **New accounting standards:**
  - The effect of IFRS 15 implementation on Operating revenue and EBITDA for Group is NOK -22 million in Q1 2018. This effect will ease off in the coming quarters, and the effect for Q2 to Q4 is expected to be less significant
  - IFRS 16 for leases will be implemented Q1 2019. Current lease expenses indicate that this will have a positive impact of EBITDA in the magnitude of NOK 500 million

*) Including proportionate share of JVs, adjusted for currency and negative IFRS 15 impact.

OPERATIONAL DEVELOPMENT

MARKETPLACES

(NOK million)	First quarter			Full year
MARKETPLACES	**2018**	**2017**	**yoy %**	**2017**
Total Marketplaces operating revenues	**2,009**	**1,721**	**17 %**	**7,512**
Proportional revenues from JV's	106	75	41 %	358
Total revenues including JV's	**2,115**	**1,796**	**18 %**	**7,870**
Total Marketplaces EBITDA	**603**	**409**	**47 %**	**2,297**
- of which Developed phase	775	664	17 %	3,077
- of which Investment phase	(143)	(228)	37 %	(676)
Total EBITDA-margin	30 %	24 %		31 %
Proportional EBITDA from JV's	16	(10)	>100 %	(21)
Total EBITDA including JV's	**619**	**399**	**55 %**	**2,276**
- of which Developed phase	783	672	16 %	3,105
- of which Investment phase	(135)	(247)	45 %	(725)

The effect of new revenue recognition in IFRS 15 implementation on Operating revenues and EBITDA for Marketplaces is NOK -22 million in Q1. Adjusted revenues are 2.031 million, adjusted EBITDA is NOK 624 million, adjusted EBITDA including JVs is 641. The effect is mainly related to developed operations in France, Norway and Sweden.

Operating revenues in Marketplaces grew 17 percent in Q1 compared to Q1 last year. Including JVs, the growth rate was 18 percent. Marketplaces including JVs, adjusted for currency effects and IFRS 15 implementation, grew 14 percent compared to Q1 last year. The revenue growth rate was curbed by the Easter effect and cold weather, in particular in Norway and Sweden.

Developed phase

(EUR million)	First quarter			Full year
France developed phase	2018	2017	yoy %	2017
Operating revenues	73.0	61.8	18 %	259.8
Operating expenses	32.2	24.3	33 %	107.3
EBITDA	40.9	37.5	9 %	152.5
EBITDA-margin	56 %	61 %		59 %

Adjusted for IFRS 15 implementation, revenue growth was 21% and EBITDA growth was 13%.

Operating revenues in **France** grew by 21 percent adjusted for the new IFRS 15 implementation. The revenue growth was driven by positive results from monetization efforts in jobs and continued growth in the verticals real estate and motor.

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

(NOK million)	First quarter			Full year
Norway developed phase	**2018**	**2017**	**yoy %**	**2017**
Operating revenues	408	392	4 %	1.628
Operating expenses	236	238	-1 %	940
EBITDA	172	154	12 %	688
EBITDA-margin	42 %	39 %		42 %

Adjusted for IFRS 15 implementation revenue growth was 6% and EBITDA growth was 16%.

Operating revenues in **Norway** increased by 6 percent in Q1, adjusted for new IFRS 15-implementation. The growth rate was curbed by Easter and the cold winter. We continue to see a good underlying development in the verticals jobs, cars and real estate.

The EBITDA-margin is improved from last year due to lower marketing spend year over year.

(EUR million)	First quarter			Full year
Spain developed phase	**2018**	**2017**	**yoy %**	**2017**
Operating revenues	38	32	18 %	138
Operating expenses	28	27	4 %	103
EBITDA	9	5	98 %	35
EBITDA-margin	25 %	15 %		25 %

Operating revenues in **Spain** increased by 18 percent in Q1. We continue to see a good underlying development in the verticals jobs and cars. In real estate, we see good growth in traffic and improved revenue growth.

The EBITDA-margin in Spain is improved from last year due to limited growth in the cost base and good revenue growth.

(SEK million)	First quarter			Full year
Sweden developed phase	**2018**	**2017**	**yoy %**	**2017**
Operating revenues	229	242	-6 %	1.035
Operating expenses	124	111	11 %	458
EBITDA	105	131	-20 %	577
EBITDA-margin	46 %	54 %		56 %

Adjusted for IFRS 15 implementation revenue decline was 5% and EBITDA decline was 19%.

