SCHIBSTED
MEDIA GROUP

Annual Report

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Ambitions in a digital shift

As we enter 2013, we focus on what we want to achieve in the coming months and years. Our ambition is to build world-class digital media houses and take more number-one positions for online classifieds.

But first, it is natural to take time to reflect on some of the developments in 2012.

Last year, the pace of digital changes in the media industry really gained momentum. The mobile use of our websites broke new records week by week.

The mobile media revolution and the change in consumer habits mean that we must change as well – both in the media houses and in online classifieds – to meet our readers and users in the best possible way.

Unfortunately for many employees in the Group – particularly in our print activities – this means there will be less need for some areas of expertise and greater need for digital competence that we currently lack. Even though the measures we are taking have been absolutely necessary, I fully understand and respect that this has been a difficult time for many of our employees and managers.

BUILDING WORLD-CLASS DIGITAL MEDIA HOUSES

The digital transformation will accelerate at an even faster pace. In 2012, VG mobile had more readers than VG print – only five years after the launch of the iPhone. The growing popularity of iPads and other tablets are accelerating this rapid development. During this phase of transition from print to digital, we are convinced that our media houses will remain relevant and profitable, and that readers will also pay for quality editorial products in the digital future. We therefore need to focus on building digital media houses of world-class standard!

As part of the strategy, we will continue to experiment and find ways to increase user payment. Fædrelandsvennen has made a promising start in this area, and more of our media houses will follow the same path in 2013.

With the strength of our traffic, we have an enormous opportunity to change the media landscape using live pictures and web TV. Both VGTV and Aftonbladet TV are constantly sold out on advertisement space. We are convinced that live pictures will be an important part of the digital media houses of the future.

Schibsted Media Group is establishing the Schibsted Academy of Journalism in 2013. The purpose of the academy will be to further enhance journalistic skills in digital platforms in our media houses.

Even when we speed up our digital transition, we must also bear in mind that print will still be important for several years to come. Several high-quality print products have recently been launched. They are both innovative and successful for our companies, and this is something we are proud of.

STRONG FOCUS ON CLASSIFIEDS

Schibsted Classified Media (SCM) will also have high priority. In 2012, we spent over NOK 500 million on building better sites and taking lead positions. In 2013 we will spend even more. With the high competence and dedication we possess in SCM, I believe we are well placed to take attractive, leading and profitable positions.

Winning markets is far more important that high traffic volumes holding number-two positions in several countries. We will therefore not be present in all markets, but will aim to win the ones we're in. Schibsted is a company known for durability and long-term commitment. Hence, one of our values is: "We are here to win!"

Our established sites promise significant growth, even though they are already large in their home markets. We have a long way to go to reach our full potential. There is a lot more to gain, both when it comes to extending our positions and to creating more value. This is our challenge in 2013 and the coming years.

Digital growth opportunities are steadily growing in revenues and importance.

A common challenge is to find new cases or areas where Schibsted can establish strong and leading positions. A number of good developments are taking place in Sweden; personal finance is an area where we are doing very well. Expectations in Norway are high for new concepts such as Lendo and E-bok.

COMPETENCE AND INNOVATION

Is it possible to reach these goals without innovation? Of course not. In fact, we must really live up to our core value "We Are Innovative!" if we are to achieve what we want.

Closely linked to innovation is competence. Schibsted companies are intensifying the search for employees with digital competence across our business areas. We are also concentrating on further developing our existing workforce.

I see our companies taking ambitious, confident steps on the road towards the digital future, and I think Schibsted Media Group has a good foundation as we continue to search for innovation, development and growth.

We are in the midst of a massive transformation. That implies both challenges and opportunities. I look forward with confidence to see what we can accomplish in 2013!

ROLV ERIK
RYSSDAL

Rolv Erik Ryssdal

CEO SCHIBSTED MEDIA GROUP

Key Figures

(NOK million)	2012	2011	2010	2009
Operating revenues	14,763	14,378	13,768	12,745
Operating expenses	(12,769)	(12,232)	(11,605)	(11,184)
Income from associated companies	34	39	36	(67)
Gross operating profit (EBITDA)	**2,028**	**2,185**	**2,199**	**1,494**
Depreciation and amortisation	(479)	(505)	(588)	(662)
Impairment loss	(548)	(191)	(110)	(161)
Other revenues and expenses	(257)	(50)	1 909	(236)
Operating profit	**744**	**1,439**	**3,410**	**435**
Profit (loss) before taxes	**683**	**1,331**	**3,399**	**279**
Gross operating margin (EBITDA) (%)	14	15	16	12
Equity ratio (%)	37	41	42	35
Net interestbearing debt/EBITDA	0.7	0.8	0.8	1.7
Earnings per share (NOK)	1.73	7.00	27.04	4.74
Earnings per share - adjusted (NOK)	8.41	8,76	9.72	4.42
Diluted earnings per share (NOK)	1,73	6,99	27,01	4.74
Cashflow from operating activities per share (NOK)	11.91	15.24	18.78	11.77
ONLINE CLASSIFIEDS				
Operating revenues	3,647	3,198		
Gross operating profit (EBITDA)	1,098	993		
Gross operating margin (EBITDA) (%)	30	31		
SCHIBSTED NORGE MEDIA HOUSE (Norway)				
Operating revenues	6,485	6,529		
Gross operating profit (EBITDA)	771	926		
Gross operating margin (EBITDA) (%)	12	14		
SCHIBSTED SVERIGE MEDIA HOUSE (Sweden)				
Operating revenues	3,538	3,611		
Gross operating profit (EBITDA)	429	445		
Gross operating margin (EBITDA) (%)	12	12		
MEDIA HOUSES INTERNATIONAL				
Operating revenues	939	1,004		
Gross operating profit (EBITDA)	-3	38		
Gross operating margin (EBITDA) (%)	-	4		

DEFINITIONS

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

Schibsted Media Group

Schibsted is an international media group with approximately 7,800 employees in 29 countries. Schibsted's strategy comprises two main objectives: further development of our media houses and establishment of online classifieds services.

Strong media houses represent the core of our activities, and our corporate growth strategy is based on close collaboration between different media channels. Our objective is to develop our business activities so that we can offer our users a wide range of services, irrespective of which channels they choose to use.

The diversity of Schibsted's product range is closely aligned with our strong tradition of editorial freedom and our ability to adapt to a media market that is constantly undergoing rapid change.

ONLINE CLASSIFIEDS

ETABLISHED PHASE

- Finn.no
- Blocket.se/Bytbil.com
- Leboncoin.fr
- Anuntis
- InfoJobs.net
- Subito.it
- Willhaben.at
- DoneDeal.ie

INVESTMENT PHASE

- Activities in 14 markets

MEDIA HOUSES

SCHIBSTED NORGE

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

SCHIBSTED SVERIGE

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

MEDIA HOUSES INTERNATIONAL

- 20 Minutes (France)
- 20 Minutos (Spain)
- Eesti Media Group

Online Classifieds

- Growth and high margins in Norway and Sweden
- Consolidated position, high level of growth in revenues and profits for Leboncoin.fr, France's leading classifieds website
- Greater reach and revenue growth for the profitable positions in Italy, Austria and Ireland
- Traffic significantly increased on mobile platforms
- Weak economic conditions created challenging market conditions for the businesses in Spain
- Good progress for companies in the investment phase in Europe, Asia and Latin America, including a competitive Brazilian market

ONLINE CLASSIFIEDS (NOK million)	**2012**	**2011**
Operating revenues	3,647	3,198
Gross operating profit (EBITDA)	1,098	993
Gross operating profit (EBITDA) ex. Investment phase	1,628	1,405
Operating margin (EBITDA)	30 %	31 %
Operating margin (EBITDA) ex. Investment phase	46 %	46 %
Gross operating profit (EBITDA) Investment phase	(530)	(412)

The growth rate in operating revenues was 14 percent.

Online classifieds is an industry in which significant advantages are derived from holding the position of clear market leader. Both buyers and sellers are attracted to the market leader, laying the foundation for high profitability.

Schibsted's online classified business is comprised of market-leading positions with commendable margins in Norway, Sweden, France, Spain, Italy, Austria and Ireland. These are what we refer to as businesses in the Established phase. Growth in these markets in 2012 was strong. Key drivers of growth include: increased volumes, expansion into new market segments, price-optimization, growth in the number of users, and product development.

Leveraging expertise, technology and experience from the established markets, Schibsted is expanding and establishing online classified services in new regions. We refer to these companies in the Investment phase, currently in Europe, Asia, Latin America and North Africa. Investments in new markets like these were intensified in 2012, and are treated as operating expenses. These investments primarily take the form of marketing initiatives.

While competition from both local and international actors is observable, Schibsted achieved favorable results in the form of increased traffic, advertising, and consolidated market positions in 2012.

The significance of mobile platforms also increased dramatically in 2012. Year-end, mobile platforms accounted for approximately 30 percent of the traffic on Finn.no and for more than 40 percent of the traffic on Blocket.se. Other services also recognize the same trend. In Finn.no, for example, all product development is executed under the motto ‘Mobile first’, whereby all new channels are developed for mobile devices before or in parallel with desktop.

In 2012 Schibsted's online classified websites outside Norway achieved more than 14 billion page views in the span of only one month. In August Finn.no in Norway had more than 960 million page views.

FINN.NO

- Strong growth in revenues and profits in 2012
- Commitments in new areas such as personal finance and service marketplaces
- Rapid change in user behavior, from desktop to mobile platforms. Organization restructured to effectively manage a multi-channel future
- Voted Norway's best workplace for the second year running

FINN (NOK million)	2012	2011
Operating revenues	1,266	1,135
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	620	536
Operating margin (EBITDA)	49 %	47 %

Finn.no continued its positive trend.

Finn.no was established as a freestanding business in 2000, and is today Norway's undisputed leading online marketplace, with core markets in: auto, boat, property, recruitment, generalist, travel, and trades and services. Finn has a very high market share in the conventional classified markets, and is inarguably Norway's most visited site measured in terms of page views (source: TNS Gallup).

As the leading marketplace, Finn is exposed to market fluctuations. The trends for Recruitment and Auto in 2012 were moderate. Systematic work price optimization, product development, and growth in new segments have compensated for this. Revenues increased by 14 percent in the Auto segment, while Recruitment increased by 11 percent. Underlying growth in the Property segment was 12 percent. Finn's Buy and Sell segment achieved a revenue growth of 15 percent, while Travel increased by 11 percent.

2012 was the year when mobile surfing really took off on Finn.no. The transition rate of traffic from desktop to mobile platforms has been approximately 1 percent per month. Finn.no's mobile service is among the top 10 services in Norway, and was the fastest-growing service in 2012 (Source: TNS Gallup). The share of users on mobile platforms at year-end was 30 percent, with a record-breaking Christmas week of 37 percent.

MEASURES AND CHANGES

- Significant strengthening of mobile services
- Expanded interactivity on Finn Recruitment and connections with social networks
- Growth in personal finance. In 2012 penger.no established a service for auto insurance, and already had a marketplace for home loans

AWARDS

- Best workplace (Great Place to Work)

BLOCKET.SE/BYTBIL.COM

- Good growth and increased profitability for Blocket/Bytbil
- Mobile platforms account for half the traffic
- Blocket one of Sweden's most frequently downloaded iPhone applications
- Consolidated position in the homes and recruitment segments

BLOCKET/BYT BIL (SEK million)	2012	2011
Operating revenues	774	691
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	415	382
Operating margin (EBITDA)	54 %	55 %

Blocket/Bytbil continues its positive trend.

Blocket.se is Sweden's largest market for online buying and selling, and one of Sweden's strongest brands. The site is the uncontested market leader in the generalist and auto segments. In 2011 Blocket launched new verticals for property and recruitment, and during 2012 it has increased its market share significantly in the property segment. The recruitment market is relatively fragmented. Blocket has established a position among the leading participants in this segment.

Bytbil.com is an effective marketplace for the motor industry.

The general trend in Sweden for buying and selling second-hand items continued, driven, in part, by greater environmental awareness. On the other hand, the level of activity in the auto market was low, a factor which hampered trends for Blocket and Bytbil. In 2012 Blocket implemented measures such as new functionality and new price models to strengthen revenues.

MEASURES AND CHANGES

- Consolidated position in the homes and recruitment segments. Increased the number of affiliated estate agents
- New applications increased mobile traffic
- Further organizational development, with recruitment of highly skilled employees

LEBONCOIN.FR

- Continued growth in traffic and revenues
- 500,000 advertisements placed per day in 2012
- The leading online classifieds website in France. Accessed by 39.4% of the French population
  (source: Médiamétrie NetRatings)
- Broad based growth in revenues, with increased footprint in the professional auto market as an important contributor

MEASURES AND CHANGES

- National sales team was successfully and completely integrated in-house
- Launched well-received mobile applications

LEBONCOIN (EUR million)	2012	2011
Operating revenues	97.7	64.1
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	66.7	44.8
Operating margin (EBITDA)	68 %	70 %

In 2012 Leboncoin.fr continued its positive trend. The site's revenue growth was 52 percent.

Leboncoin.fr was launched in 2006 as a model of the Swedish success-story, Blocket.se. Since then, Leboncoin.fr has secured its position as the leading online classifieds site in the French market. Schibsted originally owned 50 percent of the site, but acquired the remainder of the shares in 2010.

Historically, the cornerstone of Leboncoin.fr's business model has been the sale of second-hand items between private individuals, and this continues to be the case. However, as measured in volume, Leboncoin.fr is also France's largest website for cars and real estate, and is forging ahead with strong growth in both the jobs and holiday home rental markets.

Leboncoin benefited from taking a long-term view at inception, focusing on the user experience and ultimately creating an unrivaled consumer-to-consumer people's movement in France. The company's current philosophy is to remain free for individual users, and thus, the core of its classifieds business is widely regarded as a 'public service' in France.

Mobile applications now contribute to approximately 400 million of these monthly page views. The website also boosts approximately 5 million users per day.

The growth originated from a broad base of revenue drivers. The introduction of paid for professional services in the auto segment in second half of 2011 remained a significant contributor to the growth in 2012. Leboncoin.fr has taken the position as the largest classifieds site for cars both in the professional and private markets

OTHER BUSINESSES IN THE ESTABLISHED PHASE

Through the Spanish subsidiaries, Anuntis and InfoJobs, Schibsted Media Group has a strong market position in the generalist, recruitment, cars and real estate segments. Schibsted also has established profitable market leading positions in Italy and Austria. In these markets, Schibsted's presence is the result of the greenfield expansion strategy. In Ireland, Schibsted acquired the majority of DoneDeal.ie in 2011. DoneDeal.ie is the market leader in generalist and private car listings in Ireland.

SPAIN

Segundamano.es

Segundamano is the leading generalist classified site in Spain, based on the Blocket platform. In 2012 the site focused on product improvements, launched a highly optimized website for mobile devices.

InfoJobs.net

2012 has been a demanding year to operate a job classifieds site in Spain, where unemployment is currently twenty-five percent and demand for job advertising remains low. The activity among job seekers, on the other hand, is high, and InfoJobs retains its position as the preferred job portal, both for companies and candidates. Throughout the year InfoJobs maintained focus on both its product and its people in preparation for eventual improvement in economic conditions. In 2012 InfoJobs was awarded Best Workplace in Spain in the Great Place to Work survey.

Coches.net

Coches.net maintained its position as the leading classified site for cars in Spain in 2012. Similar to peer sites in southern Europe, it was impacted by regional economic headwinds, but has proven to be even more resilient than the real estate and jobs sites.

Fotocasa.es

Fotocasa.es, the Spanish real estate site, was tested this year by the country's economic crisis, and the domestic property market in particular. In spite of a difficult economic environment and competitive forces, Fotocasa had solid traffic growth in 2012, fuelled, in part, by its mobile products. The site is competing neck and neck with its main competitor for the number-one position in the Spanish real estate market.

ITALY

Subito.it

Modeled on the Blocket platform, Subito was launched in 2007 and has emerged as the leading generalist classified site in Italy. 2012 was both, Subito's first year reporting profitability and as an established site in the SCM portfolio. Over the year the site strengthened both its competitive position and financial performance through continued growth in traffic and advertisements. In terms of volume, Subito is number one in the market for generalist listings and for cars. Subito.it is the eight largest website in Italy overall when it comes to traffic measured by page views (source: Comscore, December 2012).

AUSTRIA

Willhaben.at

The Austrian classified site Willhaben was launched in January 2006, based on the same concept and technology as Finn.no. Willhaben is the clear market leader in the generalist segment, and also has a number one position in real estate. It also has a strong position in cars. The site is among the top six online sites in Austria in terms of traffic measured by page views (source: Comscore, December 2012). The willhaben.at site is a joint venture between SCM and the Austrian media company, Styria Medien AG.

IRELAND

DoneDeal.ie (Ireland)

In September 2011, Schibsted Classified Media acquired a majority share in DoneDeal, the leading classifieds website in Ireland. DoneDeal, established in 2005, shares many features with the Blocket concept, including the successful build-out of automobile and jobs verticals. It maintains a leading position in Ireland in brand recognition. It is the clear market leader in the generalist segment and the largest site in terms of volume in the private market for cars.

BUSINESSES IN THE INVESTMENT PHASE

- Increased investments, utilizing windows of opportunity in emerging markets
- On a clear path to leadership among generalist classifieds sites in their respective markets

Schibsted Media Group maintains its long-term objective of building a diversified portfolio for future growth by establishing online classifieds sites in new and emerging markets. Schibsted has so far done so by establishing new businesses, based mainly on the successful Swedish platform, Blocket.se.

Schibsted has more than 13 years of experience in operating online classifieds sites, and has developed sites from greenfields to clear market leaders in several European countries. Competence and experience is leveraged through the expansion strategy.

As of 2012, Schibsted Classified Media's businesses in the Investment phase include activities in 14 markets with local operational organizations. In addition, we operate 'remote-controlled' sites in several markets. While the businesses have historically been concentrated in Europe, Schibsted Classified Media has forged a presence in both Latin America and Asia. The Asian investment is a 50-50 joint venture with Singapore Press Holdings.

Brazil, with its large population and accelerating Internet penetration, remains an attractive and competitive market. Bomnegocio.br (based on the Blocket concept) and InfoJobs.com.br are therefore important investments for Schibsted. 2012's achievements have strengthened Schibsted's confidence in its strategy and return on the investments. On this basis, Schibsted has signaled greater activity and investment in 2013.

EUROPE

Kapaza.be (Belgium)
Kapaza was established in 2003 and was acquired by Schibsted in May 2008. It was migrated to the Blocket platform in June 2010. Kapaza is one of the two largest players in Belgium's generalist online classifieds market, and holds leading positions in both professional and private auto and real estate segments. In real estate, this is through an exclusive partnership arrangement in the Flanders region.

CustoJusto.pt (Portugal)
CustoJusto.pt was launched in the final quarter of 2008 and is part of the Blocket family. As of 2011 the site took a leading position in the generalist segment in terms of page views. However, by the second half of 2012 the market witnessed consolidation between the largest and third-largest players. In 2012, CustoJusto was awarded the Portuguese Consumer's Choice Award as the most user-friendly and trustworthy classified site.

Jófogás.hu (Hungary)
Launched in January 2010, Jofogas is a more recent Blocket clone, and also demonstrated strong growth in 2012.The website has since secured a leading position in the Hungarian market, and this position was further enhanced in Q4 2012 with the 50% acquisition of HaznaltAuto, Hungary's leading automobile classifieds site.

Tocmai.ro (Romania)
In June 2011, Schibsted acquired a fifty-five percent share in Tocmai, a classifieds website in Romania. A subsequent 40 percent share in the site was also acquired later, leaving the remaining balance of five percent with the founder. Since its launch in the summer of 2009 Tocmai has witnessed strong traffic growth and, securing a leading position in the Romanian market, begun monetization in 2012.
The company's founder remains on the management team and as a shareholder.

Tori.fi (Finland)
Launched in December 2009, Tori.fi is Finland's version of Blocket. In 2012 the website has witnessed remarkable loyalty amongst its user base, driving unique content growth and an observable 'people's movement'. Active and loyal users have been instrumental in Tori.fi's fast growth in unique content, making Tori.fi a major destination site in Finland.

Tutti.ch (Switzerland)
Tutti.ch is the Swiss rendering of Blocket, launched in January 2010. The Swiss market is characterized by intense competition between various regional and national players. Tutti.ch reported record traffic figures in 2012 as well as growth of organic traffic, primarily through the mobile application and mobile site.

Infojobs.it (Italy)
Although the Italian labor market and economy have posed fewer headwinds

than in Spain, few Italian businesses are advertising to hire new people.
The difficult situation in the market aside, Infojobs.it remains popular amongst job seekers and remains the most-visited job site in the Italian market.

ASIA

AyosDito.ph (Philippines)
AyosDito was launched in the summer of 2009 and is now one of two leaders in the classifieds market in the Philippines. 2012 saw the launch of successful new mobile products, capitalizing on high mobile usage.

Berniaga.com (Indonesia)
Berniaga was launched in December 2009, and witnessed rapid growth in a dynamic and promising market. Prioritizing both online and offline marketing strategies, Berniaga has succeeded in driving traffic. Like its Asian peers in the Blocket portfolio, the site has also focused on mobile access and usage.

Mudah.my (Malaysia)
Mudah (meaning 'simple' or 'practical') launched in Malaysia in December 2007, and was the first Blocket venture outside Europe. Today Mudah is the largest classifieds website in Malaysia and has already witnessed meaningful traction and organic growth in its automobile vertical, and monetization in new categories, namely jobs. Mudah's recently launched mobile site has witnessed record traffic overnight, and confirms high market demand for classifieds access on-the-go.

LATIN AMERICA

Bomnegócio.com (Brazil)
Schibsted's generalist classified site in Brazil was launched on the Blocket platform in 2011 and has grown rapidly throughout 2012, with the support of TV advertising campaigns and a strong local team.

InfoJobs.com.br (Brazil)
The Brazilian job site, Infojobs.com.br is built upon the same model as the Spanish and Italian Infojobs sites. 2012 was a year marked by strong growth, and Infojobs is now established as one of the top job portals in a job advertising market with large potential.

Yapo.cl (Chile)
2012 was the first full year with a local team in place in Chile. Yapo.cl, which is a Blocket-model generalist classifieds site, had a very strong year and is already among the most-visited classified sites in Chile. Successful offline advertising has helped fuel Yapo's remarkable growth.

AFRICA

Bikhir.ma (Morocco)
Bikhir, Blocket's clone in Morocco, has grown rapidly since its introduction in June 2011. During this time, Bikhir has not only become one of the leading classifieds site in Morocco, but also one of the most visited websites on the Moroccan online market. The operation recently opened headquarters in Casablanca.

Schibsted Norge

- Rapid transition to digital media
- Comprehensive cost savings program initiated
- The change process continues

SCHIBSTED NORGE MEDIA HOUSE (NOK million)	2012	2011
Advertising revenues, print	2,266	2,489
Circulation revenues, print	2,464	2,478
Other revenues, print	495	474
Online revenues	818	640
Other revenues/eliminations	442	448
Operating revenues	6,485	6,529
Gross operating profit (EBITDA)	771	926
Operating margin (EBITDA)	12%	14%

Schibsted Norge was established as a new organizational unit and wholly owned subsidiary in 2012. The media houses in Schibsted Norge comprise the subscription newspapers (print, online and mobile) Aftenposten, Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen, the single-copy newspaper VG (print, online and mobile), the digital investment company Schibsted Vekst, the printing business Schibsted Trykk, the advertising sales company Webtraffic Norge, and the book publisher Schibsted Forlag.

The media industry is undergoing major changes. Both users and advertisers are changing their behavior, and the rate of transition to digital products and services is accelerating. Schibsted has been innovating for many years now, and has managed to gain several market-leading digital positions. Its brands have been reinforced in the digital world, and in 2012 Schibsted Norge reached more users than ever before.

Schibsted has responded to the changes in the industry in two ways: first, by concentrating on efficiency and cost reductions in the print publications, and second, by increasing the use of resources and the speed of innovation in the digital part of the business. These changes are being implemented to secure strong editorial products that can provide a basis for healthy, profitable development in the digital future.

Cost control in the media houses has been good in 2012, and costs in the print-based part of the business have been reduced. In the second half of 2012 a cost savings program was developed, and is expected to have an effect of NOK 400 million in 2013-2014. These measures include staff reductions, centralized advertisement production and customer service, cooperation on support services and sales, editorial cooperation, greater use of design templates and improved planning of production. Most of the cost reductions will be achieved by reducing the number of staff.

The digital commitment in the media houses applies across the board. The use of mobile services is increasing dramatically, and all the businesses are concentrating on both product development and advertising sales on mobile. On the mobile platforms in Norway, VG has established itself in a class of its own. Web TV is another area showing strong growth. Work has also been done on establishing a unit for national advertising sales and targeted recruitment of digital expertise.

One key challenge is to establish revenue flows from users of editorial products. In 2012 Fædrelandsvennen created a subscription bundle for its print and online newspapers. Subscribers retain the print newspaper in addition to gaining free access to all content in digital format. The launch has proved successful, and the trend in recent years of falling circulation has been turned around. The goal is to launch similar products in the other subscription newspapers in Schibsted Norge.

In 2012 Schibsted Vekst has invested in new digital services in accommodation rental and e-books. At year-end, the company launched Lendo, which has proven highly successful in Sweden. This is a price comparison service in connection with taking up private loans.

SUBSCRIPTION NEWSPAPERS

- Consolidated commitment to developing digital products
- Reduced print circulation (-4%)
- Comprehensive cost saving measures initiated

SUBSCRIPTION BASED NEWSPAPERS NORWAY (NOK million)	2012	2011
Operating revenues	4,109	4,178
- of which print	3,759	3,895
- of which online	350	283
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	408	541
- of which print	373	520
- of which online	35	21
Gross operating margin (EBITDA)	10 %	13 %
Advertsing volume (column meters)	*130,838*	*132,762*
*Circulation weekdays (copies) *)*	*399,875*	*415,148*

**) Aftenposten, Bergens Tidende, Stavanger Aftenblad, Fædrelandsvennen.*

Four media houses for subscription newspapers are incorporated in Schibsted Norge: Aftenposten, Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen, all of which also operate their own news websites.

MEASURES AND CHANGES

- Staff reductions
- Centralized advertisement production and customer service
- Cooperation on support services, sales and editorial content
- Fædrelandsvennen launched a paid print/digital bundle subscription product. The market response has been positive and the other three subscription based newspapers in Norway will introduce similar products during 2013

Aftenposten

AFTENPOSTEN

AFTENPOSTEN (NOK million)	2012	2011
Operating revenues	2,078	2,138
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	200	277
Operating margin (EBITDA)	10 %	13 %

Aftenposten is Norway's leading subscription-based media house. Its core businesses comprise publication of Aftenposten print newspaper and aftenposten.no online newspaper.

Total operating revenues in 2012 amounted to NOK 2,078 million (-3%).

Average newspaper circulation was 225,981 copies (-4%).

MEASURES AND CHANGES

- Aftenposten Aften was closed. A separate Oslo section in the morning edition from 1 January 2013. The free newspaper Osloby was launched at the same time.
- Children's newspaper Junior launched
- Osloby.no website launched

AWARDS

- Norwegian Media Businesses Association: Local Aften 'Sales Organization of the Year'
- Norwegian Media Businesses Association: A-magasinet's iPad application 'Tablet Edition of the Year'

BERGENS TIDENDE

BERGENS TIDENDE (NOK million)	2012	2011
Operating revenues	937	947
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	117	145
Operating margin (EBITDA)	12 %	15 %

Bergens Tidende is western Norway's leading media house. Its core businesses comprise publication of Bergens Tidende print newspaper and bt.no online newspaper. BT also owns several local newspapers.

Total operating revenues in 2012 amounted to NOK 937 million (-1%).

Average newspaper circulation was 76,817 copies (-3%).

MEASURES AND CHANGES

- Web TV product was strengthened with its own feature series
- New services online: Sprek (fitness service), Hoopla (event service) and Pust (environmental service)
- Andreas Thorsheim appointed new CEO
- Gard Steiro new Editor-in-Chief from December 2012

AWARDS

- Picture of the Year: 1st prize in the Everyday Life category. Photographer: Eirik Brekke
- Two of the year's three SKUP diplomas (investigative journalism): 'Døden på veiene' and 'PST og Global Shield"

STAVANGER AFTENBLAD

STAVANGER AFTENBLAD (NOK million)	2012	2011
Operating revenues	630	638
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	83	94
Operating margin (EBITDA)	13 %	15 %

Stavanger Aftenblad is south-west Norway's leading media house. Its core business comprises publication of Stavanger Aftenblad print newspaper and Aftenbladet.no online newspaper.

Total operating revenues in 2012 amounted to NOK 630 million (-1%).

Average newspaper circulation was 61,636 copies (-3%).

MEASURES AND CHANGES

- Siv Juvik Tveitnes appointed new CEO from 1 January 2013

AWARDS

- Picture of the Year: Tommy Ellingen ('En nasjon i sorg')

FÆDRELANDSVENNEN

FÆDRELANDSVENNEN (NOK million)	2012	2011
Operating revenues	408	413
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	5	27
Operating margin (EBITDA)	1 %	7 %

Fædrelandsvennen is southern Norway's leading media house. Its core business comprises publication of Fædrelandsvennen print newspaper and fvn.no online newspaper.

Total operating revenues in 2012 amounted to NOK 408 million (-1%).

Average newspaper circulation was 35,441 copies (-3%).

MEASURES AND CHANGES

- New subscription solution combining online and print
- Redesign of the web, mobile and tablet editions

AWARDS

- Norwegian Media Businesses Association: 'Local News Website of the Year'

VG MEDIA HOUSE

- Digitial advertising revenues exceeded print advertising revenues. Total advertising revenues were up compared to 2011
- Continued commitment to digital through product development, payment strategies and organizational changes
- VG Helg was Norway's most-read newspaper supplement

SINGLE COPY NEWSPAPER VG (NOK million)	2012	2011
Operating revenues	1,920	1,906
- of which print	1,429	1,498
- of which online	454	360
- of which other	37	48
Gross operating profit (EBITDA) before share of from associated companies	308	310
- of which print	194	221
- of which online	110	81
- of which other	4	8
Operating margin (EBITDA)	16 %	16 %
Advertsing volume (column meters)	*10,713*	*11,529*
Circulation weekdays (copies)	*188,353*	*211,588*

VG media house publishes VG, Norway's undisputed leading single-copy newspaper. The online edition, VG.no, is the biggest online news site in Norway and one of the biggest websites in Norway irrespective of category.

Total operating revenues in 2012 amounted to NOK 1,920 million. Revenues from digital products increased by 26 percent, and were driven by positive trends in mobile advertisements and web TV.

Average newspaper circulation was 188,353 copies (-11%).

MEASURES AND CHANGES

- VG Helg was relaunched on glossy paper
- VG Sport was upgraded and relaunched
- 'Dyrebar', a new club concept (animals), was introduced
- VG Direkte, a brand new service for reporting news events in real time

AWARDS

- Picture of the Year: 1st prize: 'Sport action' (Helge Mikalsen); 1st prize: 'Mennesker' (Terje Bringedal); 1st prize: 'Video Nyhet' (VGTV)
- Norwegian Media Businesses Association: National Website of the Year
- Norwegian Media Businesses Association: Web TV Story of the Year

OTHER BUSINESSES

SCHIBSTED VEKST

Schibsted Vekst invests in companies with potential of becoming market leaders, with a particular focus on digital marketplaces.

In 2012 the company's portfolio was strengthened by the launch of Lendo, a new marketplace for consumer loans in Norway, Husleie.no, a service for administrating tenancy agreements, and Ebok.no, a new digital marketplace for e-books.

Schibsted Sverige has previously successfully launched Lendo. Ebok.no will be relaunched in 2013. Schibsted Vekst now has a presence in the following markets: consumer loans, rental of private accommodation, dating, e-books, and self-service advertising.

SCHIBSTED TRYKK

Schibsted Trykk is an umbrella company for Schibsted's five printing houses in Oslo, Bergen (two), Stavanger and Kristiansand.

Falling volumes and circulation figures characterize the print newspapers, and the overall market in Schibsted Trykk's business area has declined. Schibsted Trykk has nonetheless shown growth compared to 2011 and increased its market shares.

A cooperation agreement between Schibsted Trykk and Polaris Trykk ensures nationwide solutions and shorter transport routes for customers.

SCHIBSTED FORLAG

Schibsted Forlag is Norway's fourth-largest publishing house.

It has consolidated its commitment to the digital market, and most books are now also released in digital format. Together with Schibsted Vekst, Schibsted Forlag has acquired Ebok.no. The reason for this acquisition is to compete in the fast-growing digital book market.


AFTONBLADET
Nyheter Sport Nöje Väder
BARNAMORDEN
15.30:
Mamman
begärs häktad
Ladda ned appen!

Schibsted Sverige

- Schibsted Sverige's leading position in the Swedish digital media sector was consolidated.
- Aftonbladet's advertising revenues for online higher than for print.
- Rapid growth in mobile traffic.

SCHIBSTED SVERIGE MEDIA HOUSE (NOK million)	2012	2011
Advertising revenues, print	719	805
Circulation revenues, print	1,469	1,592
Other revenues, print	77	91
Online revenues	1,384	1,215
Other revenues	(111)	(92)
Operating revenues	3,538	3,611
Gross operating profit (EBITDA)	429	445
Operating margin (EBITDA)	12%	12%

Schibsted Sverige comprises three key business areas: Aftonbladet (single-copy print newspaper and online newspaper), Svenska Dagbladet (morning print newspaper and online newspaper) and Schibsted Tillväxtmedier (a portfolio of internet-based growth companies).

The growth rate in operating revenues was minus 2 percent. Cost trends have been positive since the profitability measures that were announced in the autumn of 2011 have taken full effect in 2012.

Schibsted Sverige is in the middle of a structural and economic change in print news press, combined with a focus on growing the digital business revenues, both from online news media and growth companies. In 2012 the Swedish market was also affected by a modest macroeconomic development.

A strong online revenue growth is made possible by Schibsted Sverige's leading market position in online traffic. Schibsted Sverige has earned top rankings in terms of average weekly traffic in web, mobile and apps throughout the year. Schibsted Sverige has as much digital traffic from mobile phones alone as the closest competitor has had from all its channels combined (web, apps and mobile).

During 2012 Schibsted Sverige has worked to strengthen the platform for future digital growth. Internal resources have been focused on implementing a group-wide online advertising system, launching a centralized sales unit (Schibsted Sales), enhancing the strategic position in web TV, and continuing to invest in the Personal Finance area.

AFTONBLADET

- One of the world's first media houses to achieve greater advertising revenues in online media than in print media.
- The organization was restructured to give priority to digital platforms.
- Heavy commitment to competence development of all employees.

AFTONBLADET (SEK million)	2012	2011
Operating revenues	2,168	2,239
- of which print newspaper	1,621	1,776
- of which online newspaper	547	463
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	312	310
- of which print newspaper	170	199
- of which online newspaper	142	111
Operating margin (EBITDA)	14 %	14 %
Advertising volume (column meters)	*17,725*	*18,328*

Aftonbladet is Sweden's leading news media in all channels: print, web, mobile and web TV.

Revenues from online products increased by 18 percent, while revenues from print decreased by 9 percent. The volume of print advertising was reduced by 3 percent.

Aftonbladet continues to lead the way in the media industry's structural reorganization, and is working hard to address readers' changing media habits. Throughout 2012 Aftonbladet has retained its position as market leader on all platforms: print, web, mobile and web TV. The total reach of Aftonbladet's products is increased.

The trend in mobile is rapidly increasing. Aftonbladet's mobile website is Sweden's second-biggest news website, second only to Aftonbladet's own website, aftonbladet.se. (Source: Orvesto Konsument, KIA Index.)

