SCHIBSTED
MEDIA GROUP

SCHIBSTED MEDIA GROUP

ANNUAL REPORT 2018

INDEX

SCHIBSTED AT A GLANCE

- NOK 18,059 million revenues
- NOK 3,268 million EBITDA
- 8,300+ employees
- 23 countries
- 33 online classifieds products
- 7 leading newspapers in Norway and Sweden
- 800 million people market footprint
- Engaging millions of people worldwide

Schibsted Media Group is a listed company headquartered in Oslo, Norway with more than 8,300 employees in 23 countries. Millions of people around the world interact with Schibsted's popular digital services through our media houses, our digital marketplaces and our growth companies.

MARKETPLACES

Connecting millions of buyers and sellers every month, we provide leading online marketplaces in 23 countries around the globe. In 2019 our Marketplaces operations outside of the Nordics will be spun off and established as an independent, listed company; Adevinta ASA. Trading will start on 10 April 2019. Schibsted will retain majority ownership in Adevinta ASA at the time of listing, and intends to remain a long-term active owner of Adevinta ASA. We believe this decision will bring more value to our users, customers, employees and shareholders in the long term. Our marketplaces in Norway, Sweden and Finland will constitute the new business area Nordic Marketplaces.

PUBLISHING

As the largest media group in Scandinavia, our world-class media houses continue to shape the media landscape of today – and tomorrow. We believe that we, together with our users, can contribute to a more sustainable society by what we do every day. In Scandinavia our media houses such as VG, Aftenposten, Bergens Tidende, Aftonbladet and Svenska Dagbladet keep people informed and updated on important issues in society. From 2019 this business area will be known as News Media.

GROWTH

We invest in tech startups with great ideas and a disruptive mindset, helping entrepreneurs build market-leading companies locally and internationally. Our growth companies, such as Lendo and Prisjakt, provide our users with popular digital consumer services that make everyday life a bit easier. From 2019 this business area will be known as Next.

Schibsted will continue to be a company of leading digital consumer brands with a strong footprint in the Nordics. Schibsted is deeply embedded in the daily lives of consumers in the Nordic region. Every week Schibsted reaches 79 percent of consumers in Norway and 82 percent in Sweden, contributing to the everyday lives of millions of users in these markets.

Positioned in one of the world's most dynamic regions in terms of digital services, Schibsted will continue to be at the forefront of innovation and structural growth.

On 1 December 2018 Kristin Skogen Lund was appointed CEO of Schibsted. Rolv Erik Ryssdal, former CEO of Schibsted, was appointed CEO of Adevinta on the same date.

Effective from 1 January 2019, Schibsted will be organized into three business areas: Nordic Marketplaces, News Media and Next:

- **Nordic Marketplaces** led by Anders Skoe, CEO of FINN and asset owner for Blocket (Sweden) and Tori (Finland)
- **News Media** led by Siv Juvik Tveitnes, former COO/Head of Publishing operations in the Media Division
- **Next** (financial services, venture investments and organic growth initiatives) led by Raoul Grünthal, previously CEO of Schibsted Media.


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SCHIBSTED ADAPTS TO A NEW REALITY

In 2018 it became clear that we are facing a new reality – as a company, as employees, and as global digital consumers. In this new reality, fake news seems to travel faster than truth on social media; reliable sources of information are being greatly challenged; authoritarianism and populism are growing, and perhaps most worryingly, our way of life is disrupting Earth itself. Within this reality, Schibsted continues to deliver on its strong purpose in society while at the same time strengthening our market positions and improving our financial results in our marketplace, media and growth businesses.

I started my journey with Schibsted in early December 2018 and am already well under way planning the coming years for our company. I am proud to take over the reins of a company whose key purpose, mission and impressive results constantly inspire me.

Establishing two new growth companies

In September 2018 Schibsted announced that we will spin off our international marketplaces businesses into a separate, listed company. This is a major strategic step for the Group that will create new opportunities and shareholder value for both the new company Adevinta ASA and the remaining Schibsted. The first day of trading for Adevinta ASA will be 10 April 2019, and the listing venue will be Oslo Børs.

Schibsted has a solid and rapidly growing portfolio of digital consumer offerings that empower people across the Nordics in their daily life. As a digital front runner, the Nordics will be key to further developing existing offerings and technology and testing new exciting solutions and disruptive offerings. Schibsted's new structure and management team were announced at the end of 2018. The new organization reflects Schibsted's three business areas – Marketplaces, News Media and Next – and a group foundation which serves as an enabler of long-term business growth. Our goal is that our leading marketplaces, growth initiatives and media operations will increasingly realize synergies and help us further develop value creation for our customers and shareholders and for society.

Before we continue our journey, our annual report gives us the opportunity to look back on a productive and important year for all our business areas, one which we believe has created a solid foundation for future growth. Some financial highlights are:

• *Impressive revenue growth for our marketplaces*

I am proud to see that our marketplace operations are developing strongly, with both impressive revenue growth and improved EBITDA margins. This is particularly driven by improved monetization in the verticals in key markets like France, Spain, Brazil and Norway.

• *Securing a strong editorial footprint to maintain digital growth*

Our publishing operations – which will be part of the News Media business area going forward – have experienced a slight revenue incline and have maintained solid operating margins, driven by good digital growth and tight cost control. High quality in our editorial products is paramount in order to continue building long-term viable revenue models, and I am glad to see that the number of digital subscribers continues to grow.

• *Introducing a new growth operation*

In September we announced a plan to roll our successful financial services product Lendo in three new markets where we see significant potential for value creation. This means Lendo now is available in six countries in total: Norway, Sweden, Finland, Denmark, Poland and Austria. Schibsted sees financial services as an exciting growth area. Lendo currently is the most important initiative in this field, but we have several others under development that look promising.

A company with a bigger purpose

Schibsted´s purpose in society is embedded in everything we do. Everything we build should be based on a solid foundation that ensures continuous delivery as a reliable provider of news and information and a strong contributor to the circular economy. Ultimately it's all about our customers and about being able to meet their needs in a sustainable and trustworthy way; not least when developing our platforms for secondhand trade.

Best wishes,

KRISTIN SKOGEN LUND
CEO of Schibsted

BOARD OF DIRECTORS' REPORT

Schibsted's Board 2018-2019: From left Finn Våga, Birger Steen, Ingunn Saltbones, Orla Noonan, Ole Jacob Sunde (Chair), Torbjörn Ek, Christian Ringnes, Philippe Vimard and Orla Noonan. Eugenie van Wiechen was not present at the photo session.

From the outset, 2018 and the start of 2019 has been a period of fundamental change in Schibsted. After a thorough strategy process, we decided to spin off our international market–places in a separate, listed company. At the same time, we have initiated a reorganization onboarding Kristin Skogen Lund as our new CEO; the third in Schibsted's 26 years as a public company. With the Board's support, she is reviewing the strategy of Schibsted going forward.

These changes will enable us to adapt to the world around us. Customer behavior is changing, competitors are improving their offerings and technology is creating new opportunities. It is part of Schibsted's DNA to take advantage of changes, making bold decisions, to create added value for users, customers, shareholders and society. Schibsted was an early mover in the Scandinavian online markets. From the mid 1990's we have invested steadily in developing digital consumer services. Today, the Nordic countries are among the most advanced online markets globally, both in the public and private domains. It is Schibsted, through Finn, VG, Aftonbladet and our other online brands, who can claim credit for having pioneered this development - through stamina and willingness to take risks. From 2005 and onwards we continued by conquering several online classifieds markets internationally. The latter is what we are now in the process of spinning off in Adevinta, a company expected to reach a market value of several billion euros.

At the same time as the international classifieds operation is ready to leave home, new babies are growing up with a promising future. Schibsted sees the financial services and "fintech" landscape as an interesting field of growth, with Lendo as the clearest example of success. By helping consumers to obtain transparency in a chaotic market for unsecured consumer loans in Norway, Sweden and Finland, Lendo has built a revenue base of NOK 852 million with strong profitability.

This brings us to the core of Schibsted's strategy: to create new digital winners by leveraging our strong reach, competence, access to data and market knowledge. We will continue to develop digital services providing consumers with high quality information to take decisions on issues which are important in their life. By linking innovative business models, advanced technology and great entrepreneurs with our existing network of businesses, brands and talent in our core markets, we believe it is possible to drive significant and sustainable value-creating growth. The potential is evident both in our core markets as well as adjacent businesses by leveraging our brand positions and access to valuable data.

A common denominator is that we strive to deliver on our mission statement "Empowering people in their daily life". Here lies, in fact, an advantage compared to many other digital companies, as our success is closely linked to our customers' success. We are relentlessly focusing on increased transparency and benefit for our customers and users. For example, we operate efficient and transparent marketplaces, we deliver independent and relevant news, and we help consumers make the best personal finance decisions. In the social responsibility section of this annual report, we elaborate on our contributions to society, including the reduced impact on the environment by buying second-hand items instead of new ones.

Adevinta will continue to be majority-owned by Schibsted. It is the Board's ambition to continue to be a supportive long-term and attentive shareholder. The potential for further growth and value creation in Adevinta is large, and as an anchor shareholder we aim to contribute to this development. At the same time, the Board will treat Adevinta as a separate, independent company, and seek influence through the shareholders' meeting and board representation.

Finally, the Board would like to sum up 2018 as a year not only of important strategic decisions, but also of strong financial performance. Our news media have shown their ability to continue to adapt to their fast-changing commercial markets with high-quality independent journalism as a key asset. Our marketplaces have continued to grow fast with improved operating margins, and the Growth portfolio has performed well and, not least, made several interesting new investments.

Further description of structural changes

In November 2018 Schibsted acquired the French second-hand fashion vertical Vide Dressing.

In December 2018 Schibsted increased its ownership interest in Shpock to 100%, while the increase of ownership in SCM Spain to 100% was completed in January 2019.

Schibsted has also been involved in other minor acquisitions and disposals during 2018.

Further comments on the Group's results

Schibsted's operating revenues in 2018 totaled NOK 18,059 million (NOK 16,943 million)[i]. The 7-percent increase was mainly driven by growth in marketplaces and online revenues from media houses, while offline revenues in media houses continued to decline during the year. Group's gross operating profit (EBITDA[iii]) amounted to NOK 3,268 million (NOK 2,606 million)[i], equivalent to growth of 25 percent. The growth was driven primarily by revenue increases in Marketplaces and reduced losses in Investment phase operations. See the section on each business area for more details.

Schibsted's share of profit (loss) from joint ventures and associates totaled NOK 60 million (NOK -113 million)[i]. This development is a combination of profitability in Brazil, reduced losses, and changes in composition of entities presented as joint ventures and associates.

Impairment loss in 2018 was NOK -747 million (NOK -49 million) [i]. This is mainly related to write-down of goodwill related to Yapo in Chile, Compricer in Sweden and some projects within product and technology development. The write-down of goodwill in Chile is a partial reversal of the gain recorded in 2017 related to re-measurment of previously held equity interest in Yapo.

In 2018 Group's other income and expenses amounted to NOK -55 million (NOK 1,505 million)[i]. This is mainly related to restructuring costs. In 2017 this was mainly related to the transactions with Telenor, where Schibsted recorded NOK 821 million on gains on sales and NOK 490 million related to gains from re-measurement of previously held equity interests in business combinations achieved in stages. In 2017 Schibsted also recorded a gain of NOK 201 million related to the sale of Hitta.se as other income.

Operating profit in 2018 amounted to NOK 1,794 million (NOK 3,315 million)[i].

Financial position and cash flow

Net cash flow from operating activities was NOK 1,781 million for the year, compared to NOK 1,290 million in 2017. The increase is primarily related to an increase in gross operating profit partly offset by higher tax payments and increased working capital. The change in working capital in 2018 was negatively affected by NOK 240 million in trade receivables that was settled during Christmas but was in transit from an external cash collection agency at the year-end.

Net cash outflows from investing activities was NOK 953 million for the year, compared to NOK 4,546 million in 2017. The decrease is primarily related to a reduction in acquisitions of subsidiaries and net investments of other shares. Similarly, the change in net cash flow from financing activities, from a cash inflow of NOK 3,558 million to a cash outflow of NOK 608 million, is primarily related to the financing of those investing activities in 2017.

The carrying amount of the Group's assets decreased by NOK 291 million to NOK 27,325 million during 2018 and the Group's net interest-bearing debt decreased by NOK 232 million to NOK 2,383 million. The Group's equity ratio was 54 percent at the end of 2018, compared to 55 percent at the end of 2017.

Schibsted ASA has a well diversified loan portfolio with loans from both the Norwegian bond market and Nordic Investment Bank. In addition, Schibsted has a revolving credit facility of EUR 300 million which was not drawn upon.

Comments on the business areas

Unless otherwise stated, all percentages in this section are based on NOK amounts.

Marketplaces

In 2018 Marketplaces experienced revenue growth of 14 percent and EBITDA[iii] growth of 27 percent, driven mainly by strong development in the marketplaces sites in Norway, France and Spain and by reduced losses in operations within Investment phase.

Developed phase

France

In France, Leboncoin.fr is the leading marketplaces site, and holds a number-one position within real estate, cars and generalist ads.[ii] In 2018 France had revenue growth in local currency of 18 percent. The growth was driven by positive results from monetization efforts in jobs, continued growth in real estate and cars. Display advertising also contributed positively to the strong growth, but with a lower growth rate than the verticals. EBITDA[iii] in local currency grew by 11 percent.

Norway

Finn.no is the number-one website for marketplaces in Norway[ii] and one of the strongest brands in the country, regardless of industry. Finn.no is the market leader within real estate, cars, jobs and generalist ads. Marketplaces Norway had a strong year in 2018 with revenue growth of 12 percent, driven by revenue increases in all classified verticals, especially real estate and jobs. Display advertising sales were still soft. EBITDA[iii] grew by 18 percent.

Spain

Schibsted's operations in Spain are market leaders within marketplaces and hold number-one positions in real estate, cars, jobs and generalist ads.ii In 2018 revenue growth in local currency was 16 percent, driven by jobs, cars and real estate. Display advertising also contributed positively to the strong growth, but with lower growth rate than the verticals. EBITDA[iii] growth in local currency was 36 percent.

Sweden

Blocket.se holds a leading position for marketplaces in Sweden[ii] and is among the strongest brands in the country across all industries. Bytbil.se is the leading marketplaces for cars in Sweden.[ii] Marketplaces Sweden's operating revenues in local currency decreased 4 percent in 2018. Cars and jobs contributed positively, while display advertising was more challenging. EBITDA[iii] in Marketplaces Sweden in local currency decreased by 13 percent compared to last year.

Other developed phase

Subito.it is the leading generalist and car marketplace site in Italy. It also holds a strong position in the jobs market.[ii] Revenues continued to grow in 2018, but at a slower growth rate than last year due to soft development in display advertising. In Ireland, Distilled Media holds leading positions in the generalist, cars and real estate verticals.[ii] Revenue growth in 2018 was positive. Willhaben.at is the leader in the real estate, generalist markets in Austria. It also holds a strong position in the jobs and cars market.[ii] The site continued to grow fast in terms of traffic, with corresponding revenue growth. In Hungary, Schibsted owns the leading car marketplace site[ii], Hasznaltauto.hu and the leading generalist site[ii], Jofogas.hu. Revenues continued to grow at a steady pace in 2018.

Investment phase

In 2018 the Investment phase portfolio continued to develop strongly in terms of revenue and traffic growth. Revenue growth in 2018 was 18 percent and the negative EBITDA[iii] in 2018 was improved by 35 percent.

In Brazil, OLX.com.br has a strong brand and leadership positions in traffic and volumes of verticals[ii]. Revenues grew rapidly in 2018 due to continued monetization of the cars and real estate verticals. Revenue growth in local currency was 61 percent and OLX.com.br was EBITDA[iii] positive in 2018 with a EBITDA[iii] margin of 5 percent.

Shpock, a native app for generalist ads, expands the market and attracts new user groups and items. Shpock has built strong market positions in the UK and in other selected markets. In 2018 Shpock continued to run marketing campaigns in several markets, but on a smaller scale than last year. EBITDA[iii] losses in 2018 were 39 percent lower than in 2017. Schibsted has decided to initiate a strategic shift at Shpock. This implies that Shpock will be moving towards break-even during 2019.

Schibsted also holds market positions with good potential in several other markets, such as Segundamano.mx in Mexico, Avito.ma in Morocco, Corotos.com.do in the Dominican Republic, Tayara.tn in Tunisia, Kufar.by in Belarus, Yapo.cl in Chile and Tori.fi in Finland. They are number one[ii] in their respective markets, and all sites experienced revenue increases in 2018.

Publishing

Publishing comprises leading newspapers in Norway and Sweden and printing plant operations and distribution operations in the Norwegian market. In Norway, the newspapers include the national newspapers VG and Aftenposten and the regional newspapers Bergens Tidende, Stavanger Aftenblad and Fædrelandsvennen. In Sweden, the newspapers include the national newspapers Aftonbladet and Svenska Dagbladet. All newspapers are strong brands and hold leading positions within their region.

In 2018 revenues in Publishing increased 1 percent. Publishing experienced an improved trend for online advertising, especially VG. Circulation revenues were stable due to solid growth in digital subscription revenues. Sales of print newspapers continued to decline. The EBITDA[iii] margin in 2018 was 8 percent.

Growth

Growth comprises a portfolio of web-based growth companies including Lendo and Prisjakt. Lendo has become one of the leading marketplaces for consumer lending in the Nordics since it was founded in 2007.

In 2018 revenues in Growth increased 10 percent (excluding Hitta.se, divested end of July 2017). The margin improved to 23 percent (21 %)[i].

Lendo is present in Sweden, Norway, Finland and Denmark with services within consumer finance. The growth rate of Lendo Group was 21 percent, driven by higher volumes. The EBITDA[iii] margin was 38 percent.

Prisjakt is present in Norway, Sweden, Finland and other selected markets with price comparison services for e-commerce. Prisjakt had revenue growth of 18 percent in 2018, and an EBITDA[iii] margin of 31 percent.

Research and development

Schibsted has been at the heart of the digital transformation for more than 20 years, and continues to invest substantial resources in improving and developing products offered to its users. All Group entities are making continuous efforts to further develop both existing products and products that will provide new revenue flows. In 2018 innovation efforts focused on marketplace platforms, media platforms, privacy, advertising technology, data analytics and identity.

Operational and financial risks

Schibsted is operating in an industry that is subject to constant change, and is exposed to increased competition from disruptive players, technology and new business models. Furthermore, Schibsted's display advertising revenues, marketplace revenues from the recruitment markets, and to some extent real estate markets, are affected by macroeconomic cycles, i.e. unemployment rates, real estate prices and GDP growth rates. Schibsted's commitment to technology and innovation, and to diversification of revenue streams from Publishing, Marketplaces and Growth companies, are vital contributors to bringing these risks to an appropriate level.