Operating revenues in **Sweden** decreased by 5 percent in Q1, adjusted for new IFRS 15-implementation. The growth rate is negatively affected by Easter and the long winter. We continue to see a good underlying development in the jobs vertical, while display advertising is still challenging.

The EBITDA-margin is down from last year due to higher marketing spend year over year and lower revenues.

Investment phase

The Investment phase portfolio continued to develop strongly in Q1 both in terms of revenue and traffic growth. The consolidated, currency adjusted revenue growth was 30 percent compared to Q1 2017. Including Joint Ventures, the revenue growth rate was 49 percent in Q1.

The consolidated EBITDA of operations in Investment phase amounted to NOK -143 million in Q1 (-228 million). The negative EBITDA from Shpock was NOK -104 million in Q1 (-157 million). In Q1, the EBITDA from JVs was positive due to positive result from OLX Brazil. The total Investment phase losses including proportionate share of JVs ended up at NOK -135 million, a 45 percent improvement from last year.

OLX.com.br in Brazil, which is a 50 percent owned joint venture, was profitable in Q1 2018. This was due to limited cost increase and continued strong revenue growth. The revenue growth was mainly driven by professional revenues in classifieds, due to monetization efforts launched last year, with listing fees for car dealers and real estate agents.

PUBLISHING

(NOK million)	First quarter			Full year
PUBLISHING	**2018**	**2017**	**yoy %**	**2017**
Operating revenues	2.024	1.964	3 %	8.160
- online	716	624	15 %	2.734
- offline	1.308	1.340	-2 %	5.427
Operating expenses	1.911	1.807	6 %	7.365
EBITDA	113	157	-28 %	795
EBITDA-margin	6 %	8 %		10 %

In Publishing, the online growth is offsetting the decline in print, delivering a total top-line growth of 3 percent in Q1. The EBITDA-margin is down from last year mainly due to reduced margin in printing/distribution.

(NOK million)	First quarter			Full year
VG (Verdens Gang)	**2018**	**2017**	**yoy %**	**2017**
Operating revenues	443	431	3 %	1.746
- online	235	205	15 %	863
- offline	208	226	-8 %	882
Operating expenses	363	343	6 %	1.407
EBITDA	80	88	-10 %	339
EBITDA-margin	18 %	21 %		19 %

VG showed a solid revenue development in Q1 compared to Q1 last year. Online revenues continued to improve in Q1 2018, with a growth of 15 percent, driven by advertising.

The number of subscribers to the premium digital subscription product VG+ was growing steady, and total subscriptions passed 147,000 in Q1.

The EBITDA-margin is down from last year due to increased costs.

(NOK million)	First quarter			Full year
Aftonbladet	2018	2017	yoy %	2017
Operating revenues	415	419	-1 %	1,830
- online	215	190	14 %	887
- offline	199	230	-13 %	943
Operating expenses	379	387	-2 %	1,568
EBITDA	35	32	9 %	262
EBITDA-margin	9 %	8 %		14 %

Aftonbladet revenues were down 1 percent compared to Q1 2017. Online revenues had a growth of 14 percent driven by digital advertising, while print revenues were down 13 percent in the quarter.

The EBITDA-margin is improved from last year.

(NOK million)	First quarter			Full year
Subscription based newspapers	2018	2017	yoy %	2017
Operating revenues	859	867	-1 %	3,525
- online	218	200	9 %	840
- offline	640	667	-4 %	2,685
Operating expenses	828	826	0 %	3,272
EBITDA	30	41	-26 %	253
EBITDA-margin	4 %	5 %		7 %

In **Subscription newspapers**, operating revenues declined by 1 percent in Q1 compared to last year. The positive trend in subscriptions, in particular in pure digital subscriptions, continued in Q1. Advertising revenues are declining as the negative trend in print continues.

The EBITDA-margin is slightly down from last year.

GROWTH

(NOK million)	First quarter			Full year
GROWTH	**2018**	**2017**	**yoy %**	**2017**
Operating revenues	456	436	5 %	1.835
Operating expenses	354	356	-1 %	1.443
EBITDA	101	79	28 %	392
EBITDA-margin	22 %	18 %		21 %

Schibsted Growth consists of a portfolio of web-based growth companies, mainly in Norway and Sweden. Total revenue growth was 5 percent in Q1 2018. Excluding Hitta (divested Q3 2017), the growth rate was 21 percent.