MEASURES AND CHANGES

- Redesign of print newspaper and online
- Further development of Aftonbladet's digital payment service Plus, which at year-end had aprox. 160,000 subscribers
- Launch of Tipsa! – a tip-off portal that also provides the possibility to interact with readers
- Launch of Hannah & Amanda - a multi-media product on web TV, blog, and a magazine for a young, urban, female target group
- Launch of Paolos Mat, a magazine for food enthusiasts

AWARDS

- Grand Journalism Award: Storyteller of the Year: Carina Bergfeldt
- Newspaper of the Year: Digital Medier
- Guldmobilen: News Service of the Year
- Sports Journalist of the Year: Erik Niva

SVENSKA DAGBLADET

- Successful launch of nliv.se, Sweden's biggest online business service
- 400 percent increase in traffic on the mobile news website
- Svenska Dagbladet is now the largest online morning paper in Sweden
- Reorganization of editorial department to improve adaptation to digital production

SVENSKA DAGBLADET (SEK million)	2012	2011
Operating revenues	1,087	1,148
- of which print newspaper	1,020	1,102
- of which online newspaper	67	46
Gross operating profit (EBITDA) before share of from associated companies	59	87
- of which print newspaper	42	79
- of which online newspaper	17	8
Operating margin (EBITDA)	5 %	8 %
Advertising volume (column meters)	*22,780*	*24,796*
Circulation weekdays (copies)	*174,400*	*185,600*

Svenska Dagbladet is a subscription-based, national newspaper with a particularly strong position in the Stockholm region.

Revenues from digital products increased by 46 percent. The volume of print advertising was reduces by 8 percent, while Svenska Dagbladet increased its volume shares in the advertising market.

Average newspaper circulation was 174,400 copies (- 6%).

Svenska Dagbladet implemented several measures to adapt to the new media world. This included the launch of a new vision based on extensive branding work in which all the employees were involved.

MEASURES AND CHANGES

- Extensive redesign of the business content online
- Successful relaunch of SvD Magasinet. Consolidated position in the homes market
- SvD Insikt, a social affairs magazine for iPad, was closed because of poor profitability

AWARDS

- Grand Journalism Award: Innovator of the Year: Olle Zachrison, Carolina Neurath, Jan Almgren, Mark Malmström, Peter Grensund and Ola Henriksson
- Grand Journalism Award: Lukas Bonnier's Grand Journalism Award: Inger Atterstam
- Guldspaden (best investigate journalism): Jan Almgren, Jonas Fröberg and Ola Wong
- Newspaper of The Year (Innovator of the Year): Olle Zachrison, Carolina Neurath, Jan Almgren, Mark Malmström, Peter Grensund and Ola Henriksson

SCHIBSTED TILLVÄXTMEDIER

- Now owns more than 20 internet-based companies
- Personal Finance was reorganized as a separate business area
- Small and medium-sized enterprises represent the new focus area

SCHIBSTED TILLVÄXTMEDIER (SEK million)	2012	2011
Operating revenues	1,000	897
- of which Hitta	348	343
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	124	124
Operating margin (EBITDA)	12 %	14 %

Schibsted Tillväxtmedier owns and invests in Swedish internet-based growth companies. The brands behind the company's digital marketplaces and consumer services have very strong positions, and the services generate heavy traffic, both alone and through broad cooperation between Schibsted-owned websites.

The largest services are: Hitta (search engine), Lendo (consumer loans) and Prisjakt (price comparison).

Operating revenues increased by 11 percent.

All the companies have shown positive trends in the Personal Finance segment. During the year the companies have intensified work on creating synergies in both product development and sales. This segment currently contains services for consumer loans, insurance, energy, and mobile services, among others. Mobilio.se, a service for mobile phones and mobile subscriptions, was launched in 2012.

A new area of commitment for Tillväxtmedier is small and medium-sized enterprises and their need for digital marketplaces and recruitment of new customers. Hitta.se will be at the core of this area of commitment.

MEASURES AND CHANGES

- New investments in e-commerce and digital marketplaces
- Acquired Fakturabörsen.se, an auction site for buyers and sellers of invoices

Media Houses International

- Challenging situation for the free newspapers in France and Spain
- Significant restructuring in spanih market, reduction in the number of local editions

MEDIA HOUSES INTERNATIONAL (NOK million)	**2012**	**2011**
Operating revenues	939	1,004
Gross operating profit (EBITDA)	(3)	38
Operating margin (EBITDA)	(0%)	4%

In 2012 Schibsted's media houses outside Norway and Sweden were affected by both structural changes and the financial unrest in Europe. Extensive measures were made to both products and costs to address these challenges, especially in Spain.
Operating revenues decreased by 6.5 percent.

Media Houses International comprises the free newspapers that go under the name of 20 Minutos in Spain and 20 Minutes in France, and Eesti Meedia Group, comprising businesses in the Baltics.

Operating revenues decreased by 7 percent.

20 MINUTES (FRANCE)

- Negative trend in the French advertising market
- Positive operating result despite reduced revenues
- Consolidated its position as France's most-read newspaper

20 MINUTES (France) (EUR million)	2012	2011
Operating revenues	58.4	60.6
Gross operating profit (EBITDA)	1.5	2.5
Operating margin (EBITDA)	3%	4%

In 2012 the 20 Minutes newspaper was launched in eight new cities and is now distributed in a total of 40 French cities. 20 Minutes (print and digital) is read by 12.7 million people every month; an improvement of 7 percent on the previous period (July 2011- June 2012 versus Jan-Dec 2011). Schibsted's ownership interest is 50 percent.

Advertising revenues in France in 2012 generally fell, by 8 percent for all the newspapers and by 4 percent for the free newspapers.

New apps were launched, which resulted in a notable increase in readership on mobile platforms. The number of page views on mobile was higher than on desktops.

MEASURES AND CHANGES

- Measures were implemented to improve finances. These included recruitment freezes and a focus on distribution costs and paper prices
- New senior management

20 MINUTOS (SPAIN)

- The only big free newspaper in Spain; two competitors were closed
- Significant cost reductions
- The number of local editions was reduced from 15 to eight

20 MINUTOS (Spain) (EUR million)	2012	2011
Operating revenues	17.4	22.3
Gross operating profit (EBITDA)	(6.9)	(3.6)
Operating margin (EBITDA)	(40%)	(16%)

20 Minutos is Spain's second-most-read general newspaper, with a daily readership of 2.1 million on weekdays. The newspaper is published in eight local editions and covers Spain's largest cities.

The weak Spanish newspaper market has made it necessary to implement significant cost reductions. 20 Minutos is a part of Schibsted's ongoing program of change.

One measure was to close seven local editions. The numbers of copies and readers were consequently reduced. The newspaper has therefore gone from being Spain's most-read to second-most-read newspaper. At the same time, the biggest competitors among the free newspapers closed in 2012.

MEASURES AND CHANGES

- Carrie & Serena's – a website for women, was launched in July 2012
- Separate online news sites for Mexico and USA were launched in December 2012

EESTI MEEDIA GROUP

- Implemented rebranding of Postimees with new design for online newspapers and print editions
- Profitable growth for Russian language print products
- Leading position among regional newspapers in Estonia

EESTI MEEDIA (EUR million)	**2012**	**2011**
Operating revenues	78.9	75.6
Gross operating profit (EBITDA)	6.0	7.5
Operating margin (EBITDA)	8%	10%

Schibsted owns several companies in Estonia, Latvia and Lithuania. The companies are organized through the holding company Eesti Meedia Group, and comprise Estonia's biggest TV company, with Kanal 2, Kanal 11 and Kanal 12, the national newspapers Postimees and Õhtuleht and the Kroonpress printing house, among others.

This market is also showing notable growth in the use of mobile platforms.

Ühinenud Ajalehed is the leading local media company, with five regional newspapers, and in 2012 it entered the magazine market by launching two free newspapers.

The Kroonpress printing house is implementing environmental measures.
On Greenlineprint.com, which was launched at the end of 2012, a calculator for calculating emission values for products was introduced. Electricity is for the most part supplied from renewable resources.

MEASURES AND CHANGES

- Took over and transformed the free newspaper Linnaleht
- Ühinenud Ajalehed – local newspapers and new portal
- New subscription solution that includes payment for online use
- Launched the auto site Autoplius in the Baltics

Social responsibility in Schibsted Media Group

Schibsted Media Group's mission is "Empowering people in their daily life". We empower people with news and opinions, by providing transparent and secure market-places and by defending freedom of the press and editorial integrity.

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

The values that shall support our mission and vision are:
- We have integrity
- We are innovative
- We are a team
- We are here to win

Schibsted Media Group's social responsibility is closely linked to our mission, vision and values. As such, acting socially responsible is connected to our daily business activities, our stakeholders and our responsibility for people, environment and society that are affected by our business. Social responsibility in Schibsted Media Group is defined as the responsibility of our entities for their impacts on society. The aim of our social responsibility is to maximize the creation of shared value for our shareholders, for our other stakeholders and the society at large in addition to identify, prevent and mitigate our possible adverse impacts on our stake-holders and the society at large.

In 2011 Schibsted became a member of the Nordic Media CSR Forum with the aim of setting the stage for corporate social responsibility in the media sector. For more information and the Forum's activity report for 2012 – please see www.nordicforum.org.

Schibsted Media Group's social responsibility also encompasses important principles relating to human rights, employee rights, environment and anti-corruption. Schibsted Media Group has been a member of the UN Global Compact since 2009 and continues to support and promote the ten principles of the Global Compact. Schibsted is also committed to comply with the OECD's guidelines for multi-national companies, which contain voluntary principles covering a variety of issues affecting companies' social responsibilities.

Our social responsibility agenda is designed around five main areas. These are further described in the following.

RESPONSIBLE BUSINESS

Trustworthiness and quality are essentials for a media group – our users must be able to trust our news and our products. We believe this contribute to empowering people in their daily life and thereby building more transparent societies.

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

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

Editorial governance
In 2011 the Schibsted editors' forum adopted a framework for editorial governance applicable for the group's publishing businesses. The framework enshrines the principle of editorial freedom and so explicitly defines it for the benefit of Schibsted's publishing companies in countries where this principle is not embodied in local law.

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

Annual Editorial Accounts
Schibsted's publishing businesses prepare annual editorial accounts and their reports are available on the group's website. The aim of the annual editorial reports is to increase transparency in our editorial activities. In the report, the editors-in-chief present a yearly State of the Union article, describing editorial goals, challenges and results during the past year. Each editor-in-chief presents the report once a year to the board of each media house. The report will not be regarded as a subject for the board decision, due to the principle of editorial independence. The editor-in-chief may however answer questions about matters of interest regarding publishing and journalism. The Group's annual editorial report will likewise be presented to the Group Board once a year by the president of Schibsted's Editors Forum. Please see www.schibsted.com for the annual editorial reports.

The changing media landscape

During 2012, the use of mobile platforms for consumption of news exploded. Our media houses will lead the way in modern media consumption and we put the audience at the heart of everything we do. All our media houses have during 2012 focused on digital development and have reviewed their product portfolio to ensure the relevance to the audience. Our media houses provide content through multiple channels giving everyone an opportunity to use media. The strength of the online news reporting is in providing breaking news that evolves as the day goes on. On the web and mobile platforms, journalistic decisions must be made in a fraction of the time available in traditional media; however the quality and credibility of the content cannot be jeopardized.

Even if the media landscape is changing, the role of the media is still the same. By illuminating and facilitating discussions of critical aspects in the society, media is moving the society forward. One of the most powerful strengths of the media is the ability to effect change. With new digital platforms, Schibsted believes that the work of our media houses may be performed even better. The digital revolution gives new opportunities for live reporting and involving our readers in the news coverage. The quality of information published is higher due to more diverse techniques for storytelling, e.g. through web TV. Mobile platforms also makes it easier for readers to give feedback to the media houses and our journalists are even more conscious regarding quality of content and transparency as the journalists themselves may be part of the online debate.

Digital journalism involves readers and users in new ways. As an example, in 2012 VG published an article online where the journalists had mapped the stories of 40 Norwegians that had their life ruined due to wrong medical treatment or failure in National Health Service. In the online article, VG invited their readers to publish their own stories related to this topic. VG's readers told approximately 100 stories and even if these stories are subjective, the sum of stories tells something about a part of the National Health Service that is important to illuminate.

In all our media houses, articles published on online platforms are open for comments from readers. Most of our media houses require people to be logged in through e.g. Facebook, Twitter, Google to be able to comment on articles. This is to prevent harassment, threats and hateful comments. The media houses have moderators monitoring the debates and removing comments considered as inappropriate.

In addition to traditional news reporting, our media houses have also created several new meeting places for our users – places where they can share knowledge and experiences with other users.

Classifieds sites

Schibsted Media Group is a large player in the classifieds market. Our classifieds sites are marketplaces that enable transactions of goods between individuals. In several of our markets, the classifieds sites have become a "people's movement" where secure and simple solutions creates new possibilities for the consumers. In our mature markets, the users add value to the marketplace through inventing new ways of trading. The marketplaces are simple, practical and right next door bringing a personal relationship between buyer and seller. Our online classifieds sites are also considered as portals for consumer's retrieval of information. Consumers are using our marketplaces to search for relevant information to use in their daily life. Our marketplaces empower people to help each other in useful ways and thus fit perfectly with the Group's mission.

As an example, in 2012 approximately 300,000 new job ads were posted on our job classifieds site in Spain in 2012. With the high unemployment rate in Spain, this service contributes to helping people find a job in a tough job market.

All the online marketplaces operate under a set of rules to prevent both fraud and advertisement of illegal and unethical goods. Manual and automatic ad reviewing processes are in place locally to ensure that weapons, drugs and other illegal or counterfeit items are not advertised on the sites. All sites also have a zero-tolerance policy against pornography and prostitution.

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

Transparency in consumer services
Schibsted Media Group has launched new services that contribute to increased transparency in the fields of consumer services. The services are easy to use and an efficient way for consumers to compare different service providers. An example is Lendo – a marketplace for consumer loans in Sweden and Norway. When a customer submits an application for a consumer loan through Lendo, the consumer will receive offers from several banks making it easier to compare the terms and then choose the bank with the most favorable terms. In 2012, Lendo Sweden and Sweden's central bank ("Riksbanken") started a joint study to better understand how an online marketplace for consumer loans is affecting the competition within the industry for consumer loans. The study will also look into how increased transparency in such a market affects the household's borrowing costs, availability of credit and the behavior of the banks and the households.

Penger.no is another example of a service increasing transparency. The free online service will make it easier for Norwegians to find a mortgage loan online. This is the first time the Norwegian bank community is gathered on one website. Consumers can obtain offers from up to three banks at the same time.

GOVERNANCE

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

The Tinius Trust
The Tinius Trust was founded by Schibsted's previous largest owner, Tinius Nagell-Erichsen. "The ownership must uphold the freedom and independence of Schibsted's media services", said Tinius Nagell-Erichsen. His justification for setting up the trust was to consolidate his ownership interest in the Schibsted group so that the ownership can create confidence that Schibsted's newspapers and other media outlets would always be able to maintain their position as free, independent outlets. Tinius wanted to use his influence to protect Schibsted as a group with free and independent editors, characterized by trustworthiness and quality in conjunction with a long-term and healthy financial development.
He also wanted to ensure that the group's publications would uphold values such as freedom of religion, tolerance, human rights and democratic principles. This is also embedded in the objectives of the trust set out in its regulations.

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

ENVIRONMENT

Schibsted Media Group aims to ensure that protecting the environment becomes an integral part of daily activities across the group.

Classifieds

Schibsted Media Group is a large player in the market for re-use of products through our online classifieds sites. Our marketplaces extend the economic life cycle of a range of products and contribute to reducing the need for manufacturing new products, thus alleviating the pressure on critical resources. In 2012 approximately 200 million ads were posted on our largest classifieds sites (Blocket, FINN, Leboncoin, Subito, Willhaben, Segundamano), an increase of more than 20 percent from the year before. Our largest classified sites each facilitate the exchange of millions of used items per year, at a value of several billion Euros.

In 2012, Blocket started an environmental study together with the Swedish Environmental Research Institute (IVL). The aim of the study is to look into Blockets environmental effects. The study is to be completed during 2013.

Media houses – printing plants

All companies in Schibsted Media Group operate within the scope of applicable environmental regulations. Schibsted currently owns six printing plants: one in Oslo, two in Bergen, one in Stavanger, one in Kristiansand and one in Estonia. Our newspaper production processes are digital all the way to the printers. The printing business is essentially a relatively clean industry. If polluting chemicals are used, the processes take place in closed systems. Source separation processes have been introduced for almost every type of waste. Schibsted Norge Trykk in Oslo now separates as much as 99 percent of its waste. Special waste is collected by approved transport companies and the general volume of waste has been significantly reduced. Waste paper, cardboard, waste products from paper reels and undistributed newspapers account for as much as 96 percent of the total waste volume.

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

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

In Sweden newspapers print the main part of their circulation with the printing supplier V-TAB. V-TAB operates a system for environmental and quality control and most of their printing plants are certified under ISO 14001:2004 and ISO 9001:2000. Close to all of their printing plants have been granted licenses by the Nordic Eco label in Sweden to use the Swan Eco label on all the print items they produce.

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

Schibsted's newspaper companies in Norway, Sweden, Spain and France arrange for the collection of unsold/uncollected newspapers for recycling.

Property

Schibstedhuset (Kungsbrohuset) in central Stockholm, is one of the world's most advanced office buildings so far as energy efficient solutions and materials are concerned. Energy consumption is a third of what is usual for equivalent buildings. Surplus energy is obtained by recovering excess body heat produced by the 200,000 commuters that pass by the Central Railway Station every day. Cooling comes from Lake Klara (a canal in central Stockholm).

Carbon disclosure project

Every year, Schibsted performs a survey of emissions of greenhouse gases in our main subsidiaries. The result of these surveys forms the basis of reporting to the Carbon Disclosure Project. For more information on the Carbon Disclosure Project, please refer to www.cdpproject.net

HUMAN RIGHTS/-LABOR RIGHTS

Schibsted supports and values international human rights principles and is working to ensure that the group is not involved in any breaches of human rights. An important element in this is the right to freedom of expression.

Schibsted Media Group recognizes our employee's right to freedom of association and collective negotiations, and facilitates election of employee representatives. Schibsted also recognizes the International

Labor Organization's fundamental conventions and national legislation on labor standards. Schibsted has a zero tolerance of forced labor and child labor across the Group and managing this risk is on our agenda.

The companies' working environment committees are continuously striving to facilitate a good working environment and thus minimize the chances of employee discrimination in the workplace.

Employee representations

Employee representations are safeguarded in several ways. The main arenas for employee representation are listed below. For further information, please refer to www.schibsted.com.

1. Employee representatives on the Board- as of today, the Board consists of 10 members where of three are employee representatives. The employee-elected representatives are elected for two-year terms.
2. Group employee representatives – currently Schibsted has 4 full-time Group employee representatives. Their task is to safeguard the interests of all employees in relation to Schibsted in cases dealt with at Group level.
3. Schibsted European Work Council (EWC) -the EWC is intended to be a forum for information, dialogue and consultation between employees and the group management. The EWC currently consists of 34 representatives elected by and from the employees. The EWC meets twice a year.

Equal opportunities

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

Code of Conduct

Schibsted Media Group has prepared a common Code of Conduct that shall apply to all employees within Schibsted Media Group, including entities in which we own more than 50% of the voting rights. Where Schibsted Media Group does not exercise such control, the board members appointed by Schibsted shall promote the main principles outlined in the Code of Conduct.

The Code of Conduct shall serve as a guide for each individual employee's daily business interactions and clarifies the Group's standard for proper behavior on a number of subjects. The Code of Conduct clearly supports the Group's value of integrity. For further information, please refer to Schibsted Media Group's Code of Conduct.

Whistle blowing

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

There are a number of channels available for reporting of compliance concerns, one of them being the Schibsted Media Group Speak-up system. The Speak-up system is a last resort for reporting compliance issues and offers anonymity for the reporter but also the possibility of having a dialogue with an anonymous reporter. Reports may be made in the reporter's native language. The handling of reported compliance concerns through the speak-up system is outsourced. For further information, please refer to Schibsted Media Group's Code of Conduct.

ANTI-CORRUPTION

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

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

MAIN ACHIEVEMENTS ON SOCIAL RESPONSIBILITY IN 2012

The Schibsted Media Group Annual Editorial Report
In April 2012 Schibsted Media Group presented its first annual editorial report. The report focuses on the standards of journalism throughout the Schibsted Media Houses across Europe. The aim of the report is to increase transparency in our editorial activities. We firmly believe that increased transparency in journalism and journalistic methods will give strength to credibility and public trust in media. In the Group report, the editors-in-chief will present a yearly State of the Union article, describing editorial goals, challenges and results during the past year. For more information – please refer to the Annual Editorial Report 2011.

The Schibsted Media Group Code of Conduct
One of Schibsted Media Group's core values is integrity. Integrity has always been a vital part of how we do business as it is decisive for maintaining the trust on which a media organization depends. Schibsted Media Group has for many years demonstrated and continues to demonstrate that we uphold high standards of integrity; however we must always ensure that we stay alert and continuously focus on delivering results with integrity. We shall continue and strengthen our efforts in being recognized as a media group with a strong commitment to operating with integrity.

In December 2011 the Group Board passed the Schibsted Media Group Code of Conduct. In 2012 the focus has been on implementing the Code of Conduct throughout the Group. Through the way we interact with each other, our customers, suppliers and users, we are building Schibsted Media Group's reputation as a media group with high integrity. Schibsted Media Group's Code of Conduct shall serve as a guide for each individual employee's daily business interactions and clarifies the Group's standard for proper behavior.

In connection with the implementation of the Code of Conduct, we have also implemented a new reporting channel for raising compliance concerns. The Schibsted Speak Up is a web and telephone based tool for reporting compliance concerns in Schibsted Media Group. The reporter may be anonymous. The handling of reports reported through Schibsted Speak Up is outsourced.

A SELECTION OF THE ACHIEVEMENTS OF OUR SUBSIDIARIES IN 2012

20minutos – launching El diari amic, a charity periodical
Around New Year 2012, 20 minutos in Spain launched "El diari amic" – a periodic publication dedicated to social solidarity institutions in Catalonia. The publication is inserted into the newspaper every 15 days. The volunteers from the NGOs make the content, explaining their job. The publication is organized and supervised by 20 minutos editors. 20 minutos offers a 50% discount for choosing to run ads in this charity publication. 20 minutos also donates 5% of the advertising revenues from the charity publication to social projects.

VG awarded for involving readers online
After the 22 July 2011 terrorist attacks in Norway, VG launched a campaign inviting the public to 'hold hands' online. The campaign invited members of the public to write their name and nationality below a small figure which would then 'hold hands' with others who had signed their names immediately before and after. The response was overwhelming; 1.4 million people from over 200 countries 'held hands' via the website.

In 2012, VG was awarded the XMA Cross Media Award in recognition of the way it involved readers after 22 July. The Hold Hands campaign was highlighted as a good example of a successful initiative.

Aftenposten – launching Aftenposten junior
Aftenposten Junior, Norway's only newspaper for kids, was launched in 2012. 2,500 subscriptions were already sold a week before the first issue was out.

In fact, kids themselves have been vital in putting together the newspaper. A group of children evaluated the dummy, commented on the layout, content, size of the photographs and colors and, last but not least, helped choose the name. All together more than 200 children have in one way or another made themselves heard in regard to the newspaper and what it should be. The result is a 24-page paper that includes news, sports, science, scientific experiments, items about animals, a question and answer section, food and comics. Compared to most newspapers, the font is larger, there are more photographs, the use of color is more extensive and the paper is thicker – all according to the children's specifications.

In January 2013, the Norwegian Refugee Council honored Aftenposten junior with the Perspektiv Award for 2013. NRC's Secretary General Elisabeth Rasmusson gave the following justification for the award: *"Aftenposten Junior gives children key insights into global issues in an educational way. Conveying this kind of material in the right way is a challenge, and we are pleased to see that Aftenposten has taken it on."*

FINN.no – Norway's best place to work
For the second consecutive year the Great Place to Work Institute has declared FINN.no to be Norway's best workplace in the Best Large Workplaces category. The results of the survey show that FINN has improved on all the main parameters since last year.

Infojobs – Spain's best place to work
In the category 100 to 250 employees, Infojobs has been ranked as Spain's best workplace by the Great Place to Work Institute. For the 6th consecutive year Infojobs.net is on the list of the 50 best places to work in Spain. This year they're very proud to be chosen as the best.

Happiness, transparency, respect, involvement and motivation form the basis of the workday and work environment of the employees of Infojobs.

20minutos.es - the first news site in Spanish to launch a free accessibility service for people with disabilities
For many people with physical or sensory disabilities reading digital information on a computer can include troublesome obstacles, such as visualizing the information, using the keyboard or moving the mouse.
In 2012 Schibsted Media Group's Spanish online news site launched its accessibility service. 20minutes.es is the first online news site in Spanish that provides a free real-time service that resolves many of the problems that disabled people encounter when navigating the Internet. Only in Spain an estimated 3,8 million people have some kind of disability. Now, 20minutes.es is accessible to everybody. Thanks to the intelligent interface, and without installing additional software or hardware, disabled users of 20minutos.es can choose between three types of navigation:

- The keyboard – aimed at people with visual impairments
- Dialogue – aimed at users reduced mobility, who can navigate by the use of their voice
- Sound – for those with vocalization problems, who can read the web by the use of breath or sounds

Leboncoin – recognized as a people's movement in France
In January 2013, the renowned French newspaper, Le Monde, published an extensive article on the tremendous success of Schibsted's French classifieds site Leboncoin. After only 6 years, Leboncoin has become the second most popular website in France measured in time spent on site. It has more than 17 million unique visitors every month, and more than 3.6 million people visit the site every day. Seven new ads are added every second, currently totaling 21 million ads altogether.

"Leboncoin has not only become the first site in terms of sales of physical items: It is also a tool that has allowed citizens to invent new consumer and exchange practices. In the middle of an economic recession, many people have found new ways of earning their income by the help of Leboncoin." The media scientist Jacques Le Goff notes that: *"Leboncoin is the marketplace of the 21st century. It is an historic change and brings a personal relationship between buyer and seller. Thus, it empowers people to help each other in useful ways".*

Awards
Schibsted's media houses have in 2012 received several awards. For a full listing of received awards, please refer to the 2012 Annual Editorial Accounts to be published in April 2013.

Statement on Corporate Governance

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

Sound corporate governance involves transparency and trustful interaction among different stakeholders.

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

Corporate governance in Schibsted is subject to annual reviews and discussions by the Group Board. The content of this statement of corporate governance are reviewed by the Group Board.

Deviations from the Code of Practice
According to the Group's own evaluation, we deviate from the Code of Practice on two points:

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

Item 6 – General Meetings
There are two deviations on this point.

1) The entire Board is to be elected by the General Meeting. This deviates from item 6 of the Code of Practice stating that the General Meeting should be allowed to choose each candidate. For information on the reason for this deviation, refer to the Nomination Committee's Report.
2) The Chair of the Board is always present to respond to any questions. Other board members participate when needed.

1. CORPORATE GOVERNANCE REPORT

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

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

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

The values that shall support our mission and vision are:

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

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

Further description of our mission, vision and values can be found on our website www.schibsted.com.

A healthy corporate culture is essential to building and maintaining trust both internally and externally. Schibsted's Group Board has prepared a Code of Conduct for the Group. The Code of Conduct is a set of key ethical guidelines, which are intended to help increase awareness of and promote a continuing commitment to integrity among the Group's staff.

The Code of Conduct and a whistle-blower line with external reporting (Schibsted SpeakUp) were re-launched at the beginning of 2012. The Group's Code of Conduct is available on the Group's website. The Code of Conduct is subject to annual review.

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

Schibsted's social responsibility also encompasses important principles relating to human rights, employee rights, environment and anti-corruption. The Group's involvement in these areas are largely based on international initiatives that the Group has endorsed, including UN's policy initiative for business, Global Compact and OECD's guidelines for multi-national enterprises. We have taken steps to ensure that these principles are followed throughout our operations. The Group Board continues its work on preparing a strategy for how our companies may contribute to social responsibility in a broader perspective. Our subsidiaries have started several social responsibility initiatives that are integrated in the company's services and products.

For further information on the Group's corporate social responsibility, please refer to the section of social responsibility in the annual report or www.schibsted.com.

2.
BUSINESS ACTIVITIES

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

For Articles of Association please refer to www.schibsted.com.

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

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

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

3. EQUITY AND DIVIDEND

Equity

As at 31.12.12, the Group's equity is NOK 5,740 million, equal to an equity ratio of 37.4 per cent. The Group Board considers this equity level appropriate to the Group's objectives, strategy and risk profile.

Dividend policy

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

Purchase of own shares

In order to have flexible capital management, the Group Board has requested the General Meeting for authorization to repurchase the Group's own shares. Such an authorization is granted by the General Meeting for one year at a time. At the Annual General Meeting in 2012, the Group Board was authorized to repurchase own shares in accordance with the Norwegian Public Limited Companies Act. The authorization states certain terms and conditions:

a) The authorization is valid until the next Annual General Meeting of Schibsted ASA in 2013 (i.e. until no later than 30 June 2013).
b) The total nominal value of the shares acquired under this authorization may not exceed NOK 10,800,361.
c) The minimum amount that can be paid for a share is NOK 30. The maximum amount that can be paid for a share is NOK 500.
d) The Board is free to decide the acquisition method and possible later sale of the shares.

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

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

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

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

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

Article 7 states that important decisions relating to the Group's key companies are to be submitted to Schibsted's shareholders for their approval. According to the wording of this provision, any amendments to the Articles of Association or any sales of shares or operations or corresponding transactions in any subsidiary are to be submitted to Schibsted's General Meeting for approval, provided these are not intercompany transactions, which are exempt in their entirety. Through annual resolutions, the General Meeting can authorize the Group Board to manage further specified parts of the protection, which is inherent in this provision. Such an authorization was granted at the 2012 Annual General Meeting and applies until the next Annual General Meeting. The authorization granted in 2012 states *"Pursuant to the third paragraph of Article 7 of the Articles of Association, the Board of Directors is authorized to make decisions on the following matters referred to in the second paragraph, litra a of Article 7 of the Articles of Association:*

a) Voting relating to amendments to subsidiaries' Articles of Association.
b) Decisions to sell shares or operations, including private placements, mergers or demergers, in subsidiaries when the net payment (sales amount, merger or demerger payment, etc.) does not exceed NOK 1 billion after financial adjustments.

Within the framework of the Group CEO's general authorization, the Board of Directors may delegate its authority pursuant to this authorization to the management.

A director appointed pursuant to the second paragraph of Article 8 of the Articles of Association may demand that certain matters which are covered by this authorization are nonetheless to be submitted to the General Meeting for its decision."

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

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

Transactions with close associates
In 2012, the Board determined that there were no transactions between the Company and shareholders, members of the Group Board, executive personnel or close associates of any such parties that could be described as material transactions and as such requiring valuation from an independent third party.

5.
FREELY NEGOTIABLE SHARES

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

Schibsted has introduced a performance-based share purchase program (the LTI program) for a large group of managers. The LTI program provides settlement in Schibsted shares. There are some restrictions on the sale of shares distributed through the LTI program. For further information, please refer to the Declaration on management remuneration.

6. GENERAL MEETINGS

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

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

Notice

The Annual General Meeting for this year is scheduled for 30 April 2013. The notice calling the general meetings and the documents to be considered at the general meeting is available on Schibsted's website at the latest 21 days before the general meeting. Shareholders not registered as electronic recipients will receive the notice per mail and be notified that documents to be considered at the meeting are available on our website. The deadline for registration is two working days before the general meetings.

Participation

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

Shareholders that cannot attend the general meetings but wish to exercise their voting rights may authorize a proxy by the deadline for registration. An authorization containing voting instructions may also be given to the chair of the Group Board. The authorization form to be used is enclosed in the notice calling the meeting. Further information on the use of an authorization and a shareholder's right to have issues dealt with by the General Meeting is stated both in the notice calling the general meetings and on Schibsted's website.

In 2012, the Annual General Meeting was held on 11 May. A total of 21 shareholders were present or represented by proxies and thus 55.92 per cent of the aggregate share capital was represented.

Agenda

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

The entire Board is to be elected by the General Meeting. This deviates from item 6 of the Code of Practice stating that the General Meeting should be allowed to choose each candidate. For information on the reason for this deviation, refer to the Nomination Committee's Report.

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

7. NOMINATION COMMITTEE

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

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

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

The composition of the Nomination Committee
The Nomination Committee is elected by the General Meeting for two years at a time and consists of three members. The General Meeting elects the chair of the Nomination Committee. The majority of the Nomination Committee is independent of both the Group Board and Schibsted's management. The CEO and chair of the Group Board attend Nomination Committee meetings as required, normally once or twice a year. Schibsted's Head of Legal Affairs carries out the secretariat function for the Nomination Committee.

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

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

8. CORPORATE ASSEMBLY AND BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

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

The composition of the Group Board
According to Article 8 of Schibsted's Articles of Association, the Group Board should consist of six to eleven members plus any alternate members. The Group's employees will be represented on the Group Board by a number of employees in accordance with prevailing agreements with the company (the Representation Agreement).

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

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

The Group Board's shareholder members are elected for one year at a time while employee representatives are elected for two years at a time. According to article 8 in the Articles of Association any shareholder owning at least 25 per cent of the shares in the company is entitled to appoint a Board member directly. Blommenholm Industrier AS, which owns 26.1 per cent of the shares, is the only shareholder that has this right. At the General Meeting in 2012, Blommenholm Industrier AS exercised its right to directly appoint one director and gave notice that this person is Ole Jacob Sunde.

The Group Board has appointed a representative from Schibsted Editors' Forum as an observer. More information on the Editor's Forum can be found here.

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

The Group Board's independence
The Group Board's independence is described in further detail in the Nomination Committee's report.

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

The Directors' shareholdings are disclosed in note 12 of Schibsted ASA's annual report. Blommenholm Industrier is Schibsted's largest shareholder. The Board of Blommenholm Industrier consists of John A. Rein (chair), Ole Jacob Sunde and Per Egil Hegge. The Tinius Trust controls Blommenholm Industrier. The Tinius Trust board consists of Ole Jacob Sunde (chair), John A. Rein and Per Egil Hegge. Schibsted director Karl-Christian Agerup has been elected as Ole Jacob Sunde's personal alternate member on the boards of the Tinius Trust and Blommenholm Industrier. Ole Jacob Sunde is the chair of Schibsted's Group Board. John A, Rein is the chair of the Nomination Committe.

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

Director Christian Ringnes controls the company that rents offices to Schibsted's subsidiary Eesti Meedia in Tallinn.

Group Board meetings in 2012
In 2012, the Group Board held a total of eight meetings, of which one was a strategy meeting lasting for two days. In addition, some issues were decided per emails. The Board considers such a procedure justifiable when issues have previously been discussed in a Board meeting.
Meetings that are not on the meeting schedule may be attended by telephone.

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

Participation on the board meetings and board committees in 2012:

Participation in meetings	Board meetings	Audit committee meetings	Compensation Committee meetings
Ole Jacob Sunde	8/8		6/6
Karl-Christian Agerup	8/8	3/3 *	3/3 **
Marie Ehrling	8/8	3/3 **	3/3 *
Anne Lise Mørch von der Fehr	7/8		3/3 *
Gunnar Kagge	8/8		
Arnaud de Puyfontaine	5/5 **		
Eva Berneke	6/8	3/3 **	
Jonas Fröberg	4/5 **		2/3 **
Eugénie van Wiechen	4/5 **		
Christian Ringnes	8/8	6/6	

** until June 2012   ** new June 2012*

9. THE WORK OF THE BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

In order to strengthen and utilize the directors' expertise and experience relating to the Group's operations, Group directors may also be board members in the Group's subsidiaries. Currently, Karl-Christian Agerup is a board member in Aftenposten.