External cyber-attacks and threats against Schibsted's IT security may cause incidents of loss of personal data, fraud, loss of sensitive business data and inaccessible or unreliable services. Prevention of such attacks has high priority and is a vital part of Schibsted's business.

Through its operations outside Norway, Schibsted is exposed to fluctuations in the exchange rates of other currencies, mainly Euro and Swedish kronor. The Group makes use of loans in foreign currencies and financial derivatives to mitigate its currency exposure.

Schibsted's credit risk is considered low as trade receivables are diversified through a high number of customers, customer categories and markets. Moreover, a major part of sales is done through prepaid subscriptions or advertisements and credit card payments on the purchase date. Liquidity risk associated with cash flow fluctuations is also considered low as Schibsted has adequate equity and solid credit facilities. See note 23 in the financial statements for more details on currency risk, credit risk and liquidity risk.

Statement of corporate governance

Schibsted's governance systems are based on principles set out in the Norwegian Code of Conduct for Corporate Governance. In accordance with section 3-3b of the Norwegian Accounting Act, an overall report of corporate governance at Schibsted has been prepared and enclosed as a separate document in the annual report. This statement is an integral part of the Board of Directors' report.

Sustainability Report

In accordance with section 3-3c of the Norwegian Accounting Act, a report of sustainability has been prepared. The report is included as a separate document in the annual report and includes details on working environment, injuries, accidents, sickness absence, equality and non-discrimination, as well as social responsibility and external environment. This report is an integral part of the Board of Directors' report.

Schibsted ASA

Schibsted ASA is the parent company of the Group and is located in Oslo, Norway. The company supplies and performs services for the

Group's other companies. Schibsted ASA delivered a profit after tax of NOK 1 019 million (NOK -515 million)[i]. As at 31 December 2018 Schibsted ASA had total assets of NOK 31,618 million (NOK 30,297 million)[i]. The equity ratio was 53 percent (54 percent)[i].

The Board of Directors proposes the following allocation:

Proposed dividend:	NOK 477 million
Transferred to other equity:	NOK 542 million

As of 31 December 2018 Schibsted ASA had total equity of NOK 16,783 million. The Board of Directors has determined that Schibsted ASA had adequate equity and liquidity at year-end 2018.

Outlook

Schibsted excluding Adevinta

The Nordic region is perceived to be a digital frontrunner region and as such, a good venture lab to test new digital and disruptive offerings. Schibsted will build on its track record of being able to create and scale new business models and leverage technological disruptions to evolve successfully in the Nordics and beyond. We will concentrate on leveraging the combined force of our various operations, founded on our well-known consumer brands, high traffic volumes, and on our ability to harvest rich data and attract top talent.

Schibsted expects to see continued good revenue development for its marketplace operations Finn.no, Blocket.se and Tori.fi. Increased monetization of verticals and development of value-added services and adjacent growth opportunities are expected to be key drivers. Within Schibsted Growth, including Financial Services, Lendo is expected to continue to grow well, although moderate expansion investment into new markets, like Denmark, Poland and Austria, will hamper margins somewhat. Prisjakt is expected to continue with solid top-line growth and healthy margins.

The operations in News Media (formerly Publishing) will continue to develop their digital business models based on strong editorial products.

Adevinta

Adevinta endeavours to maintain and expand its favorable competitive positions and markets while also capturing further core and adjacent growth opportunities. Adevinta will continue to benefit from organic online classifieds market growth, focused particularly on tapping the untapped potential that lies in its strong verticals. At the same time, Adevinta is focused on driving initiatives to increase market shares of traffic, listings and eventually monetization and profitability. France, Spain and Brazil are expected to be the key drivers for growth going forward, driven by continued strong development of its verticals.

Going concern

Based on Schibsted's long-term strategy and forecasts, and in accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.

i Figures in parentheses are for the corresponding period for the previous year.
ii Source: Mediametrie; Comscore; Gemius; Similarweb – competitive positions based on traffic. Spain: SCM Spain aggregated position.
iii EBITDA (before other income and expenses, impairment, joint ventures and Associates).

Paris, 21 March 2019
Schibsted ASA's Board of Directors

Ole Jacob Sunde Chairman of the Board	Christian Ringnes Board member	Birger Steen Board member	Philippe Vimard Board member	Eugénie Van Wiechen Board member	Torbjörn Ek Board member

Ingunn Saltbones Board member	Finn E. Våga Board member	Marianne Budnik Board member	Orla Noonan Board member	Kristin Skogen Lund CEO

SUSTAINABILITY REPORT

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A word from our CEO

A greater purpose to our daily work is critical for a company and its people to thrive and develop. To me, Schibsted is more than its core business. It goes beyond our services and operations. Our journalism and marketplaces are cornerstones and driving forces for building a sustainable and democratic society.

Schibsted's strategy is to ensure that we consider and manage the environmental and societal impacts in all our business decisions, and through our services empower people to make economically sound and environmentally sustainable choices. As a provider of journalism and marketplaces, and as an employer, we are determined to act in a responsible and sustainable manner.

Our journalism has an important mission to provide reliable news and information to people, more important than ever in times when disinformation and manipulation are of great concern. Our marketplaces play an important role in facilitating an arena for customers to meet and interact in a safe and reliable way. Moreover, our marketplaces play a significant environmental role as a platform for a circular economy that reduces our environmental footprint.

As a participant member of the UN Global Compact, we are strongly committed to and continuously support its ten principles. We also support the UN Sustainable Development Goals, particularly goal 5: Gender equality and goal 12: Responsible consumption and production.

2018 was a year full of climate change challenges which called for greater responsibility from all, including companies. I am proud that during the year we have continued to strengthen our environmental efforts. In 2018 we formulated targets for raising awareness about climate change and implement circular activities through our Second Hand Effect (SHE) project. During the year we also actively engaged in promoting diversity and equality by offering unconscious bias training to our employees and by strengthening governance in this area.

In 2019 we will implement our sustainability strategy in our new organizational model, strengthening our sustainable supply chain practices by mapping high-risk areas and suppliers and defining goals for all Schibsted's focus areas. For me, it is vital that we see the societal meaning and environmental impact in everything we do, and in all aspects of our business, new and old. There is a shift in power going on from companies to users, and in our personal finance and other growth investments we will continue to empower our users in their daily life to make well informed and sustainable choices.

I am confident that Schibsted has the prerequisites and opportunity to make a difference, thanks to our values and our business models supporting sustainable and democratic societies. Sustainable business is no longer optional, it has to be our core, and even offer new business opportunities. We still have work to do in several areas to become a leading company, due mostly to our rapid growth and organizational changes, but we are on our way.

KRISTIN SKOGEN LUND
CEO of Schibsted

Defining sustainability at Schibsted

In 2016 we performed a materiality analysis in order to understand and identify the sustainability topics most material to Schibsted. The analysis was adjusted in 2017 to fit Schibsted's business strategy and organization. In the coming year we will update the materiality analysis to align with our new organizational structure.

Materiality analysis

We identified a list of sustainability topics based on an analysis performed by the Responsible Media Forum and the recommendations on sustainability reporting developed by the Sustainability Accounting Standards Board in the US. The topics were divided into four categories: how we act, our people, environmental impact and societal impact. The list of topics formed the basis for the stakeholder dialogs and the impact assessment.

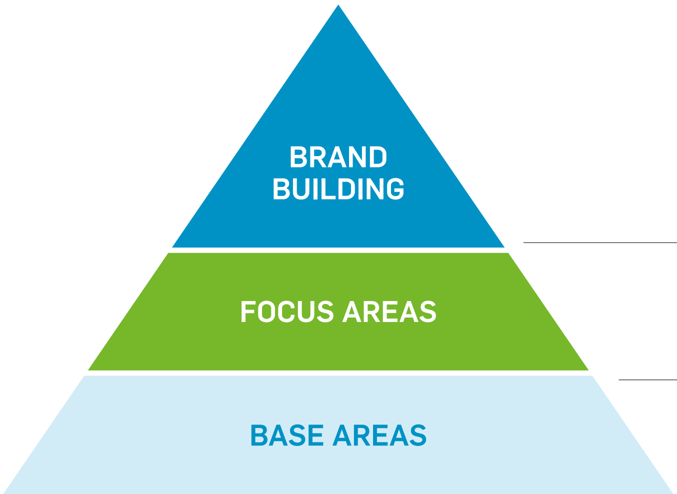
Our most important stakeholders were identified by mapping stakeholders based on interest in and influence on our business. Through a combination of focus groups, inquiries, surveys, interviews and other information-gathering activities, we asked our stakeholders to prioritize the identified sustainability topics. Our stakeholders were also given the opportunity to add topics to our list which they considered important. Furthermore, an impact assessment was conducted on the identified sustainability topics based on the economic, environmental and societal impacts of our operations and their relevance to Schibsted.

By combining the results from our stakeholder dialogs and the impact assessment, we could further prioritize and select our material topics. The result was validated and discussed in a management workshop and presented to the Board. The material topics identified through the materiality analysis were sorted by three parameters: our base areas, our focus areas and our brand-building areas.

STAKEHOLDER ENGAGEMENT

Who did we engage with?	How did we engage with them?	What is most important to them?
Customers (users of print and digital products and services, corporate customers)	- Focus groups - Brand-specific customer satisfaction feedback - Social media - Blogs - Web survey in selected countries	- User safety and fraud protection - Skills development and knowledge sharing - Reduce environmental impact from energy use
Corporate customers (advertisers and business partners)	- Responding to formal and informal sustainability enquiries	- Compliance with UN Global Compact
Our people	- Workshop with Schibsted executive team - Sustainability survey for employees - Employee satisfaction surveys	- Empower people to make economic and sustainable choices - User safety and fraud protection - Increasing diversity and equality - Skills development and knowledge sharing - Reducing carbon emissions - Work–life balance - Be an attractive employer - Promote freedom of expression
Owners and investors	- Interviews - Enquiries from analysts - Meeting with investors - Roadshows - Conferences and reporting	- Sustainability in the business model - Promote freedom of expression and democracy - Transparency - Integrity - Employee satisfaction - Impact on users and society - Privacy - Media ethics - Employees (talents, diversity, skills) - Governance - Reporting
Industry peers	Quarterly industry peer forum with Responsible Media Forum	- Content impact - Diversity - Sustainable development goals - Privacy
Regulators (media and publishing industries in the EU, Norway, Sweden; data protection authorities; competition authorities; financial regulatory authorities in Sweden and Norway)	- Dialog through industry organizations (News Media Europe, European Publishers Council, MBL (Norway), TU (Sweden) - Dialog with internal subject-matter experts - Dialog with national legislative bodies and regulators (managed by each company)	- Media ownership - Privacy and data protection - Tax - Competition law - Country- and company- specific financial service legislation - Anti-corruption - Anti-money laundering
Suppliers	- Dialog with selected key global suppliers	- Governance - Anti-corruption - Human rights - Labor rights - Environmental impact - Privacy - Cyber security

MATERIALITY MATRIX



	HOW WE ACT	OUR PEOPLE	ENVIRONMENTAL IMPACT	SOCIETAL IMPACT
BRAND BUILDING	User safety and fraud protection	Be an attractive employer	Empower people to make economic & sustainable choices	Empower people to make economic & sustainable choices
FOCUS AREAS	Protection of user data Promote freedom of expression	Skills development and knowledge sharing Work life balance Increase diversity & equality	Reduce environmental impact from energy use Reduce carbon emissions	Transparent governance & communication
BASE AREAS	Sustainable supply chain Active work against corruption	Health, safety and integrity of employees	Safe handling and minimize waste Efficient use of materials and chemicals Reduce water usage	Charity engagement

Sustainability strategy and goals

Schibsted's sustainability strategy is to ensure that we consider and manage our environmental and societal impacts in all our business decisions. We are committed to empowering people to make economically sound and environmentally sustainable choices through our services.

Our sustainability strategy is based on the results of the materiality analysis. To ensure an effective strategy suited to its purpose, we have categorized our material topics into the following categories, which form the basis for our direction, actions and goals for sustainability:

How we act in regards to privacy, integrity and user safety as well as to our supply chain management, how we promote freedom of expression, and how we work against corruption.

Our people in regards to how we can be an attractive employer, increase diversity and equality among employees, and create a safe and healthy workplace where employees can develop their skills and knowledge.

Environmental impact in regards to empowering people to make environmentally friendly choices and to reducing the environmental impact of our operations.

Societal impact in regards to community engagement and to our media and marketplaces.

Schibsted sets long-term and short-term goals against which progress of implemented processes and activities is measured. Schibsted has set a target of a 60:40 gender ratio in all leadership roles by 2020. During 2018 we formulated new environmental goals for promoting customer empowerment and circular economy initiatives. In 2019 we aim to adopt further goals for all our focus areas.

Our environmental goals

1. Strengthen customer empowerment by raising awareness about climate change.
2. Implement circular economy initiatives and encourage climate-friendly consumption through our Second Hand Effect (SHE) by increasing the potential carbon emission savings.

Schibsted's support of the Sustainable Development Goals
In line with our vision to promote sustainable development, Schibsted supports the UN Sustainable Development Goals (SDG). Based on our focus areas, we have identified goal 5: Gender equality and goal 12: Responsible consumption and production as the two Sustainable Development Goals to which we can contribute most. In 2019 Schibsted intends to further integrate and relate the Sustainable Developments Goals and its targets to our material topics, sustainability goals and activities.

Schibsted's focus areas	SDG	SGD Target	Schibsted's goals/actions
Our People		5.1. End all forms of discrimination against women and girls everywhere. 5.5 Ensure women's full and effective participation in and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life	• We have set long-term and short-term goals for group functions and divisions in order to improve gender equality, for example by including our target of a 60:40 gender ratio in all leadership roles by 2020 and by considering gender equality in our executive pay practices.
Environmental impact **How we act** **Societal impact**		12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. 12.8 Promote universal understanding of sustainable lifestyles.	• We empower people to make sustainable choices and live a sustainable lifestyle though our media and marketplaces • Our environmental goals aim to promote customer empowerment and circular economy initiatives. • We submit our sustainability report to Communication on Progress (COP) and Carbon Disclosure Project (CDP) • We are in the process of strengthening our sustainable supply chain practices.

Sustainability governance

MISSION AND VISION

Schibsted's mission "Empowering people in their daily life" guides us in everything we do, from product development to new business ventures, recruitment policy and running our everyday business. We also rely on our core values as they are articulated in four statements that guide us on a daily basis:

We have integrity
Our company is based on a long tradition of independent news, information and transparent marketplaces. Trustworthiness and quality are absolutely essential; people must be able to trust all our products and services.

We are innovative
We embrace innovation, it is in our core. We go the extra mile to always put users' needs first. Innovation can be anything from a brilliant new concept to a minor – but no less important – improvement in how we do things.

We are a team
We believe in a friendly and open attitude. We also believe in the strength of people and competencies coming together to achieve something great. The companies in our group can achieve far better results together than alone.

We are here to win
We must always strive to be better than our competitors at understanding our customers and markets – that is the key to our continued success. We want to win the hearts of our users.

OWNERSHIP

The Tinius Trust is the major shareholder in the Schibsted Media Group. The trust was established in 1996 by Tinius Nagell-Erichsen, the last active member of the founding Schibsted family. Through the trust, Tinius Nagell-Erichsen wanted to ensure that Schibsted remained a media group characterized by independent journalism, credible and high-quality services, combined with long-term, solid financial development. The Trust has close dialog with Schibsted Media Group when it comes to corporate social responsibility through its position as Board Chair.

SUSTAINABILITY GOVERNANCE MODEL

Group

The Board oversees and governs Schibsted's sustainability performance. For information regarding the governance structure of the Board and its committees, see Corporate Governance in the Annual Report. We aim to integrate sustainability into our core business. In 2018 we linked performance on gender equality as a criterion for evaluating performance-related pay for the Schibsted Executive Team. Since 2017, privacy is also a non-financial criterion for determining performance-related pay.

The Head of Sustainability has overall responsibility for guiding and communicating Schibsted's strategy on sustainability internally and externally. The Head of Sustainability reports to the Schibsted Executive Team and the Board when necessary, and at least once a year.

Operations

In 2018 Schibsted was organized into two divisions: Media and Marketplaces. The CEOs of these divisions have had responsibility for implementing and communicating decisions and information on sustainability.

The general managers in each company are responsible for supporting and monitoring each entity with rollout and implementation of the Code of Conduct and other sustainability-related policies and for retrieving data and information required by law. Several entities have a dedicated sustainability manager due to the maturity of the area.

Governance changes going forward

Effective from December 2018, changes were made in Schibsted's governance structure. Marketplaces companies outside the Nordics will be spun off and form an independent, listed company (Adevinta ASA) with Rolv Erik Ryssdal as CEO. There will be an IPO for Adevinta ASA in Q2 2019 and Schibsted will retain majority ownership in Adevinta ASA at the time of the listing. Kristin Skogen Lund was appointed CEO of the new Schibsted on 1 December 2018. The new Schibsted has three business areas: Nordic Marketplaces with EVP Anders Skoe, News Media with EVP Siv Juvik Tveitnes and Next with EVP Raoul Grünthal.

SCHIBSTED GROUP POLICIES

Our guiding principles for sustainability are stated in our group policies, which are further implemented in policies at company level. Our group policies are: Code of Conduct; Environmental Policy, Diversity and Inclusion Policy; Recruitment Policy; Discrimination, Bullying and Harassment Policy; Corporate Governance Principles; Policy for Risk Management; Privacy Policies and Guidelines; Data Security Policy; Journalism Security Policy; Physical and Travel Security Policy; Treasury Policy; Requirements for Finance, Accounting and Internal Control; Tax Policy and Legal Policy.

Code of Conduct

All people at Schibsted have a responsibility to uphold Schibsted Media Group's reputation and principles. Through the way we interact with each other, meet our users and relate with our business partners, we build and strengthen Schibsted's reputation as a group with high integrity. Our Code of Conduct outlines our principles and standards for conducting business and serves as our key sustainability policy. It is based on the UN Global Compact and includes principles on human rights, labor rights, business ethics, equal opportunities, anti-discrimination, child and forced labor, anti-corruption and the protection of the environment.

The Code of Conduct is implemented through our on-boarding process for new employees, and training is given when deemed necessary for targeted functions. A total of 228 employees received training during 2018. The Code of Conduct is available to all our people on the intranet, along with an e-learning course and a quiz, and includes a link to the Speak-Up function enabling anonymous reporting of misconduct, breaches or potential violations. The Schibsted Group Compliance officer receives these cases and delegates them to the appropriate people to follow up.

The Code of Conduct applies to all entities in which we own more than 50 percent voting rights. Where Schibsted Media Group does not exercise such control, the board members appointed by Schibsted shall promote the main principles outlined in the Code of Conduct.

SUSTAINABILITY RISKS AND RISK MANAGEMENT

Constantly mitigating risks in our daily business is key to a successful business. The risks are annually reviewed by the responsible management teams and constitute core elements in the requirements placed on all responsible personnel. All senior managers have a responsibility to understand how sustainability risks intertwine with Schibsted's financial, legal and reputational risks to ensure that we are compliant and proactive at all times.