The EBITDA-margin improved from last year.

(NOK million)	First quarter			Full year
Lendo Group	**2018**	**2017**	**yoy %**	**2017**
Operating revenues	215	147	46 %	704
EBITDA	95	55	73 %	293
EBITDA-margin	44 %	37 %		42 %

Lendo Group is present in Sweden, Norway and Finland with services within consumer finance. Lendo is an important driver of the revenues and EBITDA growth in the Growth segment. The growth rate of Lendo Group was 46 percent compared to Q1 2017, driven by higher volumes in all markets.

GROUP OVERVIEW

PROFIT AND LOSS

OPERATING PROFIT

Group consolidated revenues increased 9 percent in Q1. Consolidated operating expenses increased by 5 percent in Q1 and consolidated Gross operating profit (EBITDA) increased by 41 percent.

Share of profit (loss) of joint ventures and associates was improved to NOK -6 million (-58 million). Other income and expenses are disclosed in note 4 to the Condensed financial statements.

Operating profit in Q1 2018 amounted to NOK 417 million (228 million). Please also refer to note 3 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 57 percent in the first quarter of 2018, compared to 80 percent in the same period in 2017. Generally, Schibsted reports a high effective tax rate which is primarily related to losses for which no deferred tax benefit is recognized. Reduced net investment spend through increased monetization and reduced marketing spend may reduce future effective tax rates.

Basic earnings per share is NOK 0.67 compared to NOK 0.13 in Q1 2017. Adjusted earnings per share is NOK 0.72 compared to NOK 0.15 in Q4 2016

IFRS 15 AND IFRS 16 IMPLEMENTATION

As disclosed in note 1 to the condensed financial statements, Schibsted has implemented the accounting standard IFRS 15 Revenue recognition from 1 January 2018. The application of the new accounting standard has reduced operating revenue and EBITDA in Q1 2018 by NOK 22 million in the Marketplaces division compared to what would have been reported under the formerly applicable accounting standards. Comparable figures for 2017 are not restated applying the new accounting standard.

The reduction in revenue and EBITDA comes from certain classifieds revenues being recognized over a longer period than previously. As revenue is a seasonally low in December compared to March, the effect on Q1 revenues and EBITDA is negative. The effect in Q2 to Q4 is expected to be less significant.

Schibsted is going to adopt the new financial reporting standard for leasing, IFRS 16, from 1 January 2019. As disclosed in the Group's annual financial statements for 2017, Schibsted reported operating lease expense of NOK 507 million in 2017. The effect of the new standard will depend on the lease agreements actually in force on implementation. There may also be deviations in the contracts being included in operating leases in 2017 and those being included under the new standard, but the operating lease expense as reported in 2017 should provide a reasonable indication of the positive effect on EBITDA following the implementation of the new standard. Refer to Group's annual financial statements for 2017 for further details.

DATA PRIVACY

Schibsted is committed to being a trusted digital partner, contributing and sharing best practices within data privacy and security, creating intuitive and seamless solutions that empower our customers. We believe in being transparent in how we work, and have an ongoing dialogue with our customers about what they need. We also have a close dialogue with data protection and other relevant authorities, and engage in legislative processes both on a national and international level.

Schibsted is spending considerable resources on preparing for the implementation of EU's General Data Protection Regulation (GDPR) in May 2018, and is well prepared. GDPR involves major changes when it comes to user empowerment. Automated solutions and flexible user options will be an important part of meeting customer needs when it comes to data and privacy. Continuous feedback from users will be key in the development of our data and privacy solutions.

CASH FLOW AND CAPITAL FACTORS

CASH FLOW

Net cash flow from operating activities was NOK 335 million for the first quarter of 2018, compared to NOK 159 million for the first quarter of 2017. The increase is primarily related to increase in gross operating profit.

Net cash outflows from investing activities were NOK 158 million for the first quarter of 2018, compared to NOK 675 million in the first quarter of 2017. The decrease is primarily related to the acquisition of Habitaclia in Q1 2017.

Net cash inflows from financing activities was NOK 15 million for the first quarter of 2018, compared to a net cash outflow of NOK 6 million in the first quarter of 2017.