The Group Board's use of committees
Schibsted has established an Audit Committee and a Compensation Committee, which contributes to thorough preparations and discussions on matters covered by the committees' areas of work.

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

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

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

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

The CEO attends Committee meetings unless his own remuneration is to be discussed. The company's Head of Legal Affairs is the secretary of the Compensation Committee.

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

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

The Audit Committee prepares the Board's quality assurance of the financial reports. In addition, the committee monitors the Group's internal control system and risk management systems for financial reporting and assesses and monitors the external auditor's work and independence. As part of its work, the Audit Committee conducts reviews of the Group's main activities in which representatives of the Group management and local management also participate.

The Group's CFO and external auditor attend Audit Committee meetings on a regular basis. The company's compliance officer is the secretary of the Audit Committee.

The Committee was established in 2007. Members of the Committee at present: Marie Ehrling (chair), Christian Ringnes and Eva Berneke.

10. RISK MANAGEMENT AND INTERNAL CONTROL

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

Financial reporting

As a tool for managing the continuous follow-up and control of the Group's operations, the Board receives a thorough report on the Group's status from management. This includes the financial reporting of the Group's main figures, the status of business matters, financial market information and a status report on each business area. The Board has established routines for following up and governing the Group's ongoing projects. The establishment of an Audit Committee has strengthened this function in the Group.

The Audit Committee's main responsibility is to monitor the process prior to the closing of the financial statements and to follow up the internal controls over financial reporting. This takes place through reports from management and the external auditor. Schibsted's quarterly financial reports are reviewed by the Audit Committee and the Group Board. Apart from the normal examination of the figures, emphasis is also placed on reviewing discretionary assessments and estimates in addition to any changes to accounting practices.

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

Schibsted's Group Accounting has prepared financial and accounting manuals that are made available to all the subsidiaries via the group's intranet. These manuals describe reporting requirements, content, guidelines and deadlines.

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

Monitoring of risk management and internal controls within the company

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

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

A bottom-up and top-down risk assessment in the largest companies in our operating segments was conducted in the autumn of 2012. The result of this risk assessment has been reviewed at meetings with the Audit Committee and the Group Board.

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

To improve the quality of financial reporting in the Group, reduce vulnerability and streamline processes, two service centers were set up in 2010, one in Sweden and one in Norway. The service centers are intended to be skill centers, advisors and service providers within the finance, credit, invoicing and payroll functions and to support compliance with the laws and regulations which apply to the company relating to finance and tax. Most Norwegian and Swedish subsidiaries receive accounting services from the service centers. This arrangement using a common service center has been successful over time.

For further information on the Group's financial risk, refer to note 9 of the group's annual financial statements.

Ethics and social responsibility
Issues related to ethics and social responsibility fall within the remit of the compliance officer and the Group's legal department. A Code of Conduct for the Group has been prepared and was launched in 2012 together with a new whistleblower line with external reporting (Schibsted SpeakUp). The Code of Conduct will be reviewed annually. The Group's Code of Conduct is available on the group's website. The Group Board works further on crafting a strategy for how our companies may contribute to social responsibility in a broader perspective.

For more information on the Group's social responsibility, please refer to the section on social responsibility in the annual report or on www.schibsted.com

11. REMUNERATION OF THE BOARD OF DIRECTORS

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

If a payment has been made to directors in addition to the normal directors' fees, this is disclosed in note 27 of the group's annual financial statements.

For further information on remuneration to the Group Board, refer to the Nomination Committee's report and to note 27 of the group's annual financial statements.

12. REMUNERATION OF EXECUTIVE PERSONNEL

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

The company's declaration regarding the determination of salary and other remuneration to the management of Schibsted, gives an account of the main principles of the company's management remuneration policy, including the extent and arrangement of bonus and long-term incentive schemes. The declaration on management remuneration is discussed by the Annual General Meeting and made available to the shareholders on the company's website when the notice calling the Annual General Meeting is sent out.

13. INFORMATION AND COMMUNICATION

Dialogue with shareholders and the financial market
Communication with the Norwegian and international stock markets is afforded a high priority at Schibsted. Schibsted's dedicated and active management and investor relations department work on a daily basis with the financial markets to make sure that relevant and sufficient information hits the market at the right time and provides a basis for a correct pricing of Schibsted shares. The goal is to increase knowledge about the company, build trust in Schibsted in the investment market, achieve improved liquidity for our shares and create the basis for the correct pricing of the share. Openness, accessibility and transparency are fundamental to good relationships with investors, analysts and other players in the financial market. The Group Board is regularly updated on these activities.

The reporting of financial information
Schibsted aims to issue financial reports that investors can have confidence in. In accordance with its mandate, the Group Board's Audit Committee monitors the work on the company's financial reports.

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

The presentations in connection with the quarterly results are made available on the company's website. The complete annual financial statements and directors' report are made available on the company's website at least 21 days before the Annual General Meeting. The company's financial calendar is announced for one year at a time and published on the company's website.

Other market information
In accordance with the Norwegian Securities Trading Act and Stock Exchange Act, notifications are distributed to the Oslo Stock Exchange and national and international news agencies and are published on Schibsted's website.

Schibsted regularly arranges Investor days in order to present its strategy and other key development trends. Schibsted's Investor day was last held February 28th 2012. A video webcast of the entire event and the presentation material are available on the company's website.

In 2012 Schibsted was, for the second consecutive year, among the top three in the Stockman Awards. The Stockman Awards go to the listed companies in Norway that are best at providing the finance industry and shareholders with continuous information about their activities, and who also, based on principles of financial analysis, publish the best annual and quarterly reports.

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

14. TAKE OVERS

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

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

As referred to in item 3 of this statement, the Group Board obtained continuing authority to buy back the group's own shares in accordance with the Norwegian Public Limited Companies Act at the Annual General Meeting in 2012. The authority stipulates that the Group Board is free to determine the method of acquisition and any later sale of the shares and that the authorization may also be used to buy and sell shares in takeover situations. Section 6-17, second subsection of the Securities Trading Act allows the general meeting to grant the Board such authorizations. The Board's use of such authorizations is, however, restricted under item 14 of the NCBG's Code of Practice. The Group Board must consider the use of such authorizations in the context of the specific takeover situation. As referred to above, the Group Board has prepared guidelines for handling any take-over bids and the issue of using authorizations in company acquisition situations is highlighted as one of the Group Board's most important tasks if a take-over situation should arise.

15. AUDITOR

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

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

The Group Board's relationship with the external auditor
According to its mandate, the Audit Committee is responsible for ensuring that Schibsted is subject to an independent and effective external audit. The Audit Committee will evaluate the following factors relating to the external auditor each year:

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

The Audit Committee will submit a proposal to the Group Board and the Annual General Meeting regarding the approval of the external auditor's fee. For information on the fees payable to the external auditor for the 2012 financial year, refer to note 27 of the group's annual financial statements.

The external auditor presents a plan for the audit work each year. This plan is presented to the Audit Committee. The company's external auditor is present when the management presents the preliminary consolidated financial statements to the Group Board, and also when the final results are presented if appropriate. The external auditor also conducts an annual review for the Audit Committee of the company's internal controls, including identified weaknesses and proposed improvements. The external auditor regularly attends Audit Committee meetings and holds annual meetings with the Group Board at which the management is not present.

The external auditor attends the company's Annual General Meeting and comments on the auditor's report.

The external auditor's independence
The external auditor must under no circumstances perform advisory services or other services if these may affect or raise doubts about the auditor's independence. The Group has prepared guidelines on the relationship with the external auditor.

In the Group Board's view, the advisory services provided by the external auditor in 2012 do not influence the auditor's independence, but the Group Board is aware of the potential issues related to this. This issue is monitored by the Audit Committee. See note 27 for information on fees related to auditing and consulting.

16. OTHER KEY BODIES IN THE GROUP

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

Editors' Forum
The Group's international editors' forum is described in greater detail in the section on corporate social responsibility.

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

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

Importance is attached to continuous contact between employees across national boundaries. The Council convenes twice a year. The meetings last for three days and are attended by the CEO and management team the second day.

The Schibsted European Work Council currently comprises 34 representatives from seven countries who are elected by and among the employees. The Council is headed by Morten Lia, Group Employee Representative from Schibsted Norge.

Members of the Board

OLE JACOB SUNDE

CHAIRMAN OF THE BOARD

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

KARL-CHRISTIAN AGERUP

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

MARIE EHRLING

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

EVA BERNEKE

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

CHRISTIAN RINGNES

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

EUGÉNIE VAN WIECHEN

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

ARNAUD DE PUYFONTAINE

Member of the board in Schibsted since May 2012. CEO of Hearst Magazines UK and EVP Hearst Magazines International. Previously President of the 'Industry' Committee in Summit Conference on the Press, France; President, Mondadori France Group and CEO, Mondadori France magazines operations, France; CEO and Chairman, Emap France and Excelsior Publications, COO, Emap France and Managing Director, Emap Star, France; Managing Director, Publisher of the daily newspapers, Le Figaro Economie, Le Figaro Grande Ecoles and Le Figaro Défense, Le Figaro, France; OTC Project Manager, Rhone Poulenc Sante, Indonesia; Consultant, Audit & Consulting, Arthur Andersen, France. Board Memberships: Mondadori; Emap; Magazine Publishing Association APPM France; PPA UK, Magazine Union SPMI; Distribution Group NMPP; Aspen Institute; 24h00.fr, ecom-merce site; SGAM AI;'Le Cercle' and 'Dialogue Economique', France. Educated at the European School of Management, France in MBA, ESCP, ESCP (1988), Harvard Business School (2000).

GUNNAR KAGGE

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

Elected leader of the local journalist union 2007-2010. Board member of SKUP, NJ Schibsted and deputy board member of NJ. He is educated with a degree in history from the University of Oslo. All through school and studies he worked as a freelancer at Aftenposten, from 1975 and onwards.

ANNE LISE VON DER FEHR

Member of the board in Schibsted since May 2009. Reporter and subeditor at VG since April 2002. Elected leader of the board of the local journalist union in VG (2007-2010). Member of the European Work Council, Schibsted (2008-2010). Leader of Norwegian Journalists' local union within Schibsted (2008-2010). Deputy member of the board of VG AS (2007-2009). Reporter and subeditor Asker og Bærum Budstikke (2000-2002). Researcher at Holmgang, TV2 (1999-2000). Board member of the Foundation of Asker and Bærum Budstikke (2009-), deputy member (2007-2009). She holds a master degree in Political Science from the University of Oslo, has studied History of Literature and has an International Diploma in Journalism from England.

JONAS FRÖBERG

Member of the board in Schibsted Media Group since May 2012. With Svenska Dagbladet since 2006 as trade and industry reporter, chronicler and automotive editor. Reporter and web editor at the financial desk, Dagens Nyheter (2005-2006). Deputy Regional Director at Svensk Näringsliv (1999-2005). MSc in Political Science Umeå University 1997, BBA Handelshögskolan, Umeå University (1998), Bachelor of Arts in Business Administration, University of Derby England (1998). Studied cultural journalism, Umeå University (2005). Member of the board at Schibsted Sverige (2009-2012). Member of the board, Svenska Dagbladet (2009-). Elected member at Journalistklubben Svenska Dagbladet (2008-).

The Nomination Committee's report 2012

The Nomination Committee consists of John A Rein (chair), Gunn Wærsted and Nils Bastiansen. The Nomination Committee is elected for two years at a time and was re-elected for two years at the Annual General Meeting on 11 May 2012.

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

Based on the new Group Board representation agreement entered into in 2012, the Group Board consists of seven shareholder-elected directors and three directors elected by the employees. The leader of the Group's Editors Forum has been appointed as an observer to the Group Board.

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

As from 2012, the Group Board's working language is English.

Work of the Nomination Committee with recruitment for the Board

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

In the election period 2012-2013, the Nomination Committee has held 7 meetings, including interviews with board members and the CEO. As a basis for its work, the Nomination Committee has received a self-assessment conducted by the Group Board.

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

Based on the Group Board's self-evaluation and interviews with the CEO and Group Board members, it is the Nomination Committee's opinion that the Group Board is well functioning. Since the current Group Board has only functioned for one year, the Nomination Committee proposes that the present shareholder-elected directors are re-elected. Accordingly, the Annual General Meeting is invited to vote on the following directors at the Group Board for the period 2013-2014:

- Ole Jacob Sunde (Chair, Norwegian)
- Karl-Christian Agerup (Norwegian)
- Eva Berneke (Danish)
- Marie Ehrling (Swedish)
- Arnaud de Puyfontaine (French)
- Christian Ringnes (Norwegian)
- Eugenie van Wiechen (Dutch)

A more detailed presentation of the candidates is available at Schibsted's Web pages.

The Nomination Committee has considered whether there should be one ballot for each individual director instead of one for the entire Group Board. The Nomination Committee proposes one ballot for the entire Group Board, including the Chair. In the Norwegian Recommendation for Corporate Governance, one ballot for each individual director is recommended. Some shareholders have previously questioned Schibsted's practice. The Nomination Committee still believes that the entire Group Board should be elected as one body because an individual candidate's expertise and experience should be considered in connection with the board's overall expertise and requirements. Furthermore, the requirement of a gender balance on the Group Board complicates voting on each individual candidate.

The directors' independence

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

Group Board members' directorships for subsidiaries

The Nomination Committee is aware that some of the Group Board members also hold positions as board members in the Group subsidiaries. At the present time this only applies for Karl-Christian Agerup, who is a board member in Aftenposten.

The Nomination Committee does not consider the Group Board members less independent due to their directorships in subsidiaries. When considering this practice, the Nomination Committee puts emphasize on the fact that the majority of the subsidiaries' directors are not members of the Group Board.

The Group Board's Compensation Committee and Audit Committee

The Compensation Committee and Audit Committee are both elected by the Group Board for a one-year period. Both committees prepare matters for discussion and decisions in the Group Board.

The Nomination Committee acknowledges the need for the Group Board to be able to prepare complicated matters in committees. On a general basis, however, the Nomination Committee emphasizes the Group Board's overall responsibility for the assessments and decisions made, including matters prepared by the committees.

Compensation

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

The Nomination Committee considers the present compensation to Group Board members to be in line with market practice. The Nomination Committee is however of the opinion that the compensation as a rule should be adjusted annually, in order to achieve a more steady increase in the compensation, following the general wage increase in society.

An adjustment was implemented in 2012, mainly to keep up with the general wage increase in society. The Nomination Committee proposes to continue this practice, and proposes the following adjustments for the period 2013-2014. A comparison to the present compensations is set out in the table below:

All figures in NOK	2013-14	2012-13
a) Group Board members		
Chair	755,000	*730,000*
Other directors	325,000	*315,000*
Alternate directors	16,000	*16,000*
b) Members of the Compensation Committee		
Chair	87,000	*85,000*
Other members	57,000	*55,000*
(c) Members of the Audit Committee		
Chair	129,000	*125,000*
Other committee members	82,000	*80,000*
(d) Members of the Nomination Committee		
Chair, per meeting	16,000	*16,000*
Other members, per meeting	11,000	*11,000*

Based on a resolution passed by the Shareholders' Meeting in May 2012, a supplementary compensation up to NOK 100,000 may be granted by the Nomination Committee, to directors resident outside Oslo.

The Nomination Committee has decided to award the following supplementary compensations for the period 2013 – 2014: NOK 50,000 for Group Board members resident outside Oslo but in the Nordic countries, and NOK 100,000 for Group Board members resident outside the Nordic countries. The Nomination Committee proposes that the possibility to grant supplementary compensation up to NOK 100,000 is continued.

Shareholder information

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

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

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

THE SCHIBSTED SHARE - KEY FIGURES

	2012	2011	2010	2009	2008
Highest share price (NOK)	240	182.70	172.80	132.30	189.70
Lowest share price (NOK)*)	150.20	120	119.10	27.66	51.17
Share price at year end (NOK)*)	235.5	148.90	172.00	130.10	66.16
Earnings per share	1.73	7.00	27.04	4.74	(13.95)
Earnings per share - adjusted	8.41	8.76	9.72	4.42	2.79
Dividend per share	3.50**)	3.50	3.00	1.50	0.00
Average number of outstanding shares	107,026,293	106,020,714	103,337,507	83,256,121	64,969,763
Outstanding shares at year end	107,104,460	106,941,657	103,773,174	103,303,474	64,589,359

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

DIVIDEND AN BUY BACKS OF SHARES

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

The Board has decided to propose to the General Meeting on 30 April 2013 to pay dividend for 2012 of NOK 3.50 per share. Depending on the general meeting's decision, the dividend will be paid on 14 May 2013 to those registered as shareholders on the general meeting date.

The general meeting has authorized Schibsted's Board to buy back up to 10 per cent of the company's shares. The buy backs will take place in the market over time and must be seen in connection with Schibsted's dividend policy, investment opportunities and long-term views on its capital structure. The Board will ask the general meeting to allow the authorization for the coming period to also be used in an acquisition situation.
During 2012 no buy backs of shares were made.

SHAREHOLDER STRUCTURE

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

Schibsted's shares are freely marketable. The Company's Articles of Association are worded bearing in mind the Group's publishing responsibilities and role in society as a media company. Schibsted's independence and integrity are ensured through restrictions on ownership and voting rights in article 6 of the Articles of Association. No shareholder may own or vote at a general meeting for more than 30 per cent of the shares.

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

RETURN

The Schibsted share is listed on the Oslo Stock Exchange with the ticker code SCH. The share is among the most traded in Norway, and has been a part of the OBX index during 2012.

Sell side analysts in Scandinavia and in London cover Schibsted. At the year-end 2012, at total of 16 analysts had an official coverage of Schibsted, of which five were based outside Scandinavia.

In 2012, the Schibsted share produced a return for shareholders of 61.1 per cent, including dividend of NOK 3.50 per share (reinvested). In comparison, the Oslo Stock Exchange Benchmark Index (OSEBX) produced a return of 15.4 per cent.

SHAREHOLDERS

The number of Schibsted shareholders declined in 2012 from 5,275 to 4,869. At the end of 2012, 54 per cent of the Schibsted shares were owned by non-Norwegian shareholders (NWT Media AS accounted as a Swedish shareholder). One year earlier, this share was 48 percent. On average, 256,000 Schibsted shares were traded per day on the Oslo Stock Exchange in 2012. This is 11 percent fewer than in 2011. The turnover velocity in the Schibsted share on Oslo Stock Exchange was 59.6 percent in 2012, compared with 67.3 percent in 2011. The decline is consistent with the trend on Oslo Stock Exchange, where the turnover rate declined from 95.5 percent in 2011 to 60.7 percent in 2012. At the same time, activity on alternative trading platforms is capturing market share.

SHAREHOLDERS	2012	2011	2010
Share of non-Norwegian registered shareholders:	54%	48%	46%
Number of shareholders:	4,869	5,275	4,899
Number of shares:	108,003,615	108,003,615	1,008,003,615
Number of own shares:	899,155	1,061,958	4,230,440

The 20 largest shareholders as of 13.01.2013::

The 20 largest shareholders as of 13.01.2013:	Number of shares	Share in %
Blommenholm Industrier AS	28,188,589	26.1
Luxor Capital Group, L.P.	8,396,495	7.8
Folketrygdfondet	8,084,604	7.5
Fidelity Worldwide Investments (UK) Ltd	4,969,814	4.6
Baillie Gifford & Co.	4,857,863	4.5
NWT Media AS	4,545,815	4.2
Taube Hodson Stonex Partners LLP	3,435,032	3.2
Tweedy, Browne Company LLC	2,558,241	2.4
Swedbank Robur AB	1,528,922	1.4
Handelsbanken Asset Management	1,431,715	1.3
Kuwait Investment Authority	1,374,566	1.3
Fidelity Management & Research Company	1,340,146	1.2
William Blair & Company, L.L.C.	1,260,254	1.2
SAFE Investment Company Limited	1,252,569	1.2
Danske Capital (Norway)	1,219,492	1.1
DNB Asset Management AS	1,161,827	1.1
Marathon Asset Management	1,150,425	1.1
Nordea Investment Management AB (Sweden)	942,093	0.9
Adelphi Capital LLP	859,432	0.8
KLP Forsikring	841,895	0.8
Sum 20 largest shareholders	**79,399,789**	**73.5**

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

For an overview of the 20 largest shareholders as 31 December 2012 from the public VPS-list, refer to the annual accounts for Schibsted ASA, note 12.

Board of Directors' report 2012

In 2012, the digital transformation and the growing popularity of mobile platforms continued to have a major impact on our main business areas; the online classifieds and the media houses.

In light of the massive transformation in the media industry, The Board of Directors sees it as important that Schibsted aims to build world-class digital media houses. The print newspapers will still be valuable to both readers and advertisers in the years ahead, but we see how they are being increasingly challenged by the digital media, most notably on mobile platforms. This is a situation we must address with keen attention. It requires not only reducing costs, but also implementing an extensive and vital strategy for digital growth. The Board supports the many initiatives within digital product development, digital user payment and quality digital journalism in our media houses in 2012. We expect this to gather more force in 2013.

Schibsted Media Group continues to take steps to fulfill our ambition of being a global leader in online classifieds. Schibsted now has market-leading, profitable operations in Norway, Sweden, Spain, France, Italy, Ireland and Austria. Even though many of our sites already are large in their home markets – for instance Leboncoin with more than 6 billion monthly pageviews in France - we still expect them to grow further.

Valuable experiences from our successful operations are guiding our investments in new markets. We will increase our efforts in 2013. We aim at achieving leading and profitable positions in a number of new markets, as well as strengthening our existing leaders.

The digital development in the media houses and the online classifieds is strengthening our competence and capacity to build new business within digital consumer services. Promising new concepts benefit greatly from the high traffic on our large internet sites, and are growing steadily both in use and revenues.

The need for new digital growth and restructuring of our media houses also governs the direction of our organizational development. In order to meet our ambitions, we must be able to attract new talent as well as providing new competencies to our existing work-force. To ensure the transfer of knowledge and best practice, we encourage internal mobility of labor between Schibsted companies.

Schibsted Media Group is an international media group headquartered in Oslo. The Group has approximately 7,800 employees and operations in 29 countries. Our vision is "Shaping the media of tomorrow. Today."

Highlights in 2012

- **Schibsted Media Group** has produced solid results in 2012 and at the same time made steady progress to fulfill our long term strategy. Our Online classifieds operations grew well and expanded its footprint, whereas our media houses continued to strengthen the online activities and adapt the cost level in the print operations.

- **The Online classifieds** growth was broad based, coming from increased level of monetization and strengthened market shares in our core European markets, as well as expansion into new geographies. Innovation and product improvements, together with our ability to utilize our experience and know how in new markets are key elements in our growth strategy.

- **In order to capture** positions in interesting markets and act on opportunities, rolling out online classified sites in new markets was intensified in 2012. All costs related to launching new websites are expensed, and these investments adversely affect profits.

- **For our media houses** 2012 was a year of significant structural market changes. The ambition is to build world-class digital media houses, and we have allocated more resources to the online activities. Examples are more focus on building products for online platforms, strengthened web TV offerings, recruitment of digital expertizes implementation of digital subscription models, improved CRM-systems and development of new systems for digital payment.

- **The declining trend** in print advertising is expected to endure, and continued online growth and innovation will be crucial to secure the future for high-quality editorial products producing positive financial results. Cost levels in the print newspaper operations are being adapted as the migration of readers and advertising revenues continues. A cost efficiency program was concluded towards the end of the year, aiming at reducing costs with a full-year effect of approximately NOK 500 million over the next two years in the subscription-based newspapers in Norway and Sweden, as well as Spain.

- **Schibsted's media houses** have been awarded several prizes for their outstanding, editorial content. Especially noteworthy is the fact that Svenska Dagbladet and Aftonbladet won three of the four Grand Journalism Prizes (Stora Journalistpriset) in Sweden.

- **SPiD (Schibsted Payment)** was introduced as a payment and single sign-on solution with Finn and several of the Scandinavian newspapers as customers. The aim of Schibsted Payment is to have one easy and secure payment solution for all Schibsted products.

- **The Board proposes** allocating a dividend of NOK 3.50 (3.50) per share for the 2012 financial year

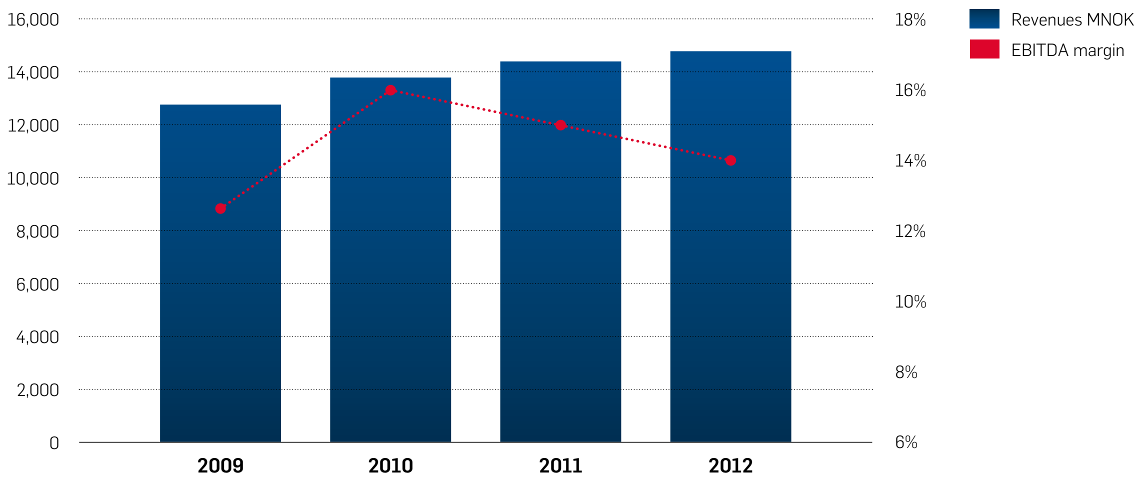
Analysis of the 2012 financial statements

Schibsted Media Group presents its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) that are approved by the EU.

SCHIBSTED MEDIA GROUP (NOK million)	2012	2011
Operating revenues	14,763	14,378
Operating expenses	(12,769)	(12,232)
Gross operating profit (EBITDA) before share profit (loss) from associated companies	1,994	2,146
Share of profit(loss) from associated companies	34	39
Gross operating profit (EBITDA)	2,028	2,185
Depreciation and amortisation	(479)	(505)
Impairment loss	(548)	(191)
Other income and expenses	(257)	(50)
Operating profit	744	1,439

SCHIBSTED MEDIA GROUP (NOK million)	2012	2011
Operating revenues	14,763	14,378
Gross operating profit (EBITDA)	2,028	2,185
EBITDA margin	*14 %*	*15 %*
Gross operating profit (EBITDA) ex. SCM Investment phase	2,558	2,597
EBITDA margin ex. SCM Investment phase	*17 %*	*18 %*
SCM Investment phase	(530)	(412)

Operating revenues and operating margins (EBITDA) – 2009 to 2012:



Operating revenues reported for the group increased by three percent from 2011 to 2012. The underlying growth (adjusted for acquisitions and disposals of enterprises and currency fluctuations) is also three percent. The increase in income stems from good growth within the Group's online classifieds as well as digital media within the media houses.

The Online classifieds segment had underlying growth in operating revenues from 2011 to 2012 of 16 percent. This growth was mainly driven by Leboncoin, Finn and Blocket. The established operations within Schibsted Classified Media had an underlying growth of 16 percent from 2011 to 2012.

Underlying growth in advertising revenues from 2011 to 2012 was four percent (including online classifieds). The structural migration from print to online caused the advertising revenues from print to decrease by an underlying nine percent. Online newspaper advertising had underlying growth of 14 percent. Changes to readership habits and acceleration in the transition to digital media have led to a considerable decline in the circulation volumes of the single-copy newspapers VG and Aftonbladet. The decline in volumes was partly compensated by price increases, and total single-copy newspaper circulation revenues fell by an underlying six percent. The subscription newspapers are facing the same challenges with declines in circulation, though on a smaller scale. The circulation revenues from subscription-based newspapers increased by an underlying one percent.

The Group's total operating expenses experienced an underlying increase of four percent. In order to capture opportunities in the market and build number-one positions, Schibsted is investing significant amounts in the launch of online classifieds in new markets based on Blocket technology, and the roll-out rate increased in 2012. The projects are characterized by a short development phase and active marketing in order to build market positions and future growth. In 2012, the consolidated financial statements were charged by an operating loss (EBITDA) of NOK 530 million (NOK 412 million) from the portfolio of classified websites in the investment phase. In addition, Schibsted has invested in digital competence and technology. Schibsted Payment (SPiD), CRM systems, mobile platforms and web TV are examples. At the same time, costs in the print newspapers have been reduced.

The number of full-time employees in the online businesses is 38 (33) percent of total full-time employees in the Schibsted Media Group. For print operations, the number of full-time employees is 56 (62) percent of the total.

The impairment loss of NOK 548 million (NOK 191 million) is a result of negative trends in certain markets. The losses are related to the Group's online classifieds operations in Spain and the Group's 35 percent ownership interest in Metro Nordic Sweden AB.

Other income and expenses in 2012 of net NOK 257 million (NOK 50 million) consist mainly of restructuring costs of NOK 283 million, relating mainly to the announced cost efficiency program for the subscription newspapers in Norway, Sweden and the free newspaper in Spain. A write-down of inventories was carried out in Schibsted Forlag with NOK 23 million. Gains from remeasurement of previously held equity interests in business combinations achieved in stages relate to Aspiro and Let's Deal with NOK 57 million.

EVENTS AFTER THE REPORTING PERIOD

There are no events to report.

THE BALANCE SHEET

At year-end 2012, the Group had total balance sheet assets of NOK 15.4 billion (NOK 16.3 billion). Non-current assets constitute the largest component at NOK 11.8 billion (NOK 12.5 billion). The carrying amount of the Group's goodwill and other intangible assets was NOK 9.1 billion (NOK 9.6 billion).

The carrying amount of the goodwill and intangible assets with indefinite lives was tested as at 31 December 2012. In 2012 goodwill was impaired by NOK 350 million (NOK 120 million) and intangible assets by NOK 7 million (NOK 65 million).

Schibsted's holding of treasury shares, acquired under current authorization from the Annual General Meeting to increase the number of treasury shares to 10,800,361 during a period of 12 months, is reduced from 1,061,958 shares to 899,155 shares during 2012. The decrease is a result of shares sold and transferred to employees in connection with various incentive programs.

LIQUIDITY

Schibsted's net interest bearing debt was NOK 1.4 billion as at 31 December 2012, down from NOK 1.6 billion at 31 December 2011.

Schibsted issued bonds both in March and December 2012. At the end of 2012, Schibsted has a diversified loan portfolio in relation to both lenders and terms to maturity. The revolving credit facilities mature in 2013 and 2015. The facility with maturity in 2013 was refinanced first quarter of 2013.

Schibsted's revolving credit facilities and bank loans are subject to financial covenants linked to the ratio of net interest-bearing debt to gross operating profit (EBITDA). This ratio was 0.71 at the end of 2012 and is well within the financial covenant.

The Group's liquidity reserve consisted of long-term unutilized revolving credit facilities and cash reserves, and amounted to NOK 3.4 billion at year-end. This gives a liquidity reserve of 23 percent of annual revenues.

CASH FLOWS

Net cash flows from operating activities in 2012 were NOK 1,275 million compared to NOK 1,616 million in 2011. Reduced EBITDA and an increase in payment of income tax are the main reasons for the reduction from the previous period.

The net cash flows from investing activities amounted to NOK -400 million (NOK -330 million). The Group has invested NOK 366 million (NOK 354 million) in fixed and intangible assets.

The net cash flows from financing activities were NOK -591 million in 2012 (NOK -1,158 million). Dividends paid to shareholders of Schibsted ASA and non-controlling interests amount to NOK 429 million (NOK 385 million). Net repayment of interest bearing debt totaled NOK 183 million (NOK 39 million) and net cash payments from changes in ownership interests amount to NOK 39 million (NOK 596 million).

COST REDUCTION MEASURES

The structural changes in the media landscape are happening faster than ever before. Tablets and smartphones are accelerating the shift to digital platforms. In this context Schibsted's media houses need to invest substantially in digital competence and at the same time reduce the cost base. In August 2012 Schibsted Media Group announced an ambition to reduce costs with a full-year effect of approximately NOK 500 million over the next two years in the subscription-based newspapers of Norway and Sweden, in addition to Spain. Approximately NOK 400 million of the savings will be made in the Norwegian subscription-based media houses Aftenposten, Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen. Around SEK 50 million of cost reduction measures are planned in the Swedish media houses, mainly Svenska Dagbladet, and measures totaling a full-year effect NOK 40-50 million have already been implemented in the Spanish free newspaper operation. A substantial part of the cost reductions will be realized through headcount reductions.

Restructuring charges of NOK 260 million are charged to the operating profit in the second half of 2012, on the "Other income and expenses" line.

RESEARCH AND DEVELOPMENT ACTIVITIES

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

"We Are Innovative" is one of our four behavioral values. Schibsted has therefore established awards for "Innovation of the Year" and "Best Improvement". The Innovation Award is awarded for launches of new products or services, both for editorial and commercial products. The Improvement Award concentrates on how we have developed our employees or organizations.

The Schibsted Innovation Award 2012 was awarded to Fædrelandsvennen for its user paymentproject. Fædrelandsvennen was the first media house in Schibsted to implement user payment on a broad basis for digital content. They have changed their product offering from print subscription to a subscription that includes print and all their digital platforms.

The other finalists of the Schibsted Innovation Award in 2012 were 701 Search Group (Singapore) and Schibsted Payment (SPiD) (Norway).

Finn Bil won the Improvement Award 2012 for their price optimization project. The case is replicable in the rest of Finn and the methodology used is of interest for all Schibsted subsidiaries. The other finalists were Aftonbladet and Willhaben.

A special tribute must be paid to Finn.no. The company reached the final of the internationally renowned competition "Management Innovation eXchange (MIX)" for best innovation. MIX is a collaborative project between the Harvard Business Review and McKinsey Quarterly that aims to spotlight and share the experiences of the world's leading companies in management, innovation, finance and technology. The finalists are companies that have taken steps within their own organization to strengthen their ability to innovate over time. A total of 144 cases from all over the world entered the first round of the competition before the jury nominated 24 companies to proceed to the final. Finn.no was the only Norwegian finalist.

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

Analysis of market risk

Schibsted's advertising revenues are to a certain extent affected by developments in real economy figures such as GDP growth and unemployment. Advertising revenues amounted to 59 percent (59 percent) of total revenues in 2012. Advertising revenues from the recruitment markets, and to some extent real estate, are the segments most subject to cyclical fluctuations. The print newspapers in Schibsted Norge, InfoJobs Spain, Anuntis Spain and parts of Finn.no in particular have advertising revenues from these segments. The Spanish companies in particular are struggling in a tough economy. Future growth is expected to a large extent to come from consumer-oriented classifieds services such as Blocket and Leboncoin. These revenues are not considered to be very cyclical.

Although Schibsted has Norwegian krone (NOK) as its basic currency, its operations outside Norway mean that it is also exposed to fluctuations in the exchange rates of other currencies, mainly the Euro (EUR) and the Swedish krona (SEK). Schibsted has exchange rate risks linked to both balance sheet monetary items and the translation of investments in foreign operations. The Group makes use of loans in foreign currencies, forward contracts and an interest-rate and currency swap to reduce its foreign exchange exposure. The loans in foreign currencies and forward contracts are managed actively in accordance with the Group's strategy in order to reduce the currency risk.