Cyber threat

External cyber-attacks and threats against our internal IT security may cause incidents such as loss of personal data, fraud, loss of sensitive business data and inaccessible or unreliable services. Incidents like these may cause reputational loss, litigation and serious leakage of sensitive personal data threatening the privacy of our users.

Lower trust for institutions

The increased penetration of social media as a news platform, the fake news debate, press ethics failures and campaigns undermining mainstream media may reduce trust in mass media channels. Lower trust may result in decreased willingness to pay for content and use of products produced by mainstream media.

Consumer behaviour is changing

Heightened awareness of sustainability issues among consumers are changing current consumption patterns. Increased demand for sustainable products and for renting, reusing and repairing items instead of throwing them away, will change traditional linear consumption patterns. We must adapt to changing consumer behavior if Schibsted is to continue to provide products and services that are relevant to our users.

Digital transformation creating higher electricity consumption

Along with the digital transformation, our environmental impact is changing. The digital transformation is reducing the demand for print newspapers and physical distribution and increasing the demand for digital services, which in turn is increasing electricity consumption.

Follow-up mechanisms in relation to new regulations on sustainability related topics

The introduction of new laws and regulation on sustainability-related topics requires comprehensive follow-up mechanisms, such as gender pay gap analyses. For Schibsted there is a challenge in adopting effective systems to measure and follow up such information across all our operations.

How we act

Responsible business implies creating marketplaces that are reliable, efficient, and safe for our users. Our classified sites work proactively to prevent various forms of undesirable activity. Our business is conducted based on fair business practices and we continue to work towards a fully responsible supply chain. As a media group, one of our prime responsibilities is to ensure editorial freedom and the right to freedom of speech.

A TRUSTED DIGITAL PARTNER

In a digital age, transparency, safety and integrity are prerequisites for building trust and a sustainable business model. This applies not only to our journalistic process and our online services, but also to domains such as privacy and integrity, user trust, fraud protection, user security and responsible marketing.

Privacy and integrity

Schibsted's strategic focus on technology and advanced data analytics aims to create insights that benefit our users through building more relevant, better and cheaper products and services. We have a strong focus on ensuring our users´ privacy and data protection. Based on our value of integrity, we aim to be fully transparent and in compliance with applicable privacy regulations and our users' expectations.

Our work on privacy and integrity is led by our Group Privacy Officer and Schibsted has dedicated privacy experts within our product and tech organization and within our legal and operational resources. Employees receive privacy training to ensure necessary awareness and competence in this area. During 2018 more than 4,000 employees received training in privacy and data protection.

We have an extensive privacy program in place with the following key objectives:

- Ensure compliance with our legal obligations on a continuous basis.
- Guide Schibsted's data-driven innovations by executing on privacy by design across our product and tech organization, embedding privacy into our corporate culture, tech stack and products.
- Provide efficient and automated tools to empower users' control over their personal data by, for example deciding how their personal data is used or by accessing or deleting personal data.
- Maintain and increase end-user and public competence, knowledge and trust related to our use of data.

We conduct close and ongoing dialog with regulators and legislators to understand and influence rules and practice. In addition, we continuously collaborate with other companies on developing industry standards in the best interests of our consumers and the business.

Schibsted has initiated reporting routines for complaints and data breaches. Furthermore, we have extensive measures in place for detecting vulnerabilities and thereby prevent breaches. In 2018 we had 13 incidents categorized as personal data breaches, of which three were reported to relevant data protection authorities. We received one substantiated complaint regarding unauthorized access to personal data.

Going forward, it will be challenging and important for us to enable data-driven innovations within the legal restrictions and in line with our users' expectations and needs. We will continue our efforts on data protection and privacy, and consider it particularly important to educate and explain to our users, regulators and the public how and why we collect and use data. We will work to facilitate and take part in a public debate on the data-driven society and privacy. Another priority will be to continuously ensure that users benefit from insights they obtain from their data through improved products and services.

User trust

Schibsted is dedicated to maintaining and protecting the trust of our user community across our portfolio of companies and brands. We have dedicated professionals working across our companies utilizing the most innovative technologies with integrated security and risk management controls to protect data, privacy and our online communities from digital risks.

Fraud protection

Across our various brands, from our personal finance companies, such as Lendo and Compricer to our leading marketplaces such as Leboncoin, Finn and Blocket, dedicated resources focus on providing a protected community. Our fraud protection controls for our finance services include complying with regulatory obligations, building automated security processes into our product services and providing dedicated customer support to protect our users.

The marketplace brands provide quality assurance to continuously offer high-quality items and services to our users. These activities include security protection to continuously scan, detect and remove fraudulent ads and provide dedicated resources in our customer support centers to respond to any customer complaints. We are dedicated to protecting our user communities against fraud, building

a safe and robust set of professional tools to continuously monitor the safety and reputation of our marketplace activities.

The quality and integrity of our media content across our media houses are fundamental to our heritage and our future. Fraud protection is essential to maintaining the trust of our readers and our advertisers; it is critical to our mission. Schibsted's media house editorial leaders are seasoned professionals, with years of experience capturing critical news and bringing information to our various reader communities. We embed editorial controls to ensure the accuracy and integrity of our news.

To protect our readers across our leading media brands, Schibsted operates identity and payment applications to protect user activities and transactions. These systems are designed to best-practice standards, with regular security monitoring and security testing to protect user data.

Our media houses are constantly moderating community debates and comments on our community forums to protect our readers. We ensure that any threatening, harassing, hateful or illegal comments are removed, and our media houses are empowered to close down discussions if deemed necessary. Our editors and their staff are dedicated to operating media houses that aspire to accurately and continuously inform our community while also protecting our users.

User security

Schibsted's security management system focuses on continuously managing protection for our users across our portfolio of companies and the critical brands used in our customers' daily lives. This system's primary purpose is to protect our brand communities against digital security risks. Our security management system presents a comprehensive set of procedures and technical controls to continuously improve our ability to provide leading products in a secure manner. This approach provides a continuous means to analyze digital security risks and effectively manage to maintain the trust of our users' and user communities'

Schibsted's Group CIO coordinates data security activities across all our companies. This is a proactive approach to protecting our brands and user data across all layers of our business, products and services. We are committed to securing our brands and our users across our innovative technology services, and to serving as a vital digital partner in our users' daily lives.

Our employees focus on the need to protect against security threats and vulnerabilities. Our security management system is built on industry-proven security-best practices, with dedicated security professionals integrating security-best practices from recognized industry standards, (ISO 27001, ISO 22301 and OWASP).

Schibsted actively maintains security policies and guidelines throughout our company operations and brands. This comprehensive security management approach entails constant protection across the following security domain activities:

- Security compliance and risk management
- Access management security controls
- Application security management
- Secure product application design and architecture
- Network security management
- Vulnerability lifecycle management
- Third party security management
- Security monitoring and security incident management
- Security awareness and security training

Responsible marketing

All our operations adhere to national and EU marketing regulations. In Norway the Marketing Act forbids marketing directed at children, and in Sweden the Consumer Agency has compiled rules and practices governing marketing to children and minors. The responsibility for upholding laws on responsible marketing lies firmly with our publishers and editors. Our media houses in Norway comply with the Press Code of Ethics, which also contains rules on marketing.

ENSURING A SUSTAINABLE SUPPLY CHAIN

We are determined to be a responsible and sustainable multinational company. Due to our size and market presence in 23 countries, our services and operations have an important societal impact. Schibsted supports and respects the protection of internationally recognized human rights.

Schibsted continued the process of reaching our target of a fully responsible supply chain from a life-cycle perspective. We finalized our new Supplier Code of Conduct, to which our business partners will be required to adhere. The Supplier Code of Conduct is based on the UN Global Compact's Ten Principles. Schibsted will implement and communicate the new Supplier Code of Conduct to its suppliers during 2019. Our Marketplaces Leboncoin and Blocket initiated supply chain analyses in their own operations, aimed at identifying risks and opportunities to ensure that the goods and services they receive are delivered on fair terms.

In 2019 we will start the process to extend our Speak-Up channel to suppliers and third parties, where breaches of our Supplier Code of Conduct can be reported anonymously. We will also continue our work mapping high-risk suppliers with regard to sustainability throughout our global supply chain, and will implement a screening process to ensure that our suppliers are meeting the requirements set out in our Supplier Code of Conduct.

FIGHT AGAINST CORRUPTION

Long-term sustainable growth can never be built on unfair business practices. Schibsted continuously improves and evaluates the functionality of our policies, processes, controls and procedures to mitigate the risk of corruption, and reviews applicable legislation

in key markets. None of our people at operational, strategic or governance level may accept or participate in any form of corruption. Furthermore, everyone is responsible for preventing any kind of corruption in their daily work.

Our Code of Conduct covers our principles for preventing bribery and facilitation payments, gifts, hospitality and conflicts of interests. To ensure understanding and compliance, anti-corruption is an integral part of our Code of Conduct training. It is tailored to address the risks faced by specific business areas and functions. In addition, we created guidelines giving practical examples on how and where corruption practices may occur. When entering into agreements with new business partners, the legal and compliance function assesses the need to perform full or limited due diligence procedures based on the nature and scope of the acquisition. Group Treasury is always involved in transactions and ensures compliance with our principles regarding payments to low-tax countries and other payment-related concerns.

Employees can report actual or suspected misconduct to our external Speak Up mechanism anonymously. All cases of actual or alleged fraud and corruption shall be brought to the attention of the Group Compliance Officer and the Group Legal Department.

PROMOTING FREEDOM OF EXPRESSION

Freedom of speech and a free press are fundamental in a democratic society. At Schibsted we are very proud of how our media houses reach millions of readers, digitally and in print. With this influence comes democratic responsibilities. We want to contribute to a more democratic and transparent society by providing independent news and information as well as promoting freedom of speech.

Schibsted's Articles of Association state that the shareholders shall enable Schibsted to operate its information business in such a way that editorial freedom and integrity are fully ensured. In 2011, Schibsted's Editors' Forum adopted a framework for editorial governance in the Group's publishing businesses. This framework safeguards the principle of editorial freedom.

In addition, our media houses defined more detailed in-house ethics on editorial matters. Some of our media houses prepare editorial reports in which they account for decisions by the self-disciplinary councils and legal procedures, and how they work to protect sources and journalistic methodology. To increase transparency and the readers´ understanding of how editorial choices and decisions are made, our media houses created blogs, websites and even podcasts where our editors and journalists speak openly about the dilemmas and choices they face when making editorial decisions.

In Norway and Sweden editors are accountable for any infringements of the law, and self-disciplinary bodies have been established in both countries to uphold their respective codes of ethics. These self-regulatory systems are founded on the principle of freedom of speech and independence of the state. In Norway and Sweden any complaints about our newspapers are reported to the Norwegian Press Complaints Commission and the Swedish Press Council respectively. In Norway, 65 (2017:64) complaints were filed against our Norwegian newspapers in 2018, and 71 (2017:49) in Sweden. Three (2017:2) complaints against our Norwegian newspapers were upheld and 14 (2017:1) in Sweden. The number of complaints in Sweden that were upheld reached an all-time high, mainly due to the large number of #metoo-related issues. If the #metoo-related complaints are excluded, the numbers of complaints filed and complaints upheld were lower than normal. The number of #metoo complaints filed in Sweden were far higher than in Norway because individuals accused of sexual harassment were named in the newspapers to a larger extent. In Norway the newspapers focused on the societal impact of the #metoo movement rather than naming the individuals involved.

Our people

Schibsted relies on highly skilled people to succeed. Acting responsibly and offering an attractive working environment are crucial for attracting and retaining the right people. At Schibsted we therefore strive to maintain the highest standards in what we and our stakeholders believe should be prioritized regarding our people. This includes promoting diversity and equality; skills development, knowledge sharing, and a safe and healthy work environment that supports the work–life balance and employee integrity.

At year-end, Schibsted had 8,349 (2017: 8,070) employees (full-time equivalents) in 23 countries. Most of our employees are full-time white-collar workers. The exceptions are employees with short-term contracts in our media operations, our newspaper distributors in Norway and employees at our printing plants in Norway.

Employee data

Total number of employees by age group	<30 2018	2017	30-50 2018	2017	>50 2018	2017	Total 2018	2017
Norway	515	479	1,743	1,749	671	716	2,929	2,944
Sweden	406	470	1,043	1,087	195	204	1,643	1,761
Other European Countries	777	679	2,201	1,982	133	94	3,110	2,755
Countries outside Europe	318	303	338	293	11	15	667	611
Total	**2,016**	**1,931**	**5,325**	**5,111**	**1,010**	**1,029**	**8,349**	**8,071**
% change by age category	*4 %*		*4 %*		*-2 %*		*3 %*	

Total number of employees by gender	Male 2018		2017		Female 2018		2017		Total 2018	2017
Norway	1,918	65 %	1,960	67 %	1,012	35 %	983	33 %	2,930	2,943
Sweden	994	60 %	1,110	63 %	650	40 %	652	37 %	1,644	1,762
Other European Countries	1,854	60 %	1,692	61 %	1,257	40 %	1,061	39 %	3,111	2,753
Countries outside Europe	363	54 %	337	55 %	304	46 %	274	45 %	667	611
Total	**5,129**	**61 %**	**5,100**	**63 %**	**3,223**	**39 %**	**2,970**	**37 %**	**8,352**	**8,070**

No significant part of our work is performed by seasonal workers or workers who are not employees (external consultants or freelancers). One reason for the increased amount of employees in Other European Countries and decrease of employees in Sweden is due to Prisjakt Poland being part of Other European countries in 2018 while in 2017 the company was included in Prisjakt Sweden data. There is a slight difference in total number of employees by gender and age group due to decimal rounding in data.

New hires and employee turnover

	New employee hires (rate%) 2018		2017		Employee turnover (rate%) 2018		2017	
Total number	**469**		**1,609**		**424**		**1,073**	
Male	274	58 %	932	58 %	263	62 %	401	37 %
Female	195	42 %	677	42 %	161	38 %	673	63 %
< 30	196	42 %	717	45 %	187	44 %	386	36 %
30-50	261	56 %	795	49 %	209	49 %	600	56 %
> 50	12	3 %	97	6 %	28	7 %	87	8 %
Norway	97	21 %	432	27 %	77	18 %	309	29 %
Sweden	51	11 %	421	26 %	35	8 %	325	30 %
Other European Countries	231	49 %	680	42 %	246	58 %	389	36 %
Countries outside Europe	90	19 %	76	5 %	66	16 %	50	5 %

Data includes transfers between companies within Schibsted Media Group. In 2017 Schibsted performed a large reorganization and people were tranferred between group companies hence the large number of hires and turnover.

PEOPLE STRATEGY AND EMPLOYEE REPRESENTATION

During 2018 Schibsted implemented a new organizational structure consisting of two operational divisions: Marketplaces and Media. With effect from 1 December 2018, this structure was revised; see page 16 under Sustainability governance model. The new organization will focus on the people strategy both globally and in the divisions to enable our employees to develop their full potential. Our goal is to build a world-class workplace that is intellectual, virtual and aspirational for our employees, and that offers a safe and healthy working environment (both physically and psychosocially) promoting the work-life balance as well as diversity and equality. Our people strategy aims to be a competitive advantage for Schibsted. We believe that our employees are the most important asset in the Group.

To develop Schibsted as an attractive employer, we engage with our employees and value active employee representation. Employees have been represented on Schibsted's Board since 2009, currently by three representatives. Two of three employee representatives must be elected in Norway, while the third representative should represent a country outside Norway where Schibsted has its most extensive operations. This is currently Sweden. A further three employee representatives in the Group are elected and act on behalf of all employees, both unionized and non-unionized. Their function is laid down in the central Norwegian collective bargaining agreements. The employee representatives protect the interests of the employees in cases that are dealt with at Group level. These representatives are discussion partners for management to assure the quality of decisions and processes.

As stipulated in our Code of Conduct, Schibsted's employees have full freedom of association and may organize themselves as they choose. Schibsted's European Works Council, which currently consists of 35 representatives (22 men and 13 women) from nine countries, meets twice a year and serves as our forum for information, dialog and consultation between employees and the Schibsted Executive Team. Collective bargaining agreements or working environment committees are in place in every workplace to ensure excellent working conditions and to prevent discrimination among employees. 75 percent of all employees were covered by a collective bargaining agreement at the end of 2018 (2017: 71 percent).

PROMOTING DIVERSITY AND EQUALITY

At Schibsted we are convinced that our success depends on our diversity and equality. To fulfill our mission to empower people in their daily life, we need a workforce that represents the users we serve. That is why Schibsted is committed to incorporating values of diversity and inclusion into every aspect of the company with the speed and passion that characterize our organization. We want people at Schibsted to challenge the ordinary, find good ideas and achieve great things. To achieve this, we depend on a workforce with diverse mindset that contributes with different experiences, backgrounds and perspectives. Diversity at Schibsted means all the differences and similarities that make us unique as individuals.

During 2018 we introduced a criterion regarding gender equality in our short-term incentive plans. We also strengthened our governance framework on diversity and equality by adopting a diversity and inclusion policy and a recruitment policy. In 2019 the focus will be on how to implement these policies into our everyday business operations.

The new recruitment policy will encourage diversity and inclusion by encouraging managers to build diverse teams. Processes should be equal, fair, unbiased and inclusive. Managers should aim for gender equality in all longlists, shortlists and final interviews. All candidates should meet at least one female and male interviewer. Implementation of the recruitment policy will be followed up in 2019.

On 1 December 2018, Schibsted appointed a female CEO, Kristin Skogen Lund. Our Board is composed of 40 percent women, as required by the Norwegian Limited Liabilities Companies Act. Up until 2018, gender inequality at senior management level has been consistent. We have not been sufficiently successful at moving female employees further up the ranks. Gender equality is particularly challenged in operational management positions and in product and technology. On 31 December 2018 we noticed a change. The share of females in top management positions increased from 34 percent on 31 December 2017 to 39 percent on 31 December 2018. The increase relates to Marketplaces and Headquarters in particular. The total share of female in Schibsted increased from 37 percent to 39 percent.

At the beginning of 2018 the top management roles and most senior commercial roles in the Media and Marketplaces divisions were held by men. In June 2018 the executive team in Media was reorganized and achieved gender equality (50/50). On 1 December 2018 the reorganization of Schibsted created new business areas and new management groups to be in place from 2019. The figures reported below are based on the old model with Media and Marketplaces, but include the change in top management in Schibsted from 1 December 2018.