EQUITY AND DEBT

The carrying amount of the Group's assets decreased by NOK 622 million to NOK 26,995 during the first quarter of 2018 primarily from foreign currency translation. The Group's net interest-bearing debt decreased by NOK 185 million to NOK 2,429 million. The Group's equity ratio was 54% at the end of the first quarter of 2018, compared to 55% at the end of 2017.

Schibsted ASA has a well-diversified loan portfolio with loans from both the Norwegian bond market and the Nordic Investment bank. In addition, Schibsted has a revolving credit facility of EUR 300 million which are not drawn. There are no changes to the loan portfolio during first quarter. The cash balance is higher than normal due to the B-share issue in Q4 2017.

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

OUTLOOK

MARKETPLACES

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 will continue as long as it is considered to create long-term shareholder value. 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 be in the range EUR 40-50 million in 2018, compared to EUR 78 million in 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.

PUBLISHING

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 2018.

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 over time converge towards common platforms. During 2018, the negative EBITDA of the HQ/Other segment, where the central product & tech resources are included, is expected to be stable or slightly reduced in 2018 compared to 2017. Correspondingly, the Group CAPEX is expected to be stable or slightly reduced in 2018 compared to 2017.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

	First quarter		Year
	2018	2017	2017
Operating revenues	**4,357**	**4,000**	**16,943**
Raw materials and finished goods	(102)	(107)	(432)
Personnel expenses	(1,706)	(1,546)	(6,317)
Other operating expenses	(1,939)	(1,913)	(7,588)
Gross operating profit (loss)	**610**	**434**	**2,606**
Depreciation and amortisation	(172)	(145)	(634)
Share of profit (loss) of joint ventures and associates	(6)	(58)	(113)
Impairment loss	(5)	-	(49)
Other income and expenses	(10)	(3)	1,505
Operating profit (loss)	**417**	**228**	**3,315**
Net financial items	(28)	(12)	(171)
Profit (loss) before taxes	**389**	**216**	**3,144**
Taxes	(220)	(174)	(958)
Profit (loss)	**169**	**43**	**2,186**
Profit (loss) attributable to:			
Non-controlling interests	11	12	55
Owners of the parent	158	30	2,130
Earnings per share in NOK:			
Basic	0.67	0.13	9.36
Diluted	0.66	0.13	9.35
Basic - adjusted	0.72	0.15	3.43
Diluted - adjusted	0.72	0.15	3.43
Weighted average number of shares outstanding (1,000)	238,220	226,076	227,529
Weighted average number of shares outstanding - diluted (1,000)	238,412	226,276	227,804

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	First quarter		Year
	2018	2017	2017
Profit (loss)	**169**	**43**	**2,186**
Remeasurements of defined benefit pension liabilities	0	(7)	(333)
Income tax relating to remeasurements of defined benefit pension liabilities	(0)	2	77
Share of other comprehensive income of joint ventures and associates	(2)	-	(3)
Items not to be reclassified subsequently to profit or loss	**(2)**	**(6)**	**(259)**
Exchange differences on translating foreign operations	(567)	135	717
Hedges of net investments in foreign operations	56	(8)	(55)
Income tax relating to hedges of net investments in foreign operations	(13)	2	13
Share of other comprehensive income of joint ventures and associates	-	2	(8)
Items to be reclassified subsequently to profit or loss	**(523)**	**132**	**667**
Other comprehensive income	**(525)**	**126**	**408**
Comprehensive income	**(356)**	**168**	**2,593**
Comprehensive income attributable to:			
Non-controlling interests	3	13	61
Owners of the parent	(359)	156	2,533