Exchange rate fluctuations may affect the ratio of net interest-bearing debt to gross operating profit (EBITDA). A general 10 percent deterioration in NOK will increase the Group's net interest-bearing debt by around NOK 60 million as at 31 December 2012 and would cause a change in the ratio of net interest-bearing debt to EBITDA of around 0.03.

Virtually all of the Group's debt as at 31 December 2012 was subject to a variable interest rate. The Group's debt is affected by changes in the interest rate market. A change of one percentage point in the variable interest rate changes Schibsted's interest expenses by approximately NOK 24 million.

Schibsted uses newsprint and is therefore exposed to price fluctuations in the paper market. A one-percent change in price alters the Group's raw material costs by around NOK 8 million per year. The price of newsprint in Norway, Sweden, the Baltics and Spain is negotiated with suppliers each year and is already fixed for 2013.

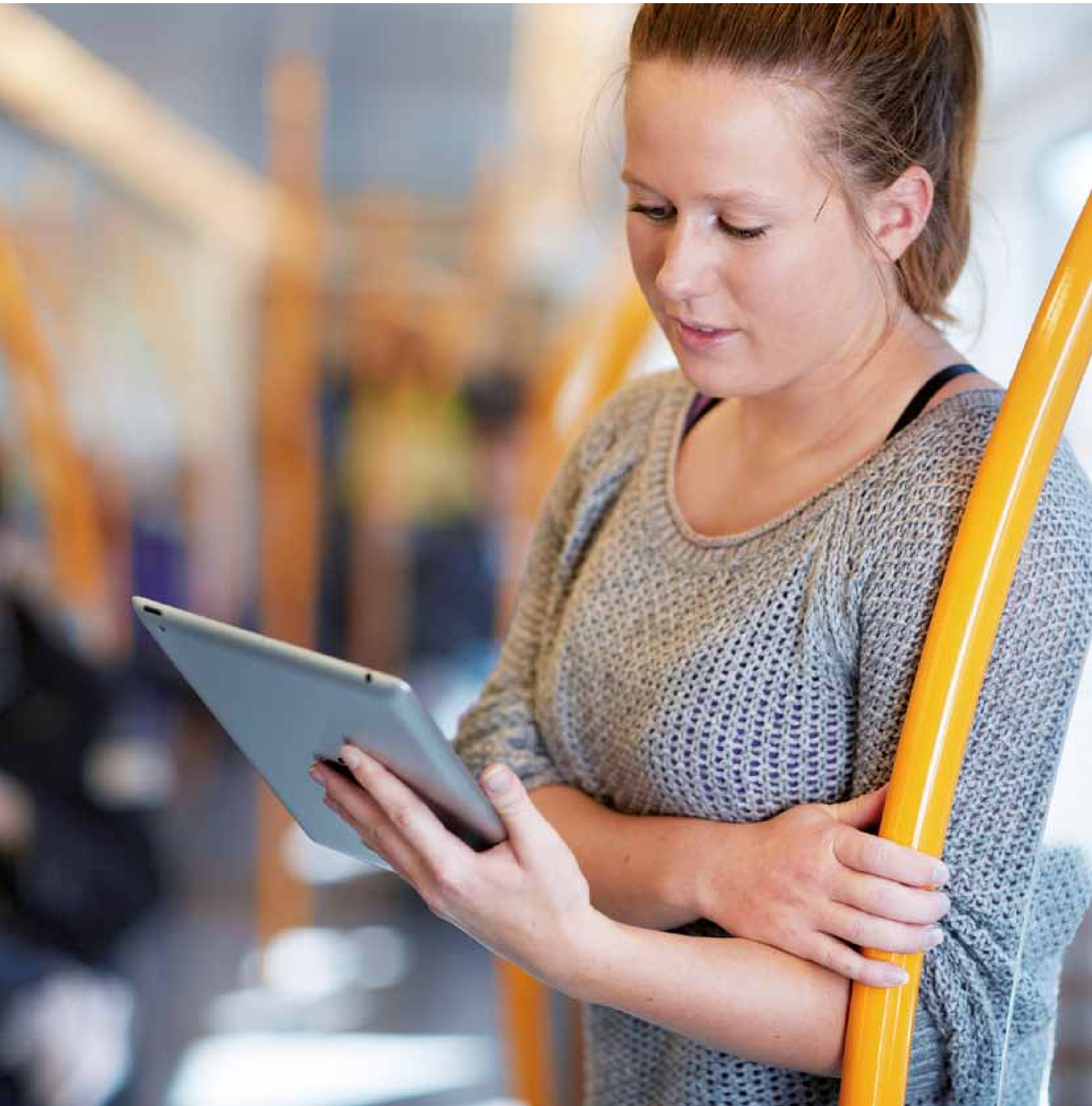
At the end of 2012, the Group had limited exposure to the stock market and therefore less risk of losses.

Since many of the Group's products are sold on the basis of advance payment (subscription sales), there is little credit risk associated with the Group's circulation revenues. Deposit schemes and credit insurance policies have been established for parts of the Group's advertising revenues. A lot of the private online ads are paid for by credit card when advertisements are ordered.

In 2009, the Ministry of Culture nominated the Mediestøtteutvalget (Media Support Committee), with the mandate of carrying out a comprehensive assessment of the use of financial instruments in the media sector, including the direct press subsidy schemes and exemption from VAT. The committee delivered its report in December 2010. The committee was divided on the question of continuing the zero-VAT rate for print newspapers. The majority believed that the zero rate for newspapers should be continued, combined with a low VAT rate (8 percent) for digital services, while a small minority suggested that the low rate (8 percent) should be introduced for all types of media. The recommendation was distributed for consultation during the first half of 2011. The case has since been frequently debated in Norwegian media circles and in the cultural policy community. However, the Ministry has still not concluded its deliberations and it is still not clear when a proposal will be presented to the Norwegian Parliament.

16 May 2011, the Norwegian Government appointed an expert group to examine the rules concerning media ownership. The dramatic changes in the media sphere, particularly within technology and ownership structures, have meant that the time is ripe for a full review of the media ownership rules.

Schibsted has submitted its opinions in the consultation process to the expert committee, and participated in an oral hearing. The Group has actively participated in the public debate on the matter. Schibsted continues to follow the ongoing process and debate on media ownership.



Operating segment analysis

ONLINE CLASSIFIEDS

ONLINE CLASSIFIEDS

ONLINE CLASSIFIEDS (NOK million)	2012	2011
Operating revenues	3,647	3,198
Gross operating profit (EBITDA)	1,098	993
Gross operating profit (EBITDA) ex investment phase	1,628	1,405
Gross operating profit (EBITDA) investment phase	(530)	(412)

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

Main features in 2012:

- The online classified services did well in many countries in 2012 and Schibsted has been focusing on creating further growth through innovation and product improvement alongside continued roll-out the concept in interesting markets.
- This operating segment had underlying growth of 16 percent in its operating revenues (after adjusting for exchange rate fluctuations and acquisitions and disposals).
- Excluding investment phase operations, Online classifieds had an EBITDA margin of 46 percent (46 percent), while investments in roll-outs in new markets had a negative effect on the margin.

ESTABLISHED OPERATIONS

NORWAY - FINN.NO

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

FINN.NO (NOK million)	2012	2011
Operating revenues	1,266	1,135
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	620	536

Main features in 2012

- 2012 was a good year for all of Finn.no's markets: the company achieved a top-line growth of 12 percent and a record profit.
- Revenues from real estate ads grew by an underlying 12 percent in 2012, while car ads and recruitment ads increased by 14 and 11 percent respectively. Generalist revenues increased by 15 percent and travel by 11 percent. The growth was due to a combination of price and volume.
- Operating costs increased by eight percent from 2011 to 2012. The increase was due to a higher level of activity in 2012.
- Finn.no maintains status as the largest website in Norway, measured by number of page views.

SWEDEN – BLOCKET.SE/BYTBIL.SE

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

BLOCKET.SE/BYTBIL.SE (SEK million)	2012	2011
Operating revenues	774	691
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	415	382

Main features in 2012

- Blocket's/Bytbil's operating revenues grew by 12 percent in 2012. The revenues were affected by a weak car sales market in Sweden, with fewer second-hand transactions.
- EBITDA increased by an underlying five percent from 2011 to 2012.
- Blocket saw a marked increase in traffic volumes in 2012, with a strong contribution from mobile.
- The operating expenses increased because of improved services and new verticals. Blocket Jobb and Blocket Eiendom were launched in August/September 2011 and have shown positive trends in 2012

FRANCE – LEBONCOIN.FR

Leboncoin er det klart ledende nettstedet for online rubrikk (bil og eiendom) i Frankrike. Nettstedet er blant Frankrikes fem største når det gjelder trafikk målt i antall sidevisninger (kilde: Comscore desember 2012)

LEBONCOIN.FR (EUR million)	2012	2011
Operating revenues	97.7	64.1
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	66.7	44.8

Main features in 2012

- Continued strong growth in traffic and revenues.
- High EBITDA margins, but increased costs related to building a strong sales team, marketing and establishing a support organization.

OTHER ESTABLISHED OPERATIONS

Anuntis (Spain) consists of the leading generalist site, Segundamano.es, the leading classified site for cars, Coches.net, and the Spanish real estate site, Fotocasa.es. Anuntis has managed to increase revenues from 2011 by two percent in a difficult Spanish market.

Infojobs (Spain). Unemployment has risen to 26 percent in Spain, and in a very demanding year InfoJobs.net revenues fell 12 percent compared to 2011 but has healthy margins. The site has retained its position as the preferred job portal, both for companies and jobseekers.

Donedeal.ie (Ireland) is the leading generalist website in Ireland. It maintains a leading position in Ireland in brand recognition and has reported strong revenue trends in 2012.

Subito.it (Italy) is the leading generalist classified site in Italy. Subito.it reports as an established operation from 2012 and has strengthened both its competitive position and its financial performance through continued growth in traffic and advertisements in 2012.

Willhaben.at (Austria) is the largest and best-known classified site in Austria. In 2012 Willhaben strengthened its leading positions in the real estate and generalist segments, while still growing its car and job verticals.

INVESTMENT PHASE

- Schibsted Classified Media has a clear goal of laying the foundations for future growth by establishing in new markets. This is done by establishing operations that are primarily based on the successful Swedish Blocket.se concept. Experiences from successful establishments in core markets form the basis for investments in online classifieds in new markets.
- Schibsted Classified Media's investment phase operations include activities in a total of 32 countries. The online concept was launched in 17 of these countries without a local organization.
- The amounts invested increased in 2012, both through the establishment in new markets and as a result of increased marketing in previously established markets.

Main features in 2012

Investments in new operations (investment phase) in 2012 amount to a total of NOK -530 million in lower EBITDA (NOK -412 million). Most of the operating expenses are marketing costs.

SCHIBSTED NORGE MEDIA HOUSE

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

SCHIBSTED NORGE MEDIA HOUSE (NOK million)	2012	2011
Operating revenues	6,485	6,529
Gross operating profit (EBITDA)	771	926

Main features in 2012

- Operating revenues fell by an underlying one percent in 2012 compared to 2011. Subscription revenues increased by one percent, single-copy revenues decreased by two percent.
- Advertising revenues from online increased by 20 percent, while print advertising revenues decreased by nine percent.
- Schibsted Norge media house are affected by the structural migration from print to online. Print newspapers are losing market shares both in the readership and advertising markets, and must adapt and transform rapidly in order to be relevant and profitable in the digital future.
- In the media houses the challenges in print media are met with cost efficiency programs and ongoing efficiency measures that are progressing as planned. At the same time, more resources are allocated to digital activities. The ambition is to create world-class digital media houses. The declining trend in print advertising is expected to continue, and continued online growth and innovation will be crucial to secure the future with a basis of high-quality editorial products combined with healthy financial results.

SUBSCRIPTION-BASED NEWSPAPERS
(the former Media Norge newspapers)

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

SCHIBSTED NORGE SUBSCRIPTIONBASED NEWSPAPERS (the former Media Norge newspapers) (NOK million)	**2012**	**2011**
Operating revenues	4,109	4,178
of which print	3,759	3,895
of which online	350	283
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	408	541
of which print	373	520
of which online	35	21
Circulation weekdays (copies) [1]	399,875	415,148
[1]Total of Aftenposten, Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen		
Adv. volume (column meters)	*130,838*	*132,762*

Main features in 2012

- In 2012, EBITDA in all four media houses decreased compared to 2011.
- Print advertising revenues decreased by eight percent in 2012 compared to 2011. Online advertising revenues increased by 14 percent
- Circulation volumes fell by four percent in 2012. Circulation revenues rose by one percent as a result of price increases.
- The regional newspaper Fædrelandsvennen launched a paid print/digital bundle subscription product. The market response has been positive and the other three subscription-based newspapers in Norway will introduce similar products during 2013.
- As part of Schibsted's media houses' transition plan, Schibsted Norge has ambitions to implement cost measures of around NOK 400 million during the coming two years. This process is on track.

SINGLE-COPY NEWSPAPERS - VERDENS GANG (VG)

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

VERDENS GANG (NOK million)	2012	2011
Operating revenues	1,920	1,906
of which print	1,429	1,498
of which online	454	360
of which other	37	48
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	308	310
of which print	194	221
of which online	110	81
of which other	4	8
Circulation weekdays (copies)	*188,353*	*211,588*
Adv. volume (column meters)	*10,713*	*11,529*

Main features in 2012

- Print advertising revenues decreased by 13 percent from 2011 to 2012.
- VG online (including mobile) increased by 24 percent fuelled by good trends for mobile advertising and web TV. The increase more than compensated for the shortfall in print advertising revenues.
- Circulation revenues fell in 2012 by two percent compared with 2011. Weekday circulation fell by 11 percent and Sunday circulation by 9 percent. With effect from 1 January 2012, the single-copy sales price for the Monday to Thursday edition was increased from NOK 12 to NOK 13 and from NOK 15 to NOK 20 for the Sunday newspaper sold in newsstands. This contributed to curb the decrease in circulation volumes.
- The total operating expenses for the print edition were reduced by 3 percent as a result of good cost control and lower circulation volumes.
- The increase in operating expenses for online is linked to the dedicated focus on innovation and content, particularly linked to web TV.
- The position as Norway's largest website measured in terms of unique users was maintained during the year.
- VG Mobil experienced a strong increase in traffic throughout the year and has set new traffic records.

SCHIBSTED SVERIGE MEDIA HOUSE

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

SCHIBSTED SVERIGE MEDIA HOUSE (NOK million)	2012	2011
Operating revenues	3,538	3,611
Gross operating profit (EBITDA)	429	445

Main features in 2012

- Operating revenues decreased by an underlying two percent in 2012 compared to 2011. Subscription revenues decreased by four percent and single-copy revenues decreased by eight percent.
- Advertising revenues from online increased by 14 percent, while print advertising revenues decreased by 10 percent. The increase in online advertising revenues more than compensated for the shortfall in print advertising revenues.
- Schibsted Sverige media house are affected by structural migration from print to online like Schibsted Norge media house. Print newspapers are losing market shares both in the reader- and advertising markets and must adapt and transform rapidly in order to be relevant and profitable in the digital future.
- In the Media Houses the challenges in print media are met with cost reduction programs and on-going efficiency measures that are progressing as planned. At the same time more resources are allocated to the digital activities. The ambition is to create world class digital media houses. The declining trend in print advertising is expected to continue, and continued online growth and innovation will be crucial to secure the future with a fundament of high quality editorial products combined with healthy financial results

SINGLE-COPY NEWSPAPER - AFTONBLADET

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

AFTONBLADET (SEK million)	**2012**	**2011**
Operating revenues	2,168	2,239
of which print newspaper	1,621	1,776
of which online newspaper	547	463
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	312	310
of which print newspaper	170	199
of which online newspaper	142	111
Adv. volume (column meters)	*17,725*	*18,328*

Main features in 2012

- The Aftonbladet print edition's advertising revenues decreased by nine percent compared to 2011. Online advertising increased by 18 percent and more than compensated for the short in print advertising. Mobile advertising is contributing strongly to the growth.
- Circulation revenues decreased by eight percent as a result of a smaller paid circulation (-14 percent) and lower volume of additional products. An increase in single-copy prices from Monday to Saturday from SEK 11 to SEK 12 from 16 May 2011 and an increase from SEK 12 to SEK 13 from July 2012 made positive contributions.
- The total operating expenses for the print edition were reduced by eight percent as a result of good cost control and lower circulation volumes.
- The increase in total operating expenses for online was related to development projects, especially in web TV.
- Web traffic decreased in 2012 by five percent but mobile traffic has grown by 111 percent, which means that total reach has increased by 20 percent.

SUBSCRIPTION BASED NEWSPAPER - SVENSKA DAGBLADET (SvD)

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

SVENSKA DAGBLADET (SEK million)	2012	2011
Operating revenues	1,087	1,148
of which print newspaper	1,020	1,102
of which online newspaper	67	46
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	59	87
of which print newspaper	42	79
of which online newspaper	17	8
Circulation weekdays (copies)	*174,400*	*185,600*
Adv. volume (column meters)	*22,780*	*24,796*

Main features in 2012

- The circulation volume for SvD (weekdays) decreased by six percent from 2011 to 2012. Circulation revenue increased by four percent. Price increases curbed the effect of the decline in volume.
- Print advertising revenues decreased by 11 percent in 2012 compared to 2011. Online advertising increased by 40 percent.
- The company has good cost control and the operating expenses for the print newspaper decreased by four percent in 2012.
- As part of Schibsted's media houses' transition plan, Schibsted Sverige has ambitions to implement cost measures of around SEK 50 million during the coming two years for Svenska Dagbladet. This process is on track

SCHIBSTED TILLVÄXTMEDIER

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

SCHIBSTED TILLVÄXTMEDIER (SEK million)	2012	2011
Operating revenues	1,000	897
of which Hitta	348	343
Gross operating profit (EBITDA) before share of profit (loss) from associated companies	124	124
of which Hitta	83	97

Main features in 2012

- Schibsted Tillväxtmedier has built strong market positions in personal finance (Lendo.se, Suredo.se, Kundkraft.se and Mobilio.se) and shows a good underlying growth in 2012.
- Hitta has experienced slower growth rate in 2012. The company has invested both in improving the product and the sales organization during 2012, which affects the total result.
- Most of the portfolio's operations experienced good growth and improvements in their results, and overall this made a positive contribution to the operating profit, but the personal finance operations were the most important growth drivers. The operating expenses are charged with high marketing costs in order to build future positions.

MEDIA HOUSES INTERNATIONAL

Media House International consists of the Group's free newspapers, 20 Minutes in France and 20 Minutos in Spain and the media house operations (newspapers, magazines and TV channels) in the Baltics.

MEDIA HOUSES INTERNATIONAL (NOK million)	2012	2011
Operating revenues	939	1,004
of which Eesti Meedia (Baltics)	588	590
of which 20 Minutes	348	410
Gross operating profit (EBITDA)	(3)	38
of which Eesti Meedia (Baltics)	45	58
of which 20 Minutes	(48)	(20)

Main features in 2012:

- Operating revenues decreased by an underlying two percent in 2012 compared to 2011.
- The operating profit was adversely affected by the difficult macroeconomic situation in Spain, but also France and Eesti Meedia experienced decreased revenues and EBITDA.
- The weak market trend is being addressed by cost reductions. 20 Minutos in Spain is a part of Schibsted's ongoing transition program, and cost measures with an annual effect of around NOK 40-50 million were implemented during Q3 2012. The total operating expenses for the Spanish operations decreased by six percent from 2011 to 2012.

OUTLOOK

ONLINE CLASSIFIEDS

A good rate of growth is expected for Online classifieds. This type of business is less exposed to economic cycles than traditional advertisement-based revenue models. Continued migration from print to online is expected.

The Group expects to see a good growth in the traffic for online classifieds businesses in a number of markets, and this business segment is expected to continue to report good growth combined with high margins. Leboncoin.fr has the potential to increase penetration and broaden its revenue base. Leboncoin.fr therefore has a good basis for continued strong development. Our established operations in earlier stages of development in Italy (Subito.it), Austria (Willhaben.at) and Ireland (DoneDeal.ie) are expected to see good traffic increases and strengthened rates of monetization going forward. Schibsted is continuing to invest for future growth in the online classifieds operations. Operations in the established phase focus on innovation and product improvements. The portfolio of operations in the investment phase, mainly roll-outs of the Blocket concept, is showing positive results in terms of strong traffic growth. This has led to increased confidence in the strategy. The activity and investments will increase in 2013, and our aim is to concentrate on our core markets and expand into selected new geographical areas. Our clear goal is to win the number-one positions in the markets in which we are present.

MEDIA HOUSES

Our media houses will be affected by the ongoing structural migration from print to online. Print newspapers are likely to lose market shares both in the readership and advertising markets going forward. Online advertising is likely to take market shares. This particularly applies to mobile platforms, where Schibsted has strong positions. In the consumer finance segment, Schibsted has seen strong progress in 2012. This is expected to continue.

WORLD-CLASS DIGITAL MEDIA HOUSES

As a consequence of the structural shift, Schibsted Media Group must adapt and transform its media houses rapidly in order to remain relevant and profitable in the digital future. The aim is to create world-class digital media houses. This implies substantial investments in digital competence and technology. Payment solutions (SPiD), CRM systems, mobile platforms, web TV and strengthened national sales units are examples. At the same time we will adjust the cost base. Strong editorial products will continue to be the basis for healthy and profitable media house businesses also in the digital future. The new profitability measures will reduce cost by approximately NOK 500 million over the coming two years. The structural shift and our transformation process are expected to lead to softer margins for the media houses than we have seen in the past couple of years.

GOING CONCERN ASSUMPTION

In accordance with Section 3-3a of the Norwegian Accounting Act, the Board confirms that the Group is a going concern. The 2012 financial statements have been prepared on this assumption. The assumption is based on the Group's long-term strategy and forecasts. The Group's economic and financial position is good.

STATEMENT ON CORPORATE GOVERNANCE

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

Information on the environment

WORKING ENVIRONMENT

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

At year-end, Schibsted had approximately 7,800 (7,400) employees, around 4,600 (4,200) of whom worked outside Norway. The Group's sickness absence rate was 4 percent of the total working hours (4 percent).

Of the Group's companies, the operations of the printing plants in particular involve a certain risk of injury. At year-end, Schibsted owned six newspaper printing plants: Schibsted Norge's printing plants in Oslo, Bergen (2), Stavanger and Kristiansand in Norway and Kroonpress in Tartu, Estonia. 7 (4) injuries that resulted in sickness absence were reported in 2012. In addition, there were 1 (4) minor personal injuries such as crushes and cuts.

EXTERNAL ENVIRONMENT

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

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

To increase environmental credibility, Kroonpress launched the Greenline Print ecolabel and online platform (www.greenlineprint.com) for life cycle carbon footprinting of printed products. It is targeted at publishers, printers and the general public, and caters for environmentally-conscious decision-making in the printing industry.

The printing plants used 118 thousand (121 thousand tons) tons of paper, 2.7 thousand (2.7 thousand tons) tons of printing ink and 38.9 (43.6) GWh of electricity in 2012.

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

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

Organizational development

While our business strategies focus on what to deliver and produce, our organizational strategies focus on how this should be done. The overall goal for organizational development in Schibsted Media Group is to enable our employees and organizations to deliver on their business goals. Efficient processes, the right competence, clear goals, disciplined collaboration, feedback and follow-up are some of the key words for focus areas within organizational development.

Schibsted Media Group's vision is "Shaping the Media of Tomorrow. Today." Our mission is "Empowering people in their daily life", and our four behavioral values are: "We have integrity. We are innovative. We are a team. We are here to win." We want the values to live and be used both as a guide for individual behavior and when major decisions are being taken. Since the launch of our new values, we have worked to communicate them to the organizations, with our top 300 leaders as the main target group. We expect these managers to behave in line with the values and we focus on this in development dialogues, 360 degree leadership evaluations and employer surveys.

The need for new digital growth and restructuring of our media houses governs the direction of our priorities in the organizational development area, both at corporate level and in the subsidiaries. The Schibsted companies have a strong culture for innovation, and we are now working on fueling all this enthusiasm with new knowledge and suitable structures. Restructuring requires a lot of methods and tools from HR, Lean and other disciplines within the organizational development area.

Schibsted Media Group is increasingly becoming a technology-driven business. This means that we have to make ourselves attractive to technically skilled employees and at the same time work in a structured way to enhance the competencies of current employees. Digital talents are attractive to companies in many industries. We have entered this arena and have to compete for the brightest ones. The same goes for our best managers. We have to work hard to recruit them and to give them opportunities for development. Internal mobility is a particularly important area where we look at Schibsted as one labor market with a whole range of opportunities. This is one feature that makes us attractive to talented managers.

Gender equality has been an important focus area for the group for some years. We know that a good gender balance at all management levels is good for the business and for the working environment. Our focus is on gender equality, both within corporate management and in the subsidiaries. Half of our customers and readers are women. This fact should be reflected in the composition of our management teams, thus benefiting the working environment and the companies' products. As the Group is becoming increasingly internationalized, it will be important to ensure a gender balance in all relevant management groups. Thorough recruitment processes, mentor programs and appointment as project leaders are some of the efforts we use to improve the gender balance.

DISCRIMINATION

The companies' working environment committees are continuously striving to promote a good working environment and thus minimize the chance of discrimination taking place among employees in the workplace. Further measures to promote this objective as stated in the Norwegian Anti-Discrimination Act are not regarded as being necessary.

Dividend and capital structure

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

Schibsted has strong positions in the Scandinavian media markets. The media houses' strong brands and market-leading positions help to ensure a good cash flow, even with continuing structural changes and lower profitability for print newspapers. Online classified operations both in Scandinavia and internationally contribute with strong, profitable growth. 2012 was a good year for Schibsted, with strong revenues and improvements in many of the markets in which the Group operates. The Group's financial flexibility has been stable during the year. At the end of 2012, the Group had a strong balance sheet, good cash flow and healthy liquidity position.

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

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

Schibsted is currently in a phase of investments in online activities which forms a fundament for future growth in profitability. The Board has taken a balanced approach to the dividend proposal, and taken into consideration the fact that the group to an increasing degree strengthens its growth profile. On this background, the Board will recommend to the General Meeting that a dividend of NOK 3.50 per share be distributed for the 2012 financial year. This is unchanged compared to 2011. The total number of shares is 108 million, and a dividend of NOK 3.50 per share means a payout of around NOK 375 million (adjusted for shares owned by Schibsted). A dividend of NOK 3.50 per share amounts to around 40 percent of the normalized cash flow for 2012.

Schibsted ASA

Oslo, 20 March 2013

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

Operating revenues amounted to NOK 55 million (NOK 47 million). The operating expenses of NOK 258 million (NOK 260 million) relate to Group administration services. The operating loss in 2012 was NOK -203 million (NOK -213 million). Net financial items include distributions (dividends and group contributions) from subsidiaries of NOK 621 million and gains of NOK 2,062 million recognized, related to intragroup sales of shares in subsidiaries (Verdens Gang AS and Schibsted Forlag AS). The pre-tax profit on ordinary operations amounted to NOK 2,538 million (NOK 1,334 million).

Schibsted ASA had distributable equity of NOK 7,863 million (NOK 5,788 million) at the end of 2012.

Schibsted ASA had 104 (99) employees at year-end, 35 (24) of whom were trainees assigned to the Group's companies. The Group's CEO is Schibsted ASA's President and CEO.

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

PROFIT FOR THE YEAR
NOK 2,405 million

PROPOSED ALLOCATION:
Allocated to dividend, NOK 3.50 per share
NOK 375 million
Transferred to other equity
NOK 2,030 million

Group contributions to subsidiaries total NOK 491 million.

THE BOARD OF SCHIBSTED ASA

OLE JACOB SUNDE
CHAIRMAN OF THE BOARD

KARL-CHRISTIAN AGERUP

EVA BERNEKE

MARIE EHRLING

JONAS FRÖBERG

GUNNAR KAGGE

ANNE LISE VON DER FEHR

ARNAUD DE PUYFONTAINE

CHRISTIAN RINGNES

EUGENIE VAN WIECHEN

ROLV ERIK RYSSDAL,
CEO

Declaration on management remuneration

Declaration regarding the determination of salary and other remuneration to the management of Schibsted ASA

1. THE STARTING POINT FOR THE COMPANY'S MANAGEMENT REMUNERATION POLICY

The Group Board of Schibsted ASA ("Schibsted") considers the employees as the Group's most important resource. Having a thorough remuneration policy in order to attract and retain skilled employees is therefore crucial to our business. The company's human resource policy covers several factors, including terms related to pay and pension, working environment, various development programs and more traditional employee benefits. The management remuneration policy is part of the company's human resource policy.

2. WHO IS COVERED BY THE GUIDELINES?

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

3. THE PERIOD FOR WHICH THE DECLARATION APPLIES

The declaration applies for the coming financial year, cf section 6-16 a) (2) of the Norwegian Public Limited Companies Act. The Group Board will base its work on this declaration, following discussions at the Annual General Meeting on 30 April 2013.

4. THE MAIN PRINCIPLES OF THE COMPANY'S MANAGEMENT REMUNERATION POLICY

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

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

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

4.1. FIXED SALARY

The fixed salary (the gross annual salary before tax and before variable pay and other additional benefits have been calculated) shall be an important part of the manager's salary.

The increase in fixed salaries is expected to be moderate in 2013.

4.2. DIRECTORS' FEES

Employees do not receive directors' fees for Board appointments they accept as part of their work for the Group. Employee representatives are exempted from this rule.

4.3. BENEFITS IN KIND AND OTHER SPECIAL SCHEMES

Senior executives will normally be given the benefits in kind that are common market practice, i.e., telephone expenses, a laptop, free broadband connection and use, newspapers, a company car or car allowance and free parking. There are no special restrictions on the type of other benefits that can be agreed on.

The Group's manager-loan scheme was wound up in 2006 and has not been offered to new managers since then. This scheme entitled managers to a loan of NOK 400,000-800,000 in return for a charge on the borrower's home. Schibsted ASA has posted an unconditional guarantee of NOK 5 million for the total loan portfolio, which currently represents approximately NOK 12 million.

4.4. VARIABLE PAY AND OTHER INCENTIVE SCHEMES

Guidelines have been established for the use of variable pay and other incentive schemes in the Group. The Group Board believes there is a need to be able to offer various incentive schemes in order to ensure long-term value creation and entrepreneurship. Such incentive schemes may consist of short-term incentives (normally annual) and long-term incentives (normally three-year).

4.4.1. SHORT-TERM INCENTIVES

Senior executives take part in an annual variable pay program which is linked to the attainment of targets each year. Other Group employees may also take part in such schemes. The variable pay is limited to a maximum of six months' salary for the Group CEO and varies from four to six months' salary for other members of the Group management. For the top manager/editor in chief of larger units, the payment in one year is normally limited to four months' salary. For other employees that take part in short-term incentive schemes, the limit is normally three months' salary.

The variable pay is two-parted. One part is linked to financial criteria, the other to strategic, operational and organizational criteria. These criteria form part of an overall assessment.

The payment of variable pay to senior executives for the 2012 financial year is shown in note 27 to the financial statements.

4.4.2. LONG-TERM INCENTIVE SCHEMES

The objective of having long term incentive schemes is to promote long-term value creation. By receiving a minor portion of the shareholding in the company, the managers' interests are aligned with the shareholders' interests.

In 2010, Schibsted's options program was replaced by an annually rolling three-year performance-based share purchase program (the "LTI program") in 2010. The program was expanded in 2012 to include several Online classifieds companies and management groups.

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

The LTI program provides settlement in Schibsted shares, mainly based on the performance and target achievement of the participant's employer company during the three-year period. The ownership of Schibsted shares promotes common goals and contributes to greater cooperation between the companies.

Specialized incentive programs may still be introduced for selected companies, especially in growth and start-up companies. Such programs will also be long-term, but may contain elements of cash settlements in addition to settlements in Schibsted shares. Per today there are four such local programs running in selected classifieds companies. Two of the programs will be terminated early 2013 and the remaining two programs will run through 2013.The main elements of Schibsted's LTI program are:

Schibsted's LTI program is divided into four participation levels. Level 1 is for the Group CEO, Level 2 is for members of the Group management, while Level 3 and Level 4 are for selected key personnel in the Group, as well as the managers/management groups in key subsidiaries. Level 3 relates to the Media House business while Level 4 relates to Online Classifieds. For each level, the participants are given a defined "Basic Amount", calculated as a percentage of their fixed salary. The Group Board has stipulated guidelines for the percentage to be allocated to the various participant levels in order to ensure flexibility and mobility, while also taking into account individual pay differences and variations in the compensation schemes.

Between 11 % and 33 % of the Basic Amount ("Share Purchase Amount") is awarded when the program starts in the form of Schibsted shares, and has a lock-in period until the program expires (3 years). If a Level 1 or Level 2 participant leaves the company during the lock-in period, shares that were bought for the Share Purchase Amount are to be handed back. No corresponding restriction applies to Level 3 and Level 4 participants.

The rest, i.e. between 67 % and 89 % of the Basic Amount ("Performance Amount"), is linked to three-year performance criteria. At the end of the three-year period, the participants receive settlement in Schibsted shares based on their goal achievement, and the number of shares is calculated based on the average price during the program's three-year period. Level 1, 2 and 3 participants receive the full Performance Amount after three years. Level 4 participants receive 1/3 of the Performance Amount after three years and the remaining 2/3 after a one year lock-up period. The maximum settlement in each program will depend on the target achievement during the period. If the minimum target is not achieved during the three-year period, only the Share Purchase Amount will be paid at the end of the three-year program.

The Group Board determines the allocation to the CEO. Other allocations are determined by the CEO within the program's frameworks and in compliance with the Board's allocation guidelines. The CEO's allocations are reported to the Board. Allocations under the program take place subject to the approval of the Annual General Meeting that year and thus normally by the end of the first half of each start-up year.

Guidelines apply to the adjustment of the targets during the measurement period. The final outcome of the LTI program is determined by the Group Board.

There is normally not any partial accrual if a participant leaves the company during the accrual period. An exception applies to the Share Purchase Amount for Level 3 and Level 4 participants, and in general if a participant leaves the company due to illness, death, early retirement, normal retirement or other special reasons. In such cases, the right to partial accrual is granted.

Level 1 and Level 2 participants will not be able to sell their shares in the market until further defined requirements as to the minimum ownership of Schibsted shares are met. The minimum ownership requirements vary depending on the allocation level. The minimum ownership requirements do not apply to Level 3 and Level 4 participants.

The final cost of the 2013 LTI program measured as the cost over the program's cycle, depends, among others on the number of participants, the individual participant's salary on the allocation date, share price developments and the target achievement during the three-year period.

The cost of the LTI program in 2013, with 112 participants, is estimated to be around NOK 76 million if the expected target achievement takes place, excluding employers' contributions. If the maximum outcome is achieved, the cost is estimated to be around NOK 133 million (excluding employers' contributions). If the goal attainment is below the minimum requirement, the cost of the program will only relate to the Share Purchase Payment and equal around NOK 17 million (excluding employers' contributions).

5. PENSION SCHEMES

The Group CEO and other senior executives in Norway are, like other employees, members of the Group's company pension schemes, see note 27 to Schibsted's consolidated financial statements.

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

The Group's senior executives who are based in Sweden mainly have defined contribution pension insurances which ensure them benefits in line with those of Norwegian senior executives as from the age of 62 years. The Group Board is of the opinion that the current schemes for senior executives based in Sweden are adapted to the market and these schemes will be continued in 2013 without any major changes.