Composition of governance bodies by gender

	Male				Female				Total	
Total number of employees by gender	2018		2017		2018		2017		2018	2017
Board of Directors	**6**	**60 %**	**6**	**60 %**	**4**	**40 %**	**4**	**40 %**	**10**	**10**
Of which shareholder elected	**4**	**57 %**	**4**	**57 %**	**3**	**43 %**	**3**	**43 %**	**7**	**7**
Operations										
Top management	**181**	**61 %**	**237**	**66 %**	**115**	**39 %**	**122**	**34 %**	**296**	**359**
Media	83	63 %	110	64 %	48	37 %	61	36 %	131	171
Marketplaces	89	62 %	104	68 %	55	38 %	48	32 %	144	152
HQ/Other	9	43 %	23	64 %	12	57 %	13	36 %	21	36
Other leaders	**575**	**63 %**	**634**	**61 %**	**332**	**37 %**	**400**	**39 %**	**907**	**1,034**
Media	273	59 %	262	59 %	187	41 %	181	41 %	460	443
Marketplaces	267	67 %	261	59 %	132	33 %	179	41 %	399	440
HQ/Other	35	73 %	111	74 %	13	27 %	40	26 %	48	151
Other employees	**4,373**	**61 %**	**4,228**	**63 %**	**2,774**	**39 %**	**2,449**	**37 %**	**7,147**	**6,677**
Media	2,026	63 %	1,904	64 %	1,202	37 %	1,069	36 %	3,228	2,973
Marketplaces	2,152	59 %	1,700	58 %	1,504	41 %	1,233	42 %	3,656	2,933
HQ/Other	195	74 %	624	81 %	68	26 %	147	19 %	263	771
Total	**5,129**	**61 %**	**5,099**	**63 %**	**3,221**	**39 %**	**2,971**	**37 %**	**8,350**	**8,070**

HQ/Other includes part of Schibsted Product & Tech. The main part of Product & Tech are included in the divisions subsequent to the reorganization. This is a change from 2017 and explains the large reduction in numbers from 2017 to 2018. The system cannot split employee category by age group, hence this is excluded from the report.

Age and gender split by business segment

	<30				30-50				>50				Total	
	2018		2017		2018		2017		2018		2017		2018	2017
Board of Directors	**-**	**0 %**	**-**	**0 %**	**6**	**60 %**	**5**	**50 %**	**4**	**40 %**	**5**	**50 %**	**10**	**10**
Operations														
Male employees	**1,163**	**23 %**	**1,166**	**23 %**	**3,295**	**64 %**	**3,224**	**63 %**	**669**	**13 %**	**710**	**14 %**	**5,127**	**5,100**
Media	461	19 %	421	18 %	1,358	57 %	1,275	56 %	562	24 %	580	25 %	2,381	2,276
Marketplaces	631	25 %	567	27 %	1,780	71 %	1,397	68 %	96	4 %	102	5 %	2,507	2,066
HQ/Other	71	30 %	178	23 %	157	66 %	552	73 %	11	5 %	28	4 %	239	758
Female employees	**852**	**26 %**	**765**	**26 %**	**2,030**	**63 %**	**1,887**	**64 %**	**341**	**11 %**	**319**	**11 %**	**3,223**	**2,971**
Media	361	25 %	303	23 %	836	58 %	763	58 %	240	17 %	245	19 %	1,437	1,311
Marketplaces	464	27 %	419	29 %	1,135	67 %	978	67 %	94	6 %	63	4 %	1,693	1,460
HQ/Other	27	29 %	43	22 %	59	63 %	146	73 %	7	8 %	11	6 %	93	200
Total	**2,015**	**24 %**	**1,931**	**24 %**	**5,325**	**64 %**	**5,111**	**63 %**	**1,010**	**12 %**	**1,029**	**13 %**	**8,350**	**8,071**
Media	822	22 %	724	20 %	2,194	57 %	2,038	57 %	802	21 %	825	23 %	3,818	3,587
Marketplaces	1,095	26 %	986	28 %	2,915	69 %	2,375	67 %	190	5 %	165	5 %	4,200	3,526
HQ/Other	98	30 %	221	23 %	216	65 %	698	73 %	18	5 %	39	4 %	332	958

HQ/Other includes part of Schibsted Product & Tech. The main part of Product & Tech are included in the divisions subsequent to the reorganization. This is a change from 2017 and explains the large reduction in numbers from 2017 to 2018.

Schibsted has set clear goals against which actual progress will be measured. There are long-term and short-term goals on improving gender equality for both divisions and group functions. Schibsted has set a target of 60:40 gender ratio in all leadership roles by 2020. In 2018 we reached short-term goals to support the 2020 goal. The short-term goals included updating the recruitment policy, approving a diversity and inclusion policy, working on succession planning, completing unconscious bias workshops and strengthening networks.

In 2018 we performed a mapping of the payment gap between the genders in parts of the Group. The mapping revealed a gender pay gap when comparing average pay levels, but this is largely attributed to more women working in low-pay positions (such as support) and more men in leadership and specialist positions. This is an extensive project, and it will continue in 2019 before we can conclude and implement necessary actions to deal with potential deviations.

Schibsted has zero tolerance for harassment of any kind, as clearly stated in our Code of Conduct and in our Discrimination, Bullying and Harassment Policy. This includes all forms of verbal, digital or physical harassment. Our Code of Conduct includes a link to a whistle-blowing function called Speak Up that enables anonymous reporting on misconduct, breaches or potential violations. The Speak Up channel is handled by an external party to secure the anonymity and personal integrity of our employees.

To ensure a diverse, inclusive and non-discriminatory workplace where all our employees enjoy equal opportunities and feel safe at work, Schibsted launched a number of initiatives and counter-measures during the year, such as unconscious bias training and Change Makers. Change Makers are people employed in different companies who help speed up diversity and inclusion in the workplace.

During 2018, 1,056 of our employees participated in our unconscious bias training. Furthermore we reinforced female networks and initiated several programs benefiting gender equality and diversity.

SKILLS DEVELOPMENT AND PERFORMANCE REVIEWS

To ensure innovation, long-term sustainable growth and an attractive workplace, we need to offer great opportunities for skills development and performance reviews to our employees. We also need to promote sharing our knowledge internally.

Our global people function and local HR business partner offer several face-to-face training programs, including our S-PACE training. S-PACE is a management program based on PACE, the global core leadership principles in Schibsted. Great leadership in Schibsted means being People-driven, Agile, Collaborative and Entrepreneurial. The program is designed to train these leadership behaviors and attitudes in order to create a great leadership culture in Schibsted. With a great leadership culture we will succeed in the future and deliver on our strategy. In 2016 and 2017 a total of 276 leaders participated in S-PACE. In 2018 a light version of the program was rolled out globally and a further 484 leaders participated.

To ensure personalized development programs and well-being among our employees, we conduct individual performance and career development reviews at least once a year, and more frequently in some functions and countries. According to our policy, all employees should complete development dialog with their managers at least once a year. During 2018, 59 percent of our employees completed performance reviews with their manager (2017: 74 percent). The outcome for 2018 did not meet our policy requirement of at least one performance and development review for each employee per year. We have not yet implemented a new Group system for reporting performance and career development reviews. This may have had an impact on the number of registered development reviews completed during 2018 compared to the preceding year.

To evaluate our role as an employer, we conduct employee surveys at least once a year, and more frequently in some of our divisions. During 2018 the employee satisfaction scores for our companies showed an overall positive trend, which is a satisfactory result compared to the negative trend in the preceding year due mainly to the company reorganization.

Performance reviews by gender and employee category

	Total number	Rate %
Total	**4,937**	**59 %**
Male	3,057	37 %
Female	1,880	23 %
Company top management	188	64 %
Other leaders	666	73 %
Other employees	4,083	57 %

The % rate of performance and career development reviews is calculated based on total number of employees for total, male and female. For Company top management, other leaders and other employees, the % rate is calculated as total number who received performance and career development reviews based on number employees in each employee category.

A SAFE AND HEALTHY WORKING ENVIRONMENT

To ensure an attractive workplace and retain our employees, we are constantly improving our workplace so that we can provide a safe and healthy working environment (both physically and psychosocially) that supports the work-life balance, minimizes stress and protects employee integrity.

Several work-life balance and flexible working arrangements are in place, though they vary across our countries of operations. Inspired by our Scandinavian roots, most of our locations offer fitness activities and wellness grants, generous paid vacation and parental leave as well as flexible working hours and flexible workplace schemes to facilitate, for example, combining work and parenting. In the coming years we will continue to expand our work-life balance schemes to all our countries of operation.

Each company is responsible for conducting a risk assessment identifying occupational health and safety risks. Of all the Group's companies, operations at the printing plants and newspaper distribution units pose the highest risk of work-related injury while our offices pose a risk of ill health in the form of stress. Thirty-two injuries were reported in connection with delivering newspapers, attending events or performing work-related travel in addition to minor personal injuries such as cuts. Forty-one high-consequence work-related injuries were reported mainly related to fall injuries in our distribution resulting in long term leave. With regard to ill health, twenty-four cases were reported during 2018, stress being the main type. No fatalities resulting from work-related injuries or ill health were reported.

Environmental impact

At Schibsted we strive to minimize our environmental footprint and to empower people to make environmentally friendly choices in their daily lives. By informing our readers about environmental issues and facilitating second-hand trade for our users, we promoted informed and environmentally friendly consumption patterns.

Our approach to our environmental impact is stated in our Group Environmental Policy. The policy is based on the principles of the UN Global Compact and includes initiatives to promote greater environmental responsibility, the use of environmentally friendly technologies and the application of the precautionary approach. Head of Sustainability in Schibsted is responsible for our compliance with the policy and the implementation of good environmental practices for all of our operations. In 2018 we adopted new environmental goals. We want to strengthen customer empowerment by raising awareness about climate change, implementing circular economy initiatives and encouraging climate-friendly consumption through our Second Hand Effect (SHE) project.

Schibsted reports its environmental performance to the Carbon Disclosure Project (CDP) and scored C for the reporting year 2017.

A CIRCULAR ECONOMY APPROACH

Schibsted empowers people to make economically sound and environmentally sustainable choices. With 16 marketplaces for second-hand trade all around the world, we empower consumers in their daily lives to act in more environmentally friendly ways. In 2015 we rolled out the Schibsted Second Hand Effect (SHE) project in cooperation with the Swedish Environmental Research Institute (IVL). With the Second Hand Effect project Schibsted wants to raise awareness about the environmental benefits of reusing and repairing items and minimizing waste. Since then, more and more marketplaces around the world have joined the project to show the environmental benefits of second-hand trade. Ten sites are now part of the project. The work has been driven by a fundamental question: how much material and emissions can potentially be saved annually through second-hand trade if each second-hand product replaces the production of a new one? The total amount of CO2e saved through the SHE project in 2018 was 20.5 million tonnes CO2e.

Read more about the Second Hand Effect project at https://schibsted.com/sustainability/

ENVIRONMENTAL IMPACT OF OUR OFFICE OPERATIONS

In our office operations we focus on monitoring and minimizing our business travel and energy consumption. Energy consumption by our office operations and external data centers accounted for 11 percent of our total greenhouse gas emissions in 2018.

During 2018 our business travel represented 14 percent of our total greenhouse gas emissions. On account of our global presence, one of our challenges is to reduce our environmental impact from business travel. We continuously work on minimizing the need for travelling between offices, mainly by improving our video conferencing facilities and monitoring our business travel.

The amount of waste generated from our office-based operations is significantly less than that from our printing plants, and is therefore not a prioritized aspect. We have procedures in place for safe handling and recycling of electronic waste. For example we have partnerships in several countries with companies that wipe computer hard drives and sell them second-hand, thereby contributing to reducing greenhouse gas emissions. We are also in the process of donating used laptops to a charity organization.

We are also aware of the growing challenge related to water scarcity in several of our countries of operations. We performed a high-level risk assessment of water scarcity. Based on our assessment, current presence and type of operations, water scarcity is not considered to be a prioritized aspect for Schibsted Media Group.

Energy consumption within Schibsted (MWh)		2018	2017	% change
Consumption by own cars		**231**	**675**	**(-) 66%**
	of which non-renewable fuel - diesel	45	362	(-) 86%
	of which renewable fuel - diesel	19	152	(-) 88%
	of which non-renewable fuel - petrol	158	152	(+) 4%
	of which renewable fuel - petrol	9	9	0%
Consumption of electricity, heating, cooling		**41,242**	**42,742**	**(-) 4%**
	of which electricity	35,205	37,638	(-) 6%
	of which heating	4,458	4,614	(-) 3%
	of which cooling	1,579	490	(+) 220%
Total		**41,473**	**43,417**	**(-) 4%**

The energy consumption data has been reviewed and is presented differently compared to last year. Fuel was reported in litres and consumption of electricity, heating and cooling was reported in GWh. This year we have converted all data into MWh in order to report a total consumption of energy. Renewable energy derived from electricity, heating and cooling comes from e.g wind and hydro power.

The large reduction in consumption by own cars diesel is due to employees at Schibsted Italy Business (former Schibsted Servizi) that had company cars changed contracts and moved to other Italian Schibsted companies in 2018. The companies that are included in 2018 reporting but was not part of 2017 reporting do not have a large share of own cars, thus not affecting the results. The large increase in district cooling is due to improved data collection regarding district cooling.

GHG emissions		2018	2017	% change
Direct Scope 1 emissions		**55**	**179**	**(-) 70%**
	Consumption by company own cars	55	179	(-) 70%
Indirect Scope 2 emissions		**2,288**	**1,877**	**(+) 22%**
	Consumption of electricity, heating, cooling	2,288	1,877	(+) 22%
Other indirect Scope 3 emissions		**34,067**	**35,305**	**(-) 4%**
	Leased and privately owned cars	1,615	1,589	(+) 2%
	Business travel - flights	3,495	3,239	(+) 8%
	Energy from data centres	1,611	781	(+) 106%
	Paper used for printed newspapers	27,346	29,696	(-) 8%
Total		**36,410**	**37,361**	**(-) 3%**

Scope 2 emissions is reported only with a location based approach. The increase in Scope 2 emissions is mainly due to more companies being included in the reporting scope this year. Fuels used in leased and privately owned cars include petrol, diesel and ethanol. The reduction in direct Scope 1 emissions is mainly due to employees at Schibsted Italy Business (former Schibsted Servizi) that had company cars changed contracts and moved to other Italian Schibsted companies in 2018. The large increase in emissions from data centres is explained by an improved data collection process enabling us to report data from more data centres. Paper used for printed newspapers amounted to 58,200 tonnes, a decrease of 8 % compared to 2017.

	2018	2017
GHG intensity, Tonnes CO2e/turnover NOK million	2.30	2.21
GHG intensity, Tonnes CO2e/employees	4.36	4.63

	2018	2017
Energy intensity, energy consumption MWh/turnover NOK million	2.02	2.57
Energy intensity, energy consumption MWh/employees	4.97	5.38

ENVIRONMENTAL IMPACT FROM OUR PRINT NEWSPAPERS

Schibsted publishes newspapers in Sweden and Norway, and our focus is to reduce the environmental impact of our print newspapers. Our paper consumption and printing and distribution operations accounts for 75 percent of our total amount of greenhouse gas emissions. All paper products used for our newspapers are certified according to FSC and PEFC, and 66 percent of the paper used is certified according to EU Eco Label criteria. Our Swedish media houses procure all the paper used for our newspapers, but outsource the printing and distribution operations.

Print newspapers in Norway

In Norway, Schibsted owns the printing plants and runs a distribution network for print newspapers. All our Norwegian printing plants are licensed under the Nordic Swan Ecolabelling scheme. In our printing operations we focus on monitoring and minimizing our use of energy, paper, ink and waste. Our environmental impact resulted in a decrease of 56 percent in energy consumption and a 65 percent decrease in paper consumption consumption since 2012. Processes involving hazardous chemicals take place in closed systems, and the chemicals are recovered as far as possible.

The network distributes the majority of our papers by road transport, operated by subcontractors who transport newspapers from the printing plant to the distribution pick-up points using trucks or vans. Newspaper delivery to households is performed using smaller vehicles. In 2018 we started a green shift in our distribution operations. It will include a more efficient distribution system, a shift to more sustainable vehicles and a review of materials used for packaging. Newspaper companies in Norway arrange a return and recycling program to minimize waste related to unsold newspapers in stores. These newspapers end up in recycling plants.

Print newspaper in Sweden

We currently use the Swedish printing company V-TAB for most of our printing needs. V-TAB operates a system of environmental and quality control, and all their printing plants are ISO 14001:2004 and ISO 9001:2008 certified and are licensed under the Nordic Swan Ecolabelling scheme. Newspaper companies in Sweden arrange a return and recycling program to minimize waste related to unsold newspapers in stores. The newspapers are compressed and used for house insulation.

Materials Used-print newspapers Norway*		Unit	2018	2017	2016	2015 (base year)
Paper**		**Thousand tonnes**	41.5	44.0	53.0	59.0
		Greenhouse Gas Emission (tonnes CO2e) generated by production of paper	19,494	20,747	24,430	27,433
of which	Share certified FSC	%	100 %	100 %	100 %	-
	Share certified PEFC	%	100 %	100 %	100 %	-
	Share certified EU Eco label	%	55 %	75 %	63 %	-
Printing Ink***		**Thousand tonnes**	1.1	1.1	1.3	1.5
of which	Accepted by Nordic Eco Label Swan	%	100 %	100 %	100 %	-

The drop in share of EU Ecolabeled paper for our Norwegian printing plants is related to a change of paper supplier and decreased use of paper.
* Material used for printing external newspapers also included in the data
** 100% renewable material
*** Non-renewable material

Material Used-print newspapers Sweden*		Unit	2018	2017
Paper**		**Thousand tonnes**	16.7	19.0
		Greenhouse Gas Emission (tonnes CO2e) generated by production of paper	7,851	8,949
of which	Share certified FSC	%	100 %	100 %
	Share certified PEFC	%	100 %	100 %
	Share certified EU Eco label	%	94 %	95 %
Printing Ink***		**Thousand tonnes**	-	-
of which	Accepted by Nordic Eco Label Swan	%	100 %	100 %

* Material used for printing external newspapers also included in data
** 100% renewable material
*** Non-renewable material

Printing plants Norway

Waste (tonnes)	Year	Recycled	Recovered	Other Disposal	Total weight
Paper (non-hazardous waste)	2018	6,141	-	125	6,266
	2017	6,314	-	129	6,443
	2016	6,733	-	137	6,870
Aluminum (non-hazardous waste)	2018	203	-	15	218
	2017	234	-	18	252
	2016	250	-	19	269
Waste water (hazardous waste)	2018	-	-	-	-
	2017	-	5	-	5
	2016	-	10	-	10
Ink waste (hazardous waste)	2018	-	7	-	7
	2017	-	45	-	45
	2016	-	30	-	30

Disposal methods are selected and reported by waste contractor

Efficiency for use of paper (share of material bought used in newspapers)	2018	2017	2016	2015
	91 %	91 %	-	-

Waste (degree of sorting for waste contractor)	2018	2017	2016	2015
Hazardous waste	100 %	100 %	100 %	-
Non-hazardous waste	99 %	99 %	98 %	-

Electricity Use		2018	2017	2016	2015
Printing plants	gWh	21.9	22.9	25.7	26.8

Waste data is limited to waste from our own printing plants in Norway. This waste stands for the majority of our waste and hazardous waste.
Base year is 2016, except for efficency for use of paper (2017) and electricity use (2015)

Our societal impact

Due to our size and global market presence, our services and operations have a significant societal impact. Such a large impact imposes considerable social responsibility. At its best, our journalism contributes to a functioning democracy by diminishing the gap between what citizens know and what they need to know about the world around them. At the same time, our online services have dramatically strengthened our consumers' influence and power.