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March		Year
	2018	2017	2017
Intangible assets	16,637	14,835	16,983
Property, plant and equipment and investment property	938	1,020	988
Investments in joint ventures and associates	4,285	929	4,514
Other non-current assets	368	352	364
Non-current assets	**22,228**	**17,136**	**22,850**
Trade receivables and other current assets	2,962	2,860	3,141
Cash and cash equivalents	1,805	751	1,626
Current assets	**4,767**	**3,610**	**4,767**
Total assets	**26,995**	**20,747**	**27,617**
Equity attributable to owners of the parent	14,397	10,394	14,793
Non-controlling interests	278	323	261
Equity	**14,675**	**10,717**	**15,054**
Non-current interest-bearing borrowings	3,906	2,313	4,212
Other non-current liabilities	2,434	2,450	2,586
Non-current liabilities	**6,340**	**4,763**	**6,798**
Current interest-bearing borrowings	328	28	28
Other current liabilities	5,652	5,240	5,736
Current liabilities	**5,980**	**5,268**	**5,764**
Total equity and liabilities	**26,995**	**20,747**	**27,617**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31 March		Year
	2018	2017	2017
Profit (loss) before taxes	389	216	3,144
Depreciation, amortisation and impairment losses	177	145	685
Net effect pension liabilities	(70)	(87)	(91)
Share of loss (profit) of joint ventures and associates, net of dividends received	6	58	134
Taxes paid	(194)	(178)	(828)
Sales losses (gains) non-current assets and other non-cash losses (gains)	(7)	-	(1,697)
Change in working capital and provisions	33	6	(57)
Net cash flow from operating activities	**335**	**159**	**1,290**
Development and purchase of intangible assets and property, plant and equipment	(172)	(198)	(865)
Acquistion of subsidiaries, net of cash acquired	(9)	(466)	(1,279)
Proceeds from sale of intangible assets and property, plant and equipment	12	4	23
Proceeds from sale of subsidiaries, net of cash sold	-	-	380
Net sale of (investment in) other shares	(0)	(12)	(2,929)
Net change in other investments	11	(2)	124
Net cash flow from investing activities	**(158)**	**(675)**	**(4,546)**
Net cash flow before financing activities	**177**	**(516)**	**(3,256)**
Net change in interest-bearing loans and borrowings	3	(8)	1,772
Change in ownership interests in subsidiaries	13	-	(228)
Capital increase	-	-	2,491
Net sale (purchase) of treasury shares	5	5	17
Dividends paid	(4)	(4)	(493)
Net cash flow from financing activities	**15**	**(6)**	**3,558**
Effects of exchange rate changes on cash and cash equivalents	(13)	4	55
Net increase (decrease) in cash and cash equivalents	**179**	**(518)**	**357**
Cash and cash equivalents at start of period	1,626	1,268	1,268
Cash and cash equivalents at end of period	**1,805**	**751**	**1,626**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent	Non-controlling interests	Equity
Equity as at 1 January 2017	10,235	305	10,540
Comprehensive income	2,533	61	2,593
Transactions with the owners	2,025	(105)	1,921
Capital increase	*2,494*	*7*	*2,501*
Share-based payment	*29*	*(0)*	*29*
Dividends paid to owners of the parent	*(396)*	*-*	*(396)*
Dividends to non-controlling interests	*12*	*(98)*	*(86)*
Change in treasury shares	*17*	*-*	*17*
Business combinations	*-*	*7*	*7*
Loss of control of subsidiaries	*-*	*(16)*	*(16)*
Changes in ownership of subsidiaries that do not result in a loss of control	*(127)*	*(5)*	*(132)*
Share of transactions with the owners of joint ventures and associates	*(5)*	*-*	*(5)*
Equity as at 31 December 2017- as previously reported	**14,793**	**261**	**15,054**
Change in accounting principle IFRS 2 (note 1)	13	-	13
Change in accounting principle IFRS 15 (note 1)	(58)	(2)	(59)
Equity as at 1 January 2018	**14,749**	**260**	**15,008**
Comprehensive income	(359)	3	(356)
Transactions with the owners	8	15	23
Share-based payment	*10*	*-*	*10*
Dividends to non-controlling interests	*-*	*(4)*	*(4)*
Change in treasury shares	*5*	*-*	*5*
Changes in ownership of subsidiaries that do not result in a loss of control	*(7)*	*19*	*13*
Equity as at 31 March 2018	**14,397**	**278**	**14,675**

Equity as at 1 January 2017	10,235	305	10,540
Comprehensive income	156	13	168
Transactions with the owners	3	5	8
Share-based payment	*5*	*-*	*5*
Dividends to non-controlling interests	*-*	*(4)*	*(4)*
Change in treasury shares	*5*	*-*	*5*
Changes in ownership of subsidiaries that do not result in a loss of control	*(7)*	*9*	*2*
Equity as at 31 March 2017	**10,394**	**323**	**10,717**

NOTES

NOTE 1 CORPORATE INFORMATION, BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

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

The accounting policies adopted in preparing the interim condensed financial statements are consistent with those followed in preparing the Group's annual financial statements for 2017 except for the adoption of new standards and amendments to standards effective as of 1 January 2018 as disclosed below.