The pension level and solution for senior executives outside Norway and Sweden are to be viewed in connection with the individual manager's overall salary and employment conditions and are intended to be comparable to the overall solution for managers in Norway and Sweden. Local rules linked to pension legislation, social security rights, tax, etc., are taken into account when shaping the individual pension contracts.

6. TERMINATION PAYMENT SCHEMES

The Group CEO is entitled to a termination payment equal to 18 months' salary in addition to the six-month period of notice. The other Group management and senior executives are normally entitled to termination payments equal to 6-18 months' salary, depending on their job level. A prohibition against competition and scaling down provisions normally apply during the termination payment period.

7. THE EFFECTS ON THE COMPANY AND SHAREHOLDERS OF AGREEMENTS ENTERED INTO OR AMENDED IN 2012

The Group Board believes that the guidelines for share-based remuneration promote value creation in the company/Group and that the effects on the company and shareholders are positive.

Oslo, 20 March 2013
THE BOARD OF SCHIBSTED ASA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THEIR

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2012	2011
Operating revenues	7	**14,763**	**14,378**
Raw materials and finished goods	26	(1,057)	(1,159)
Personnel expenses	27	(5,241)	(4,960)
Other operating expenses	28	(6,471)	(6,113)
Share of profit (loss) of associated companies	13	34	39
Gross operating profit (loss)		**2,028**	**2,185**
Depreciation and amortisation	11, 12	(479)	(505)
Gross operating profit (loss) after depreciation and amortisation		**1,549**	**1,680**
Impairment loss	11, 12, 13	(548)	(191)
Other income and expenses	8	(257)	(50)
Operating profit (loss)		**744**	**1,439**
Financial income	29	115	82
Financial expenses	29	(176)	(190)
Profit (loss) before taxes		**683**	**1,331**
Taxes	30	(443)	(499)
Profit (loss)		**240**	**832**
Profit (loss) attributable to non-controlling interests		55	90
Profit (loss) attributable to owners of the parent		185	742
Earnings per share (NOK)	31	1.73	7.00
Diluted earnings per share (NOK)	31	1.73	6.99
Earnings per share – adjusted (NOK)	31	8.41	8.76
Diluted earnings per share – adjusted (NOK)	31	8.40	8.75

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2012	2011
Profit (loss)		**240**	**832**
Change in fair value of investments available for sale	14	(80)	94
Translation differences		(328)	(46)
Hedging of net investment in foreign operations		26	7
Tax effect hedging of net investment in foreign operations	30	(7)	(2)
Other comprehensive income		**(389)**	**53**
Comprehensive income		**(149)**	**885**
Comprehensive income attributable to non-controlling interests		50	92
Comprehensive income attributable to owners of the parent		(199)	793

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

(NOK million)	Note	2012	2011
ASSETS			
Intangible assets	11	9,113	9,611
Investment property	12	68	63
Property, plant and equipment	12	1,777	1,929
Investments in associated companies	13	488	492
Non-current financial assets	14	16	143
Deferred tax assets	30	96	58
Other non-current assets	15	194	213
Non-current assets		**11,752**	**12,509**
Inventories	16	117	143
Trade and other receivables	17	2,447	2,406
Current financial assets	14	3	500
Cash and cash equivalents	18	1,031	778
Current assets		**3,598**	**3,827**
Total assets		**15,350**	**16,336**
EQUITY AND LIABILITIES			
Share capital	19	108	108
Treasury shares	19	(1)	(1)
Other paid-in equity		1,464	1,440
Other equity		3,921	4,955
Equity attributable to owners of the parent		**5,492**	**6,502**
Non-controlling interests		248	157
Equity		**5,740**	**6,659**
Deferred tax liabilities	30	763	798
Pension liabilities	21	1,422	1,455
Non-current interest-bearing borrowings	22	2,124	1,907
Other non-current liabilities	23	296	339
Non-current liabilities		**4,605**	**4,499**
Current interest-bearing borrowings	22	347	523
Income tax payable		365	428
Other current liabilities	24	4,293	4,227
Current liabilities		**5,005**	**5,178**
Total equity and liabilities		**15,350**	**16,336**

Oslo, 20 March 2013
Schibsted ASA's Board of Directors

Ole Jacob Sunde
Chairman of the Board

Karl-Christian Agerup

Marie Ehrling

Eva Berneke

Christian Ringnes

Arnaud de Puyfontaine

Eugénie van Wiechen

Gunnar Kagge

Anne Lise von der Fehr

Jonas Fröberg

Rolv Erik Ryssdal
CEO

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes		683	1,331
Gain from remeasurement of previously held equity interest in business combination achieved in stages		(57)	-
Share of profit (loss) of associated companies	13	(34)	(39)
Dividends received from associated companies	13	44	25
Taxes paid		(628)	(346)
Sales loss (gain) non-current assets		(65)	(63)
Amortisation and impairment loss intangible assets	11	553	396
Depreciation and impairment loss property, plant and equipment	12	295	300
Impairment loss associated companies	13	179	-
Write-down of inventories	16	28	-
Impairment losses financial instruments	29	1	-
Change in working capital		276	12
Net cash flow from operating activities		**1,275**	**1,616**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible assets and property, plant and equipment	11, 12	(366)	(354)
Acquisition of subsidiaries and joint ventures, net of cash acquired	33	(94)	(108)
Proceeds from sale of intangible assets and property, plant and equipment		26	42
Proceeds from sale of subsidiaries and joint ventures, net of cash sold	33	9	(1)
Investments in / sale of non-current financial assets		2	92
Other investments / sales		23	(1)
Net cash flow from investing activities		**(400)**	**(330)**
Net cash flow before financing activities		**875**	**1,286**
CASH FLOW FROM FINANCING ACTIVITIES			
New interest-bearing loans and borrowings		1,220	802
Repayment of interest-bearing loans and borrowings		(1,403)	(841)
Payment due to increase in ownership interests in subsidiaries		(39)	(596)
Capital increase		44	21
Purchase / sale of treasury shares		16	(159)
Dividends paid to owners of the parent	20	(375)	(324)
Dividends paid to non-controlling interests		(54)	(61)
Net cash flow from financing activities		**(591)**	**(1,158)**
Effects of exchange rate changes on cash and cash equivalents		(31)	-
Net increase (decrease) in cash and cash equivalents		**253**	**128**
Cash and cash equivalents as at 1.1		778	650
Cash and cash equivalents as at 31.12	18	**1,031**	**778**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	Share capital	Treasury shares	Share premium reserve	Other paid-in equity	Retained earnings	Foreign currency transl. reserve	Net unrealised gains reserve	Total	Non-controlling interests	Total
As at 31.12.2010	**108**	**(4)**	**1,289**	**137**	**5,482**	**(466)**	**131**	**6,677**	**329**	**7,006**
Profit (loss) 2011	-	-	-	-	742	-	-	742	90	832
Change in fair value of investments available for sale (Note 14)	-	-	-	-	-	-	94	94	-	94
Translation differences	-	-	-	-	-	(48)	-	(48)	2	(46)
Hedging of net investment in foreign operations	-	-	-	-	-	7	-	7	-	7
Tax effect hedging of net investment in foreign operations	-	-	-	-	-	(2)	-	(2)	-	(2)
Comprehensive income 2011	**-**	**-**	**-**	**-**	**742**	**(43)**	**94**	**793**	**92**	**885**
Capital increase	-	-	-	-	-	-	-	-	7	7
Share-based payment (Note 27)	-	-	-	14	-	-	-	14	-	14
Dividends paid to owners of the parent (Note 20)	-	-	-	-	(324)	-	-	(324)	-	(324)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(61)	(61)
Change in treasury shares (Note 19)	-	3	-	-	526	-	-	529	-	529
Business combinations (Note 5)	-	-	-	-	-	-	-	-	40	40
Loss of control of subsidiaries	-	-	-	-	-	-	-	-	4	4
Changes in ownership of subsidiaries that do not result in a loss of control	-	-	-	-	(1,187)	-	-	(1,187)	(254)	(1,441)
Total transactions with the owners	**-**	**3**	**-**	**14**	**(985)**	**-**	**-**	**(968)**	**(264)**	**(1,232)**
As at 31.12.2011	**108**	**(1)**	**1,289**	**151**	**5,239**	**(509)**	**225**	**6,502**	**157**	**6,659**
Profit (loss) 2012	-	-	-	-	185	-	-	185	55	240
Change in fair value of investments available for sale (Note 14)	-	-	-	-	-	-	(80)	(80)	-	(80)
Translation differences	-	-	-	-	-	(323)	-	(323)	(5)	(328)
Hedging of net investment in foreign operations	-	-	-	-	-	26	-	26	-	26
Tax effect hedging of net investment in foreign operations	-	-	-	-	-	(7)	-	(7)	-	(7)
Comprehensive income 2012	**-**	**-**	**-**	**-**	**185**	**(304)**	**(80)**	**(199)**	**50**	**(149)**
Capital increase	-	-	-	-	-	-	-	-	20	20
Share-based payment (Note 27)	-	-	-	24	-	-	-	24	-	24
Dividends paid to owners of the parent (Note 20)	-	-	-	-	(375)	-	-	(375)	-	(375)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(54)	(54)
Change in treasury shares (Note 19)	-	-	-	-	16	-	-	16	-	16
Business combinations (Note 5)	-	-	-	-	-	-	-	-	35	35
Loss of control of subsidiaries	-	-	-	-	-	-	-	-	(3)	(3)
Changes in ownership of subsidiaries that do not result in a loss of control	-	-	-	-	(331)	-	-	(331)	43	(288)
Other changes in the composition of the Group (Note 14)	-	-	-	-	-	-	(145)	(145)	-	(145)
Total transactions with the owners	**-**	**-**	**-**	**24**	**(690)**	**-**	**(145)**	**(811)**	**41**	**(770)**
As at 31.12.2012	**108**	**(1)**	**1,289**	**175**	**4,734**	**(813)**	**-**	**5,492**	**248**	**5,740**

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NOTE 1 COMPANY INFORMATION

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

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

The financial statements were approved by the Board of Directors on 20 March 2013 and will be proposed to the General Meeting 30 April 2013.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board (IASB), EU-approved and in accordance with the Norwegian Accounting Act § 3-9. The consolidated financial statements have been prepared based on a historical cost basis, with the exception of financial instruments in the categories Financial assets or financial liabilities at fair value through profit or loss and Financial assets available for sale which are measured at fair value and Loans and receivables and Other financial liabilities which are measured at amortised cost.

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

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

CHANGE IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the financial year 2011.

CONSOLIDATION PRINCIPLES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ACCRUAL, CLASSIFICATION AND VALUATION PRINCIPLES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Treasury shares and transaction costs of equity transactions

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

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

Foreign currency translation

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

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

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

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

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

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

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

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

Property, plant and equipment

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

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

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

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

Investment property

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

Intangible assets

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

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

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

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

Impairment of non-financial assets

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

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

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

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

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

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

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

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

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

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

As pension liabilities are recognised as the present value of the benefit obligation at the balance sheet date, less fair value of plan assets, adjusted for unrecognised actuarial gains or losses and unrecognised past service cost.

Net pension expense related to defined benefit plans include current service cost, interest cost, expected return on plan assets, actuarial gains or losses recognised and past service cost.

The present value of defined benefit obligations, current service cost and past service cost is determined using the Projected Unit Credit Method and actuarial assumptions regarding demographic variables and financial variables.
Net cumulative actuarial gains or losses exceeding the higher of either 10% of the present value of the defined benefit obligation or 10% of the fair value of plan assets, are recognised in profit or loss over the expected average remaining working lives of the employees participating in the plan.

Past service cost is recognised in profit or loss over the average period until the benefits become vested. Past service cost is recognised immediately to the extent the benefits are already vested immediately after the introduction of, or changes to, a defined benefit plan.

Gain or loss on the curtailment or settlement of a defined benefit plan is recognised when the curtailment or settlement occurs. The gain or loss comprise any resulting change in the present value of the defined benefit obligation and any resulting change in the fair value of the plan assets, as well as any related actuarial gains and losses not previously recognised.

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

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

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

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

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

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

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

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

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

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

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

Provisions, contingent liabilities and contingent assets

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

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

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

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

Other income and expenses

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

Non-current assets held for sale

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

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

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

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

Discontinued operations

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

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

Statement of cash flows

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

Earnings per share

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

Dividends

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

IFRS AND IFRIC INTERPRETATIONS NOT YET EFFECTIVE

IASB has published certain new standards and interpretations and amendments to existing standards and interpretations that are not effective for the annual period ending 31.12.2012 and that are not applied when preparing these financial statements.

Changes with effect for the annual period beginning 1.1.2013

Amendments to IAS 19 Employee benefits introduce major changes to the accounting for defined benefit pension plans, including the removal of the option for deferred recognition of changes in pension plan assets and liabilities ("the corridor approach"). The result will be greater balance sheet volatility than by applying the corridor method. In addition, these amendments will limit the changes in the net pension liability recognised in profit or loss to service cost and net interest expense. Expected return on plan assets will be replaced by a credit to income based on the discount rate. Remeasurements of the net defined benefit liability will be recognised in other comprehensive income. The effect of plan amendments will be recognised when the amendment occurs and no longer be amortised over the vesting period.

The amendments are applied retrospectively. Comparable figures for 2012 will be restated. Restated figures for 2012 are expected to deviate as follows from figures presented in these consolidated financial statements:

- Pension liabilities, as recognised in the balance sheet, increases by NOK 236 million at 1.1.2012 and decreases by NOK 513 million at 31.12.2012 following the removal of the corridor approach and changes to the timing of recognition of the effect of plan amendments. Including the effect on deferred taxes, equity is reduced by NOK 170 million and increased by NOK 369 million, respectively.
- Profit (loss) before taxes for 2012 decreases by NOK 63 million due to reduced income from plan assets, elimination of amortisation of actuarial gains or losses and changes to the timing of recognition of the effect of plan amendments.
- Comprehensive income for 2012 increases by NOK 539 million due to changes in income before taxes and related tax effects, as well as recognition of remeasurements of the net pension liability.

The presentation of benefit cost will also be changed as interest on the net pension liability will be reported as financial expenses. This implies that the reduction in profit (loss) before taxes of NOK 63 million appears as an increase in gross operating profit of NOK 15 million, an increase in other expenses of NOK 30 million and an increase in financial expenses of NOK 48 million.

The estimated effects of restatement disclosed above do not include any potential effects related to share of changes in associated companies.

IFRS 13 Fair Value Measurement establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when fair value is required to be used, but rather provides guidance on how to measure fair value when fair value is required or permitted. As Schibsted has limited assets and liabilities measured at fair value, no material impact on the financial position or performance is expected from implementing the standard.

Amendments to IAS 1 Presentation of Financial statements changes the grouping of items presented in other comprehensive income. Items that will be reclassified subsequently to profit or loss will be presented separately from items that will not be reclassified. All items currently presented by Schibsted in other comprehensive income will be in the group of items that are reclassified. Remeasurements of the net pension liabilities that, with effect from 2013, will be recognised in other comprehensive income will be in the group of items that are not reclassified.

Changes with effect for the annual period beginning 1.1.2014
IFRS 10 Consolidated financial statements replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the principles for the presentation and preparation of consolidated financial statements. In addition it also includes the issues raised in SIC-12 Consolidation – Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 is not expected to have significant effect on the determination of whether an investee must be consolidated in the financial statements of Schibsted.

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

IFRS 12 Disclosure of Interests in Other Entities includes all of the disclosures of IAS 27 related to consolidated financial statements, as well as all of the disclosures included of IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint ventures, associate companies and structured entities. A number of new disclosures are also required, but have no impact on the Group's financial position or performance.

Changes with effect for annual periods beginning 1.1.2015
IFRS 9 Financial Instruments: Classification and Measurement, as issued, reflects the first phase of the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 may have an effect on the classification and measurement of the Group's financial assets, but is not expected to have any material effect in the Group's financial position or performance.

NOTE 3 USE OF ESTIMATES

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

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

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

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

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

In 2011, Schibsted recognised impairment losses related to goodwill of NOK 120 million. The most significant impairment loss (NOK 111 million) was related to the free newspaper operations in Spain (20 Minutos Spain) and was a consequence of market situation and uncertainty related to macroeconomic prognosis.

In 2012, Schibsted has recognised impairment losses related to goodwill of NOK 350 million of which NOK 345 million is related to SCM Spain. The impairment is mainly a consequence of poor macroeconomic development in Spain. In 2008, an impairment loss of NOK 1,291 million related to goodwill of SCM Spain was recognised. Value in use for SCM Spain is in 2012 calculated using a pre-tax discount rate (WACC) of 10.5% and a sustained growth of 1.5%. Changes in significant assumptions used would have increased (decreased) recoverable amount (NOK million) at 31.12.2012 for SCM Spain as follows:

		SCM Spain
WACC	+1%	(269)
	(1%)	338
Sustained growth year 6 and forward	+1%	334
	(1%)	(246)

An increase in WACC and a decrease in sustained growth year 6 and forward of one percentage point would have resulted in an additional impairment loss corresponding to the amounts indicated above. A decrease in WACC and an increase in sustained growth year 6 and forward of one percentage point would have resulted in a reduced impairment loss corresponding to the amounts indicated above.

As described above, the estimated recoverable amount is also affected by the assumptions used for future cash flows. These estimates are uncertain. A reduction in the expected future net cash flows related to SCM Spain of 10% compared to the estimates actually used, would have resulted in a change in recoverable amount of NOK 250 million with a corresponding effect for impairment loss recognised.

An impairment loss of NOK 179 million is recognised in 2012 related to the investment in the associated company Metro Nordic Sweden AB. The impairment loss is calculated using a pre-tax discount rate of 11% and a sustained growth of 0%. A decrease / increase in the discount rate by one percentage point would have reduced / increased the impairment loss by approximately NOK 10 million. An increase in sustained growth of one percentage point would have reduced the impairment loss by approximately NOK 10 million.

Accounting for pension obligations requires that financial assumptions relating among others to the discount rate, expected salary increases and expected increases in pensions and National Insurance basic amount are determined. Changes in assumptions affect the fair value of pension obligations, but affect, under the accounting policies applied in these financial statements, the consolidated income statement through amortisation only when accumulated actuarial gains or losses exceed 10% of the higher of pension obligations and plan assets. Following change in accounting policy with effect from 1.1.2013, remeasurements of pension obligations will be recognised in other comprehensive income. See note 2 Significant accounting policies.

An increase of the discount rate by 1% will, including changes resulting from other assumptions that changes accordingly, reduce the present value of defined benefit obligations by approximately 6%. The assumption regarding pension increases varies in line with the discount rate and reduces the effect of a change in the discount rate. As expected pension increases is low, a reduction in the discount rate will have a significantly larger effect than a corresponding increase, and a reduction of the discount rate by 1% will increase the present value of defined benefit obligations by approximately 15-20%.

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

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

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

NOTE 4
CHANGES IN THE COMPOSITION OF THE GROUP

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

Schibsted has in 2012 invested NOK 98 million related to increased ownership interests in subsidiaries. The most significant investments are the increase of ownership interest in Aspiro AB from 64.4% to 75.9% and the increase of ownership interest from 70% to 96% in Prisjakt Sverige AB. When ownership interest in subsidiaries increases, the carrying amount of non-controlling interests is adjusted to reflect the change in their relative interest in the subsidiary. The difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid, in excess of any amount already recognised as a liability related to non-controlling interests' put options, is recognised directly in equity and attributed to the owners of the parent.

Schibsted has in 2012 sold shares for NOK 59 million related to decreased ownership interests in subsidiaries. The sale is related to reduced ownership interest from 100% to 73.4% in Streaming Media AS, the company controlling 75.9% of the shares of Aspiro AB. When ownership interest in subsidiaries decreases, the carrying amount of non-controlling interests is adjusted to reflect the change in their relative interest in the subsidiary. The difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration received, is recognised directly in equity and attributed to the owners of the parent.

Schibsted has in 2012 sold certain minor businesses, including the business of Tasteline Sweden AB and 100% of the shares of Flytteportalen AS. Net loss on sale of subsidiaries amounts to NOK 7 million and is recognised in Other income and expenses. See note 8 Other income and expenses.

In November 2012, Schibsted acquired 50% of the shares of Használtautó Informatikai Kft, the company operating Hungary's leading car classifieds portal. The investment is recognised as a joint venture using proportionate consolidation. The acquisition has resulted in recognition of goodwill of NOK 58 million.

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

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

Schibsted has in 2011 invested NOK 146 million (net NOK 123 million adjusted for cash in acquired companies) related to acquisition of subsidiaries (business combinations). See note 5 Business combinations for further information related to the business combinations.

Schibsted has in 2011 invested NOK 1,265 million related to increased ownership interests in subsidiaries, mainly related to Media Norge ASA. NOK 688 million of the consideration is settled by using treasury shares.

In January 2011, Schibsted increased its ownership interest in Media Norge ASA by 3.6% to 85.9% through acquisition of shares. In May 2011 the merger between Schibsted ASA and Media Norge ASA was closed. The exchange rate built on a value of NOK 72.50 per Media Norge ASA share and NOK 171.35 per Schibsted ASA share. This valued the equity of Media Norge at NOK 7.25 billion. For the minority shareholders of Media Norge, the settlement of the merger was through two thirds shares in Schibsted ASA and one third cash. One share in Media Norge ASA gave 0.2821 shares in Schibsted ASA. In addition, the minority shareholders received NOK 24.17 in cash per Media Norge ASA share. The cash amount was in total NOK 344 million including interest from 10 January 2011 until the merger was closed. Schibsted used treasury shares in the settlement, and no shares were thus issued in the merger.

In the consolidated financial statements of Schibsted, the merger is accounted for as an equity transaction (increase in ownership interest in subsidiary).

Schibsted has in 2011 sold certain minor subsidiaries, including 100% of the shares of Sandrew Metronome Norge AS and 100% of the shares of Sandrew Metronome Distribution Finland OY. Net gain on the sale of subsidiaries amounts to NOK 16 million and is recognised in Other income and expenses, see note 8 Other income and expenses.

Media Norge is included in the operating segment Schibsted Norge media house. Sandrew Metronome Norge AS and Sandrew Metronome Distribution Finland OY were included in Other.

NOTE 5
BUSINESS COMBINATIONS

BUSINESS COMBINATIONS IN 2012:

Schibsted has in 2012 invested NOK 87 million (net NOK 35 million adjusted for cash in acquired companies) related to acquisition of subsidiaries (business combinations).

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

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

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

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

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

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

	Total business combinations
Consideration:	
Cash	87
Consideration transferred	**87**
Fair value of previously held equity interest	134
Total	**221**
Amounts for assets and liabilities recognised:	
Trademarks (indefinite useful life)	5
Customer relations	5
Data systems and licenses	36
Property, plant and equipment	11
Other non-current assets	5
Trade receivables and other receivables	90
Cash and cash equivalents	52
Deferred tax liabilities	(10)
Current liabilities	(96)
Total identifiable net assets	**98**
Non-controlling interests	(35)
Goodwill	158
Total	**221**

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

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

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

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

BUSINESS COMBINATIONS IN 2011:

Schibsted has in 2011 invested NOK 146 million (net NOK 123 million adjusted for cash in acquired companies) related to acquisition of subsidiaries (business combinations).

In March 2011, Schibsted acquired the Swedish online weather service Klart.se. In April 2011, Schibsted acquired 100% of the shares of Tvnet SIA in Latvia that operates the online newspaper tvnet.lv. In June 2011, Schibsted acquired 55% of the shares of Sibmedia Interactive S.R.L. in Romania that operates the online classifieds site tocmai.ro. In July 2011, Schibsted acquired 69.95% of the shares of Service Response Europe AB in Sweden that operates servicefinder.se, a market place for services. In September 2011, Schibsted acquired 50.09% of the shares of Done Deal Ltd in Ireland that operates the online classifieds site donedeal.ie. Schibsted has also been involved in some other minor business combinations.

The investments are carried out as a part of Schibsted's growth strategy. The investments are partly related to focusing on online classifieds in new markets and partly to developing web-based growth companies benefiting from strong traffic positions and brands of established operations in Norway and Sweden.

The business combinations have resulted in recognition of goodwill of NOK 115 million attributable to inseparable non-contractual customer relationships, the assembled workforce of the companies and synergies. Of the goodwill recognised, NOK 19 million is expected to be deductible for income tax purposes.

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

	Total business combinations
Consideration:	
Cash	126
Other assets	20
Contingent consideration	3
Consideration transferred	**149**

Amounts for assets and liabilities recognised:	
Trademarks (indefinite useful life)	54
Data systems and licenses	14
Property, plant and equipment	1
Trade receivables	8
Other current assets	29
Deferred tax liabilities	(8)
Current liabilities	(24)
Total identifiable net assets	**74**
Non-controlling interests	(40)
Goodwill	115
Total	**149**

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

The fair value of acquired receivables is NOK 9 million, of which NOK 8 million are trade receivables. There is no material difference between the gross contractual amounts receivable and the fair value of the receivables.

The companies acquired in the business combinations have since acquisition date contributed NOK 40 million to operating revenues and contributed negatively NOK 3 million to profit (loss).

If the acquisition date of all business combinations was as of 1.1.2011, the operating revenues and profit (loss) of the Group would have increased by NOK 35 million and NOK 3 million, respectively.

Schibsted has not incurred significant acquisition-related costs in connection with the business combinations.

NOTE 6 EVENTS AFTER THE REPORTING PERIOD

There are no material events after the reporting period.

NOTE 7 DISCLOSURE OF OPERATING SEGMENTS

With effect from 2012, the Group's division into operating segments is changed. Comparable figures for previous periods are restated. The change is a consequence of changes in the organisation of the Group, including the establishing of Schibsted Norge in the first quarter of 2012.

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

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

Operating segment Schibsted Norge media house comprises VG media house, the four media houses (Aftenposten, Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen) previously constituting Media Norge, printing operations, and the publishing house Schibsted Forlag.

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

Media Houses International comprises the concept for free newspapers 20 Minutes in Spain and France and Eesti Meedia Group comprising the Group's operations in the Baltic States.

Other comprises operations not included in the four reported operating segments, including Sandrew Metronome, Aspiro and Møteplassen.

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

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

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

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

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

2012	Online classifieds	Schibsted Norge media house	Schibsted Sverige media house	Media Houses Inter-national	Other	Head-quarters	Elimi-nations	Total
Subscription revenues	-	1,263	398	83	-	-	-	1,744
Casual sales revenues	12	1,350	1,074	42	-	-	-	2,478
Advertising revenues	3,478	2,974	1,647	555	-	-	-	8,654
Other operating revenues	45	888	376	224	317	37	-	1,887
Operating revenues from external customers	**3,535**	**6,475**	**3,495**	**904**	**317**	**37**	**-**	**14,763**
Operating revenues from other segments	112	10	43	35	-	310	(510)	-
Operating revenues	**3,647**	**6,485**	**3,538**	**939**	**317**	**347**	**(510)**	**14,763**
Operating expenses	(2,549)	(5,717)	(3,139)	(942)	(356)	(576)	510	(12,769)
Share of profit (loss) of associated companies	-	3	30	-	-	1	-	34
Gross operating profit (loss)	**1,098**	**771**	**429**	**(3)**	**(39)**	**(228)**	**-**	**2,028**
Depreciation and amortisation	(144)	(207)	(45)	(32)	(15)	(36)	-	(479)
Gross operating profit (loss) after depreciation and amortisation	**954**	**564**	**384**	**(35)**	**(54)**	**(264)**	**-**	**1,549**

2011	Online classifieds	Schibsted Norge media house	Schibsted Sverige media house	Media Houses Inter-national	Other	Head-quarters	Elimi-nations	Total
Subscription revenues	-	1,235	421	86	-	-	-	1,742
Casual sales revenues	13	1,398	1,173	57	-	-	-	2,641
Advertising revenues	3,040	3,056	1,700	628	4	-	-	8,428
Other operating revenues	70	788	281	209	184	35	-	1,567
Operating revenues from external customers	**3,123**	**6,477**	**3,575**	**980**	**188**	**35**	**-**	**14,378**
Operating revenues from other segments	75	52	36	24	2	261	(450)	-
Operating revenues	**3,198**	**6,529**	**3,611**	**1,004**	**190**	**296**	**(450)**	**14,378**
Operating expenses	(2,202)	(5,606)	(3,204)	(967)	(169)	(534)	450	(12,232)
Share of profit (loss) of associated companies	(3)	3	38	1	-	-	-	39
Gross operating profit (loss)	**993**	**926**	**445**	**38**	**21**	**(238)**	**-**	**2,185**
Depreciation and amortisation	(172)	(218)	(47)	(35)	(3)	(30)	-	(505)
Gross operating profit (loss) after depreciation and amortisation	**821**	**708**	**398**	**3**	**18**	**(268)**	**-**	**1,680**

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

Operating revenues	2012	2011
Online classifieds	3,661	3,222
Printed newspapers	8,415	9,001
Online newspapers / directories	2,255	1,923
Live pictures	134	206
Other	864	642
Eliminations	(566)	(616)
Total	**14,763**	**14,378**

Operating revenues include government grants at NOK 57 million in 2012 and NOK 56 million in 2011. In addition barter agreements are included with NOK 67 million in 2012 and NOK 48 million in 2011.

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

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

Operating revenues	2012	2011
Norway	7,842	7,637
Sweden	4,206	4,224
France	955	913
Spain	823	737
Baltics	461	566
Other Europe	383	222
Other countries	93	79
Total	**14,763**	**14,378**

Non-current assets	2012	2011
Norway	3,608	3,333
Sweden	1,412	1,619
France	3,100	3,293
Spain	2,372	2,902
Baltics	336	353
Other Europe	549	553
Other countries	82	59
Total	**11,459**	**12,112**

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

NOTE 8 OTHER INCOME AND EXPENSES

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

Other income and expenses consist of:

	2012	2011
Restructuring costs	(283)	(231)
Write-down of inventories	(23)	-
Gain (loss) on sale of subsidiaries, joint ventures and associated companies (note 4)	(13)	16
Gain on sale of intangible assets, property, plant and equipment and investment property	4	33
Gain on amendment of pension plans	8	99
Gain from remeasurement of previously held equity interest in business combination achieved in stages	57	-
Acquisition-related costs	(7)	-
Other	-	33
Total	**(257)**	**(50)**

2012

Restructuring costs of NOK 283 million are mainly related to measures implemented in connection with the cost reduction programmes introduced to meet the structural changes facing print media. Schibsted Norge and Schibsted Sverige media houses account for NOK 192 million and NOK 55 million respectively. The costs are mainly related to reduction in headcount, but also include certain printing contract termination costs.

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

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

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

2011

Restructuring costs of NOK 202 million are recognised as a consequence of implementation of measures to reduce the cost base in Schibsted Norge and Schibsted Sverige media houses. The costs are mainly related to reduction in headcount in Media Norge, VG and Schibsted Sverige. The measures are implemented and will take effect in the period 2012-2014 where the cost base will be reduced by approximately NOK 200 million and headcount will be reduced by 160-200. Restructuring costs related to the ongoing downscaling of the operations in Sandrew Metronome amount to NOK 28 million.

In relation to the ongoing downscaling of the operations in Sandrew Metronome, gains on the sale of subsidiaries and gains on sale of intangible assets are recognised in 2011 by NOK 10 million and NOK 33 million, respectively.

Amendments to pension plans in certain subsidiaries have resulted in a gain of NOK 99 million. The amendments comprise amendments to benefits in existing plans and change from unfunded benefit plans to insurance of disability benefits.

Other includes positive effect from recognising in income a provision related to a legal dispute settled in Sweden.

NOTE 9 FINANCIAL RISK MANAGEMENT

Capital management

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

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

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

	2012	2011
Non-current interest-bearing borrowings	2,124	1,907
Current interest-bearing borrowings	347	523
Current interest-bearing securities	3	10
Cash and cash equivalents	1,031	778
Net interest-bearing borrowings	**1,437**	**1,642**
Group equity	5,740	6,659
Net gearing (net interest-bearing borrowings/equity)	0.25	0.25
Undrawn long-term bank facilities	2,386	3,260

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

Financing and control of refinancing risk is handled on the parent company level. Schibsted has a diversified loan portfolio both in terms of sourcing and maturity profile. The most important financing sources are the Norwegian commercial paper market and banks. Schibsted does not have an external credit rating. The financial flexibility is considered to be good and the Group's ratio of net interest-bearing debt to gross operating profit was 0.7 at the end of 2012. This is on a level with the pronounced goal of 1-2.

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

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

Financial risk

Schibsted ASA has a treasury department responsible for financing and controlling of financial risks, such as interest and foreign exchange risk, liquidity risk and credit risk for the Group.

Foreign exchange risk

Norwegian kroner (NOK) are Schibsted's base currency, but the Group is through its business outside Norway also exposed to changes in other countries' exchange rates, mainly Euro (EUR) and Swedish kronor (SEK). Schibsted has foreign exchange exposure relating to both balance sheet monetary items and to net assets in foreign operations. Schibsted uses loans in foreign currencies, forward contracts and swap agreements to reduce the foreign exchange exposure. The Group's monetary items exposure appears in note 22 Interest-bearing borrowings and in note 18 Cash and cash equivalents. As at 31.12.2012 the Group had entered into several forward contracts involving the purchase and sale of currencies and one interest rate and currency swap agreement for this purpose.

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

As at 31.12.2012 Schibsted has the following forward contracts, which all mature in 2013:

	Currency	Amount	NOK
Forward contracts, sale	EUR	30	220
Forward contracts, sale	CHF	17	103
Forward contracts, sale	SEK	805	688
Forward contracts, purchase	SEK	540	462

As at 31.12.2012 forward contracts for the sale of SEK 805 million are related to hedging of net investments in foreign operations. Fair value of the contracts accounted for as hedges was NOK -2 million as at 31.12.2012. Fair value of other forward contracts was NOK 2 million as at 31.12.2012.

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

As at 31.12.2012 Schibsted has the following interest rate and currency swap, which mature in 2013:

	Currency	Amount	NOK
Interest rate and currency swap	EUR	38	279

The interest rate and currency swap agreement is linked to the bond of NOK 300 million issued in December 2010 (ISIN NO001059325.4), where all payments of interests during the loan period and the final repayment of the loan at maturity in 2013 are fully matched. The agreement is accounted for as a hedge. The fair value of the agreement was NOK 22 million as at 31.12.2012.

Schibsted follows a currency hedging strategy where parts of net investments in foreign operations are hedged. The degree to which hedging is carried out has been slightly reduced during 2012. As at 31.12.2012 43% of the Group's net interest-bearing borrowings was in EUR, including forward contracts and the interest rate and currency swap. The remaining interest-bearing borrowings, including forward contracts, is denominated in NOK.

The sensitivity of exchange rate fluctuations is as follows: if NOK changes by 10% compared to the actual rate as at 31.12.2012 for SEK and EUR, the Group's net interest-bearing borrowing (including currency derivatives) will change by approximately NOK 110 million. Currency effects will have a limited effect on Group profits since any change in value will be tied to instruments hedging the net foreign investments, but will change the net interest-bearing debt to gross operating profit ratio by approximately 0.06.

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

Interest rate risk

Schibsted has floating interest rates on most of its interest-bearing borrowings, see note 22 Interest-bearing borrowings and is thereby influenced by changes in the interest market. A change of 1 percentage point in the floating interest rate means a change in Schibsted's interest expenses of approximately NOK 24 million. This will partly be compensated by a change in interest income of approximately NOK 10 million.

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

As at 31.12.2012 Schibsted has the following interest rate swap agreements in NOK:

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

The fair value of the interest rate swap agreements was NOK 15 million as at 31.12.2012.

Raw materials risk

Schibsted is a consumer of newsprint and is therefore exposed to price changes. A change in the price of 1% has an impact on raw materials costs for the Group of approximately NOK 8 million per year. Newsprint prices in Norway, Sweden and Spain are negotiated annually with suppliers and have already been settled for 2013.