Voluntary initiatives

To demonstrate our commitment to increased transparency on sustainability issues, Schibsted Media Group is a member of several global initiatives, such as the United Nations Global Compact and the Carbon Disclosure Project. We are also a member of organizations such as Transparency International and Responsible Media Forum.

SOCIETAL IMPACT: MEDIA

Digitally empowering consumers

Power if shifting from companies to consumers. Digital services that enable consumers to compare offers and prices in a simple way have dramatically increased price transparency in several markets. Together with their users, sites like Lendo, Compricer, Penger, Kundkraft and Prisjakt have changed the rules. Our digital services help consumers compare offers and prices on a range of markets, from loans and insurance cover to all kinds of products such as TVs and cars.

Empowering people through journalism

When we do our job best, our words change society for the better; that is the power of journalism. Good journalism exposes inequality, opens eyes, puts pressure on politicians to act and ensures that people are heard. This is the core of Schibsted's media houses, and is a unique tool to empower people in their daily lives. Our media houses are members of international global networks promoting high quality investigative journalism, such as the International Consortium of Investigative Journalists (ICIJ) and the European Investigative Collaborations (EIG). Schibsted is also engaged in combating the spread of fake news.

The Power of Journalism
Since 2017 we have organized The Power of Journalism event together with the Tinius Trust. This event celebrates journalism and its dynamic future, bringing together industry leaders to share ideas, discuss important issues, inspire each other, and strengthen ties between those of us who believe in the future of journalism. In 2018 the event was attended by 324 internal and 150 external stakeholders. Through The Power of Journalism we engage with partners and colleagues in the media industry and beyond.

Stories that made a difference
Every year our journalists publish remarkable stories that contribute to social changes and public debates. Presented below is a short summary of some of the stories that made a difference in 2018.

Their planet – Aftonbladet (Sweden)
One thing is clear; it is not our generation that will be most affected by climate change. It is our children who will pay for our current lifestyle and choices. Photographer Magnus Wennman and reporter Erik Wiman travelled all over the world in an effort to describe the most important challenge we face: global warming. At each place, they took a picture of the environment – environments that may not be here within a few decades – which they projected directly on to the body of a newborn child. The result was a series of portraits and stories that reached, and deeply touched, hundreds of thousands of Swedes.

Implant files – Aftenposten (Norway)
"You're highlighting an area that has received too little attention," said health minister Bent Høie on 2 December 2018 in response to Aftenposten's revelations about the implant industry. The newspaper's investigation revealed that over 100,000 Norwegians need new implants every year, and the need is increasing. The medical devices industry, which produces everything from wheelchairs to essential implants, had a turnover of USD 3,600 billion worldwide in 2018. This is three times the size of Norway's total revenues in one year. The industry is growing almost twice as fast as the pharmaceutical industry. Nevertheless, it has managed to operate under the government and public radar for years. Norwegian health authorities use hundreds of full-time employees to approve drugs, but outsource the approval of implants and medical equipment to commercial operators in Europe. So what happens when the implants fail? How often does this happen, and what control do the Norwegian authorities have over the technological innovations that are Implanted into Norwegian patients?

When industries and regulations cross borders, so must journalism. International Resources of Investigative Journalists (ICIJ) mobilized its resources: 250 journalists from 59 media houses in 36 countries; three of them from Aftenposten. Through data collection, data surveying and international collaboration, we could reveal that health authorities around the world have not been able to protect their countries' patients against failing implants. We discovered that implant failures affect thousands every year. Some are injured for life, some die, without even knowing that their implants were to blame. Norwegian health authorities do not know how often Norwegians are affected, and the industry itself has almost all the roles around the table: they research, develop, sell, participate in surgical operations in Norwegian hospitals, and are responsible for analyzing equipment when something goes wrong.

Tolga case – VG (Norway)
It started out as a case involving one family. Three brothers had been appointed public guardians against their will, without prior consultation. The argument that two of them were intellectually disabled was later proved to be incorrect. Based on the brothers' experiences with the authorities, VG revealed a connection between diagnosis and municipal fundings. VG revealed how a consulting company can earn millions of kroner by registering people as intellectually disabled. It also illustrated how misunderstandings and violations of the law may have had consequences for thousands of Norwegians. The law will now be amended and more than 18,000 Norwegians will be contacted to ensure that guardianships created on the wrong basis are revoked. Shortly after the government ordered a full examination of the Tolga case, the Prime Minister apologized to the brothers.

Medical age assessments – SvD (Sweden)
Age is a critical factor in the asylum application process. The age of an asylum seeker often determines whether or not he or she is granted a residence permit in Sweden.

In 2017 the National Board of Forensic Medicine was commissioned by the Swedish government to implement medical age assessments of young refugees seeking asylum in Sweden. Since then, the Swedish Migration Agency has based over 11,000 decisions on the medical age assessments. But are the methods used by the National Board of Forensic Medicine actually reliable? In 2018 SvD investigated the methods used and revealed several serious flaws. This has led to courts questioning whether age assessments are legally secure and to the Swedish National Council of Medical Ethics to call for an objective examination of the 11,000 decisions that were already made.

SOCIETAL IMPACT: MARKETPLACES
Initiatives that made a difference: Marketplaces
Our marketplaces contribute to society in several ways. Below is one of our initiatives that made a difference in 2018.

Schibsted Media Group: Techfugees
Techfugees is a non-profit organization coordinating the international tech community's response to the needs of refugees, asylum seekers and displaced people. It exists to empower the displaced with technology. Techfugees organizes conferences, workshops, hackathons and gatherings around the world in an effort to generate tech solutions for and with displaced people. It also curates and promotes the best projects it finds for partnerships and implementation

in the field. Techfugees is working on improving life for refugees by developing technologies in five areas: access to rights and information, health, education, employment and social inclusion. Schibsted supported Techfugees in 2018 with capital and by participating in the Global Techfugees Summit. Head of Sustainability in Schibsted was one of the opening speakers at the summit and took part in a panel discussion on inclusion.

About the report

This is Schibsted's second sustainability report and refers to the period from 1 January to 31 December 2018. Our ambition with this report is to be transparent and share our approach, performance, progress and plans in the area of sustainability during 2018 and onwards. This report has been prepared in accordance with the GRI Standards: Core option. It constitutes Schibsted's Communication on Progress (COP) submission to the UN Global Compact and follows the recommendations of Oslo Børs (Oslo Stock Exchange) on corporate responsibility reporting. Schibsted publishes a sustainability report on an annual basis; the previous report was published on 10 April 2018. The report is not quality assured by an external body.

The sustainability information is provided mainly in our sustainability report, but also in sections of the Annual Report. Please see the GRI Index for further guidance.

Scope and boundaries

The information presented in this report represents all operations in the Schibsted Media Group. The report includes data pertaining to companies of which we have full ownership or operational control. This year an additional three companies are included in the reporting scope. Incoming years we aim to implement support functions and processes to enhance our possibilities to monitor data and our performance.

Employee data:

Employee data are stated in full-time equivalents (FTE) and cover all Schibsted companies including those who are not within the scope of this report. This is because we want to present the same FTE information as the annual report. Data are compiled per 31 December 2018 using the financial reporting system. Data relating to employee satisfaction, collective bargaining, health and safety as well as performance reviews are collected via templates completed by each company.

Schibsted has also made the transition from GRI Standards 403: Occupational Health and Safety (2016) to the updated GRI Standards 403: Occupational Health and Safety (2018), hence data cannot be compared for this topic.

Environmental data:

The consolidation approach for environmental data is operational control. All greenhouse gases are included in the emission calculations and all scopes are included in intensity data. Data are collected via templates sent to each company and derives from third-party sources and available internal reporting data. Our calculations are based on the conversion factors used in the Greenhouse Gas Protocol.

Omissions

102-8: Data cannot be split on employment contract and employment type due to limitations in our reporting system.

205-2: Anti-corruption is part of our Code of Conduct training and can only be presented as total number of employees who have received training during 2018.

405-1: Data cannot be split on age by employee category due to limitations in our reporting system.

403-9 & 403-10: Schibsted has chosen to transit to the new GRI Standard 403: Occupational Health and Safety (2018) hence do not have all information and data in place to fully fulfill all the requirements this year.

Point of contact

If you have any questions about the Sustainability Report, you are welcome to contact Britt Nilsen, Head of Sustainability, email britt.nilsen@schibsted.com.

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GRI 103: Management Approach (2016) **GRI 403: Occupational Health and Safety (2018)** **GRI 403: Occupational Health and Safety (2016)**	103-1 to 103-3 Management approach 403-9 Work-related injuries 403-10 work-related ill health	24 24 24	Omission Omission
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GRI 103: Management Approach (2016) **GRI 404: Education and training (2016)**	103-1 to 103-3 Management approach 404-3 Percentage of employees receiving regular performance and career development reviews	23-24 24	UNGC Principle 6

Topic specific disclosures	Disclosure	Page	Notes
GRI 400 SOCIAL STANDARDS			
Schibsted topic: Increase diversity and equality			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	22-23	UNGC Principle 6
GRI 405: Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	22-23	Omission
Schibsted topic: User safety and fraud protection			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	19-20	
GRI 417: Marketing and Labeling (2016)	417-2 Incidents of non-compliance concerning product and service information and labeling	20	
Schibsted topic: Protection of user data			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	17-19	
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	18	
Schibsted topic: Empower people to make economic and sustainable choices			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	27-28	
GRI Media Supplement (2016)	M7 Media literacy	27-28	
Schibsted topic: Sustainable supply chain			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	19	UNGC Principle 1,2,4,5
Schibsted topic: Promote freedom of expression			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach	20	UNGC Principle 1
Schibsted topic: Transparent governance and communication			
GRI 103: Management Approach (2016)	103-1 to 103-3 Management approach		

CORPORATE GOVERNANCE

1. Statement of Corporate Governance

Schibsted is subject to corporate governance reporting requirements as defined in the Norwegian Accounting Act, section 3-3b and the Norwegian Code of Practice for Corporate Governance (the Code). The current edition was published on 17 October 2018 and is available at www.nues.no. The Board's Statement of Corporate Governance follows the structure of the Code. Deviations from the Code are set out in item 16 below. This statement also includes information on corporate governance, pursuant to the Accounting Act, section 3-3b. Corporate governance in Schibsted is subject to review and consideration by the Group Board, which also reviews the content of this Statement of Corporate Governance.

The 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.

2. Business activities

Schibsted's purpose as defined in its Articles of Association is: *"The purpose of the company is to engage in the information business and related business activities. The shareholders shall enable the Company to operate its information business in such a way that editorial freedom and integrity are fully ensured. The requirement for editorial freedom and integrity shall apply to all media and publications encompassed by the Norwegian and international activities of the Schibsted Group."*

The Articles of Association are presented in full at www.schibsted.com.

The Schibsted Board of Directors is responsible for defining objectives, strategies and risk profiles for the company's business activities. The Board of Directors evaluates these objectives, strategies and risk profiles on a yearly basis.

The Group's objectives, principal strategies and risks are described in the Board of Directors' report and on our website at www.schibsted.com.

Sound corporate governance is an important prerequisite for achieving Schibsted Media Group's vision and for implementing our strategy. It contributes to the Group's long-term value creation and ensures effective and sustainable use of the Group's resources. Schibsted's values represent an important foundation for corporate governance and for developing a sound and strong corporate culture. The Group's values are:

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

Schibsted's sustainability strategy, which is aligned with the business strategy, is to ensure that we consider and manage the environmental and societal impacts in all our business decisions and through our services empower people to make economic and sustainable choices. Schibsted engages with all significant stakeholder groups that are directly or indirectly affected by our business. The purpose of the dialog with stakeholders is to understand the key aspects and how these impact Schibsted's operations. Further information on Schibsted's sustainability strategy and how we relate to stakeholders is provided in the Sustainability Report.

3. Equity and dividend

Financial strategy

In accordance with our shareholder policy, Schibsted's Board of Directors considers it crucial that shares in the company be perceived as an attractive investment option. Schibsted's financial strategy implies a strong focus on profitability, innovation and disciplined capital allocation to create long-term shareholder value. To reach these objectives, Schibsted has set financial targets on financial gearing, NIBD/EBITDA and equity ratio and has a dividend policy. Information about our financial strategy and performance are published on the Investor Relations page on our website and communicated at investor presentations. More information about the 2018 performance can be found in the Board of Directors' report in the annual report. The Board has reviewed the Group's financial strategy, targets and performance, and considers the level of performance adequate for the Group's objectives, strategy and risk profile.

Dividend policy

The Group aims to provide a competitive return based on a sound financial position. The Board considers it essential that the company's shares be perceived as an attractive investment. One of the financial targets is therefore to maximize the shareholders' return through long-term growth in the share price and dividend. 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 under Share Information at www.schibsted.com.

Authorizations granted by the Annual General Meeting

To allow flexibility in its capital management strategy, authorizations empowering the Board to increase share capital by issuing B-shares and to buy back shares were granted by the 2018 Annual General Meeting. Such authorization is granted by the Annual General Meeting for one year at the time. The conditions stated in the authorizations are included below:

Authorization to increase B-share capital

I. The Board of Directors is authorized pursuant to the Public Limited Liability Companies Act § 10-14 (1) to increase the company's share capital by up to NOK 6,534,218.5. Subject to this aggregate amount limitation, the authority may be used on more than one occasion.

II. The authority may only be used to issue B-shares.
III. The authority shall remain in force until the Annual General Meeting in 2019, but in no event later than 30 June 2019.
IV. The pre-emptive rights of the shareholders under § 10-4 of the Public Limited Liability Companies Act may be set aside.
V. The authority covers capital increases against contributions in cash and contributions other than in cash. The authority covers the right to incur special obligations for the company, ref. § 10-2 of the Public Limited Liability Companies Act. The authority covers resolutions on mergers in accordance with § 13-5 of the Public Limited Liability Companies Act.

Authorization to buy back shares

I. The authorization is valid until the next Annual General Meeting of Schibsted ASA in 2019, but in no event later than 30 June 2019.
II. The total nominal value of the shares acquired and held by the company may not exceed NOK 11 934 399.
III. The minimum amount which can be paid for the shares is NOK 30, and the maximum amount is NOK 1,000.
IV. The Board is free to decide on the acquisition method and possible subsequent sale of the shares.
V. The shares may serve as settlement in the company's share based long term incentive schemes, as well as the Employee Share Saving Plan (ESSP), and may be used as settlement in acquisitions, and to improve the capital structure of the company. The shares may not be used in a take-over situation cf. section 6-17 (2) of the Norwegian Public Limited Liability Companies Act".

Further details on how the authorizations have been used are provided under Share Information at www.schibsted.com.

4. Equal treatment of shareholders and transactions with related parties

Class of shares

Schibsted has two classes of shares. Each A-share gives the right to 10 votes at the Annual General Meeting, and each B-share gives the right to one vote at the Annual General Meeting. Otherwise, the A-shares and the B-shares carry equal rights.

Restrictions on ownership and voting rights
Based on Schibsted's publishing responsibilities and role in society as a media company, Schibsted's independence and integrity are safeguarded through restrictions on ownership and voting rights laid down in the Articles of Association. Article 6 states:

"No shareholder may own more than 30 percent of the shares or vote for more than 30 percent of the total number of votes which may be cast under the company's Articles of Association."

Article 7 states that important decisions relating to the Group's key companies must 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 must be submitted to Schibsted's Annual General Meeting for approval, with the exception of intercompany transactions, which are exempt in their entirety. Through annual resolutions, the Annual General Meeting may authorize the Board to manage specific areas of the protection offered under in this provision. Such authorization was granted at the 2018 Annual General Meeting and will apply until the next Annual General Meeting. The authorization granted in 2018 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, subparagraph 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 4 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 must nonetheless be submitted to the General Meeting for its decision.

This authorization applies until the next Annual General Meeting."

Waiver of preemptive rights in the event of a capital increase
In the event that the Board resolves to carry out an increase in the share capital and waive the pre-emptive rights of existing shareholders on the basis of a mandate granted to the Board, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the increase in the share capital.

Transactions involving own shares
The acquisition of own shares, in accordance with the Board's authorization referred to in item 3 of this statement, must take place in the market at the stock exchange price and in accordance with generally accepted Norwegian stock exchange practices.
Acquired shares may be sold in the market or used as settlement for the acquisition of businesses, for the Schibsted share based incentive schemes and share saving programs for the Group's employees. The share-based incentive schemes are described in more detail in the Statement of Executive Compensation in note 9 and in the notice of the Annual General Meeting.

Transactions with related parties
In the event of material transactions between the Group and its shareholders, board members, executive personnel, or related parties, the Board will obtain valuations by an independent third party. In 2018 the Board determined that there were no such material transactions.

5. Shares and negotiability

Schibsted's shares are freely negotiable subject to the restrictions laid down in the Articles of Association, Article 6, which states:

"No shareholder may own more than 30 percent of the shares or vote for more than 30 percent of the total number of votes which may be cast under the company's Articles of Association."

The background for the limitation set out in Article 6 of the Article of Association is further set out in section 16 below.

6. Annual General Meetings

The shareholders exercise the highest authority through the Annual General Meeting. The Annual General Meeting considers and decides on matters that are important to Schibsted in a way that reflects the shareholders' views. The Annual General Meeting is held within six months after the end of each financial year, typically in May.

Notice
The Annual General Meeting for this year is scheduled for 3 May 2019. The notice of the Annual General Meeting and documents to be considered are posted on the Schibsted website prior to the meeting, and are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting. Shareholders not registered electronically will receive the notice by regular post with information on how documents to be considered at the meeting may be downloaded from our website. The deadline for electronic registration is two working days prior to the meeting.

Attendance
Representatives of the Board and the chairman of the Nomination Committee are required to attend the Annual General Meeting. The

Board Chair is present at the Annual General Meeting and is available to respond to any questions. Other board members will attend as necessary. The chair of the Nomination Committee and the external auditor are also present. At a minimum, the CEO and CFO must attend the meeting as representatives of Schibsted executive management.

Voting

The shareholders are given the opportunity to vote on each individual matter, including on each individual candidate nominated for election to the company's bodies (i.e. the Board and the Nomination Committee).

Shareholders who cannot attend the Annual General Meeting but who wish to exercise their voting rights may authorize a proxy by the deadline for registration. An authorization form containing voting instructions may also be given to the Board Chair. The authorization form is enclosed with the notice of the Annual General Meeting. More information on how to appoint a proxy and how to propose resolutions for consideration by the meeting is stated in the notice of the Annual General Meeting and on our website at www.schibsted.com.