IFRS 15 Revenue from contracts with customers

Schibsted has implemented IFRS 15 Revenue from contracts with customers. IFRS 15 supersedes IAS 11 Construction contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The recognition of the majority of the revenue of Schibsted is not affected by the new standard. This applies to brand advertising revenues being recognised as the ads are displayed, subscription revenue recognised over the subscription period and casual sales recognised upon delivery.

The policy change from the implementation of IFRS 15 that primarily affects Schibsted is related to the period over which certain revenue streams from online classifieds operations are recognised. Revenue from certain listing fees and premium products were up and until 31 December 2017 recognised when the ad was initially displayed or when the premium products were initially activated. From 1 January 2018 listing fees in contracts entitling the customer to have an ad displayed for a defined maximum period of time is recognised over that period, reflecting the normal pattern of views of such ads. Revenue from premium products that are active for a defined maximum period is recognised over that period. Revenue from other premium products benefiting the customer in a pattern similar to that of a listing fee is recognised over the applicable period similar to listing fees.

The new standard is implemented retrospectively applying the modified retrospective method. The cumulative effect of initially applying IFRS 15 of NOK 59 million (net of related tax effect) is recognized as a reduction to the opening balance of equity at 1 January 2018. Below is presented the effects of applying IFRS 15 compared to the amounts that would have been reported applying the former accounting policies:

Statement of financial position	**31 March 2018**	**1 January 2018**
Decrease in Investments in joint ventures and associates	(5)	(5)
Decrease in total assets	**(5)**	**(5)**
Increase in Other current liabilities	94	73
Decrease in Deferred tax liabilities	(25)	(19)
Decrease in Equity attributable to owners of the parent	(72)	(58)
Decrease in Non-controlling interests	(2)	(2)
Decrease in equity and liabilities	**(5)**	**(5)**

Income statement	**First quarter 2018**
Decrease in Operating revenues	(22)
Decrease in Gross operating profit (loss) / Operating profit (loss) / Profit (loss) before taxes	(22)
Decrease in Taxes	7
Decrease in Profit (loss)	(15)
Decrease in Profit (loss) attributable to non-controlling interests	-
Decrease in Profit (loss) attributable to owners of the parent	(15)

IFRS 9 Financial instruments

Schibsted has implemented IFRS 9 Financial instruments which addresses classification, measurement and derecognition of financial assets and financial liabilities, and introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 Financial instruments replaces IAS 39 Financial instruments; recognition and measurement. The new standard is implemented retrospectively except for the requirements related to hedge accounting that are implemented prospectively. Comparative information is not restated.

The policy change from the implementation of IFRS 9 that is expected to affect Schibsted is related to the classification of equity instruments and the recognition of changes in fair value of such instruments. Up and until the end of 2017, the Group's equity instruments have been classified as financial assets available-for-sale measured at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses recognised in profit or loss. On derecognition, accumulated changes in the fair value recognised in other comprehensive income were reclassified to profit or loss.

Under IFRS 9, equity instruments are measured at fair value with changes in fair value through profit or loss unless an irrevocable election is made at initial recognition to present subsequent changes in fair value in other comprehensive income. Such an election will be made on an instrument-by-instrument basis. At 1 January 2018, Schibsted held equity instruments with a carrying amount of NOK 17 million, and all of these instruments were upon implementation of IFRS 9 classified as financial instruments at fair value through other comprehensive income. Accumulated changes in the fair value of such equity instruments will not be reclassified to profit or loss on derecognition.

IFRS 2 Share-based payment

Schibsted has implemented amendments to IFRS 2 Share-based Payment. The amendment relates to share-based payment transactions with a net settlement feature for withholding tax obligations.

Up and until 31 December 2017, Schibsted has classified the component of a share-based payment transaction reflecting the obligation to pay tax withholdings on behalf of employees in cash to the tax authorities as a cash-settled share-based payment transaction. The component reflecting the obligation to issue equity instruments to the employee has been classified as an equity-settled share-based payment transaction. From 1 January 2018, if Schibsted is obligated by tax laws to make and settle tax withholdings for an employee's tax obligation associated with a share-based payment transaction, the transaction is classified as an equity-settled share-based payment transaction in its entirety.