Credit risk

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

There is a limited credit risk relating to the Group's circulation revenues since many of the Group's products are sold on the basis of prepayment (newspaper subscriptions). For parts of the Group's advertising revenues, deposit schemes and credit insurance have been established. For private online advertising payment is to a large extent made by charging the customer's credit card or phone at the time the advertisement is ordered. Net carrying amount of the Group's financial assets, except for equity instruments, represents maximum credit exposure, and the exposure as at 31.12.2012 is disclosed in note 10 Financial instruments by category. Exposure related to the Group's trade receivables is disclosed in note 17 Trade and other receivables.

Liquidity risk

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

At the end of 2012 Schibsted has a long-term liquidity reserve of NOK 3.4 billion and net interest-bearing borrowing is NOK 1,437 million. The liquidity reserve corresponds to 23% of the Group's turnover. The Group has as target that the aggregate liquidity reserve should be at least 10% of the next 12 months' expected turnover.

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

NOTE 10 FINANCIAL INSTRUMENTS BY CATEGORY

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

	Note	Balance as at 31.12.2012	Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Financial assets available for sale	Other financial liabilities	Other assets and liabilities
Intangible assets	11	9,113	-	-	-	-	9,113
Property, plant and equipment and investment property	12	1,845	-	-	-	-	1,845
Investments in associated companies	13	488	-	-	-	-	488
Non-current financial assets	14	16	-	-	16	-	-
Deferred tax assets	30	96	-	-	-	-	96
Other non-current assets	15	194	-	181	-	-	13
Inventories	16	117	-	-	-	-	117
Trade and other receivables	17	2,447	2	2,144	-	-	301
Current financial assets	14	3	-	-	3	-	-
Cash and cash equivalents	18	1,031	-	1,031	-	-	-
Total assets		**15,350**	**2**	**3,356**	**19**	**-**	**11,973**
Deferred tax liabilities	30	763	-	-	-	-	763
Pension liabilities	21	1,422	-	-	-	-	1,422
Non-current interest-bearing borrowings	22	2,124	-	-	-	2,124	-
Other non-current liabilities	23	296	-	-	-	257	39
Current interest-bearing borrowings	22	347	-	-	-	347	-
Income tax payable	30	365	-	-	-	-	365
Other current liabilities	24	4,293	-	-	-	3,608	685
Total liabilities		**9,610**	**-**	**-**	**-**	**6,336**	**3,274**

	Note	Balance as at 31.12.2011	Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Financial assets available for sale	Other financial liabilities	Other assets and liabilities
Intangible assets	11	9,611	-	-	-	-	9,611
Property, plant and equipment and investment property	12	1,992	-	-	-	-	1,992
Investments in associated companies	13	492	-	-	-	-	492
Non-current financial assets	14	143	-	-	143	-	-
Deferred tax assets	30	58	-	-	-	-	58
Other non-current assets	15	213	-	196	-	-	17
Inventories	16	143	-	-	-	-	143
Trade and other receivables	17	2,406	11	2,028	-	-	367
Current financial assets	14	500	-	-	500	-	-
Cash and cash equivalents	18	778	-	778	-	-	-
Total assets		**16,336**	**11**	**3,002**	**643**	**-**	**12,680**
Deferred tax liabilities	30	798	-	-	-	-	798
Pension liabilities	21	1,455	-	-	-	-	1,455
Non-current interest-bearing borrowings	22	1,907	-	-	-	1,907	-
Other non-current liabilities	23	339	-	-	-	305	34
Current interest-bearing borrowings	22	523	-	-	-	523	-
Income tax payable	30	428	-	-	-	-	428
Other current liabilities	24	4,227	4	-	-	4,223	-
Total liabilities		**9,677**	**4**	**-**	**-**	**6,958**	**2,715**

The fair value of the Group's financial assets and liabilities at fair value through profit or loss is as follows:

	Assets		Liabilities	
	2012	2011	2012	2011
Forward contracts	2	6	-	4
Interest rate and currency swap	-	5	-	-
Total	**2**	**11**	**-**	**4**

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

31.12.2012:	Level 1	Level 2	Level 3	Total
Financial assets available for sale	-	3	16	**19**
Financial assets at fair value through profit or loss	-	2	-	**2**

31.12.2011:	Level 1	Level 2	Level 3	Total
Financial assets available for sale	618	10	15	**643**
Financial assets at fair value through profit or loss	-	11	-	**11**
Financial liabilities at fair value through profit or loss	-	(4)	-	**(4)**

The different valuation methods have been defined as follows:

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

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

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

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

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

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

Changes in level 3 instruments:

	2012	2011
Net carrying amount 1.1	15	39
Additions	3	1
Disposals	(1)	(26)
Changes in fair value recognised in comprehensive income	-	1
Changes in fair value recognised in profit or loss	(1)	-
Net carrying amount 31.12	**16**	**15**

NOTE 11 INTANGIBLE ASSETS

	Goodwill	Other intangible assets	Total
1.1-31.12.2012			
Net carrying amount 1.1.2012	6,878	2,733	9,611
Additions	-	178	178
Additions on purchase of businesses	216	46	262
Disposals on sale of businesses	(12)	(1)	(13)
Reclassification	-	17	17
Amortisation	-	(196)	(196)
Impairment loss	(350)	(7)	(357)
Translation differences	(280)	(109)	(389)
Net carrying amount 31.12.2012	**6,452**	**2,661**	**9,113**
As at 31.12.2012			
Cost	8,203	3,401	11,604
Accumulated amortisation and impairment losses	(1,751)	(740)	(2,491)
Net carrying amount	**6,452**	**2,661**	**9,113**
1.1-31.12.2011			
Net carrying amount 1.1.2011	6,919	2,809	9,728
Additions	-	164	164
Additions on purchase of businesses	120	67	187
Disposals	-	(6)	(6)
Disposals on sale of businesses	(1)	(19)	(20)
Reclassification	-	13	13
Amortisation	-	(211)	(211)
Impairment loss	(120)	(65)	(185)
Translation differences	(40)	(19)	(59)
Net carrying amount 31.12.2011	**6,878**	**2,733**	**9,611**
As at 31.12.2011			
Cost	8,436	3,754	12,190
Accumulated amortisation and impairment losses	(1,558)	(1,021)	(2,579)
Net carrying amount	**6,878**	**2,733**	**9,611**

Other intangible assets include:

	Expected useful life	Carrying amount 31.12.2012	31.12.2011
Trademarks	Indefinite	2,201	2,295
Trademarks	Finite	65	88
Software and licenses	Finite	340	272
Customer relations	Finite	55	78
Total		**2,661**	**2,733**

Trademarks with indefinite expected useful lives can be specified on cash-generating units as follows:

	Operating segment	2012	2011
Schibsted Norge	Schibsted Norge media house	439	439
Schibsted Sverige	Schibsted Sverige media house	54	51
SCM Spain	Online classifieds	795	840
SCM France	Online classifieds	666	704
SCM Italy	Online classifieds	151	160
SCM Belgium	Online classifieds	47	49
SCM Ireland	Online classifieds	45	47
SCM Romania	Online classifieds	4	5
Total		**2,201**	**2,295**

Trademarks with an indefinite expected useful life have been acquired through acquisitions and are expected to generate cash flows over an indefinite period of time.

Intangible assets with a finite expected useful life are as a general rule amortised on a straight line basis over the expected useful life. The amortisation period of intangible assets are 1.5-10 years. The amortisation method, expected useful life and any residual value are assessed annually.

Schibsted has a clear goal of building a foundation for future growth by establishing in new markets. This is done to a large extent within Schibsted Classified Media through establishing operations that are primarily based on the successful Swedish Blocket.se concept.

For successful establishments; technology, trademarks and goodwill that may have a significant value, is developed through the expenditure incurred. Such expenditure do not meet the requirements for recognition as intangible assets, and all the expenditure related to such roll-outs, mainly marketing expenditure, are thus recognised as an expense when it is incurred. Such investments reduced Gross operating profit by NOK 530 million in 2012 and NOK 412 million in 2011.

Goodwill can be specified on cash-generating units as follows:

	Operating segment	2012	2011
Schibsted Forlag	Schibsted Norge media house	56	58
VG Group	Schibsted Norge media house	58	61
Schibsted Vekst	Schibsted Norge media house	7	5
Other Schibsted Norge	Schibsted Norge media house	624	624
Schibsted Sverige	Schibsted Sverige media house	396	397
Hitta	Schibsted Sverige media house	115	117
Eesti Meedia	Media Houses International	167	169
Finn.no	Online classifieds	265	270
SCM France	Online classifieds	2,366	2,499
SCM Spain	Online classifieds	1,589	2,043
SCM Sweden	Online classifieds	438	446
SCM Belgium	Online classifieds	75	79
SCM Ireland	Online classifieds	46	49
SCM Hungary	Online classifieds	56	-
Other online classifieds	Online classifieds	31	33
Aspiro	Other	136	-
Møteplassen	Other	27	28
Total		**6,452**	**6,878**

As a result of negative development in certain markets Schibsted has in 2012 recognised impairment losses of NOK 357 million related to goodwill and other intangible assets. Impairment loss goodwill is mainly related to the Group's Online classifieds operations in Spain and is included in the amount with NOK 345 million.

Schibsted has in 2011 recognised impairment losses of NOK 185 million related to goodwill and other intangible assets. As a consequence of adverse development in profitability, impairment losses of NOK 111 million related to 20 Minutos Spain and NOK 9 million related to Tasteline Sweden AB (in operating segment Schibsted Sverige media house) has been recognised. Impairment loss other intangible assets is mainly related to intangible assets in Schibsted Classified Media (NOK 54 million) in connection with adjustment to the classification of expenditure incurred in ongoing development and upgrading of web sites.

Recoverable amounts of the cash-generating units were estimated based on value in use. Expected cash flows in 2012 are discounted using a pre-tax discount rate (WACC) from 10.5% to 12.5% (10.5% to 13.4%). When WACC is determined, consideration is given to the risk-free interest rate with risk premium for the relevant country as well as business specific risk.

NOTE 12
PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

	Buildings and land	Investment properties	Construction in progress	Plant and machinery	Equipment, furniture and similar assets	Total
1.1-31.12.2012						
Net carrying amount 1.1.2012	882	63	27	663	357	1,992
Additions	17	-	-	39	132	188
Additions on purchase of businesses	2	-	-	-	10	12
Disposals	(13)	-	-	-	(4)	(17)
Reclassification	(28)	5	(27)	-	33	(17)
Depreciation	(32)	-	-	(112)	(139)	(283)
Impairment loss	-	-	-	-	(12)	(12)
Translation differences	(5)	-	-	(6)	(7)	(18)
Net carrying amount 31.12.2012	**823**	**68**	**-**	**584**	**370**	**1,845**
As at 31.12.2012						
Cost	980	68	-	1,653	1,086	3,787
Accumulated depreciation and impairment loss	(157)	-	-	(1,069)	(716)	(1,942)
Net carrying amount	**823**	**68**	**-**	**584**	**370**	**1,845**
1.1-31.12.2011						
Net carrying amount 1.1.2011	882	63	6	763	398	2,112
Additions	18	-	23	16	133	190
Disposals	-	-	-	-	(6)	(6)
Disposals on sale of businesses	-	-	-	-	(1)	(1)
Reclassification	18	-	(2)	-	(16)	-
Depreciation	(36)	-	-	(116)	(142)	(294)
Impairment loss	-	-	-	-	(6)	(6)
Translation differences	-	-	-	-	(3)	(3)
Net carrying amount 31.12.2011	**882**	**63**	**27**	**663**	**357**	**1,992**
As at 31.12.2011						
Cost	1,031	63	27	1,626	980	3,727
Accumulated depreciation and impairment loss	(149)	-	-	(963)	(623)	(1,735)
Net carrying amount	**882**	**63**	**27**	**663**	**357**	**1,992**

Investment properties and property, plant and equipment, excluding land, are depreciated on a straight line basis over their estimated useful lives.

Depreciation schedules reflect the assets' residual value. Items of property, plant and equipment where material components can be identified with different useful lives are depreciated over the individual component's expected useful life. Depreciation is calculated over the estimated useful lives: Buildings (25-50 years), Plant and machinery (5-20 years), Equipment, furniture and similar assets (3-10 years). The depreciation method, expected useful life and any residual value are reviewed annually.

Investment property
Schibsted has two properties classified as investment properties as at 31.12.2012. The properties are an unused property reserve in Stavanger with a carrying amount of NOK 63 million and a commercial building in Farsund with a book value of NOK 5 million. Valuations from real estate agents are obtained and the fair values as at 31.12.2012 are not expected to deviate significantly from the carrying amount.

Lease agreements
Property, plant and equipment include assets owned under financial lease agreements. These assets have a cost of NOK 23 million in 2012 and NOK 24 million in 2011, and a carrying amount of NOK 11 million in 2012 and NOK 13 million in 2011. Depreciation amounts to NOK 2 million for 2012 and NOK 2 million for 2011.

Schibsted has lease obligations related to off-balance sheet operating assets, mainly office buildings. Rental expenses were NOK 404 million in 2012 and NOK 384 million in 2011. The most significant leases relate to the leases of Aftenposten's premises at Biskop Gunnerus gate 14A in Oslo (the agreement expires in 2013), Schibsted Sverige's premises in Västra Järnvägsgatan 21 in Stockholm (the agreement expires 2020), VG's premises at Akersgata 55 (the agreement expires in 2023) and Schibsted Norge's premises in Sandakerveien 121 (the agreement expires in 2025). The most significant of the Group's leases contains a right to an extension.

Future minimum payments under non-cancellable operational leases where Schibsted is the lessee are as follows:

	2012	2011
Within one year	410	383
Between one and five years	1,214	1,094
More than five years	1,306	1,383

NOK 30 million is recognised as sub lease payments related to the Group's operating leases in 2012 and NOK 29 million in 2011. Expected future minimum lease payments for non-cancellable subleases are NOK 21 million as at 31.12.2012 and NOK 57 million as at 31.12.2011.

Schibsted's rental income related to operating leases for office premises was NOK 15 million in 2012 and NOK 16 million in 2011.

	2012	2011
Within one year	16	16
Between one and five years	30	33
More than five years	7	11

NOTE 13 INVESTMENTS IN ASSOCIATED COMPANIES

The development in the carrying amount of investments in associated companies is as follows:

	2012	2011
Carrying amount 1.1	492	465
Reclassification from financial assets	210	-
Additions	9	16
Disposals	(21)	-
Share of profit (loss) of associated companies	34	39
Gain (loss)	(5)	-
Impairment loss	(179)	-
Dividends received	(44)	(25)
Translation differences	(8)	-
Other	-	(3)
Carrying amount 31.12	**488**	**492**

Impairment loss in associated companies is related to Metro Nordic Sweden AB. It is a result of negative market development.

The Group's share of assets, liabilities, operating revenues and share of profit (loss) of associated companies are as follows:

	2012	2011
Assets	982	648
Liabilities	(494)	(156)
Carrying amount	**488**	**492**
Operating revenues	579	497
Share of profit (loss)	**34**	**39**

Share of profit (loss) of associated companies and carrying amount of investments in associated companies are as follows:

		Ownership %	Share of profit (loss)		Carrying amount	
	Location	**31.12.2012**	**2012**	**2011**	**2012**	**2011**
Metro Nordic Sweden AB	Stockholm	35	20	29	152	351
Polaris Media ASA	Trondheim	29	1	-	211	-
Other			13	10	125	141
Total			**34**	**39**	**488**	**492**

Until October 2012, Polaris Media ASA was a financial asset to Schibsted, see note 14 Financial assets.

Price quotations are available for shares in Polaris Media ASA. The fair value of the investment in Polaris Media ASA is NOK 347 million based on quoted prices at 31.12.2012.

NOTE 14 FINANCIAL ASSETS

The development in carrying amount of investments categorised as financial assets available for sale is as follows:

	2012	**2011**
As at 1.1	643	575
Additions	4	2
Disposals	(114)	(29)
Reclassification to associated companies	(210)	-
Reclassification to subsidiaries	(67)	-
Changes in fair value		
Change recognised in comprehensive income	29	95
Change recognised in profit or loss	(1)	-
Reclassification adjustment from comprehensive income to profit (loss) by derecognition	(109)	(1)
Reclassification adjustment from comprehensive income to equity by derecognition	(145)	-
Translation differences	(11)	1
As at 31.12	**19**	**643**
Of which non-current financial assets	16	143
Of which current financial assets	3	500

Financial assets consist of:

	2012	**2011**
Shares		
Listed Scandinavia (Aspiro AB and Polaris Media ASA)	-	127
Listed Scandinavia (Aspiro AB and Polaris Media ASA) – TRS agreements and agreements with continuing financial involvement	-	490
Unlisted	16	16
Current interest-bearing securities	3	10
Total financial assets	**19**	**643**

Until February 2012, Schibsted held 18.3% of the shares in Aspiro AB and had the financial interest in an additional 21.3% of the shares through a Total Return Swap. In February 2012, Schibsted increased its ownership interest in Aspiro AB to 64.4% in a business combination achieved in stages. Changes in fair value of the previously held equity interest of 39.6% previously recognised in other comprehensive income was reclassified to profit or loss. A gain from remeasurement of those 39.6% of NOK 48 million is recognised in the line Other income and expenses.

Until October 2012, Schibsted held 7.1% of the shares in Polaris Media ASA. From September 2011, Schibsted had a continuing involvement in an additional 36.3% of the shares from an agreement under which Schibsted had transferred those shares to other owners, but where those other owners had a right, but not an obligation, expiring in October 2012, to sell those shares back to Schibsted. Until September 2011, Schibsted had a financial interest in those 36.3% of the shares through a Total Return Swap. In October 2012, 21.9% of the shares were sold back to Schibsted, and Schibsted's equity interest of 29.0% is from then on accounted for as an investment in an associated company. Changes in fair value previously recognised in comprehensive income related to the 29.0% interest was charged to equity with NOK 145 million. Changes in fair value previously recognised in comprehensive income related to the 14.4% of the shares not sold back and consequently derecognised, were reclassified to profit or loss. A gain from derecognition of NOK 69 million is recognised in the line Financial income.

The Total Return Swaps and the agreement with continuing involvement implied that Schibsted had financial assets and financial liabilities representing the rights and obligations Schibsted had towards the counterparties. The assets were recognised at NOK 490 million and the liabilities were recognised at NOK 475 million in 2011, see note 24 Other current liabilities.

NOTE 15 OTHER NON-CURRENT ASSETS

Other non-current assets consist of:

	2012	2011
Loans to associated companies	1	1
Prepaid expenses	13	17
Other receivables	180	195
Total	**194**	**213**

There are no significant differences between the fair value and the carrying value of loans to associated companies and other receivables as the interest calculation is based on a market rate.

NOTE 16 INVENTORIES

Inventories consist of:

	2012	2011
Books	32	54
Newsprint purchased	46	54
DVDs and publication rights	39	35
Total	**117**	**143**

Write-down of inventories to net realisable value was NOK 28 million in 2012 and NOK 1 million in 2011.

Inventories carried at fair value less cost of sales were NOK 32 million as at 31.12.2012 and NOK 3 million as at 31.12.2011.

NOTE 17 TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables consist of:

	2012	2011
Trade receivables	1,856	1,881
Less provision for impairment of trade receivables	(80)	(79)
Trade receivables (net)	**1,776**	**1,802**
Prepaid expenses and accrued revenue	291	283
Income tax receivables	155	84
Financial assets at fair value through profit or loss (note 10)	2	11
Other receivables	223	226
Total	**2,447**	**2,406**

The carrying amount of trade and other receivables are considered to represent a reasonable approximation of fair value.

The maximum exposure to credit risk at the reporting date for trade and other receivables is the carrying value of the receivables. In some group entities credit insurance and other agreements are obtained. Carrying value of trade receivables with security is NOK 262 million as at 31.12.2012.

Movements in the Group's provision for impairment of trade receivables are as follows:

	2012	2011
As at 1.1	(79)	(71)
Provision for impairment	(52)	(48)
Receivables written off as uncollectible	30	25
Unused amounts reversed	19	14
Disposal on sale of group companies	-	1
Translation differences	2	1
As at 31.12	**(80)**	**(79)**

As at 31.12.2012 trade receivables of NOK 174 million were impaired. The amount of the provision was NOK 80 million. As at 31.12.2011 trade receivables of NOK 180 million were impaired and the provision was NOK 79 million.

The aging of impaired trade receivables is as follows:

	2012	2011
Not due*	88	98
Up to 45 days	22	18
More than 45 days	64	64
Total	**174**	**180**

* Also includes provisions not individualised

As at 31.12.2012 trade receivables of NOK 478 million were past due but not impaired, compared to NOK 480 million as at 31.12.2011. These receivables relate to a number of independent customers in different locations.

The aging of the past due, not impaired trade receivables, is as follows:

	2012	2011
Up to 45 days	366	355
More than 45 days	112	125
Total	**478**	**480**

NOTE 18 CASH AND CASH EQUIVALENTS

	2012	2011
Cash and cash equivalents	**1,031**	**778**

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	2012	2011
NOK	(228)	88
SEK	577	300
EUR	625	330
Other	57	60
Total	**1,031**	**778**

Carrying amount of cash and bank deposits are considered to represent a reasonable approximation of fair value. Schibsted has a multi-currency cash pool with Danske Bank in which almost all the Nordic subsidiaries are included. The cash pool has been established to optimise liquidity management for Schibsted.

The Group has an overdraft facility under the cash pool system of NOK 400 million. At the end of 2012 this facility was not drawn.

Excess liquidity is mainly placed in the cash pool or in the short-term money market. The bank deposits of subsidiaries outside the Nordic countries are deposited at local banks.

The deposit and borrowing interest rates in Danske Bank are based on Ibor rates for each currency with a subtraction or addition of a margin. The Ibor rates are fixed daily in the market. A cross-currency netting of margins is established for the currencies in the cash pool.

Other bank deposits are credited interests based on the bank's daily deposit rates in each country.

Of the Group's cash and cash equivalents, NOK 16 million are considered to be restricted as at 31.12.2012. Payroll withholding tax is not included in restricted cash as the Group has provided a tax guarantee instead.

NOTE 19 NUMBER OF SHARES

The development in share capital and other paid-in equity is set out in the Consolidated statement of changes in equity. The development in the number of issued and outstanding shares is as follows:

	Number of shares 2012 Outstanding	Number of shares 2012 Treasury shares	Number of shares 2012 Issued	Number of shares 2011 Outstanding	Number of shares 2011 Treasury shares	Number of shares 2011 Issued
As at 1.1	106,941,657	1,061,958	108,003,615	103,773,175	4,230,440	108,003,615
Increase in treasury shares	-	-	-	(1,129,301)	1,129,301	-
Decrease in treasury shares	162,803	(162,803)	-	4,297,783	(4,297,783)	-
As at 31.12	**107,104,460**	**899,155**	**108,003,615**	**106,941,657**	**1,061,958**	**108,003,615**

The Group's share capital consists of 108,003,615 shares of NOK 1 par value. No shareholder may own or vote at a shareholders' meeting for more than 30% of the shares.

The Annual Shareholders' Meeting has given the Board authorisation to acquire treasury shares up to 10,800,361 shares (10%). The authorisation was renewed at the Annual Shareholders' Meeting on 11 May 2012 for a period until the Annual Shareholders' Meeting in 2013. At the Annual Shareholders' Meeting on 30 April 2013 the Board will present a resolution to extend the authorisation for the Board to purchase and dispose of up to 10% of the share capital in Schibsted ASA according to the Norwegian public limited liability companies act under the conditions evident from the notice of the Annual Shareholders' Meeting.

During 2012 Schibsted has sold 91,060 treasury shares to key personnel at NOK 132.70 per share in connection with exercise of 72,500 options with the right to acquire 91,060 shares. The total value consideration was NOK 12 million.

Schibsted has in July and December 2012 transferred respectively 28,475 treasury shares at NOK 186.50 and 23,468 treasury shares at NOK 237.49 to key managers in connection with performance-based share purchase programme. The total value consideration was NOK 11 million.

In November 2012, 19,800 treasury shares at NOK 225.10 were sold in connection with an offer to employees to purchase shares at a discounted price of 180.08. The total consideration was NOK 4 million.

In 2011 Schibsted acquired 1,129,301 treasury shares at a total purchase price of NOK 164 million.

In January 2011, Schibsted used 247,603 treasury shares at NOK 171.35 as part payment when acquiring shares in Media Norge AS. In connection with the merger of Schibsted and Media Norge AS in May 2011, 3,981,184 treasury shares at NOK 162.10 were transferred to the former minority holders of Media Norge. In July 2011, Schibsted transferred 32,388 treasury shares at NOK 172.60 to key managers in connection with the performance-based share purchase programme. The total value of treasury shares used for the purposes above is NOK 693 million.

In November 2011, 36,608 treasury shares at NOK 141.70 were sold in connection with an offer to employees to purchase shares at a discounted price. The total value consideration was NOK 5 million.

As at 31.12.2012 Schibsted held 899,155 treasury shares. The background to the purchases previous years is that the Board of Directors has considered the repurchase of shares as advantageous compared to alternative investments and in order to optimise the capital structure of the Group. In addition shares are acquired in order to be used in connection with the employee share programmes and in connection with acquisitions.

During the first quarter of 2013 the company has reduced its number of treasury shares by 113,040 in connection with exercised options in the Group option scheme for key personnel. The holding as at 20 March 2013 was 786,115 shares.

NOTE 20 DIVIDENDS

At Schibsted's Annual Shareholders' Meeting on 30 April 2013 a dividend of NOK 3.50 per share will be proposed (total NOK 375 million). No provision for this dividend has been recognised in the Group's balance sheet as at 31.12.2012.

In 2012 dividends of NOK 3.50 per share were paid (total NOK 375 million).

NOTE 21 PENSION PLANS

Schibsted has occupational pension plans for its employees in Norwegian companies, mainly with Storebrand Livsforsikring AS. These pension plans meet the requirements of the Act on Mandatory occupational pensions applicable to Norwegian companies. Schibsted is entitled to make changes to the pension plans. The occupational pension plans are partly established as defined benefit plans and partly as defined contribution plans. A significant part of the existing funded defined benefit plans are closed.

The terms of the funded defined benefit plans are mainly uniform. The benefits are mainly dependent upon number of years of employment, salary level at retirement age and the amount of benefits from the National Insurance pension. The majority of the funded defined benefit plans comprise retirement pension for life from 67 years and full retirement pension amounts to approximately 66% of the basis (limited to 12G (National Insurance basic amount)) including assumed pension from the National Insurance pension (based on calculated National Insurance pension). Several of the plans include spouse pension, child pension and disability pension.

As at 31.12.2012 the funded defined benefit plans in Norway covered approximately 2,350 working members and approximately 1,700 retirees. Estimated contributions in 2013 to the above mentioned funded defined benefit plans amount to approximately NOK 120 million.

The terms related to annual contributions to the defined contribution plans are mainly uniform, and for most companies the contribution amounts to 5% of salaries within the interval from 1G to 6G and 8% in the interval from 6G to 12G. The plans include disability pension.

In addition to the pension obligations that arises from the funded defined benefit plans, the Group's Norwegian companies have unfunded defined benefit obligations related to disability pensions (if not covered by other pension plans or insurances), supplementary pensions for salaries above 12G, Agreement-based pension (AFP) and early retirement pensions.

Some Norwegian subsidiaries made certain amendments to their pension plans in 2012 and 2011. The amendments comprise change from unfunded defined benefit plans to insurance of disability benefits as well as other changes in benefits in existing plans. A gain of NOK 8 million and NOK 99 million respectively, related to these changes is recognised in Other income and expenses (see note 8 Other income and expenses). A significant share of the restructuring costs related to operating segment Schibsted Norge media house (see note 8 Other income and expenses) is related to pensions and is included in Past service cost in the specification of Net pension expense below.

A new pension plan was introduced by a Norwegian subsidiary in 2012. Changes in the liability resulting from the introduction of the plan are recognised in profit or loss as past service cost over the average period until the benefits become vested. Unrecognised past service cost is disclosed as a separate component in the specification of pension liabilities.

The Group's companies outside Norway have pension plans, mainly defined contribution plans, in accordance with local practice and local legislation.

The Group has certain pension schemes in Norway and Sweden established in multi-employer plans. These multi-employer plans are defined benefit plans, but the Group does not have access to the necessary information for the accounting years 2012 and 2011 required to account for these plans as defined benefit plans, and the plans are therefore accounted for as defined contribution plans.

The amounts recognised in profit or loss are as follows:

	2012	2011
Current service cost	183	170
Interest cost	136	161
Expected return on plan assets	(122)	(140)
Actuarial gain (loss) recognised	1	(9)
Past service cost	82	152
The effect of curtailment or settlement	(68)	(147)
Net pension expense defined benefit plans	**212**	**187**
Pension expense defined contribution plans	124	96
Pension expense multi-employer defined benefit plans accounted for as defined contribution plans	55	66
Net pension expense	**391**	**349**
Of which included in Personnel expenses (note 27)	380	341
Of which included in Other income and expenses	11	8

The amounts recognised in the balance sheet are as follows:

	2012	2011
Present value of funded defined benefit obligations	3,015	3,755
Fair value of plan assets	(2,947)	(2,926)
Present value (net of plan assets) of funded defined benefit obligations	**68**	**829**
Present value of unfunded defined benefit obligations	841	862
Unrecognised actuarial gains or losses	539	(236)
Unrecognised past service cost	(26)	-
Pension liabilities	**1,422**	**1,455**
Social security tax included in present value of defined benefit obligations	111	209

Changes in present value of defined benefit obligations are as follows:

	2012	2011
Present value of defined benefit obligations as at 1.1	4,617	4,131
Current service cost	183	170
Interest cost	136	161
Actuarial gains or losses	(887)	424
Benefits paid	(212)	(170)
Past service cost	109	152
Curtailments and settlement	(90)	(251)
Present value of defined benefit obligations as at 31.12	**3,856**	**4,617**

Changes in fair value of plan assets are as follows:

	2012	2011
Fair value of plan assets as at 1.1	2,926	2,835
Expected return on plan assets	122	140
Actuarial gains or losses	(112)	(31)
Contributions by employer	131	135
Benefits paid	(102)	(95)
Curtailments and settlement	(18)	(58)
Fair value of plan assets as at 31.12	**2,947**	**2,926**

Amounts of defined benefit obligations, plan assets, deficit and experience adjustments are as follows:

	2012	2011	2010	2009	2008
Present value of defined benefit obligations as at 31.12	3,856	4,617	4,131	4,072	3,108
Fair value of plan assets as at 31.12	2,947	2,926	2,835	2,798	2,007
Deficit (surplus)	**909**	**1,691**	**1,296**	**1,274**	**1,101**
Experience adjustments defined benefit obligations	(86)	66	(165)	(282)	110
Experience adjustments plan assets	112	31	109	102	(87)

Experience adjustments are the effects of differences between previous actuarial assumptions and what has actually occured.

The principal assumptions presented below are used in calculating net pension expense and the net benefit obligation for the Group's defined benefit plans:

	Pension expense		Pension obligation	
	2012	2011	31.12.2012	31.12.2011
Discount rate	3.00%	4.00%	3.80%	3.00%
Expected return on plan assets	4.50%	5.25%	-	-
Expected salary increases	4.00%	4.00%	3.50%	4.00%
Expected adjustment National Insurance basic amount	3.75%	3.75%	3.25%	3.75%
Expected pension increases	0.40%	1.25%	0.20%	0.40%
Demographic assumption mortality rate	K2005	K2005	K2005	K2005

The assumption regarding expected pension increases is used for pensions being increased in accordance with the Act on company pensions. For pension agreements containing specific clauses on increases in pension, those clauses are applied.

Schibsted has in 2012 changed the reference for determination of discount rate for Norwegian pension plans. Previously, this rate has been determined by reference to Norwegian government bonds. With effect from 2012, the rate is determined with reference to high quality corporate bonds. Schibsted has concluded that, at the end of 2012, a deep market exists for covered bonds ("OMF-obligasjoner") in Norway and that this interest rate therefore shall be used as reference under IAS 19 Employee benefits. The resulting increase in the discount rate significantly reduces the present value of defined benefit obligations at 31.12.2012. Changes in actuarial assumptions reduce defined benefit obligations by NOK 801 million in 2012, and the change to the reference for determining the discount rate is the major contributing factor to this decrease.

The Group's plan assets as at 31.12 consist of:

	2012	2011
Shares	14%	19%
Short-term bonds	11%	33%
Money market investments	38%	2%
Real estate	14%	16%
Long-term bonds	0%	7%
Credit	19%	20%
Other	4%	3%
Total	**100%**	**100%**

The actual return on plan assets (value-adjusted return in relevant portfolio of assets) was approximately 6.8% in 2012 and approximately 3.0% in 2011.

NOTE 22 INTEREST-BEARING BORROWINGS

The Group has the following composition and maturity structure on its interest-bearing borrowings:

	Current		Non-current	
	2012	2011	2012	2011
Commercial Paper issues	-	450	-	-
Bond issues	300	-	1,600	700
Bank loans	45	50	518	1,199
Financial lease agreements	2	2	6	8
Other loans	-	21	-	-
Total	**347**	**523**	**2,124**	**1,907**
Maturity within 3 months	-	250	-	-
Maturity between 3 months and 1 year	347	273	-	-
Maturity between 1 and 2 years	-	-	217	964
Maturity between 2 and 5 years	-	-	1,166	876
Maturity beyond 5 years	-	-	741	67
Total	**347**	**523**	**2,124**	**1,907**

Almost all of the Group's long term interest-bearing borrowings are at floating interest rates. For information on interest rate risk, see note 9 Financial risk management. The interest rate periods relating to the Group's borrowings are between one and six months.

Schibsted issued bonds in both March and December 2012 and has a loan portfolio with a diversified maturity profile. The current terms of the Group's interest-bearing borrowings as at 31.12.2012 has been reviewed and compared to the market pricing at year-end, and the carrying value is considered to represent a reasonable approximation to fair value.

Carrying amount in NOK million of interest-bearing borrowings break down as follows by currency:

	2012	2011
NOK	2,076	1,053
SEK	-	521
EUR	395	856
Total	**2,471**	**2,430**

The Group has a EUR bank loan of EUR 4 million. The loan, from 2004, follows a repayment schedule with installments twice a year and final maturity in 2014. The interest term on the loan is six month Euribor with the addition of a margin.

The Group has a bank loan of NOK 175 million. The loan has a term of 12 years from 2007 and the interest terms are six month Nibor with the addition of a margin. The loan has a repayment schedule with installments twice a year.

The loan facility that was entered into in August 2010 is a multi-currency loan facility totalling EUR 500 million, and the lenders consists of seven Nordic and international banks. The facility has two tranches, where EUR 175 million matures in 2013 and EUR 325 million matures in 2015. The facility was not drawn as of year-end 2012. The facility has interest terms based on Euribor plus a margin. Schibsted must pay a commitment fee to maintain the facility's availability. The commitment fee is calculated as a percentage of the loan margin, on the undrawn part of the facility.

The Group has two bank loans of EUR 25 million each. These loans were entered into in January 2011 and expire in January 2014 and January 2016. There are no installments before maturity date. The interest terms on these loans are three month Euribor with the addition of a margin.