Agenda

The agenda is prepared by the Board, and the agenda items must comply with Article 10 of the Articles of Association.

Minutes of the Annual General Meeting are available on our website at www.schibsted.com.

Chairing of the Annual General Meeting

Prior to the Annual General Meeting the Board considers, taking into account the complexity of the proposed agenda, whether an independent person shall be proposed to act as chair of the Annual General Meeting. In 2018, the Annual General Meeting was chaired by Ole Jacob Sunde, Board Chair.

7. Nomination Committee

The Nomination Committee is regulated by the provisions in Article 10 of Schibsted's Articles of Association, which also states the Nomination Committee's mandate. In addition, the company has implemented additional guidelines for the Nomination Committee approved by the Annual General Meeting in 2017.

The work of the Nomination Committee

The Nomination Committee prepares a recommendation to the Annual General Meeting regarding the election of shareholder representatives and their deputies to the Board. The Nomination Committee has contact with shareholders, board members, and the company's executive personnel. The Nomination Committee's most important task is to continually review the Board's overall expertise and experience in relation to the challenges facing the Group at any given time. The Nomination Committee also proposes remuneration payable to the board members at the Annual General Meeting.

The Annual General Meeting approves the remuneration to the Nomination Committee. The Nomination Committee's proposals are explained in the Nominations Committee's report.

Composition of the Nomination Committee

The Nomination Committee is elected by the Annual General Meeting for two-year terms and consists of three members. The composition of the Nomination Committee shall take into account the interests of shareholders. The Annual General Meeting elects the chair of the Nomination Committee. Schibsted's VP Head of Investor Relations serves as secretary to the Nomination Committee.

The current members of the Nomination Committee are John A. Rein (Chair), Spencer Adair and Ann Kristin Brautaset. The current members were elected by the Annual General Meeting on 12 May 2017 for a period of two years.

The current chair of the Nomination Committee is not considered to be independent due to his roles as board member in the Tinius Trust and Blommenholm Industrier. The other two members are considered to be independent.

See the Nomination Committee's report for further details on the work of the Nomination Committee.

8. Board of Directors: composition, independence and employee representation

Composition of the Board

Pursuant to Article 8 of Schibsted's Articles of Association, the Board must consist of six to eleven members in addition to deputy members. The Group's employees must be represented on the Board by employee representatives in accordance with prevailing agreements with the company (Representation Agreement).

The Board currently consists of ten members, of whom seven are shareholder representatives and three are employee representatives. Two employee representatives are elected from Norway and one from the country outside Norway where Schibsted has its most extensive operations. This is currently Sweden. The Board's composition is compliant with the requirement set forth in section 6-11a of the Norwegian Public Limited Liability Companies Act, which states that the minority gender shall represent at least 40 percent of the board members. In addition to gender balance, the Board ensures that diversity with regard to age, education, professional background and international experience are applied as relevant criteria in the Nomination Committee's consideration of Board composition.

The Annual General Meeting elects the shareholder representatives to the Board. The Nomination Committee prepares a recommendation of candidates for election to the Board. The recommendation is distributed to the shareholders along with the notice of the Annual General Meeting. The Annual General Meeting elects the Board Chair.

The Board's shareholder representatives are elected for one-year terms while the employee representatives are elected for two-year terms. Pursuant to Article 8 of the Articles of Association, any shareholder owning at least 25 percent of the A-shares in the company is entitled to appoint a board member directly.
Blommenholm Industrier AS, which owns 26.1 percent of the A-shares, is the only shareholder holding this right. At the Annual General Meeting in 2018, Blommenholm Industrier AS exercised its right to directly appoint one member, and nominated Ole Jacob Sunde. The Board has appointed Head of Editorial in Schibsted Media as observer to the Group Board.

More information on the individual board members is available on our website at www.schibsted.com.

Independence of the Board of Directors
The composition of the Board ensures that it can operate independently of any special interest. The current Board meets the requirement set forth in the Code that the majority of shareholder-elected board members be independent of the Group's executive personnel and material business, and that at least two of the shareholder-elected board members be independent of the main shareholders. Ole Jacob Sunde is not considered to be independent of the main shareholders due to his position as board member of the Tinus Trust and Blommenholm Industrier AS. All other shareholder-elected board members are considered to be independent.

Pursuant to section 6-27 of the Public Limited Liability Companies Act, individual board members may not participate in the discussion or decision of matters in which they or a closely related party are deemed to have a major personal or financial interest. Each board member is personally responsible for assessing whether any such circumstances exist that may, from an objective perspective, affect public confidence in the board member's independence or that may lead to a conflict of interest in connection with a matter to be considered by the Board. Such circumstances must be brought to the attention of the Board Chair. The Rules of Procedure specifically mention board members' involvement in competing businesses.

Board members' shareholdings
The Code states that members of the Board should be encouraged to own shares in the company. Encouraging share ownership is not part of the Board's current Rules of Procedures. However, the board members' shareholdings are disclosed in note 11 of Schibsted ASA's financial statements.

Board meetings in 2018
In 2018 the Board held 10 meetings, one of which was a two-day strategy meeting. Meetings that are not listed on the meeting schedule may be conducted by telephone. The strategy meeting is normally held in June, and forms the basis for the Group's strategy and budget processes.

9. The work of the Board of Directors

Role of the Board
The Board supervises the day-to-day management of the Group as it is exercised by the CEO, and monitors Schibsted's general activities. The Board actively participates in shaping Schibsted's strategy, ensuring that the businesses are properly organized and

Attendance at board meetings and board committee meetings in 2018:

ATTENDANCE AT MEETINGS	BOARD MEETINGS	AUDIT COMMITTEE MEETINGS	COMPENSATION COMMITTEE MEETINGS
Ole Jacob Sunde	10/10		3/3
Birger Steen	8/10	6/7	
Marianne Budnik	10/10		1/2
Christian Ringnes	9/10	7/7	
Philippe Vimard (from June 2018)	6/6		
Eugénie van Wiechen	10/10		3/3
Orla Noonan	10/10	6/7	
Ingunn Saltbones	10/10		2/2
Torbjörn Ek	9/10		
Finn E. Våga	10/10		1/1
Arnaud de Puyfontaine (until May 2018)	0/4	0/4	
Maria Carling (deputy for Torbjôrn Ek)	1/1		

that adequate governance and control systems are implemented. The Board also supervises the Group's financial performance, establishes necessary guidelines, and adopts plans and budgets for the businesses. The Board appoints the CEO and prepares the job description and terms and conditions for the position. The Board also considers issues pertaining to appointments to key positions within the Group.

Rules of Procedure
The Board has established internal Rules of Procedure describing the Board's responsibilities, duties and administrative procedures. The Rules of Procedure also state the CEO's duties in relation to the Board. The Board conducts periodic reviews of procedures for the Board and the CEO.

Conflicts of interests and disqualification
A board member is obligated to notify the Chair if he/she is considering working for or on assignment with organisations who operate, or seek to operate, a business that competes with Schibsted Group's current or planned business activities. The Chair ensures that the rest of the Board and the Chair of the Nomination Committee are kept informed.

Organization of board meetings
The Board works on the basis of an annual meeting schedule that is normally agreed at the first meeting after the Annual General Meeting. The meeting schedule includes strategic planning, business issues and supervisory activities. At the same meeting, the Board appoints the members of the Board's Compensation Committee and Audit Committee. The VP Head of Investor Relations serves as secretary to the Board.

The CEO, in consultation with the Board Chair, prepares matters for consideration by the Board. Emphasis is placed on timely preparation and distribution of documents to ensure that the Board has a satisfactory basis for its work. Board meetings are presided over by the Board Chair. Before every board meeting the Board convenes for a 30-minute closed session without Schibsted's executive management present. The Group uses a web-based board portal to distribute relevant documents to the Board.

Board committees
Schibsted has established an Audit Committee and a Compensation Committee which contribute to thorough preparation and consideration of matters covered by the committees' respective mandates. The committees do not make decisions, but monitor the work of the Group on behalf of the Board and prepare matters for board consideration within their respective areas.

Compensation Committee
The Compensation Committee was established in 2004, and its members are appointed by and from the Board for one-year terms. The members shall be independent. The current members of the committee are: Ole Jacob Sunde (Chair), Eugénie van Wiechen, Ingunn Salbones and Marianne Budnik. The CEO attends committee meetings apart from those at which remuneration of the CEO is considered. The Compensation and Benefit Manager serves as secretary to the Compensation Committee.

The Compensation Committee prepares matters relating to the remuneration of the Group CEO. The committee also assists the Board by dealing with issues of principle, guidelines, and strategies for the remuneration of other members of Schibsted's executive management and of senior managers in key subsidiaries.

The Committee monitors the use of long-term incentives in the Group and prepares the Board's annual consideration of the LTI Program for selected managers. For further details, see item 12 of this statement.

Audit Committee
The Audit Committee was established in 2007, and its members are appointed by and from the Board for one-year terms. The members shall be independent from the company. The current members of the committee are: Christian Ringnes (Chair), Orla Noonan and Birger Steen. The CFO is the management's main representative in the Audit Committee and attends all its meetings. The external auditor attends Audit Committee meetings when matters within the external auditors' area of responsibility are considered. The Internal Control Manager serves as secretary to the Audit Committee.

The Audit Committee prepares the Board's processes for quality assurance of financial reports. The committee monitors the Group's internal control and risk management for financial reporting, and reviews and monitors the external auditor's work and independence.

The Board's self-evaluation
The Board regularly evaluates its own work and submits a written report to the Nomination Committee. The report forms the basis for the Nomination Committee's evaluation of the Board's work. The Nomination Committee performs additional assessments of the board members through interviews conducted either by the committee's members or by external consultants. The Board considers itself to work well, with members whose expertise and experience complement each other.

10. Risk management and internal control

The Group's risk management and internal control systems reflect Schibsted's governance model. The management team of each business area, function and company is responsible for risk management and internal control to ensure:

- achievement of financial and non-financial targets;
- high-quality and safe products and services;
- cost-effective operations;
- reliable financial and management reporting;
- compliance with legislation and regulations; and
- adherence to Schibsted's values, Code of Conduct and policies.

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

In addition to risk analysis part of the day-to-day decision-making process, the management teams of business areas and functions are responsible for preparing risk assessments and defining mitigation activities at least once a year. Schibsted's executive management reviews the overall risk assessment of strategy, market, legal, compliance, and ethical issues as well as operational and organizational risk assessments. The annual risk assessments are also reported to and reviewed by the Audit Committee and the Board.

Financial reporting
Management submits periodic status reports to assist the Board in its work on monitoring and controlling the Group's operations. The reports cover financial reporting of the Group's key figures, the status of business-related matters, financial market information, non-financial indicators, and a status report on each business area. Quarterly and annual financial statements are reviewed by the Audit Committee and the Board. Schibsted's Group Accounting department prepares the Group's financial reports and ensures compliance with current accounting standards and legislation. Quarterly financial review meetings are also held with the largest companies of each division.

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

11. Remuneration of Board members

The Annual General Meeting determines the remuneration of the board members. The remuneration reflects the Board's responsibilities, expertise and time commitment and the complexity of the company's activities. The directors' fees are determined one year in advance, are fixed amounts, and are not related to performance or incentive schemes. The Board has established rules of procedures to ensure that any material assignments for the company, including remuneration for any such assignments, shall be approved by the Board. Any payments made to board members beyond normal directors' fees are disclosed in note 9 to the financial statements.

In 2018 no such fees were paid. See the Nomination Committee's Report and note 9 to the financial statements for further details on remuneration of the Group board members.

12. Remuneration of executive personnel

The Compensation Committee prepares matters relating to the remuneration of the Group CEO. The committee also assists the Board by dealing with issues of principle, guidelines, and strategies for the remuneration of other members of Schibsted's executive management and of senior managers in key subsidiaries.

Schibsted's Statement of Executive Compensation gives an account of the main principles of the Group's executive remuneration policy, including the scope and organization of bonus schemes and of the Group's long-term incentive programs. The Compensation Committee has assessed the incentive program and has concluded that the program ensures alignment of the financial interests of the executive personnel and the shareholders.

The Statement of Executive Compensation is considered by the Annual General Meeting and made available to the shareholders on our website when the notice of the Annual General Meeting is issued. The Annual General Meeting votes individually on the binding and the non-binding aspects of the guidelines.

13. Information and communication

Dialog with shareholders and the financial market

Schibsted has established a Shareholder policy and an Investor Relations policy that guide Schibsted's contact with shareholders outside the general meetings. These are available on the Investor Relations page on our website at www.schibsted.com. In accordance with the Shareholder policy, Schibsted as a listed company shall give competitive returns based on a sound financial position.

Schibsted's Board considers it essential that the Schibsted shares be perceived as an attractive investment option. One of the objectives of Schibsted's Board is to promote shareholder returns by means of long-term growth in share prices and dividends. The Board will work to ensure that the company's shares achieve a price that best reflects the long-term earning capacity of the company.

In accordance with our Investor Relations policy, communication with the Norwegian and international stock markets has high priority for Schibsted. Members of Schibsted's executive management and our Investor Relations department maintain regular contact with the financial markets to ensure that relevant and sufficient information reach the market in a timely manner. The objectives are to increase awareness about, and create confidence in Schibsted in the investment market, achieve improved liquidity for our shares, and provide a basis for correct pricing of the share. Openness, accessibility, transparency and equal treatment of participants in the securities market are fundamental to good relationships with investors, analysts and other players in the financial market. All information distributed to the company's shareholders is published on the company's website at the same time as it is sent to shareholders. Schibsted's contact with shareholders complies with all material aspects of the Oslo Børs Code of Practice for investor relations issued on 10 June 2014. The CFO and VP Head of Investor Relations regularly update the Board on Investor Relations activities.

Reporting of financial information

Schibsted wants investors to have confidence in the integrity of its financial reporting. In accordance with its mandate, the Board's Audit Committee monitors the work on preparing the Company's financial reports.

Schibsted publishes its financial figures quarterly. Open presentations to investors are held in connection with the Group's quarterly reports, at which the CEO and CFO present the results and comment on the market and outlook. The Board Chair also attends these presentations regularly. Members of Schibsted's executive management attend the presentations as required.

The presentations in connection with the quarterly results are published on our website. Complete versions of the Annual Report and Directors' Report are published on our website at least 21 days before the Annual General Meeting. Schibsted's financial calendar is announced one year at a time and published on our website.

Other market information

In accordance with the Norwegian Securities Trading Act and Stock Exchange Act, notifications are distributed to the Oslo Børs and national and international news agencies and are published on our website.

Schibsted regularly arranges Capital Markets Days and Investor Days in order to present its strategy and other key development trends. The most recent Capital Markets Day event was held in London on 7 March 2019. A video webcast of the event and the presentation material are available on our website. See Share Information and our website for further details.

14. Takeovers

As stated in item 4 above, Schibsted's Articles of Association state that:

"No shareholder may own more than 30 percent of the shares or vote for more than 30 percent of the total number of votes which may be cast under the company's Articles of Association.".

The purpose of these restrictions is to safeguard Schibsted's independence and integrity in order to ensure that the company has full editorial freedom, allowing the company to fulfil its publishing responsibilities and role in society as a media company.

The acceptance of a takeover bid for the company would, as a consequence of the voting restrictions set out above, require a change to the Articles of Association.

The Board has prepared principles and guidelines for handling any takeover bids. In the event of a takeover bid the Board will, within the limitations set out in the Articles of Association, seek to comply with the recommendations in the Code.

15. Auditor

Appointment of auditor

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

The Board's relationship with the external auditor

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

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

The Audit Committee evaluates the external auditor's fee and makes a recommendation to the Board. The Board submits a proposal to the Annual General Meeting regarding the approval of the external auditor's fee. See note 30 to the financial statements for information on remuneration of the external auditor for the financial year 2018.

The external auditor presents an annual audit plan to the Audit

Committee. The company's external auditor is present when the management presents the preliminary consolidated financial statements to the Board and when the final results are presented, if deemed necessary. The external auditor also reviews internal controls as part of the annual audit procedures, and reports identified weaknesses and proposed improvements to the Audit Committee. The external auditor regularly attends Audit Committee meetings and holds meetings with the Board without the management present.

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

Independence of the external auditor

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

The amount of non-audit services provided by the external auditor in 2018 is compliant with the requirements in the Auditing and Auditors Act and guidelines from the Financial Supervisory Authority of Norway. The Board finds the advisory services provided by the external auditor in 2018 not to influence the auditor's independence but acknowledges the potential issues this entails. The Audit Committee is responsible for ensuring that the auditor does not provide any prohibited non-audit services for the Group. See note 30 to the financial statements for information on fees relating to auditing and consultancy services.

16. Deviations from the Code of Practice

According to the Group's own evaluation, we deviate from three of the recommendations of the Norwegian Code of Practice for Corporate Governance:

Section 3: Equity and dividends

The Code states that "mandates granted to the Board of Directors to increase the company's share capital should be restricted by defined purposes". The authorization to increase the share capital granted by the 2018 Annual General Meeting is not restricted to defined purposes as recommended by the Code. The Board elected not to propose such restrictions in order to give the Board of Directors the flexibility to raise capital as deemed appropriate.

Section 5: Shares and negotiability

As stated above, the Tinius Trust has certain negative controlling rights by virtue of its shareholding in Schibsted. The Tinius Trust's purpose is to ensure that Schibsted remain a media group characterized by free, independent editorial staffs, credibility and quality and with long-term, healthy financial development. Due to the Group's ownership structure as well as Schibsted's publishing responsibilities and societal role as a media company, Schibsted's independence and integrity are ensured through restrictions on ownership and voting rights laid down in the Articles of Association. Article 6 states:

"No shareholder may own more than 30 percent of the shares or vote for more than 30 percent of the total number of votes which may be cast under the company's Articles of Association."

Section 6: Annual General Meeting

Schibsted does not systematically make arrangements to ensure that an independent person chair the Annual General Meeting. This is assessed on a year-by-year basis considering the complexity of the proposed agenda. Traditionally, the Board Chair chairs the Annual General Meeting when the agenda does not require an independent person. The rationale for this is that available voting technology has resulted in lower physical attendance of the Annual General meeting, and thus has decreased the need for an independent chair.