In equity-settled share-based payment transactions, the services received are measured at grant date with reference to the fair value of the equity instruments granted. In cash-settled share-based payment transactions, the services received are measured at fair value at the reporting date. The change in accounting policy will lead to reduced volatility in the share-based payment expense.

The amendments to IFRS 2 are implemented prospectively. A payment liability of NOK 13 million recognised at 31 December 2017 related to unvested share-based payment transactions is reclassified to equity at 1 January 2018.

NOTE 2 CHANGES IN THE COMPOSITION OF THE GROUP

Business combinations 2018

During the first quarter of 2018, Schibsted has invested NOK 9 million related to acquisition of businesses (business combinations). The amount comprises cash consideration transferred reduced by cash and cash equivalents of the acquiree. The purchase price is allocated primarily to intangible assets.

Other changes in the composition of the Group 2018

Schibsted has during the first quarter of 2018 received NOK 13 million related to decreased ownership interests in subsidiaries.

NOTE 3 OPERATING SEGMENT DISCLOSURES

Schibsted reports four operating segments; Marketplaces, Publishing, Growth and Other/Headquarters. As a consequence of a new organisational model, operating segments are changed from 1 January 2018, and restated retrospectively to give comparable information.

Marketplaces comprises online classified operations in Norway, Sweden, France, Spain and several other countries.

Publishing comprises news operations in Norway and Sweden.

Growth is a portfolio of web-based growth companies including Lendo in all markets, Prisjakt, Servicefinder, Mittanbud, Let's Deal and other companies.

Other / Headquarters comprises operations not included in the other reported operating segments, including the Group's headquarter Schibsted ASA and centralised functions including Schibsted Product and Technology.

Eliminations comprise intersegment sales. Transactions between operating segments are conducted on normal commercial terms.

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 into operating segments corresponds to the management structure and the internal reporting to the Group's chief operating decision maker, defined as the CEO.

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

First quarter 2018	Marketplaces	Publishing	Growth	Other / Headquarters	Eliminations	Total
Operating revenues from external customers	1,977	1,924	452	5	-	4,357
Operating revenues from other segments	33	100	4	180	(317)	(0)
Operating revenues	**2,009**	**2,024**	**456**	**185**	**(317)**	**4,357**
Gross operating profit (loss) excl. Investment phase	746	113	101	(207)	-	754
Gross operating profit (loss)	603	113	101	(207)	-	610
Operating profit (loss)	**538**	**51**	**82**	**(254)**	**-**	**417**
First quarter 2017						
Operating revenues from external customers	1,692	1,863	434	10	-	4,000
Operating revenues from other segments	28	101	1	99	(230)	(0)
Operating revenues	**1,721**	**1,964**	**436**	**110**	**(230)**	**4,000**
Gross operating profit (loss) excl. Investment phase	638	157	79	(211)	-	662
Gross operating profit (loss)	409	157	79	(211)	-	434
Operating profit (loss)	**293**	**108**	**65**	**(238)**	**-**	**228**
Year 2017						
Operating revenues from external customers	7,349	7,735	1,828	31	-	16,943
Operating revenues from other segments	163	425	7	537	(1,133)	-
Operating revenues	**7,512**	**8,160**	**1,835**	**568**	**(1,133)**	**16,943**
Gross operating profit (loss) excl. Investment phase	2,973	795	392	(879)	-	3,282
Gross operating profit (loss)	2,297	795	392	(879)	-	2,606
Operating profit (loss)	**3,279**	**615**	**509**	**(1,088)**	**-**	**3,315**

Operating revenues by category:

	First quarter		Year
	2018	**2017**	**2017**
Circulation revenues online	203	161	709
Circulation revenues offline	750	796	3,185
Advertising revenues online	932	881	3,809
Advertising revenues offline	268	294	1,178
Classifieds revenues	1,552	1,305	5,616
Other operating revenues	651	562	2,447
Operating revenues	**4,357**	**4,000**	**16,943**

NOTE 4 OTHER INCOME AND EXPENSES

	First quarter		Year
	2018	**2017**	**2017**
Restructuring costs	(17)	-	(170)
Gain (loss) on sale of subsidiaries, joint ventures and associates	-	-	1,066
Gain (loss) on sale of intangible assets, property, plant and equipment and investment property	7	-	
Gain from remeasurement of previously held equity interests in business combinations achieved in stages	-	-	506
Gain (loss) on amendment of pension plans	-	-	123
Acquisition-related costs	(0)	(3)	(8)
Other	(0)	-	(12)
Total other income and expenses	**(10)**	**(3)**	**1,505**

NOTE 5 NET FINANCIAL ITEMS

	First quarter		Year
	2018	**2017**	**2017**
Net interest income (expenses)	(25)	(13)	(94)
Net foreign exchange gain (loss)	(0)	6	(60)
Net other financial income (expenses)	(3)	(5)	(16)
Net financial items	**(28)**	**(12)**	**(171)**

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.