Schibsted ASA issued four unsecured bonds in the Norwegian bond market at a total of NOK 1,100 million in March and December 2012 and together with bonds issued in 2010 the total amount of bonds issued are NOK 1,900 million as at 31.12.2012:

Loan	Amount	Interest rate
ISIN NO0010593254 (2010-2013)	300	FRN: Nibor 3 months + 150 bps
ISIN NO0010593262 (2010-2015)	400	FRN: Nibor 3 months + 205 bps
ISIN NO0010637176 (2012-2017)	500	FRN: Nibor 3 months + 215 bps
ISIN NO0010637275 (2012-2019)	300	5.9%
ISIN NO0010667843 (2012-2022)	250	5.4%
ISIN NO0010667850 (2012-2022)	150	FRN: Nibor 3 months + 250 bps

The bonds with fixed interest rate, and the FRN maturing in 2022 have been swapped to floating interest rate, Nibor 6 months plus a margin. The FNR maturing in 2013 has been swapped to EUR through an interest and currency swap.

Schibsted makes use of the Norwegian Commercial Paper Market to fund short-term liquidity, but has no outstanding loans as at 31.12.2012.

Other loans consist mainly of loans from non-controlling interests of some subsidiaries. Schibsted has no such loans as at 31.12.2012.

Schibsted's loan agreements contain financial covenants regarding the ratio of net interest-bearing debt (NIBD) to gross operating profit (EBITDA). The reported ratio was well within the financial covenants as at 31.12.2012. See note 9 Financial risk management – Liquidity risk.

The Group has provided guarantees of NOK 95 million. The Group has no mortgage debt.

Schibsted has available long-term credit facilities totalling NOK 2,386 million through the unutilised drawing right on the loan facility of EUR 325 million. In addition, Schibsted has short-term credit facilities of NOK 1,285 million through the unutilised drawing right on the loan facility of EUR 175 million and NOK 400 million in the form of unutilised overdraft limits through the Group's cash pool with Danske Bank, see note 18 Cash and cash equivalents.

NOTE 23 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of:

	2012	2011
Financial liabilities related to non-controlling interests' put options (note 25)	205	218
Provision for other obligations	12	6
Contingent considerations business combinations	-	74
Other non-current employment benefits	28	15
Deferred revenue recognition	5	7
Provision for restructuring costs	40	7
Other non-current liabilities	6	12
Total other non-current liabilities	**296**	**339**

Some business combination agreements include contingent consideration requirements based on future events, usually financial development. The estimated future consideration is recognised as liabilities. As at 31.12.2011 the total liability of NOK 74 million relates to the business combination involving Schibsted France SAS (former SCM France SAS).

Schibsted has received claims from Swedish tax authorities for repayment of value added tax for previous years. The basis for those claims is a decision in the EU-court in 2010 stating that certain printing services shall have a VAT-rate of 6%, not 25%. Schibsted is, with support from legal expertise, of the opinion that the claims are not valid and no liability is therefore recognised in the 2012 financial statements. If the claims should have to be settled, the financial exposure for Schibsted is limited.

NOTE 24 OTHER CURRENT LIABILITIES

Other current liabilities consist of:

	2012	2011
Financial liabilities related to non-controlling interests' put options (note 25)	791	544
Financial liabilities related to TRS agreements and agreements with continuing financial involvement (note 14)	-	475
Contingent considerations business combinations	71	3
Trade payables	717	652
Prepaid revenues	684	737
Public duties payable	555	518
Accrued salaries and other current employment benefits	598	595
Accrued expenses	418	328
Financial liabilities at fair value through profit or loss (note 10)	-	4
Provision for restructuring costs	243	112
Other	216	259
Total other current liabilities	**4,293**	**4,227**

The Group has no other significant liabilities with an uncertain payment date.

Some business combination agreements include contingent consideration requirements based on future events, usually financial development. The estimated future consideration is recognised as liabilities. As at 31.12.2012 the total liability of NOK 71 million relates to the business combination involving Schibsted France SAS (former SCM France SAS).

Provision for restructuring costs as at 31.12.2012 is pertaining to accrued restructuring cost in the Scandinavian companies.

NOTE 25 FINANCIAL LIABILITIES RELATED TO NON-CONTROLLING INTERESTS' PUT OPTIONS

Development in financial liabilities recognised related to non-controlling interests' put options is as follows:

	2012	2011
As at 1.1	762	593
Additions	86	177
Settlement	(57)	-
Disposals	-	(16)
Change in fair value	217	(9)
Interest expenses	23	20
Translation differences	(35)	(3)
As at 31.12	**996**	**762**
Of which non-current (note 23)	205	218
Of which current (note 24)	791	544

When non-controlling interests have put options related to shares in subsidiaries and Schibsted is recquired to acquire such shares, a financial liability is recognised.

The liabilities are measured at fair value which is based on the best estimate of future considerations. The estimates takes into account the principles for determination of the consideration in the existing agreements. The estimates take further into account, when relevant, management's expectations regarding future economic development used in determining recoverable amount in impairment tests.

The liability is initially recognised directly in equity. Change in fair value of the liability, except for interest expenses, is also recognised directly in equity. In the consolidated statement of changes in equity, such amounts are included in the line item Changes in ownership interests in subsidiaries without a loss of control.

Liabilities recognised as at 31.12.2012 are related to non-controlling interests' shareholdings in Schibsted España S.L., InfoJobs S.A., Done Deal Ltd and Sibmedia Interactive S.R.L. within the operating segment Online classifieds, Duplo Media AS within the operating segment Schibsted Norge media house and Lendo AB, Prisjakt Sverige AB, ServiceFinder Sverige AB and Lets Deal AB within the operating segment Schibsted Sverige media house.

Of the non-current share of the liability as at 31.12.2012, NOK 14 million are related to options exercisable in 2014 and NOK 191 million are related to options exercisable in 2015-2017.

NOTE 26 RAW MATERIALS AND FINISHED GOODS

Raw materials and finished goods consist of:

	2012	2011
Newsprint, raw materials and purchased goods	971	1,032
TV / Film production expenses	83	131
Changes in inventories	3	(4)
Total	**1,057**	**1,159**

NOTE 27 PERSONNEL EXPENSES AND SHARE-BASED PAYMENT

Personnel expenses consist of:

	2012	2011
Salaries and wages	3,842	3,681
Social security costs	811	782
Net pension expense (note 21)	380	341
Share-based payment	46	25
Other personnel expenses	162	131
Total	**5,241**	**4,960**
Number of man-years	7,951	7,839

Details of salary, variable pay and other benefits provided to group management in 2012 (in NOK 1,000):

Members of Group management:	Salary incl. holiday pay	Variable pay (paid 2012)	LTI programme	Other benefits	Pension expense	Loan outstanding
Rolv Erik Ryssdal	3,263	1,041	1,266	214	3,116	-
Trond Berger	2,574	858	852	236	1,932	800
Camilla Jarlsby	1,771	392	584	128	702	398
Sverre Munck	2,581	858	852	218	2,113	370
Terje Seljeseth	2,493	824	836	234	2,662	400
Gunnar Strömblad	1,977	624	624	1,078	623	-
Raoul Grünthal	2,817	670	782	-	804	-
Didrik Munch	2,770	960	738	213	1,776	-

Loans to group management have no installments, and the interest rate is 1% lower than the government set benchmark interest rate.

Details of salary, variable pay and other benefits provided to group management in 2011 (in NOK 1,000):

Members of Group management:	Salary incl. holiday pay	Variable pay (paid 2011)	LTI programme	Other benefits	Pension expense	Loan outstanding
Rolv Erik Ryssdal	3,048	1,300	996	217	2,486	-
Trond Berger	2,427	1,020	657	197	1,678	800
Camilla Jarlsby	1,634	450	450	124	653	398
Sverre Munck	2,447	906	657	195	1,953	370
Terje Seljeseth	2,120	950	579	229	2,243	400
Gunnar Strömblad	2,332	1,328	572	17	2,638	-
Raoul Grünthal	2,784	776	608	29	771	-
Didrik Munch	2,594	1,217	600	157	1,727	-

Loans to group management have no installments, and the interest rate is 1% lower than the government set benchmark interest rate.

Variable pay

Schibsted's CEO and other executive management participate in an annual variable pay programme that is linked to annual achievements of targets. The targets are twofold and related to financial and non-financial targets. The criteria are part of a total evaluation. For the CEO the variable pay is limited to a maximum of six months' salary. For other executive management, the variable portion of salary varies from a maximum of four to six months' salary. The CEO and other executive directors also participate in Schibsted's three-year performance based share programme (LTI), linked to the three-year performance criteria.

Termination payment schemes

The CEO has termination payment equal to eighteen months salary in addition to the six-month period of notice. The other Group management and managers are normally entitled to termination payments equal to 6-18 months' salary, depending on the level of their position. Competition restrictions and curtailments will normally apply during the termination-pay period. The Chairman of the Board has no special remuneration scheme that applies if he resigns.

Pension schemes

The Group's CEO is entitled and, if Schibsted so requires, obliged to retire at the age of 62. His full annual early retirement pension is 66% of his pensionable earnings. The retirement pension solution means that, when he reaches 67 years of age, the CEO will receive a retirement pension for life which equals 66% of his fixed salary. He is entitled to a disability pension of 66% of his fixed salary. The spouse/cohabitant pension is 50% of his fixed salary and the child pension is 15% of his fixed salary.

The Norwegian executive directors are entitled and, if Schibsted so requires, obliged to retire at the age of 62 years. During the period leading up to the ordinary retirement age (67 years), they will receive a pension that is 66% of their fixed salary. Full annual retirement/disability pension for the Norwegian executive directors is 66% of their fixed salary. Other members of the group management have different pension schemes within the limit of benefits to the Norwegian executive directors. The executive directors based in Sweden have a defined benefit pension insurance on level with the Norwegian executive directors.

Remuneration to the Board of Directors in 2012 (in NOK 1,000):

	Board remuneration*	Commitee remuneration	Board remuneration from other group companies	Salary incl. holiday pay	Other benefits	Pension cost	Total remuneration
Members of the Board and Committees:							
Ole Jacob Sunde, chairman of the Board and the Compensation Committee	700	70	-	-	8	-	778
Karl-Christian Agerup, member of the Board and the Audit Committee until 11.05.2012 and member of the Compensation Committee from 11.05.2012	293	65	-	-	-	-	358
Monica Caneman, member of the Board and Chairman of the Audit Committee until 11.05.2012	375	107	82	-	-	-	564
Marie Ehrling, member of the Board and the Compensation Committee until 11.05.2012 and Chairman of the Audit Committee from 11.05.2012	350	41	-	-	-	-	391
Christian Ringnes, member of the Board and the Audit Committee	300	65	-	-	-	-	365
Eva Berneke, member of the Audit Committee from 11.05.2012 and member of the Board	341	-	-	-	-	-	341
Arnaud de Puyfontaine, member of the Board from 11.05.2012	-	-	-	-	-	-	-
Eugenie van Wiechen, member of the Board from 11.05.2012	-	-	-	-	-	-	-
Jonas Fröberg, employee representative of the Board and Compensation Committee from 11.05.2012 **	-	-	-	407	-	52	459
Anne-Lise Mørch von der Fehr, member of the Compensation Commitee until 11.05.2012 and employee representative of the Board **	300	41	-	756	329	87	1,513
Gunnar Kagge, employee representative of the Board **	300	-	-	685	9	72	1,066
Frank Johan Johansen, deputy employee representative of the Board **	-	-	90	509	4	34	637
Arve Jakobsen, deputy employee representative of the Board **	-	-	-	527	17	31	575
Hege Lyngved Odinsen, deputy employee representative of the Board **	-	-	-	708	65	59	832
Øystein Simensen, deputy employee representative of the Board **	-	-	-	819	12	67	898
Torbjörn Harald Ek, employee representative of the Board from 11.05.2012 **	-	-	-	444	-	55	499
John A. Rein, chairman of the Election Committee	-	80	-	-	-	-	80
Gunn Wærsted, member of the Election Committee	-	55	-	-	-	-	55
Nils Bastiansen, member of the Election Committee	-	55	-	-	-	-	55
Total	**2,959**	**579**	**172**	**4,855**	**444**	**457**	**9,466**

* Board remunerations include compensation for travelling hours to directors who do not live in Oslo.

** For employee representatives total remuneration includes salary and other benefits in their ordinary position.

At the General Meeting 2012 the Board was expanded from eight to ten members. See the Statement on Corporate Governance chapter 8 for further information about the Board.

Auditor

Fees to the Group's auditors for the fiscal year 2012 were as follows:

(NOK 1,000 excl. VAT)	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
Schibsted group					
Ernst & Young	12,412	632	913	6,705	20,662
Other auditors	996	32	1,980	611	3,619
Total	**13,408**	**664**	**2,893**	**7,316**	**24,281**
Schibsted ASA					
Ernst & Young	650	-	209	2,489	3,348

Share-based payment (included in personnel expenses) consists of:

	2012	2011
Expense option programme	1	2
Expense LTI programme	45	23
Total	**46**	**25**
Of which is equity settled	24	14
Of which is cash settled	22	11

Option programme

Until 2010, Schibsted had an option programme for group management and key personnel. The programme was terminated in 2010 by the introduction of a new share-based programme (LTI programme), but the individual outstanding option schemes are still valid. The programme is accounted for as a share-based payment transaction settled in equity. Expenses and increase in equity are recognised over the service period of 3 years.

The development in the number of options outstanding has been as follows:

	2012	2011
Outstanding 1.1	275,000	402,500
Exercised	(72,500)	-
Expired and forfeited	-	(127,500)
Outstanding 31.12	**202,500**	**275,000**
Of which fully vested	202,500	132,500

Outstanding options as at 31.12.2012 have the following terms:

Expiry date	Exercise price (NOK)	Number of options
24 June 2013	132.70	60,000
7 October 2014	51.00	142,500

The maximum gain per share that a manager can achieve when exercising the options is equal to 1.460375 multiplied with the exercise price per share. Each option entails the right to acquire 1.256 shares.

Schibsted has during 2012 sold 91,060 treasury shares to key personnel at NOK 132.70 per share in connection with exercise of 72,500 options with the right to acquire 91,060 shares. Total exercise price for options exercised in 2012 was NOK 12 million. The fair value of the shares at the time of exercise was NOK 17 million. No options were exercised during 2011.

Options outstanding for managers included in the option programme are presented below:

	Opening balance 1.1.2012	Exercised during 2012	Closing balance 31.12.2012	Average maturity
Rolv Erik Ryssdal	37,500	-	37,500	1.5
Gunnar Strömblad	30,000	(15,000)	15,000	1.8
Trond Berger	30,000	-	30,000	1.1
Sverre Munck	30,000	-	30,000	1.1
Raoul Grünthal	15,000	-	15,000	1.1
Camilla Jarlsby	7,500	-	7,500	1.8
Others	125,000	(57,500)	67,500	
Total	**275,000**	**(72,500)**	**202,500**	

Long-term incentive programme (LTI programme)

In 2010, Schibsted introduced an annual rolling three-year performance-based share programme (LTI programme) for key managers in the Group. The programme was expanded in 2012 to include Online classified companies and management groups. The scheme includes a total of 43 participants in the 2010 programme, 58 participants in the 2011 programme and 91 participants in the 2012 programme.

The LTI programme is divided into four participating levels. Level 1 is for the CEO, level 2 for members of Group Management and level 3 and level 4 for key personnel in the Group, as well as the managers/management groups in key subsidiaries. For each level, participants are given a defined "Basic Amount" which is calculated as a percentage of salary. The Group Board has stipulated guidelines for the percentage to be allocated to the various participant levels in order to ensure flexibility and mobility, while also taking into account individual pay differences and variations in the compensation schemes.

Between 11% and 33% of the Basic amount (the "Share Amount") is awarded at start in form of shares in Schibsted which cannot be sold during the three-year period. If a participant at level 1 or 2 leaves during the three years, the Share Amount shall be refunded. A similar restriction does not apply to participants in level 3 and level 4.

The rest, i.e. between 67% and 89% of the Basic amount ("Performance Amount"), is linked to three-year performance criteria. Performance criteria are performance measures that are compared to the three-year EBITA for the Group or participant's operations for level 1, 2 and 3. For level 4 the performance criteria are connected to the development of the market value of the companies during the vesting period compared to a predetermined hurdle. At the end of the three-year period, the participants receive settlement in Schibsted shares based on their goal achievement, and the number of shares is calculated based on the average price during the programme's three-year period. Level 1, 2 and 3 participants receive the full Performance Amount after three years. Level 4 participants receive 1/3 of the Performance Amount after three years and the remaining 2/3 after a one year lock-up period. The maximum settlement in each programme will depend on the target achievement during the period. If the minimum target is not achieved during the three-year period, only the Share Amount will be paid at the end of the three-year programme.

Upon payment of the Share Amount and Performance Amount, Schibsted is responsible for tax deduction on behalf of the participant so that only the net amount after tax is paid in Schibsted shares. The programme is therefore treated partly as a share-based payment transactions settled in cash (tax) and partly as share-based payment transactions settled in equity (net payment in form of shares). The expense related to the portion that is recognised as a share-based payment transaction settled in equity is recognised in equity, while the expense related to the portion that is treated as a share-based payment transaction settled in cash is recognised as a liability.

The expense and the increase in equity or liability are recognised over the vesting period of 3 or 4 years for the parts of the total compensation that contains a service condition throughout the three or four-year period. This applies to the Performance Amount and the part of Share Amount for level 1 and 2 that is recognised as a share-based payment transactions settled in equity. The remaining expense and increase in equity or liability are recognised immediately upon the start of the programme.

Performance Amounts will vary based on the degree of achievement of the performance criteria. Expenses to be recognised over the vesting period are estimated at the end of each reporting period based on the estimated fair value of the liability for transactions that are settled in cash and based on the number of equity instruments that is expected to vest for transactions settled in equity.

Estimated total expense of the LTI programme's maturity (3 and 4 years):

	2012 Programme	2011 Programme	2010 Programme
Value Share Amount at grant date	21	11	8
Value Performance Amount at grant date	54	22	18
Adjustment to Performance Amount	-	(8)	6
Estimated total expense over the programme's maturity	**75**	**25**	**32**

	2012 Programme	2011 Programme	2010 Programme	Total
Recognised in Personnel expense in 2010	-	-	15	**15**
Recognised in Personnel expense in 2011	-	15	8	**23**
Recognised in Personnel expense in 2012	32	4	9	**45**
To be recognised over the remaining vesting period	43	6	-	**49**

If a minimum performance target is reached, the estimated total expense for Performance Amount will be increased or decreased in a range of 50%. If not, the Performance Amount will be NOK 0 million.

Assumptions used for calculating the value of the LTI programme:

	2012 Programme	2011 Programme	2010 Programme
Dividends	3.10	3.25	3.06
Closing price used for bonus shares level 1, 2 and 3 granted 30.6	186.50	172.60	126.00
Closing price used for bonus shares level 4 granted 13.12	238.10	-	-
Average price of the programme	200.69	178.21	166.15
Closing price 31.12	235.50	235.50	235.50
Risk-free interest rate	1.45%	1.46%	1.82%
Model	Monte Carlo	Monte Carlo	Monte Carlo

Share programme

Employees in the Group are given the opportunity each year to buy shares for NOK 7,500 at a 20% discount.

NOTE 28 OTHER OPERATING EXPENSES

Other operating expenses consist of:

	2012	2011
Distribution	1,140	1,281
Commissions	916	942
Rent, maintenance, office expenses and energy	649	621
PR, advertising and campaigns	1,176	1,051
Printing contracts	376	416
Editorial material	372	357
Professional fees	718	617
Travelling expenses	254	228
IT expenses	318	306
Other operating expenses	552	294
Total	**6,471**	**6,113**

NOTE 29 FINANCIAL ITEMS

Financial income and financial expenses consist of:

	2012	2011
Interest income	37	32
Gain on sale of financial assets available for sale	70	16
Dividends received	7	32
Other financial income	1	2
Total financial income	**115**	**82**
Interest expenses	(142)	(156)
Net foreign exchange loss	(11)	(11)
Impairment loss financial assets available for sale	(1)	-
Other financial expenses	(22)	(23)
Total financial expenses	**(176)**	**(190)**

Net foreign exchange loss consists of:

	2012	2011
Net foreign exchange gain (loss) currency derivatives	18	(2)
Net foreign exchange gain (loss) other financial instruments	(29)	(9)
Net foreign exchange loss	**(11)**	**(11)**

In 2012 gain on sale of financial assets available for sale is mainly related to the sale of shares in Polaris Media ASA.

Schibsted hedges its currency exposure in SEK and EUR by using loans and derivatives, see note 9 Financial risk management. As a result of this, foreign exchange gain (loss) effects in the income statement will normally be limited. Net foreign exchange losses in 2012 and 2011 are primarily related to currency effects in the Group's businesses outside the eurozone.

Financial income and financial expenses include the following amounts of interest income and interest expenses related to financial assets and liabilities that are not included in the category financial assets or financial liabilities at fair value through profit or loss:

	2012	2011
Interest income	29	31
Interest expenses	(142)	(156)

NOTE 30 TAXES

The Group's income tax expense comprises the following:

	2012	2011
Current income taxes	504	420
Deferred income taxes	(54)	81
Taxes (including taxes recognised in comprehensive income)	**450**	**501**
Of which recognised in profit or loss	443	499
Of which recognised in comprehensive income	7	2

The Group's effective tax rate differs from the nominal tax rate in countries where the Group has operations. The relationship between tax expense and accounting profit (loss) before taxes is as follows:

	2012	2011
Profit (loss) before taxes	**683**	**1,331**
Estimated tax expense based on nominal tax rate in Norway	191	373
Tax effect share of profit (loss) of associated companies	(10)	(11)
Tax effect impairment loss goodwill	98	34
Tax effect impairment loss investments in associated companies	50	-
Tax effect gain from remeasurement of previously held equity interest in business combination achieved in stages	(16)	-
Tax effect other permanent differences	18	14
Change in unrecognised deferred tax assets	106	95
Effect of tax rate differential abroad	22	2
Effect of changes in tax rates	(16)	-
Effect of adjustments recognised related to prior periods	-	(8)
Taxes recognised in profit or loss	**443**	**499**

Permanent differences include, in addition to non-deductible operating expenses, tax-free dividends and gains (losses) on sale of shares as well as non-deductible impairment losses related to shares. Gain (loss) on sale of subsidiaries, joint ventures and associated companies is recognised as other income and expenses, while gain (loss) on sale and impairment losses of financial assets available for sale are recognised as financial income and expenses, respectively.

The Group's net deferred tax liabilities (assets) are made up as follows:

	2012	2011
Current items	(32)	(13)
Pension liabilities	(379)	(385)
Other non-current items	1,115	1,194
Unused tax losses	(561)	(442)
Calculated net deferred tax liabilities (assets)	**143**	**354**
Unrecognised deferred tax assets	524	386
Net deferred tax liabilities (assets) recognised	**667**	**740**
Of which deferred tax liabilities	763	798
Of which deferred tax assets	(96)	(58)

The Group's unused tax losses are related to operations in Norway, Sweden, France, Spain and Italy as well as other countries in which Schibsted Classified Media has established online classified operations. The majority of the tax losses can be carried forward for an unlimited period. Approximately 15% of the unused tax losses expire in the period until 2021.

The development in the recognised net deferred tax liabilities (assets) is as follows:

	2012	2011
As at 1.1	740	655
Change included in tax expenses	(54)	81
Change from purchase and sale of subsidiaries	13	8
Translation differences	(32)	(4)
As at 31.12	**667**	**740**

Deferred tax assets are recognised when it is likely that the benefit can be realised through expected future taxable profits. The Group's deferred tax assets recognised are mainly related to operations in Norway and Spain. The Group's unrecognised deferred tax assets are mainly related to foreign operations with recent tax losses where future taxable profits may not be available before unused tax losses expire.

Deferred tax liabilities and assets are offset for liabilities and assets in companies which are included in local tax groups.

NOTE 31 EARNINGS PER SHARE

Average number of shares outstanding (diluted) is calculated as follows:

	2012	2011
Average number of shares outstanding	107,026,923	106,020,714
Adjustment for dilutive effect shares outstanding	92,101	133,628
Average number of shares outstanding (diluted)	**107,119,024**	**106,154,342**

The dilutive effect is calculated as the difference between the number of shares which can be acquired on exercise of outstanding options and the number of shares which could be acquired at fair value (calculated as the average price of the Schibsted share in the period) for the consideration which is to be paid for the shares which can be acquired based on outstanding options.

Earnings per share is calculated as profit (loss) attributable to owners of the parent divided by the average number of shares outstanding.

	2012	2011
Profit (loss) attributable to owners of the parent	185	742
Average number of shares outstanding	107,026,923	106,020,714
Earnings per share (NOK)	1.73	7.00

Diluted earnings per share is calculated as profit (loss) attributable to owners of the parent divided by the average number of shares outstanding, adjusted for the dilutive effect of all potential shares.

	2012	2011
Profit (loss) attributable to owners of the parent	185	742
Average number of shares outstanding (diluted)	107,119,024	106,154,342
Diluted earnings per share (NOK)	1.73	6.99

Earnings per share – adjusted is calculated as profit (loss) attributable to owners of the parent adjusted for items reported in the income statement as Other income and expenses and Impairment loss, adjusted for taxes and non-controlling interests. The number of shares included in the calculation is the same as the number for earnings per share and diluted earnings per share, as described above.

	2012	2011
Profit (loss) attributable to owners of the parent	185	742
Other income and expenses	257	50
Impairment loss	548	191
Tax and non-controlling effect of other income and expenses and impairment loss	(90)	(54)
Profit (loss) attributable to owners of the parent – adjusted	**900**	**929**
Average number of shares outstanding	107,026,923	106,020,714
Earnings per share – adjusted (NOK)	8.41	8.76
Average number of shares outstanding (diluted)	107,119,024	106,154,342
Diluted earnings per share – adjusted (NOK)	8.40	8.75

NOTE 32 JOINT VENTURES

Significant operations reported as joint ventures are specified below:

Company	Ownership 31.12.2012	31.12.2011	Location	Operating segments	Business
Romerike Mediadistribusjon AS	34%	34%	Kjeller	Schibsted Norge media house	Distribution
20 Minutes France S.A.S	50%	50%	Paris	Media Houses International	Free newspapers
AS Ajakirjade Kirjastus	50%	50%	Tallinn	Media Houses International	Magazines
AS SL Õhtuleht	50%	50%	Tallinn	Media Houses International	Newspapers
Express Post AS	50%	50%	Tallinn	Media Houses International	Distribution
701 Search Pte. Ltd.	50%	50%	Singapore	Online classifieds	Classifieds on the Internet
Willhaben Internet Service GmbH	50%	50%	Vienna	Online classifieds	Classifieds on the Internet
Használtautó Informatikai Kft	50%	-	Budapest	Online classifieds	Classifieds on the Internet

These amounts are included in the Group's income statement and balance sheet from joint ventures subject to using proportionate consolidation:

	2012	2011
Operating revenues	415	429
Operating expenses	(476)	(463)
Gross operating profit (loss)	**(61)**	**(34)**
Profit (loss) before taxes	(77)	(46)
Non-current assets	98	49
Current assets	238	240
Total assets	**336**	**289**
Non-current liabilities	35	40
Current liabilities	155	150
Total liabilities	**190**	**190**
Net assets	146	99

In 2012 Schibsted Classified Media acquired 50% of the shares in the Hungarian car portal Használtautó Informatikai Kft.

NOTE 33 SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Interest and dividends included in the consolidated statement of cash flows are as follows:

	2012	2011
Cash flow from operating activities:		
Interest paid	(118)	(132)
Interest received	37	32
Dividends received (Note 13 and 29)	51	42
Cash flow from financing activities:		
Dividends paid to owners of the parent	(375)	(324)
Dividends paid to non-controlling interests	(54)	(61)

Schibsted's consolidated statement of cash flows presents net payments and receipts on the acquisition and sale of subsidiaries and interests in joint ventures.

The liquidity effect of acquisitions consists of:

	2012	2011
Cash in acquired companies	55	23
Acquisition cost other current assets	91	14
Acquisition cost non-current assets	279	189
Aggregate acquisition cost assets	**425**	**226**
Equity and liabilities assumed	(142)	(75)
Gross purchase price	**283**	**151**
Fair value of previously held equity interest (Note 5)	(134)	-
Cash in acquired companies	(55)	(23)
Purchase price settled in other than cash and cash equivalents	-	(20)
Acquisition of subsidiaries and joint ventures, net of cash acquired	**94**	**108**

The liquidity effect of sales consists of:

	2012	2011
Cash in sold companies	3	12
Carrying amount other current assets	1	19
Carrying amount non-current assets	17	3
Aggregate carrying amount assets	**21**	**34**
Equity and liabilities transferred	(2)	(18)
Gain (loss)	(7)	5
Gross sales price	**12**	**21**
Cash in sold companies	(3)	(12)
Sales price settled in other than cash and cash equivalents	-	(10)
Proceeds from sale of subsidiaries and joint ventures, net of cash sold	**9**	**(1)**

NOTE 34 TRANSACTIONS WITH RELATED PARTIES

For remuneration to management, see note 27 Personnel expenses and share-based payment.

For loans to associated companies, see note 15 Other non-current assets.

Christian Ringnes, member of the Board and the Audit Committee, controls the company from which Schibsted's subsidiary Eesti Meedia hires offices in Tallinn. In 2012, income from the office rental amounts to NOK 7 million.

NOTE 35
SUBSIDIARIES

The following subsidiaries were directly and indirectly owned as at 31.12.:

Online classifieds	Location	2012	2011
Finn.no AS	Oslo	89.88%	89.88%
Eiendomsprofil AS	Bergen	40.58%	40.58%
Finn Bil AS	Oslo	89.88%	89.88%
Finn Eiendom AS	Oslo	79.56%	79.56%
Finn Foto AS	Oslo	79.56%	79.56%
Finn Jobb AS	Oslo	89.88%	89.88%
Finn Oppdrag AS	Oslo	89.88%	89.88%
Finn Reise AS	Oslo	89.88%	89.88%
Finn SMB AS (previously Finn Torget AS)	Oslo	89.88%	89.88%
Flytteportalen AS	Oslo	-	39.86%
Penger.no AS	Oslo	92.92%	92.92%
Schibsted Classified Media AS	Oslo	100.00%	100.00%
Anuntis Chile, S.A.	Santiago de Chile	76.22%	76.22%
Anuntis Perú, S.A.C	Lima	76.22%	76.22%
Anuntis Segundamano Argentina Holdings SA	Buenos Aires	76.23%	76.23%
Anuntis Segundamano Argentina S.A	Buenos Aires	76.23%	76.23%
Anuntis Segundamano España SL	Barcelona	76.23%	76.23%
ASM Classificados de México SA de CV	Mexico City	76.22%	76.22%
Blocket AB	Stockholm	100.00%	100.00%
Bom Negócio Atividades de Internet Ltda	Rio de Janeiro	100.00%	100.00%
Byt Bil Nordic AB	Stockholm	100.00%	100.00%
CustoJusto Unipessoal, Lda	Lisbon	100.00%	100.00%
DoneDeal Ltd	Wexford	50.09%	50.09%
Editora Anuntis Segundamano Online do Brazil Ltda	Sao Paulo	76.22%	76.22%
Editora Balcão Ltda	Rio de Janeiro	99.99%	99.99%
Editora Urbana Ltda	Bogotá	76.23%	68.61%
Hebdo Mag Brazil Holdings BV	Amsterdam	100.00%	100.00%
Hebdo Mag Brazil Holdings Ltda	Rio de Janeiro	99.99%	99.99%
InfoJobs Italia S.r.l	Milan	72.89%	72.89%
InfoJobs S.A.	Barcelona	98.50%	98.50%
IT Competence Center S.L	Barcelona	76.23%	76.23%
Kapaza BV	Amsterdam	100.00%	100.00%
Kapaza! Belgium NV	Brussels	100.00%	100.00%
Kapaza! Holding BV	Amsterdam	100.00%	100.00%
LBC France, SAS	Paris	100.00%	100.00%
Schibsted Chile, SpA	Santiago de Chile	100.00%	100.00%
Schibsted Classified Media Hungary Kft	Budapest	100.00%	100.00%
Schibsted Classified Media Ireland Ltd	Dublin	100.00%	100.00%
Schibsted Classified Media LLC	Minsk	100.00%	-
Schibsted Classified Media Morocco SARL	Casablanca	100.00%	-
Schibsted Classified Media NV	Amsterdam	100.00%	100.00%
Schibsted Classified Media Schweiz AG	Zurich	100.00%	100.00%
Schibsted Développement SASU	Paris	100.00%	-
Schibsted España S.L.	Barcelona	100.00%	100.00%
Schibsted France SAS (previously SCM France, SAS)	Paris	100.00%	100.00%
Schibsted Ibérica S.L	Madrid	100.00%	100.00%
SCM Hellas MEPE	Athens	100.00%	100.00%
SCM Local, SARL	Paris	100.00%	100.00%
SCM Northern Europe AB	Stockholm	100.00%	100.00%

SCM Suomi Oy	Helsinki	100.00%	100.00%
SCM Ventures AB	Stockholm	100.00%	100.00%
SCM Ventures BV	Amsterdam	100.00%	100.00%
SFI Holding AS	Oslo	100.00%	96.96%
Sibmedia Interactive S.R.L.	Sibiu	55.00%	55.00%
Subito.it S.r.l	Milan	100.00%	100.00%

Schibsted Norge media house	Location	2012	2011
Schibsted Norge AS (previously Media Norge AS)	Bergen	100.00%	100.00%
Aftenbladet Distribusjon AS	Sandnes	100.00%	100.00%
Aftenbladet Eiendom AS	Stavanger	100.00%	100.00%
Aftenposten AS	Oslo	100.00%	100.00%
Aftenposten Distribusjon AS	Oslo	100.00%	100.00%
AS Farsund Aktiebogtrykkeri	Farsund	86.20%	86.20%
Askøyværingen AS	Askøy	100.00%	100.00%
Avisprodukter AS	Bergen	100.00%	100.00%
Avisretur AS	Oslo	50.10%	50.10%
Bergens Ringen DA	Bergen	100.00%	100.00%
Bergens Tidende AS	Bergen	100.00%	100.00%
Bergensopplevelser AS	Bergen	100.00%	100.00%
BT Beta AS (previously BTV AS)	Bergen	100.00%	100.00%
BT Respons AS	Bergen	100.00%	100.00%
Bygdanytt AS	Bergen	100.00%	100.00%
Din Mat AS	Stavanger	-	83.90%
Dine Penger AS	Oslo	100.00%	100.00%
Distribution Innovation AS	Oslo	60.00%	60.00%
Duplo Media AS	Horten	70.00%	70.00%
E24 Næringsliv AS	Oslo	100.00%	100.00%
Ebok.no AS	Oslo	97.57%	-
Fanaposten AS	Bergen	100.00%	100.00%
Forlaget Strilen AS	Lindås	100.00%	100.00%
Fædrelandsvennen AS	Kristiansand	100.00%	100.00%
Fædrelandsvennen Distribusjon AS	Kristiansand	100.00%	100.00%
Infill Eiendom AS	Stavanger	100.00%	-
Janaflaten 24 AS	Stavanger	100.00%	-
Katapult Bøker AS	Oslo	100.00%	100.00%
Krinkelkroken 1 AS	Bergen	100.00%	-
Kristiansand Avis AS	Kristiansand	100.00%	49.00%
Lendo AS	Oslo	95.95%	-
Let's Deal AS	Oslo	74.20%	48.94%
Lindesnes AS	Mandal	100.00%	100.00%
Lokalavisene AS	Bergen	100.00%	100.00%
Media AS	Kristiansand	100.00%	100.00%
Mittanbud.no AS	Oslo	100.00%	100.00%
Nykirkebakken 2 AS	Stavanger	100.00%	-
Nykirkebakken 7 AS	Stavanger	100.00%	-
Radio Lindesnes AS	Lindesnes	-	41.67%
Radio Sør AS	Kristiansand	100.00%	100.00%
Riks AS	Oslo	100.00%	-
Schibsted Eiendom Vest AS	Stavanger	100.00%	-
Schibsted Forlag AS	Oslo	100.00%	100.00%
Schibsted Förlag AB	Helsingborg	100.00%	100.00%
Schibsted Magasiner AS	Oslo	100.00%	100.00%
Schibsted Tech Polska sp z.o.o	Krakow	100.00%	100.00%
Schibsted Trykk AS (previously Media Norge Trykk AS)	Oslo	100.00%	100.00%
Schibsted Trykk Bergen AS (previously BT Trykk AS)	Godvik	100.00%	100.00%