Section 14: Takeovers

According to Article 6 of the Articles of Association shareholders may not own or vote for more than 30 percent of the shares in the company. The purpose of these restrictions is to safeguard Schibsted's independence and integrity in order to ensure that the company has full editorial freedom, allowing the company to fulfil its publishing responsibilities and role in society as a media company

FINANCIAL STATEMENT FOR THE GROUP
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2018	2017
Operating revenues	6, 7	**18,059**	**16,943**
Raw materials and finished goods		(409)	(432)
Personnel expenses	9	(6,598)	(6,317)
Other operating expenses	8	(7,784)	(7,588)
Gross operating profit (loss)	**6**	**3,268**	**2,606**
Depreciation and amortisation	17, 18	(731)	(634)
Share of profit (loss) of joint ventures and associates	5	60	(113)
Impairment loss	16, 17, 18	(747)	(49)
Other income and expenses	12	(55)	1,505
Operating profit (loss)	6	**1,794**	**3,315**
Financial income	13	29	16
Financial expenses	13	(142)	(187)
Profit (loss) before taxes		**1,681**	**3,144**
Taxes	14	(965)	(958)
Profit (loss)		**715**	**2,186**
Profit (loss) attributable to:			
Non-controlling interests	27	68	55
Owners of the parent		648	2,130
Earnings per share in NOK:			
Basic	15	2.72	9.36
Diluted	15	2.72	9.35

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2018	2017
Profit (loss)		**715**	**2,186**
Items not to be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit pension liabilities	11	(27)	(333)
Income tax relating to remeasurements of defined benefit pension liabilities	14	7	77
Share of other comprehensive income from joint ventures and associates	5	(3)	(3)
Change in fair value of equity instruments		(2)	-
Items to be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(366)	717
Hedges of net investments in foreign operations		20	(55)
Income tax relating to hedges of net investments in foreign operations	14	(5)	13
Share of other comprehensive income from joint ventures and associates	5	-	(8)
Other comprehensive income		**(376)**	**408**
Comprehensive income		**339**	**2,593**
Comprehensive income attributable to:			
Non-controlling interests		65	61
Owners of the parent		274	2,533

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER

(NOK million)	Note	2018	2017
ASSETS			
Intangible assets	16, 17	16,521	16,983
Property, plant and equipment and investment property	18	870	988
Investments in joint ventures and associates	5	4,248	4,514
Deferred tax assets	14	233	251
Other non-current assets	19	131	114
Non-current assets		**22,003**	**22,850**
Contract assets	7	280	-
Trade receivables and other current assets	19, 20, 25	3,199	3,141
Cash and cash equivalents	25	1,844	1,626
Current assets		**5,322**	**4,767**
Total assets		**27,325**	**27,617**
EQUITY AND LIABILITIES			
Paid-in equity	26	6,927	6,895
Other equity		7,484	7,898
Equity attributable to owners of the parent		**14,412**	**14,793**
Non-controlling interests	27	262	261
Equity		**14,673**	**15,054**
Deferred tax liabilities	14	901	897
Pension liabilities	11	1,241	1,364
Non-current interest-bearing borrowings	24, 25	3,837	4,212
Other non-current liabilities	22	242	326
Non-current liabilities		**6,222**	**6,798**
Current interest-bearing borrowings	24, 25	389	28
Income tax payable	14	381	391
Contract liabilities	7	1,085	-
Other current liabilities	22, 25	4,575	5,345
Current liabilities		**6,430**	**5,764**
Total equity and liabilities		**27,325**	**27,617**

Paris, 21 March 2019 - Schibsted ASA's Board of Directors

Ole Jacob Sunde
Chairman of the Board

Christian Ringnes
Board member

Birger Steen
Board member

Philippe Vimard
Board member

Eugénie Van Wiechen
Board member

Torbjörn Ek
Board member

Ingunn Saltbones
Board member

Finn E. Våga
Board member

Marianne Budnik
Board member

Orla Noonan
Board member

Kristin Skogen Lund
CEO

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes		1,681	3,144
Depreciation, amortisation and impairment losses	5, 13, 17, 18	1,479	685
Net effect pension liabilities		(90)	(91)
Share of loss (profit) of joint ventures and associates	5	(60)	113
Dividends received from joint ventures and associates	5	40	21
Taxes paid		(941)	(828)
Sales losses (gains) on non-current assets and other non-cash losses (gains)		(23)	(1,697)
Change in working capital and provisions *		(304)	(57)
Net cash flow from operating activities	28	**1,781**	**1,290**
CASH FLOW FROM INVESTING ACTIVITIES			
Development and purchase of intangible assets, and property, plant and equipment	17, 18	(817)	(865)
Acquisition of subsidiaries, net of cash acquired	28	(38)	(1,279)
Proceeds from sale of intangible assets, and property, plant and equipment		20	23
Proceeds from sale of subsidiaries, net of cash sold	28	1	380
Net sale of (investment in) other shares		(134)	(2,929)
Net change in other investments		15	124
Net cash flow from investing activities		**(953)**	**(4,546)**
Net cash flow before financing activities		**828**	**(3,256)**
CASH FLOW FROM FINANCING ACTIVITIES			
New interest-bearing loans and borrowings		11	4,293
Repayment of interest-bearing loans and borrowings		-	(2,521)
Change in ownership interests in subsidiaries		(97)	(228)
Capital increase		-	2,491
Net sale (purchase) of treasury shares		(13)	17
Dividends paid to owners of the parent		(417)	(396)
Dividends paid to non-controlling interests	27	(92)	(98)
Net cash flow from financing activities		**(608)**	**3,558**
Effects of exchange rate changes on cash and cash equivalents		(2)	55
Net increase (decrease) in cash and cash equivalents		**218**	**357**
Cash and cash equivalents as at 1 January		1,626	1,268
Cash and cash equivalents as at 31 December		**1,844**	**1,626**

** Changes in working capital and provisions consist of changes in trade receivables, other current receivables and liabilities, and other accruals.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	Note	Share capital	Other paid-in equity	Retained earnings	Foreign currency transl. reserve	Hedging reserves	Share-holders' equity	Non-controlling interests	Total
As at 31 December 2016		**113**	**4,259**	**5,555**	**576**	**(268)**	**10,235**	**305**	**10,540**
Profit (loss) for the period		-	-	2,130	-	-	2,130	55	2,186
Other comprehensive income		-	-	(267)	711	(42)	403	6	408
Total comprehensive income		**-**	**-**	**1,863**	**711**	**(42)**	**2,533**	**61**	**2,593**
Capital increase		6	2,488	-	-	-	2,494	7	2,501
Share-based payment		-	29	-	-	-	29	-	29
Dividends paid to owners of the parent		-	-	(396)	-	-	(396)	-	(396)
Dividends paid to non-controlling interests		-	-	12	-	-	12	(98)	(86)
Change in treasury shares		-	-	17	-	-	17	-	17
Business combinations	4	-	-	-	-	-	-	7	7
Loss of control of subsidiaries		-	-	-	-	-	-	(16)	(16)
Changes in ownership of subsidiaries that do not result in a loss of control	4	-	-	(127)	-	-	(127)	(5)	(132)
Share of transactions with the owners of joint ventures and associates		-	-	(5)	-	-	(5)	-	(5)
Total transactions with the owners		**6**	**2,517**	**(498)**	**-**	**-**	**2,025**	**(105)**	**1,921**
As at 31 December 2017		**119**	**6,776**	**6,920**	**1,287**	**(310)**	**14 793**	**261**	**15,054**
Changes due to changes in accounting policies IFRS 2 (Note 2)				13			13		13
Changes due to changes in accounting policies IFRS 15 (Note 2)				(58)			(58)	(2)	(59)
As at 1 January 2018		**119**	**6,776**	**6,875**	**1,287**	**(310)**	**14,748**	**259**	**15,008**
Profit (loss) for the period		-	-	648	-	-	648	68	715
Other comprehensive income		-	-	(26)	(363)	16	(373)	(3)	(376)
Total comprehensive income		**-**	**-**	**622**	**(363)**	**16**	**274**	**65**	**339**
Capital increase		-	-	-	-	-	-	2	2
Share-based payment	10	-	32	-	-	-	32	-	32
Dividends paid to owners of the parent		-	-	(417)	-	-	(417)	-	(417)
Dividends paid to non-controlling interests		-	-	11	-	-	11	(92)	(81)
Change in treasury shares	26	-	-	(13)	-	-	(13)	-	(13)
Changes in ownership of subsidiaries that do not result in a loss of control	4	-	-	(220)	-	-	(220)	27	(192)
Share of transactions with the owners of joint ventures and associates		-	-	(4)	-	-	(4)	-	(4)
Total transactions with the owners		**-**	**32**	**(643)**	**-**	**-**	**(611)**	**(62)**	**(674)**
As at 31 December 2018		**119**	**6,808**	**6,854**	**924**	**(294)**	**14,411**	**262**	**14,673**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

GENERAL INFORMATION

GROUP STRUCTURE

INFORMATION ON INCOME STATEMENT ITEMS

INFORMATION ON STATEMENT OF FINANCIAL POSITION ITEMS

CAPITAL MANAGEMENT

OTHER INFORMATION

NOTE 1: GENERAL INFORMATION

General
Schibsted ASA is a public limited company and its offices are located in Akersgata 55, Oslo in Norway. The A-shares and B-shares of Schibsted ASA are listed on the Oslo Stock Exchange. Schibsted Media Group is an international media group with leading positions within online classifieds and strong positions within media houses. The business areas are described in segment information in note 6.

The consolidated financial statements including notes for Schibsted ASA for the year 2018 were approved by the Board of Directors on 21 March 2019 and will be proposed to the General Meeting 3 May 2019.

NOTE 2: BASIS FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

Compliance with IFRS
The consolidated financial statements have been prepared and presented in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The valuation and recognition of the items in the financial statements have been carried out in accordance with applicable IFRS standards.

New and amended standards adopted by the Group
Except for the mandatory implementation of IFRS 2 Share Based Payment, IFRS 9 Financial Instruments and IFRS 15 Revenue From Contracts With Customers as at 1 January 2018, the accounting policies adopted are consistent with those of the financial year 2017.

The implementation of IFRS 15 Revenues from contracts with customers has impacted the accounting principles and the comparable figures. See note 7 for more information.

The implementation of IFRS 9 Financial instruments had no significant impact. See note 25 for more information.

The implementation of IFRS 2 Share Based Payment had no significant impact. See note 10 for more information.

Financial statements
The consolidated financial statements have been prepared based on a historical cost basis, with the exception of financial instruments in the categories Financial assets and liabilities at fair value through profit or loss or OCI and Financial assets and liabilities at amortized cost. Assets that no longer justify their value are written down to the recoverable amount, which is the higher of value in use and fair value less selling costs.

An asset or liability is classified as current when it is part of a normal operating cycle, when it is held primarily for trading purposes, when it falls due within 12 months or when it consists of cash or cash equivalents on the statement of financial position date. Cash and cash equivalents consists of bank deposits and other monetary instruments with a maturity of three months or less. Other items are non-current. A dividend does not become a liability until it has been formally approved by the General Meeting. Discontinued operations and assets held for sale are presented on separate lines as current items.

All amounts are in NOK million unless otherwise stated. Tables may not summarise due to roundings.

The accounting principles applied and significant estimation uncertainties are disclosed in relevant notes to the consolidated financial statements.

Statement of cash flows
The statement of cash flows is prepared under the indirect method.

Consolidation principles
The consolidated financial statements include the parent Schibsted ASA and all subsidiaries, presented as a single economic entity. All the entities have applied consistent principles and all intercompany matters have been eliminated.

Subsidiaries are all entities controlled, directly or indirectly, by Schibsted ASA. The Group controls an entity when it is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to affect those returns through power over the entity. Power over an entity exists when the Group has existing rights that give the current ability to direct the activities that significantly affect the entity's returns.

Generally, there is a presumption that a majority of voting rights result in control. The Group considers all relevant facts and circumstances in assessing whether control exists, including contractual arrangements and potential voting rights to the extent that those are substantive.

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 (loss) and comprehensive income attributable to non-controlling interests are disclosed as allocations for the period of profit (loss) and comprehensive income attributable to non-controlling interests and owners of the parent, respectively.

Foreign currency translation
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian kroner (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
- 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.

Upon incorporation of a foreign operation into the consolidated financial statements by 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 monthly at the average exchange rates for the month and accumulated. Resulting exchange differences are recognised in other comprehensive income until the disposal of the foreign operation.

Exchange rates are quoted from the Norwegian state bank (norges-bank.no).

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

New standards and interpretations not yet adopted

Certain new accounting standards, interpretations and amendments to standards have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted in the combined financial statements. The Group's assessment of the impact of these new standards and interpretations are set out below.

Title of standard	IFRS 16 Leases
Nature of change	IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all almost leases under a single on-balance sheet model. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and amortisation on the right-of-use asset. Repayment of the lease liability will be classified as cash flows from financing activity in the cash flow statement.
Impact	The Group plans to adopt IFRS 16 retrospectively by using the modified retrospective approach, with the accumulated effect of implementation charged against equity 1 January 2019, hence the comparative figures for 2018 will not be restated. The Group will elect to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. Upon implementation of the standard, a liability will have to be recognised for the net present value of remaining lease payments and an asset will be recognised for the right to use the underlying asset during the remaining lease term. The Group's equity ratio will consequently decrease. Lease expense will change from being linear over the lease term to being declining and the lease expense will change classification from operating expenses to a combination of amortisation and interest expenses. The effect on assets, liabilities and expenses will depend on the agreements actually in force on implementation. The Groups' assessment indicates a right-of-use asset of approximately NOK 1.9 billion to be recognized and a corresponding lease liability of approximately NOK 2.1 billion in respect of all these leases. Net impact on equity is estimated to be NOK 136 million. The impact on profit or loss is to decrease Operating expenses by an amount in the range of NOK 450-500 million, to increase depreciation by approximately NOK 400 million and to increase interest expense by approximately NOK 70 million. The impact on cash flow is to move approximately NOK 420 million from operating to financing activities. The Group will elect to use the exemptions proposed by the standard and adjust the right-of use-asset at the date of initial applicataion by any provision for onerous lease contracts, recognized under IAS 17 at 31 December 2018. Any accruals or deferrals of lease payment or incentives previously recognised in respect of the operating leases will be derecognised and the amount factored into the measurement of the right-to-use assets and lease liabilities. The Group will for all lease contracts, except for significant office lease contracts, elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value (below NOK 50 000). The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value. For significant office leases the right-of-use assets will be measured as if the standard had been applied since the commencement of the lease . For all other leases the right-of-use assets will be measured at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments at 31 December 2018. At the date of initial application the Group will elect to separate non-lease components from lease components, and will account for each lease component and any associated non-lease component separately. At initial application the group will apply the incremental borrowing rate as of 1 January 2019 for all leases.
Date of adoption by Group	1 January 2019

NOTE 3: SIGNIFICANT ACCOUNTING JUDGEMENTS AND MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The management has made use of estimates and assumptions in preparing the consolidated financial statements. The most important areas where estimates are having an impact are listed below. Detailed information of these estimates and judgements is included in the relevant notes.

Significant estimates and judgements:

- Calculation of value in use in testing for impairment (note 16)
- Capitalisation of development costs (note 17)
- Calculation of present value of defined benefit pension obligations (note 11)
- Recognition of deferred tax asset for carried forward tax losses (note 14)
- Fair value of contingent consideration and liabilities related to non-controlling interests' put options (note 21)
- Recognition of contracted listing fees and premium products according to normal pattern of views (note 7)
- Liabilities measured at fair value (note 25)

NOTE 4: CHANGES IN THE COMPOSITION OF THE GROUP

Principle:

Business combinations

The acquisition method is used to account for all business combinations where Schibsted ASA or a subsidiary is the acquirer, i.e. the entity that obtains control over another entity or business. When a subsidiary or business is acquired, a purchase price allocation is carried out. Identifiable assets acquired and contingent liabilities assumed are measured at fair value at the acquisition date. 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 residual value in the acquisition is goodwill. Acquisition-related costs are expensed as incurred.

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 combination achieved in stages, the previously held equity interest is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Changes in ownership interests in subsidiaries that do not result in a loss of control

Transactions with non-controlling interests are recognised in equity. The carrying amount at 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 recieved is recognized directly in equity and attributed to the owners of the parent.

When put options are granted by Schibsted to holders of non-controlling interests, Schibsted determines and allocates profit (loss), other comprehensive income and dividends paid to such non-controlling interests. Accumulated non-controlling interests are derecognised as if the non-controlling interest was acquired at the balance sheet date and a financial liability reflecting the obligation to acquire the non-controlling interest is recognised. The net amount recognised or derecognised is accounted for as an equity transaction. In the Consolidated statement of changes in equity, such amounts are included in the line item Changes in ownership of subsidiaries that do not result in a loss of control.

Loss of control

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) are included in gain or loss on loss of control of subsidiary in profit or loss.

Business combinations

Schibsted has in 2018 invested NOK 37 milion (NOK 1,278 million in 2017) related to acquisition of businesses (business combinations). The amount comprises cash consideration transferred reduced by cash and cash equivalents of the acquiree. The Group has in addition paid NOK 1 million (NOK 1 million in 2017) of contingent consideration related to prior year's business combinations.

In November 2018, Schibsted completed a bolt-on acqusition of Videdressing.com, a general goods vertical within second-hand fasihion, through the acqusition of 100 % of the shares of Videdressing SAS.

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

In step acquisitions, the previously held equity interest is measured at fair value at the acquisition date, and a total gain of NOK 506 million is recognised in 2017 in profit or loss in the line item Other income and expenses.

Acquisition-related costs of NOK 3 million (NOK 8 million in 2017) related to business combinations closed are recognised in profit or loss in the line item Other income and expenses.

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

	Total 2018	Yapo.cl 2017	Other 2017	Total 2017
Consideration:				
Cash	93	582	788	1,370
Contingent consideration	-	-	-	-
Consideration transferred	**93**	**582**	**788**	**1,370**
Fair value of previously held equity interest	-	442	75	517
Total	**93**	**1,024**	**863**	**1,887**
Amounts for assets and liabilities recognised:				
Intangible assets	11	65	162	227
Property, plant and equipment	1	1	2	3
Other non-current assets	1	-	-	-
Trade and other receivables	9	8	32	40
Cash and cash equivalents	56	10	82	92
Deferred tax liabilities	-	(16)	(34)	(50)
Other non-current liabilities	(5)	(107)	94	(13)
Current liabilities	(66)	(11)	(92)	(103)
Total identifiable net assets	**7**	**(50)**	**247**	**197**
Non-controlling interests	-	-	(7)	(7)
Goodwill	87	1,074	623	1,697
Total	**93**	**1,024**	**863**	**1,887**

The purchase price allocations for acquisitions made in 2018 are preliminary due to uncertainty in certain valuation factors. There are no significant effects from finalising preliminary purchase price allocations in any subsequent year.

The goodwill recognised is 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 business combinations are carried out as part of the Group's growth strategy, and the businesses acquired are good strategic fits with existing operations within the Schibsted Media Group.

The fair value of acquired receivables is NOK 9 million in 2018 (NOK 40 million in 2017), of which NOK 6 million (NOK 10 million in 2017) are trade receivables. There is no material difference between the gross contractual amounts receivable and the fair value of the receivables.

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

The companies acquired in business combinations have since the acquisition dates contributed NOK 7 million to operating revenues in 2018 (NOK 153 million in 2017) and contributed negatively to consolidated profit (loss) by NOK 3 million in 2018 (positively NOK 15 million in 2017). If the acquisition date of all business combinations completed through purchase of shares was as at 1 January, the operating revenues of the Group would have increased by NOK 34 million in 2018 (NOK 136 million in 2017) and profit (loss) would have decreased by NOK 13 million (decreased NOK 15 million in 2017). The above figures do not include business combinations completed through purchase of assets for which no separate financial statements exists.