Adjusted for IFRS 15 implementation

For effects from implementation of IFRS 15, see note 1.

	First quarter		Year
Currency rates used when converting profit or loss	**2018**	**2017**	**2017**
Swedish krona (SEK)	0.9665	0.9453	0.9680
Euro (EUR)	9.6322	8.9859	9.3301

Marketplaces - Developed phase and Investment phase

Marketplaces - Developed phase

Consolidated subsidiaries	Joint ventures and associates
France: Leboncoin, MB Diffusion, Kudoz and Avendrealouer	Malaysia: Mudah (until Q2 2017)
Norway: Finn	Austria: Willhaben
Sweden: Blocket and Bytbil	
Spain: Coches, FotoCasa, Vibbo, Milanuncios, InfoJobs, Habitaclia	
Italy: Subito	
Ireland: Daft, Done Deal and Adverts	
Hungary: Hasznaltauto	
Colombia: Fincaraiz	

Marketplaces - Investment phase

Consolidated subsidiaries	Joint ventures and associates
Finland: Tori	Chile: Yapo (as 50% JV until Q2 2017)
Hungary: Jofogas	Brazil: OLX (increased ownership from 25% to 50% from Q3 2017)
Italy: Infojobs	Vietnam: Cho Tot (until Q2 2017)
Brazil: Infojobs	Indonesia: OLX
Chile: Yapo (as subsidiary from Q3 2017)	Thailand: Kaidee
Mexico: Segundamano	Bangladesh: Ekhanei (until Q2 2017)
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	

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.

Reconciliation of Operating revenues and EBITDA excl. Investment phase and in accordance with financial statements	First quarter 2018	First quarter 2017	Year 2017
Operating revenues excl. Investment phase	4,227	3,903	16,465
Operating revenues Investment phase	129	97	478
Operating revenues	**4,357**	**4,000**	**16,943**
EBITDA excl. Investment phase	754	662	3,282
EBITDA Investment phase	(143)	(228)	(676)
Gross operating profit (loss)	**610**	**434**	**2,606**

Underlying tax rate	First quarter 2018	First quarter 2017	Year 2017
Profit (loss) before taxes	389	216	3,144
Share of profit (loss) of joint ventures and associates	6	58	113
Other losses for which no deferred tax benefit is recognised	360	298	1,000
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	-	-	(1,023)
Impairment losses (goodwill and associates)	-	-	3
"Adjusted" tax base	**755**	**572**	**3,237**
Taxes	220	174	958
Adjusted effective tax rate	29.2 %	30.4 %	29.6 %

Liquidity reserve	31 March 2018	31 March 2017	Year 2017
Cash and cash equivalents	1,805	751	1,626
Unutilised drawing rights on credit facilities	2,893	3,897	2,952
Liquidity reserve	**4,698**	**4,647**	**4,578**

Net interest-bearing debt	31 March 2018	31 March 2017	Year 2017
Non-current interest-bearing borrowings	3,906	2,313	4,212
Current interest-bearing borrowings	328	28	28
Cash and cash equivalents	(1,805)	(751)	(1,626)
Net interest-bearing debt	**2,429**	**1,590**	**2,614**

Equity ratio

Equity / Total assets

CAPEX

Development and purchase of intangible assets and property, plant and equipment recognised in statement of financial position.

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)

Earnings per share - adjusted	First quarter 2018	First quarter 2017	Year 2017
Profit (loss) attributable to owners of the parent	158	30	2,130
Other income and expenses	10	3	(1,505)
Impairment loss	5	-	49
Taxes and Non-controlling interests related to Other income and expenses and Impairment loss	(3)	-	106
Profit (loss) attributable to owners of the parent - adjusted	**171**	**33**	**780**
Earnings per share – adjusted (NOK)	0.72	0.15	3.43
Diluted earnings per share – adjusted (NOK)	0.72	0.15	3.43

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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/