Schibsted Trykk Flesland AS (previously Mediatrykk AS)	Bergen	100.00%	100.00%
Schibsted Trykk Kristiansand AS (previously FV Trykk AS)	Kristiansand	100.00%	100.00%
Schibsted Trykk Oslo AS (previously Media Norge Trykk Oslo AS)	Oslo	100.00%	100.00%
Schibsted Trykk Stavanger AS (previously Aftenbladet Trykk AS)	Sandnes	100.00%	100.00%
Schibsted Vekst AS	Oslo	95.95%	95.95%
Schibsted Vekst Hylleselskap 1 AS	Oslo	95.95%	-
Stavanger Aftenblad AS	Stavanger	100.00%	100.00%
Stokkamyrveien 30 AS	Stavanger	100.00%	-
Strandgaten og Eilertsbakken Eiendomsselskap AS	Farsund	86.20%	86.20%
Søgne og Songdalen Budstikke AS	Søgne	57.62%	57.62%
Sør Distribusjon AS *	Mandal	-	95.45%
Sørlandspakken Vest AS	Kristiansand	100.00%	100.00%
Sørlandssamkjøringen AS	Mandal	62.00%	62.00%
Trafikkfondet AS	Oslo	100.00%	100.00%
TV Sør AS	Kristiansand	100.00%	100.00%
Verdens Gang AS	Oslo	100.00%	100.00%
Vestnytt AS	Fjell	100.00%	100.00%
VG Mobil AS	Oslo	100.00%	100.00%
WebTraffic Norge AS	Oslo	100.00%	100.00%
WoldCam AS	Stavanger	100.00%	100.00%
Åsaneposten AS	Bergen	100.00%	100.00%

Schibsted Sverige media house	Location	2012	2011
Schibsted Sverige AB	Stockholm	100.00%	100.00%
Aftonbladet Hierta AB	Stockholm	91.00%	91.00%
Aftonbladet Kolportage AB	Stockholm	91.00%	91.00%
Destinationpunktse AB	Stockholm	100.00%	100.00%
E24 Näringsliv AB	Stockholm	100.00%	100.00%
HB Svenska Dagbladets AB & Co	Stockholm	99.41%	99.41%
Hittapunktse AB	Stockholm	100.00%	100.00%
Jobb 24 HB	Stockholm	100.00%	100.00%
K Lartpunktse Vädertjänster AB (previously K Lartpunktse Väderlekstjänst AB)	Stockholm	100.00%	100.00%
Kundkraft i Sverige AB	Stockholm	100.00%	100.00%
Lendo AB	Stockholm	98.50%	97.00%
Lets deal AB (previously Economy OK AB)	Stockholm	51.55%	-
Mediateam Bemanning AB	Stockholm	51.00%	51.00%
Mini Media Sweden AB	Stockholm	51.00%	51.00%
MinTur AB	Stockholm	99.41%	99.41%
Mobilio Sweden AB	Stockholm	50.10%	-
Personal Finance Sverige AB	Stockholm	100.00%	100.00%
PGME Sverige AB (previously Tasteline Sweden AB)	Stockholm	100.00%	100.00%
PriceSpy Media Ltd	Manukau	96.00%	70.00%
Prisjakt Polen Sp z.o.o	Krakow	96.00%	-
Prisjakt Sverige AB	Ängelholm	96.00%	70.00%
Resdagboken AB	Stockholm	100.00%	100.00%
Rörlig Bild Sverige AB	Stockholm	100.00%	100.00%
Schibsted Centralen AB	Stockholm	100.00%	100.00%
Schibsted Media AB	Stockholm	100.00%	-
Schibsted PersonalFinance Bolån AB	Stockholm	100.00%	-
Schibsted Sales AB (previously WebTraffic Sverige AB)	Stockholm	100.00%	100.00%
Schibsted Sök AB	Stockholm	100.00%	100.00%
Schibsted Tillväxtmedier AB	Stockholm	100.00%	100.00%
Schibsted Tillväxtmedier Annonsförsäljning AB	Stockholm	100.00%	100.00%
Schibsted TM AB	Stockholm	100.00%	-
ServiceFinder Sverige AB	Stockholm	69.95%	69.95%
Suredo AB	Stockholm	98.50%	97.00%

Svenska Dagbladet Annons AB	Stockholm	99.41%	99.41%
Svenska Dagbladet Digitala Medier AB	Stockholm	99.41%	99.41%
Svenska Dagbladet Distribution AB	Stockholm	99.41%	99.41%
Svenska Dagbladet Holding AB	Stockholm	99.41%	99.41%
Svenska Dagbladets AB	Stockholm	99.41%	99.41%
TVNU Sweden AB	Stockholm	100.00%	100.00%

Media Houses International	Location	2012	2011
20 Min Holding AG	Zurich	100.00%	100.00%
20 Min International B.V.	Rotterdam	100.00%	100.00%
20 Minutes Online SL *	Madrid	-	99.87%
20 Minutos España S.A.	Madrid	100.00%	100.00%
Carrie & Serena S.L.	Madrid	63.92%	63.92%
Diario 20 Minutos SL *	Madrid	-	99.87%
Grupo 20 Minutos SL (previously Multiprensa Y M@s S.L.)	Madrid	99.87%	99.87%
Linea 20 Revistas SL *	Madrid	-	99.87%
AS Eesti Meedia	Tartu	100.00%	100.00%
AS Kanal 2	Tallinn	100.00%	100.00%
AS Kroonpress	Tartu	99.90%	99.90%
AS Postimees	Tallinn	100.00%	100.00%
AS Schibsted Baltics	Tallinn	100.00%	100.00%
AS Trio LSL	Tallinn	99.75%	-
Kultuurinet OÜ	Tartu	51.00%	-
OÜ Meediasüsteemid	Tartu	100.00%	100.00%
OÜ Webplanet	Tallinn	100.00%	100.00%
Reisiguru OÜ	Tartu	51.00%	-
SIA Tvnet	Riga	100.00%	100.00%
Soov Kirjastus OU	Tallinn	100.00%	100.00%
UAB 15 Minuciu	Vilnius	99.90%	99.90%
UAB 15 Minuciu Online	Vilnius	99.90%	99.90%
UAB Plius	Vilnius	100.00%	100.00%
UAB Zurnalu Leidybos Grupe	Vilnius	100.00%	100.00%
Ühinenud Ajalehed AS	Tartu	66.00%	66.00%

Other	Location	2012	2011
Sandrew Metronome AB	Stockholm	100.00%	100.00%
AB Sandrew-Ateljéerna *	Stockholm	-	100.00%
Produktion S. Bauman AB *	Stockholm	-	100.00%
Sandrew Film 86 KB	Stockholm	-	100.00%
Sandrew Film 87 KB	Stockholm	-	100.00%
Sandrew Film 97 KB	Stockholm	-	100.00%
Sandrew Metronome Danmark A/S	Copenhagen	100.00%	100.00%
Sandrew Metronome Distribusjon Norge AS	Oslo	100.00%	100.00%
Sandrew Metronome Distribution Sverige AB	Stockholm	100.00%	100.00%
Sandrew Metronome International AB	Stockholm	100.00%	100.00%
Sandrew Metronome Video Finland OY	Helsinki	100.00%	100.00%
Selskabet af 2/9 1999 ApS	Copenhagen	-	100.00%
Streaming Media AS	Oslo	73.40%	-
Aspiro AB	Malmö	55.74%	-
Aspiro AS	Oslo	55.74%	-
Aspiro Innovation AB	Malmö	55.74%	-
Aspiro Inpoc AB	Stockholm	55.74%	-
Aspiro Musik AB	Malmö	55.74%	-
Aspiro Søk AS	Oslo	55.74%	-
Aspiro TV AS	Oslo	55.74%	-
Rubberduck Media Lab Inc	Carlsbad	55.74%	-

SMS Opplysningen 1985 AS	Oslo	55.74%	-
SMS Opplysningen 2100 AS	Oslo	55.74%	-
WiMP ApS	Copenhagen	55.74%	-
WiMP Music AS	Oslo	55.74%	-
WiMP Music GmbH	Berlin	55.74%	-
WiMP Music SP. Z O.O.	Warsaw	55.74%	-
WiMP Norway AS	Oslo	55.74%	-
Tesked AB	Varberg	97.98%	97.98%
Mötesplatsen i Norden AB	Varberg	97.98%	97.98%
20 Min Holding AS	Oslo	100.00%	100.00%
E24 France SAS	Paris	100.00%	100.00%
E24 International AB	Stockholm	100.00%	100.00%
European Media Ventures AS	Oslo	100.00%	100.00%
Gratisavisen avis1 AS	Oslo	100.00%	100.00%
Scanpix Scandinavia AB	Stockholm	100.00%	100.00%
Schibsted AG	Berlin	100.00%	100.00%
Schibsted Movie AS	Oslo	100.00%	100.00%
Schibsted Multimedia AS	Oslo	100.00%	100.00%
Schibsted Print Media AS	Oslo	100.00%	100.00%
SI Företagstjänster AB	Stockholm	100.00%	100.00%
SI Företagstjänster Holding AB	Stockholm	100.00%	100.00%

Headquarters	Location	2012	2011
Schibsted Eiendom AS	Oslo	100.00%	100.00%
Schibsted Finans AS	Oslo	100.00%	100.00%
Schibsted IT AS	Oslo	100.00%	100.00%
Schibsted Payment AS	Oslo	100.00%	100.00%

* Merged with other companies in the Schibsted group.

SCHIBSTED ASA INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2012	2011
Operating revenues	2	**55**	**47**
Personnel expenses	3	(134)	(128)
Depreciation and amortisation	4	(2)	(1)
Other operating expenses	5	(122)	(131)
Operating profit (loss)		**(203)**	**(213)**
Financial income	6	2,916	1,631
Financial expenses	6	(175)	(84)
Net financial items		**2,741**	**1,547**
Profit (loss) before taxes		**2,538**	**1,334**
Taxes	7	(133)	(220)
Profit (loss)		**2,405**	**1,114**

SCHIBSTED ASA BALANCE SHEET AS AT 31 DECEMBER

(NOK million)	Note	2012	2011
ASSETS			
Deferred tax assets	7	51	47
Property, plant and equipment and licences	4	13	6
Intangible assets and tangible assets		**64**	**53**
Investments in subsidiaries	8	5,237	4,817
Investments in associated companies	8	1,541	1,414
Investments in other shares	8	3	144
Non-current receivables	9	1,905	720
Financial assets		**8,686**	**7,095**
Non-current assets		**8,750**	**7,148**
Current receivables	10	4,381	2,306
Cash and cash equivalents	11	13	13
Current assets		**4,394**	**2,319**
Total assets		**13,144**	**9,467**
EQUITY AND LIABILITIES			
Share capital		108	108
Treasury shares		(1)	(1)
Share premium reserve		1,289	1,289
Other paid-in capital		133	125
Paid-in capital		**1,529**	**1,521**
Other equity		7,407	5,354
Retained earnings		**7,407**	**5,354**
Equity	13	**8,936**	**6,875**
Pension liabilities	14	169	155
Provisions		**169**	**155**
Non-current liabilities	9	**3,095**	**705**
Current liabilities	15	**944**	**1,732**
Total equity and liabilities		**13,144**	**9,467**

Oslo, 20 March 2013
Schibsted ASA's Board of Directors

Ole Jacob Sunde
Chairman of the Board

Karl-Christian Agerup

Marie Ehrling

Eva Berneke

Christian Ringnes

Arnaud de Puyfontaine

Eugénie van Wiechen

Gunnar Kagge

Anne Lise von der Fehr

Jonas Fröberg

Rolv Erik Ryssdal
CEO

SCHIBSTED ASA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes		2,538	1,334
Depreciation and amortisation	4	2	1
Impairment loss on shares	6	72	17
Gain on sale of non-current assets		(2,060)	-
Share-based payment		3	4
Group contributions included in financial income	6	(621)	(1,482)
Change in current receivables		(28)	111
Change in current liabilities		21	(2)
Difference between pension cost and cash flow related to pension plans		14	26
Change in other accruals		(3)	-
Net cash flow from operating activities		**(62)**	**9**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible assets and property, plant and equipment	4	(9)	-
Change in non-current receivables	9	(439)	-
Acquisition of subsidiaries		(579)	(587)
Payment of merger receivables		-	989
Sale of shares		3,541	-
Net cash flow from investing activities		**2,514**	**402**
CASH FLOW FROM FINANCING ACTIVITIES			
Change in current interest-bearing borrowings		(2,760)	(135)
Group contributions received (net)		656	201
Dividends paid	13	(375)	(324)
Purchase / sale of treasury shares		27	(160)
Net cash flow from financing activities		**(2,452)**	**(418)**
Net increase (decrease) in cash and cash equivalents		**-**	**(7)**
Cash and cash equivalents as at 1.1		13	20
Cash and cash equivalents as at 31.12	11	**13**	**13**

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All amounts are in NOK million unless otherwise stated

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NOTE 1 ACCOUNTING POLICIES

The financial statements of Schibsted ASA have been prepared in accordance with the provisions of the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway.

Revenue recognition
Operating revenues are recognised when the goods are delivered or the service rendered.

Classification
Assets and liabilities related to the normal operating cycle are classified as current assets and current liabilities. Receivables and liabilities not related to the normal operating cycle are classified as current if they are of a short-term nature, normally due within one year. Shares and other investments not intended for continued use or ownership are classified as current assets. Other assets and liabilities are classified as non-current.

Shares
Shares are measured at cost and impairment loss is recognised if the carrying amount exceeds the recoverable amount. The impairment is reversed if the basis for the write-down is no longer present.

Group contributions received are included in financial income provided that the Group contribution received does not represent a repayment of capital invested. Group contributions that represent a repayment of capital invested are accounted for as a reduction in the cost of investments in subsidiaries. Net Group contributions payable (gross Group contributions less the associated tax effect) are included in the cost of investments in subsidiaries. Dividends from subsidiaries and associated companies are included in financial income.

Gain on intra-group sales of subsidiaries, in excess of retained earnings of the subsidiaries sold, is recognised as deferred income and classified as non-current liabilities.

Property, plant and equipment and intangible assets
Property, plant and equipment and intangible assets are measured at cost less accumulated depreciation, amortisation and impairment. Property, plant and equipment and intangible assets with limited economic lives are depreciated over the expected economic life. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of net sales value and the present value of future cash flows expected to be generated. Impairment losses are reversed if the basis for the impairment is no longer present.

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

When Schibsted ASA is lessee in a finance lease, the leased asset and the liability related to the lease are recognised in the balance sheet. Depreciable leased assets are depreciated systematically over the useful life of the asset.

Lease payments are apportioned between interest expense and reduction of the liability.

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

Foreign currency
Foreign currency monetary items are translated at the closing rate at the date of the balance sheet. Foreign currency gains and losses are reported in the income statement in the lines Financial income and Financial expenses respectively.

Trade receivables
Trade receivables are measured at fair value including allowance for bad debt.

Treasury shares
The cost of acquisition and proceeds from sale of treasury shares are offset against equity.

Pension expense
Pension liabilities related to defined benefit plans are measured at the net present value of future pension benefits earned at the balance sheet date and calculated on the basis of assumption for, among others, the discount rate, expected future salary increases and pension adjustments. Plan assets are measured at fair value. Net pension liabilities related to under-funded plans are recognised as provisions, while net pension assets related to over-funded plans are recognised as financial assets. Net pension expense, which is gross pension expense less the estimated return on plan assets adjusted for past service cost and the effects of changes in estimates, are included in personnel expenses. Changes in pension liabilities due to amendments in pension plans are included in net pension expenses during the vesting period or immediately if the benefits are immediately vested.

Changes in pension liabilities and plan assets, due to changes in and deviations from the calculation assumptions, are included in net pension expense over the average remaining working lives of the participants for the part of the accumulated effect that exceeds 10% of the greater of plan assets or pension liabilities. In the case of pensions plans, defined for accounting purposes as defined contribution plans, the premiums are recognised as pension expenses for the period.

Schibsted ASA uses, in accordance with the accepted solution under generally accepted accounting principles in Norway, the IFRS standard IAS 19 on accounting for pension liabilities.

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

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

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

Restructuring costs

Restructuring costs are recognised in accordance with the matching principle and therefore expenses not related to revenues in future periods are charged to expense when incurred. Restructuring costs are incurred when a restructuring plan is approved and announced.

Taxes

Income taxes are calculated from the profit (loss) before tax and comprise taxes payable and the change in deferred taxes. Deferred tax assets and liabilities are calculated in accordance with the liability method without discounting and provided for all differences between the carrying amount in the balance sheet and the tax base of assets and liabilities, and for unused tax losses. Deferred tax assets are recognised only when it is expected that the benefit can be utilised through sufficient taxable profits from expected future earnings.

Contingent liabilities

Contingent liabilities are recognised when it is more probable than not that the liability will become effective. The best estimate of the amount to be paid is included in other provisions in the balance sheet. Other obligations, for which no liability is recognised, are disclosed in notes to the financial statements.

Dividend

The dividend for the financial year, as proposed by the Board of Directors, is recognised as a liability at 31.12.

Statement of cash flows

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

NOTE 2 OPERATING REVENUES

Operating revenues consist of:

	2012	2011
Operating revenues	55	47
Total	**55**	**47**

Operating revenues consist of consultant fees and income from lease of office premises, as well as fees for subsidiaries' participation in programmes for management and organisational development.

NOTE 3 PERSONNEL EXPENSES AND MAN-YEARS

Personnel expenses consist of:

	2012	2011
Salaries and wages	78	80
Social security costs	15	13
Net pension expense (note 14)	26	23
Other personnel expenses	4	3
Share-based payment	11	9
Total	**134**	**128**

The company has 92 full-time equivalents, including trainees, in 2012. Note 27 Personnel expenses and share-based payment to the consolidated financial statements contains further information concerning auditor's fee and remuneration to management, including share-based payment.

NOTE 4 PROPERTY, PLANT AND EQUIPMENT AND LICENCES

	Equipment, furniture, vehicles	Licences
Cost as at 1.1.2012	30	4
Additions	8	1
Disposals	-	-
Cost as at 31.12.2012	**38**	**5**
Accumulated depreciation and amortisation 1.1.2012	(24)	(4)
Depreciation and amortisation for the year	(2)	-
Accumulated depreciation and amortisation 31.12.2012	**(26)**	**(4)**
Carrying amount 31.12.2012	**12**	**1**
Depreciation method	Straight line	Straight line
Depreciation period	3-10 years	3-5 years

The depreciation and amortisation for the year include depreciation of leasehold improvements of NOK 0.6 million. Operating lease payments of NOK 25 million are expensed in 2012 and are mainly leased office premises with a remaining lease term of two years with an option to extend for another five years.

NOTE 5 OTHER OPERATING EXPENSES

Other operating expenses consist of:

	2012	2011
Rent and maintenance (note 4)	25	31
Office and administrative expenses	25	20
Professional fees	39	46
Travel, meetings and marketing	33	34
Total	**122**	**131**

NOTE 6 FINANCIAL ITEMS

Financial income consists of:

	2012	2011
Interest income	119	37
Group contributions received	621	1,482
Dividends from associated companies	80	88
Dividends from other companies	7	24
Gain on sale of shares	2,089	-
Total	**2,916**	**1,631**

Gain on sale of shares in 2012 is related to the derecognition of shares in Polaris Media ASA of NOK 26 million (note 8) and to the sale of the subsidiaries Verdens Gang AS and Schibsted Forlag AS to Schibsted Norge AS of NOK 2,062 million. Gain in excess of retained earnings in the subsidiaries sold is treated as deferred income and classified as non-current liabilities (note 9).

Financial expenses consist of:

	2012	2011
Interest expenses	70	47
Interest expenses cash pool system (note 11)	2	18
Impairment loss on shares	72	17
Loss on sale of shares	29	-
Other financial expenses	2	2
Total	**175**	**84**

Impairment loss on shares in 2012 relates to Streaming Media AS. The impairment losses on shares in 2011 relate to 20 Min Holding AS and Trafikkfondet AS. Loss on sale of shares in 2012 relate to Trafikkfondet AS and Aspiro AB. Of interest expenses in 2012, NOK 65 million relates to bond issues. Other financial expenses relate to foreign exchange losses and bank charges in 2012 and 2011.

NOTE 7 TAXES

Set out below is a specification of the difference between the profit before taxes and taxable income of the year:

	2012	2011
Profit (loss) before taxes	2,538	1,334
Dividends and tax free group contributions received	(84)	(595)
Group contributions payable	(469)	(803)
Other permanent differences	(1,980)	63
Change in temporary differences	15	25
Taxable income	**20**	**24**
Tax rate	28%	28%

Taxes payable and taxes charged to expenses are calculated as:

	2012	2011
Calculated taxes payable	6	7
Change in net deferred tax asset	(5)	(7)
Tax recognised in equity	-	(5)
Tax related to Group contributions payable	132	225
Taxes	**133**	**220**

The net deferred tax asset consists of the following:

	2012	2011
Temporary differences related to:		
Property, plant and equipment	(2)	(2)
Pension liabilities	(169)	(155)
Other current liabilities	(11)	(10)
Total basis for deferred tax asset	**(182)**	**(167)**
Tax rate	28%	28%
Net deferred tax liability (asset)	**(51)**	**(47)**
Effective tax rate is a result of:		
Profit (loss) before taxes	**2,538**	**1,334**
Tax charged based on nominal rate	711	374
Tax effect permanent differences	(578)	(149)
Taxes recognised in equity	-	(5)
Taxes	**133**	**220**

NOTE 8 INVESTMENTS IN SHARES

Shares in subsidiaries	Ownership % 31.12.2012	Location	Carrying amount 2012	Carrying amount 2011
20 Min Holding AS	100.00	Oslo	2	-
Schibsted Norge AS	100.00	Bergen	1,349	1,349
Schibsted Eiendom AS	100.00	Oslo	164	142
Schibsted Finans AS	100.00	Oslo	392	392
Schibsted Movie AS	100.00	Oslo	215	214
Schibsted Multimedia AS	100.00	Oslo	2,352	2,033
Schibsted Print Media AS	100.00	Oslo	546	546
Schibsted Sverige AB	100.00	Stockholm	64	67
Schibsted IT AS	100.00	Oslo	2	2
Schibsted Payment AS	100.00	Oslo	11	-
Streaming Media AS	73.40	Oslo	140	-
Verdens Gang AS	100.00	Oslo	-	25
Schibsted Forlag AS	100.00	Oslo	-	46
Trafikkfondet AS	100.00	Oslo	-	1
Total			**5,237**	**4,817**

Group contributions payable to subsidiaries, NOK 354 million (net) is capitalised as part of investments in subsidiaries.

Shares in associated companies	Ownership % 31.12.2012	Location	Carrying amount	Equity	Profit (loss)
Finn.no AS	39.87	Oslo	1,413	556	399
Polaris Media ASA	28.99	Trondheim	127	850	156
Svanedamsveien 10 AS	25.00	Kristiansand	1	64	3
Total			**1,541**		

Other shares			
Scanpix Scandinavia AB	13.32	Stockholm	2
Schibsted Vekst AS	10.00	Oslo	1
Schibsted Tech Polska sp. z.o.o	1.00	Krakow	-
Total			**3**

Market prices are available for shares in Polaris Media ASA. The fair value of the shares in Polaris Media ASA is NOK 347 million based on the last market price.

Until October 2012, Schibsted ASA held 7.1% of the shares in Polaris Media ASA. From September 2011, Schibsted ASA had a continuing involvement in an additional 25.2% of the shares from an agreement under which Schibsted ASA had transferred those shares to other owners, but where those other owners had a right, but not an obligation, expiring in October 2012, to sell those shares back to Schibsted ASA. In October 2012, 21.9% of the shares were sold back to Schibsted ASA, and Schibsted ASA's equity interest of 29.0% is from then on accounted for as an investment in an associated company. The 3.3% of the shares not sold back were consequently derecognised, and a gain from derecognition of NOK 26 million is recognised in the line item Financial income (note 6).

NOTE 9
NON-CURRENT RECEIVABLES AND NON-CURRENT LIABILITIES

Non-current receivables consist of:

	2012	2011
Receivables from Group companies	1,900	700
Other receivables	5	20
Total	**1,905**	**720**

Receivables from Group companies consist of loans to Schibsted Finans AS.The loan amounts and terms are identical to what Schibsted ASA has on the bond loans with Norsk Tillitsmann ASA.

Non-current liabilities consist of:

	2012	2011
Liabilities Group companies	3	1
Bond issues	1,900	700
Deferred income from sale of subsidiaries	1,184	-
Other liabilities	8	4
Total	**3,095**	**705**

Gain on intra-group sales of subsidiaries, in excess of retained earnings of the subsidiaries sold, is recognised as deferred income (note 6).

Schibsted ASA has issued six unsecured bonds in the Norwegian bond market at a total of NOK 1,900 million as per December 2012.

The loans have the following characteristics:

Loan	Issued	Amount	Maturity	Interest
ISIN NO001059325.4	Dec 2010	NOK 300 million	Dec 2013	3 months Nibor plus 150 basis points
ISIN NO001059326.2	Dec 2010	NOK 400 million	Dec 2013	3 months Nibor plus 205 basis points
ISIN NO0010637176	March 2012	NOK 500 million	March 2017	3 months Nibor plus 215 basis points
ISIN NO0010637275	March 2012	NOK 300 million	March 2019	5.9%
ISIN NO0010667850	Dec 2012	NOK 150 million	Dec 2022	3 months Nibor plus 250 basis points
ISIN NO0010667843	Dec 2012	NOK 250 million	Dec 2022	5.4%

NOTE 10
CURRENT RECEIVABLES

Current receivables consist of:

	2012	2011
Current receivables from Group companies	675	2,291
Current receivable related to the cash pool system (note 11)	3,688	-
Other receivables	18	15
Total	**4,381**	**2,306**

NOTE 11
CASH AND CASH EQUIVALENTS

Total cash and cash equivalents of NOK 13 million include NOK 1.9 million pledged as security for trading on NASDAQ OMX Oslo ASA and StatNett SF.

Schibsted ASA's bank account is included in the Schibsted Group's cash pool with Danske Bank. The cash pool system has been established to contribute to an optimal liquidity management for the Schibsted Group. As at 31.12.2012 Schibsted ASA had a deposit of NOK 3,688 million on sub-accounts in the cash pool system, which is managed and controlled by Schibsted Finans AS. The deposit is included as current receivables in the balance sheet. Note 9 Financial risk management and note 18 Cash and cash equivalents to the consolidated financial statements contain further information concerning financial market risk.

NOTE 12
SHAREHOLDER STRUCTURE

The 20 largest shareholders as at 31 December 2012:

	Number of shares	Share in %
Blommenholm Industrier	28,188,589	26.1%
Folketrygdfondet	7,909,604	7.3%
NWT Media AS	4,545,815	4.2%
Goldman Sachs & Co – Equity, Security Client Segregation	4,031,993	3.7%
Bank Of New York Mellon	3,798,612	3.5%
JPMorgan Chase Bank, Nordea	3,744,673	3.5%
Deutsche Bank AG London	2,835,449	2.6%
State Street Bank and Trust Co.	2,616,953	2.4%
State Street Bank and Trust Co.	2,194,931	2.0%
JP Morgan Clearing Corp.	1,911,691	1.8%
Clearstream Banking S.A.	1,533,707	1.4%
JPMorgan Chase Bank	1,528,922	1.4%
SHB Institutional Sales Stockholm, C/O Handelsbanken Asset Mgn	1,096,740	1.0%
JPMorgan Chase Bank N.A.	1,090,574	1.0%
Skandinaviska Enskilda Banken	1,006,349	0.9%
Citibank NA London Branch	908,295	0.8%
Schibsted ASA	899,155	0.8%
Montague Place Custody Services	866,450	0.8%
State Street Bank and Trust Co.	779,430	0.7%
Odin Norge	776,645	0.7%
Total 20 largest shareholders	**72,264,577**	**66.6%**

The shareholderes are based on the public VPS list. For further information regarding the ownership, see the chapter Shareholder information in Schibsted's annual report.

Number of shares owned by the Board of Directors and the Group Management:

	Number of shares
Ole Jacob Sunde	121,244
Karl Christian Agerup	3,082
Eva Berneke	4,020
Christian Ringnes	81,991
Anne-Lise Mørch von Der Fehr	201
Gunnar Kagge	259
Frank Johan Johansen	312
Hege Lyngved Odinsen	469
Torbjörn Harald Ek	133
Rolv Erik Ryssdal	17,793
Trond Berger	11,323
Sverre Munck	17,893
Gunnar Strömblad	8,416
Camilla Jarlsby	4,998
Terje Seljeseth	9,265
Didrik Munch	3,832
Raoul Grünthal	4,225
Total Board of Directors and Group Management	**289,456**

The total number of issued shares in Schibsted ASA was 108,003,615 and the number of shareholders was 4,869, as at 31.12.2012. Foreign ownership was 56.6%. Schibsted ASA owned 899,155 treasury shares at 31.12.2012. The Annual Shareholders' Meeting gave the Board of Directors authorisation to acquire treasury shares up to 10,800,361 shares (10%). The authorisation was renewed at the Annual Shareholders' Meeting 11 May 2012 for a period until the Annual Shareholders' Meeting in 2013. At the Annual Shareholders' Meeting on 30 April 2013 the Board will present a resolution to extend the authorisation to the Board of Directors for the purchase and disposal of up to 10% of the share capital in Schibsted ASA in accordance with the Norwegian Public Limited Liability Companies Act based on the conditions presented in the notification to the Annual Shareholders' Meeting.

NOTE 13
EQUITY

The development in the company's equity in 2012 is as follows:

	Share capital	Treasury shares	Share premium reserve	Other paid-in capital	Other equity	Total
Equity as at 31.12.2011	**108**	**(1)**	**1,289**	**125**	**5,354**	**6,875**
Change in treasury shares	-	-	-	-	23	23
Share-based payment	-	-	-	8	-	8
Profit (loss)	-	-	-	-	2,405	2,405
Dividend	-	-	-	-	(375)	(375)
Equity as at 31.12.2012	**108**	**(1)**	**1,289**	**133**	**7,407**	**8,936**

Schibsted ASA's share capital consists of 108,003,615 shares of NOK 1 par value. The par value of treasury shares is presented on a separate line within Other paid-in capital with a negative amount.

No shareholder may own or vote at the Annual Shareholders' Meeting for more than 30% of the shares.

NOTE 14 PENSION PLANS

The company is obliged to have an occupational pension scheme in accordance with the Act on Mandatory Company Pensions ("Lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of the Act.

As at 31.12.2012 the company's pension plan had 111 members. Note 21 Pension Plans to the consolidated financial statements contains further description of the pension plans and the principal assumptions applied.

Amounts recognised in profit or loss:

	2012	2011
Current service cost	14	13
Interest cost	9	9
Expected return on plan assets	(3)	(3)
Actuarial gains or losses recognised	3	1
Net pension expense – defined benefit plans	**23**	**20**
Pension expense – defined contribution plans	3	3
Net pension expense	**26**	**23**

Amounts recognised in the balance sheet:

	2012	2011
Present value of funded defined benefit obligations	55	78
Fair value of plan assets	(56)	(60)
Present value (net of plan assets) of funded defined benefit obligations	**(1)**	**18**
Present value of unfunded defined benefit obligations	174	199
Unrecognised actuarial gains or losses	(4)	(62)
Pension liabilities	**169**	**155**
Social security tax included in present value of defined benefit obligations	21	27

Changes in pension liabilities:

	2012	2011
As at 1.1	155	129
Net pension expense	23	20
Contributions / benefits paid	(9)	6
As at 31.12	**169**	**155**

Schibsted has in 2012 changed the reference for determination of the discount rate. Previously, this rate has been determined by reference to Norwegian government bonds. With effect from 2012, the rate is determined with reference to high quality corporate bonds. Schibsted has concluded that, at the end of 2012, a deep market exists for covered bonds ("OMF-obligasjoner") in Norway and that this interest rate therefore shall be used as reference under IAS 19 Employee benefits. The resulting increase in the discount rate significantly reduces the present value of defined benefit obligations at 31.12.2012.

Due to changes in accounting policy related to pension from 2013, the unrecognised actuarial gain (loss) will be recognised in equity. The resulting effect for Schibsted ASA will be a reduction in equity of NOK 3 million net of tax.

NOTE 15 CURRENT LIABILITIES

Current liabilities consist of:

	2012	2011
Trade creditors	7	9
Public duties payable	13	11
Dividends accrued	375	374
Current liabilities Group company (cash pool system) (note 11)	-	181
Current liabilities to Group companies	502	818
Taxes payable	6	7
Financial liabilities related to TRS-agreements and agreements with continuing financial involvement (note 8)	-	298
Accrued interest	18	-
Other current liabilities	23	34
Total	**944**	**1,732**

NOTE 16 GUARANTEES AND PROVISIONS OF SECURITY

	2012	2011
Guarantees for loans and drawing facilities on behalf of Group companies	4,639	5,368
Other guarantees on behalf of Group companies	266	261
Other guarantees	95	107
Total	**5,000**	**5,736**

NOK 0.6 billion of the total of NOK 4.6 billion of guarantees for loans and credit facilities were drawn at the end of 2012. At the end of 2011 a total of NOK 2 billion was drawn.

A guarantee of NOK 223 million to Danske Bank is included in Other guarantees on behalf of Group companies. The guarantee relates to guarantees for tax withholdings and other guarantees. In addition, guarantees regarding subsidiaries' unsecured pension liabilities of NOK 35 million related to key management personnel, as well as a guarantee of NOK 8 million to Grensen 5-7 AS regarding office lease, is included.

A Parent Company Guarantee (PCG) to Entra Eiendom AS was provided by Schibsted ASA. The guarantee covers security for payment of office lease.

Other guarantees include a guarantee of NOK 87 million to Barclays regarding Primerama S.L's loan. Guarantees of loans to employees in the Group of NOK 2.5 million and unfunded pension liabilities of NOK 4 million are also included. Note 27 Personnel expenses and share-based payment in the consolidated financial statements contains further information regarding loans to members of the Group management.

DECLARATION BY THE BOARD OF DIRECTORS AND CEO

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2012 has been prepared in accordance with applicable accounting standards and gives a true and fair view of the Group and the Company's consolidated assets, liabilities, financial position and results of operations, and that the Report of the Board of directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that they are facing.

Oslo, 20 March 2013
Schibsted ASA's Board of Directors

Ole Jacob Sunde
Chairman of the Board

Karl-Christian Agerup

Marie Ehrling

Eva Berneke

Christian Ringnes

Arnaud de Puyfontaine

Eugénie Van Wiechen

Gunnar Kagge

Anne Lise von der Fehr

Jonas Fröberg

Rolv Erik Ryssdal
CEO

ERNST & YOUNG

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Member of the Norwegian Institute of Public Accountants

To the Annual Shareholders' Meeting of
Schibsted ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Schibsted ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2012, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated balance sheet as at 31 December 2012, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and CEO's responsibility for the financial statements

The Board of Directors and CEO are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and CEO determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

ERNST & YOUNG

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Schibsted ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and the statement on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and the statement on corporate governance concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and CEO have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 20 March 2013
ERNST & YOUNG AS

Jan Egil Haga
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

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