Other changes in the composition of the Group

Total net gains of NOK 13 million is recognised in 2018 (NOK 1,066 million in 2017) from the sale of subsidiaries, joint ventures and associates in the line item Other income and expenses. In 2017 gains of NOK 195 million is from sale of subsidiaries (primarily Hittapunktse AB), NOK 15 million from sale of joint ventures and NOK 856 million from sale of associates (primarily 701 Search Pte Ltd).

Schibsted has in 2018 invested NOK 97 million (NOK 228 million in 2017) related to increased ownership interests in subsidiaries. The amount invested in 2018 is primarilly related to increase of ownership interest to 100% in Finderly GmbH (Shpock).

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

Changes in ownership interests in subsidiaries are accounted for as equity transactions. The effect on the equity attributable to owners of the parent is presented in the table below:

	2018	2017
Net consideration received (paid)	(97)	(260)
Financial liabilities previously recognised related to non-controlling interests' put options	102	53
Adjustment to equity	**5**	**(207)**
Of which adjustment to non-controlling interests	13	(35)
Of which adjustment to equity attributable to owners of the parent	(8)	(172)

The adjustments to equity presented above is included in the line item Changes in ownership of subsidiaries that do not result in a loss of control in the Consolidated statement of changes in equity. Included in that line item is also changes in financial liabilities related to non-controlling interests' put options recognised in equity as disclosed in note 21 Financial liabilities related to business combinations and increases in ownership interests.

Videdressing SAS, Olx.com.br, Yapo.cl SpA, 701 Search Pte Ltd and Finderly are included in operating segment Marketplaces. Hittapunkt AB is included in operating segment Growth.

NOTE 5: INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Principle:

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement and exists when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as joint ventures if they are structured through separate vehicles and the parties have rights to the net assets of the arrangements.

An associate is an entity that Schibsted, directly or indirectly through subsidiaries, has significant influence over. Significant influence is normally presumed to exist when Schibsted controls 20% or more of the voting power of the investee.

Interests in joint ventures and associates are accounted for using the equity method.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses. The Group's share of the investee's profit or loss is recognised in profit or loss and the share of changes in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Dividends received reduce the carrying amount of the investment.

When the Group's share of losses equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Changes in ownership

The use of the equity method is discontinued from the date an investment ceases to be a joint venture or an associate. The difference between the total of the fair value of any retained interest and any proceeds from disposing of a part interest in a joint venture or an associate, and the carrying amount of the investment, is recognised as gain or loss in profit or loss.

If the Group's ownership interest in a joint venture or an associate is reduced, but the equity method is still applied, a gain or loss from the partial disposal is recognised in profit or loss. The retained interest is not remeasured.

	2018			2017		
Development in net carrying amount	**Joint ventures**	**Associates**	**Total**	**Joint ventures**	**Associates**	**Total**
As at 1 January	**4,005**	**486**	**4,491**	**537**	**410**	**947**
Change in accounting principle IFRS 15	(5)	-	(5)	-	-	-
Additions	12	88	99	3,659	104	3,763
Disposals	-	-	-	(14)	(832)	(846)
Transition from (to) subsidiaries	-	5	5	(9)	1	(8)
Transition from (to) joint ventures and associates	-	-	-	3	(3)	-
Transition from (to) other shares	-	7	7	-	-	-
Transition from (to) receivables	(18)	-	(18)	-	-	-
Share of profit (loss)	**65**	**(6)**	**60**	**(69)**	**(44)**	**(113)**
Share of other comprehensive income	-	(3)	(3)	(2)	(9)	(11)
Increase from dividend received from subsidiary (reciprocal interests)	-	11	11	-	12	12
Gain	-	8	8	15	856	871
Dividends received	(3)	(42)	(44)	-	(21)	(21)
Share of transactions with the owners of joint ventures and associates	-	(4)	(4)	(5)	1	(4)
Translation differences	(377)	(1)	(379)	(110)	11	(99)
As at 31 December	**3,679**	**549**	**4,228**	**4,005**	**486**	**4,491**
Of which presented in Investments in joint ventures and associates	3,679	569	4,248	4,005	509	4,514
Of which presented in Other current liabilities	-	(20)	(20)	-	(23)	(23)

For more details on acquisitions and divestments of joint ventures and associates, see note 4 Changes in the compositition of the Group.

The carrying amount of investments in joint ventures and associates comprises the following investments:

		2018			2017		
Development in net carrying amount	**Country of incorporation**	**Interest held**	**Joint ventures**	**Associates**	**Interest held**	**Joint ventures**	**Associates**
Silver Brazil JVCO BV	Netherlands	50.00 %	3,600	-	50.00 %	3,952	-
Willhaben Internet Service GmbH	Austria	50.00 %	56	-	50.00 %	33	-
Polaris Media ASA	Norway	28.97 %	-	205	28.97 %	-	205
Bynk AB	Sweden	32.00 %	-	79	29.90 %	-	60
Younited SA	France	11.09 %	-	71	11.55 %	-	81
TT Nyhetsbyrån AB	Sweden	33.67 %	-	63	33.67 %	-	56
Norsk Telegrambyrå AS	Norway	29.47 %	-	49	29.45 %	-	45
eEducation Albert AB	Sweden	24.60 %	-	34	n/a	-	-
Fronteer Solutions AS	Norway	16.90 %	-	20	17.20 %	-	21
Other			23	29		19	18
Carrying amount as at 31 December			**3,679**	**549**		**4,005**	**486**

If the company mentioned is the parent company of a group, the figures presented are for the consolidated group.

Description of the business of the joint ventures and associates:

Silver Brazil JVCO BV	Operates an online classified site in Brazil (olx.com.br, 50% joint venture from July 2017) (see note 4)
SnT Classified ANS	Operates online classified sites in Chile (Yapo.cl until June 2017), Brazil (olx.com.br, 25% joint venture until June 2017) and Bangladesh (ekhanei.com, closed down)
Willhaben Internet Service GmbH	Operates online classified sites in Austria (willhaben.at, car4you.at, and autopro24.at)
Polaris Media ASA	A Norwegian media group that operates local and regional media houses
Bynk AB	Operates a lending marketplace in Sweden
Younited SA	Operates peer-to-peer lending marketplaces in France, Italy and Spain (younited-credit.com, it.younited-credit.com and es.younited-credit.com)
TT Nyhetsbyrån AB	A Swedish news agency
Norsk Telegrambyrå AS	A Norwegian news agency
eEducation Albert AB	Operates an application that educates children in mathematics
Fronteer Solutions AS	A tech company doing research on investment strategies

The following table sets forth summarised financial information for material joint ventures as at 31 December:

	2018			2017			
	Silver Brazil	**Other**	**Total**	**Silver Brazil**	**SnT**	**Other**	**Total**
Interest held as at 31 December	**50.00%**			**50.00%**	**n/a**		
Income statement and statement of comprehensive income:							
Operating revenues	601			239	29		
Depreciation and amortisation	(11)			(5)	(1)		
Interest income	4			2	-		
Taxes	103			-	-		
Profit (loss)	95			(56)	(122)		
Profit (loss) attributable to non-controlling interests	-			-	(21)		
Profit (loss) attributable to owners of the parent	95			(56)	(100)		
Other comprehensive income attributable to owners of the parent	-			-	(4)		
Total comprehensive income attributable to owners of the parent	95			(56)	(104)		
Share of profit (loss)	**48**	**18**	**65**	**(28)**	**(50)**	**9**	**(69)**
Share of other comprehensive income	-	-	-	-	(2)	-	(2)
Share of total comprehensive income	**48**	**18**	**65**	**(28)**	**(52)**	**9**	**(72)**
Balance sheet:							
Non-current assets	323			207			
Other current assets	93			102			
Cash and cash equivalents	117			22			
Non-controlling interests	-			-			
Non-current financial liabilities (excluding trade and other payables)	(48)			(53)			
Other non-current liabilities	(76)			(31)			
Current financial liabilities (excluding trade and other payables)	(22)			(1)			
Other current liabilities	(196)			(87)			
Net assets	**191**			**159**			
Share of net assets	96			80			
Goodwill	3,504			3,872			
Carrying amount as at 31 December	**3,600**	**79**	**3,679**	**3,952**	**-**	**52**	**4,005**
Fair value (if there is a quoted market)	n/a	-	-	n/a	-	-	n/a

The Silver Brazil and SnT figures presented are for the consolidated Silver Brazil and SnT groups. Schibsted's share is presented on separate line items.
Other includes Schibsted's share of all individually immaterial joint ventures.

The SnT figures relate to yapo.cl, olx.com.br and ekhanei.com, in the period from January to June 2017, while the Silver Brazil figures relate to olx.com.br in the period from July to December 2017. This must be seen in conjunction with the agreement with Telenor closed end of June 2017. The agreement is further described in note 4.

The following table sets forth summarised financial information for material associates as at 31 December:

	2018			2017		
	Polaris Media	**Other**	**Total**	**Polaris Media**	**Other**	**Total**
Interest held as at 31 December	**28.97%**			**28.97%**		
Income statement and statement of comprehensive income:						
Operating revenues	1,525			1,518		
Profit (loss)	59			66		
Profit (loss) attributable to non-controlling interests	2			1		
Profit (loss) attributable to owners of the parent	57			64		
Other comprehensive income attributable to owners of the parent	(11)			(40)		
Total comprehensive income attributable to owners of the parent	46			24		
Share of profit or loss	**17**	**(22)**	**(6)**	**19**	**(62)**	**(44)**
Share of other comprehensive income	(3)	-	(3)	(12)	2	(9)
Share of total comprehensive income	**13**	**(22)**	**(9)**	**7**	**(60)**	**(53)**
Dividends received	(21)	(21)	(42)	(14)	(7)	(21)
Balance sheet:						
Non-current assets	903			976		
Current assets	407			371		
Non-controlling interests	(18)			(33)		
Non-current liabilities	(427)			(453)		
Current liabilities	(379)			(379)		
Net assets	**487**			**482**		
Share of net assets	141			140		
Goodwill	65			65		
Carrying amount as at 31 December	**205**	**345**	**549**	**205**	**281**	**486**
Fair value (if there is a quoted market)	374			264		

The Polaris Media figures presented are for the consolidated Polaris Media group. Other includes all individually immaterial associates.

NOTE 6: OPERATING SEGMENTS

Principle:
The operating segments correspond to the management structure and the internal reporting for 2018 to the Group's chief operating decision maker, defined as the CEO. The operating segments reflect an allocation based partly on the type of operation and partly on geographical location.

Schibsted's operating segments are Marketplaces, Publishing, Growth and Other/Headquarters. Operating segments were changed from 1 January 2018, and are restated retrospectively to give comparable information.

- Marketplaces comprises online classified operations in Norway, Sweden, France and Spain as well as several other countries.
- Publishing comprises news operations in Norway and Sweden.
- Growth is a portfolio of web-based growth companies including Lendo, Prisjakt, Servicefinder, Mittanbud, Let's Deal and other companies.
- Other/Headquarters comprises operations not included in the other reported operating segments, including the Group's headquarter Schibsted ASA and centralised functions including Product and Technology.
- Eliminations comprise intersegment sales. Transactions between operating segments are conducted on normal commercial terms.

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

New operating segments, based on the organisational adjustment announced late 2018, will be presented in the quarterly report for first quarter 2019.

See also note 7 for Disaggregation of revenues.

Operating revenues and profit (loss) by operating segments

2018	Marketplaces	Publishing	Growth	Other/ Headquarters	Eliminations	Total
Operating revenues from external customers	**8,415**	**7,776**	**1,838**	**29**	**-**	**18,059**
Operating revenues from other segments	129	476	16	707	(1,328)	-
Operating revenues	**8,544**	**8,252**	**1,855**	**736**	**(1,328)**	**18,059**
Gross operating profit (loss) ex. Investment phase	**3,367**	**687**	**422**	**(766)**	**-**	**3,709**
Gross operating profit (loss)	**2,925**	**687**	**422**	**(766)**	**-**	**3,268**
Depreciation and amortisation	(241)	(215)	(40)	(235)	-	(731)
Share of profit (loss) of joint ventures and associates	66	31	(36)	-	-	60
Impairment loss	(472)	(11)	(133)	(131)	-	(747)
Other income and expenses	(51)	37	(7)	(34)	-	(55)
Operating profit (loss)	**2,227**	**528**	**204**	**(1,165)**	**-**	**1,794**

Gross operating profit (loss) ex. investment phase excludes operations in growth phase with large investments in market positions, immature monetisation rate and where sustainable profitability has not been reached. For 2018, investment phase operations provided Operating revenues of NOK 564 million and reduced Gross operating profit by NOK 441 million.

For information regarding Other income and expenses, see Note 12.

2017	Marketplaces	Publishing	Growth	Other/ Headquarters	Eliminations	Total
Operating revenues from external customers	**7,349**	**7,735**	**1,828**	**31**	**-**	**16,943**
Operating revenues from other segments	163	425	7	537	(1,133)	-
Operating revenues	**7,512**	**8,160**	**1,835**	**568**	**(1,133)**	**16,943**
Gross operating profit (loss) ex. Investment phase	**2,973**	**795**	**392**	**(879)**	**-**	**3,282**
Gross operating profit (loss)	**2,297**	**795**	**392**	**(879)**	**-**	**2,606**
Depreciation and amortisation	(213)	(235)	(40)	(146)	-	(634)
Share of profit (loss) of joint ventures and associates	(126)	20	(11)	3	-	(113)
Impairment loss	-	(2)	(15)	(32)	-	(49)
Other income and expenses	1,321	35	182	(33)	-	1,505
Operating profit (loss)	**3,279**	**615**	**509**	**(1,088)**	**-**	**3,315**

Gross operating profit (loss) ex. investment phase excludes operations in growth phase with large investments in market positions, immature monetisation rate and where sustainable profitability has not been reached. For 2017, investment phase operations provided Operating revenues of NOK 478 million and reduced Gross operating profit by NOK 676 million.

For information regarding Other income and expenses, see Note 12.

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 customer's location. Operating revenues presented in the table below are revenues from external customers. Non-current assets are attributed based on the geographical location of the assets.

	2018	2017
Operating revenues		
Norway	7,471	7,065
Sweden	4,705	4,957
France	2,940	2,410
Spain	1,535	1,293
Other Europe	1,129	994
Other countries	278	223
Total	**18,059**	**16,943**

	2018	2017
Non-current assets		
Norway	2,263	2,370
Sweden	2,035	2,121
France	5,032	4,895
Spain	4,845	4,795
Other Europe	2,641	2,588
Other countries	4,823	5,715
Total	**21,639**	**22,486**

The non-current assets comprise assets, excluding deferred tax assets and financial instruments, expected to be recovered more than twelve months after the reporting period.
Other countries consists primarily of Schibsted's businesses in Latin America.

NOTE 7: REVENUE RECOGNITION

Principle:

Schibsted has implemented IFRS 15 Revenue from Contracts with Customers effective 1 January 2018. IFRS 15 supersedes IAS 11 Construction contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Schibsted has applied the following principles for revenue recognition for the different categories of products and services:

Circulation

Circulation revenues are subsription revenues from printed and online newspapers, and casual sales of printed newspapers. Subscription revenues are invoiced in advance and recognized upon delivery over the subscription period. Revenue from casual sales, are recognized upon delivery, taking into account estimated future returns. Accumulated experience is used to estimate such returns at year end, using expected value method.

Advertising

Offline advertising revenues are sales of advertisement space on printed newspapers while online advertising revenues are from sales of advertisement space on online sites. Advertising revenue in printed media is recognized when inserted. Online advertising revenues are recognized as the ads are displayed.

Classifieds

Listing fees in contracts entitling the customer to have an ad displayed for a defined maximum period of time is recognized over that period, reflecting the normal pattern of views of such ads. Revenue from premium products that are active for a defined maximum period is recognized over that period. Revenue from other premium products benefiting the customer in a pattern similar to that of a listing fee is recognized over the applicable period similar to listing fees.

Revenue is measured at the fair value of the goods or services delivered or received, depending on which item that can be measured reliably.

Management expects that incremental commission fees paid to intermediaries as a result of obtaining customer contracts are recoverable. Schibsted has therefore applied the principle to capitalize contract costs. Capitalized commission fees are amortized over the period when related revenues are recognized.

Estimation uncertainty:

For classified revenues from certain listing fees and premium products recognized over time, judgement is required in determining the normal pattern of views for ads displayed for a defined maximum period of time. The management believes that, based on past experience, a declining rate is the most appropriate reflection of the normal pattern of views, i.e. ads are viewed more frequently in the beginning of the period it is displayed than towards the end of the maximum period. Relevant contracts applying this recognition principle normally has a duration of 30- 60 days.

Effects of implementing new accounting standard on revenue recognition

The recognition of the majority of the revenue of Schibsted is not affected by the new standard. This applies to brand advertising revenues being recognised as the ads are displayed, subscription revenue recognised over the subscription period and casual sales recognised upon delivery. The policy change from the implementation of IFRS 15 that primarily affects Schibsted is related to the period over which certain revenue streams from online classifieds operations are recognised. Revenue from certain listing fees and premium products were up and until 31 December 2017 recognised when the ad was initially displayed or when the premium products were initially activated. From 1 January 2018 listing fees in contracts entitling the customer to have an ad displayed for a defined maximum period of time is recognised over that period, reflecting the normal pattern of views of such ads. Revenue from premium products that are active for a defined maximum period is recognised over that period. Revenue from other premium products benefiting the customer in a pattern similar to that of a listing fee is recognised over the applicable period similar to listing fees.

The new standard is implemented retrospectively applying the modified retrospective method. Under this method, the comparative information is not restated. The cumulative effect of initially applying IFRS 15 of NOK 59 million (net of related tax effect) is recognized as a reduction to the opening balance of equity at 1 January 2018. Below is presented the effects of applying IFRS 15 compared to the amounts that would have been reported applying the former accounting policies:

Statement of financial position	31 December 2018	1 January 2018
Decrease in Investments in joint ventures and associates	(5)	(5)
Decrease in Trade receivables and other current assets	(280)	(275)
Increase in Contract asset	280	275
Decrease in total assets	**(5)**	**(5)**
Decrease in Other current liabilities	(1,007)	(854)
Increase in Contract liabilities	1,085	927
Decrease in Deferred tax liabilities	(21)	(19)
Decrease in Equity attributable to owners of the parent	(59)	(58)
Decrease in Non-controlling interests	(2)	(2)
Decrease in equity and liabilities	**(5)**	**(5)**

Income statement	2018
Decrease in Operating revenues	(4)
Decrease in Gross operating profit (loss) / Operating profit (loss) / Profit (loss) before taxes	(4)
Decrease in Taxes	2
Decrease in Profit (loss)	(2)
Decrease in Profit (loss) attributable to non-controlling interests	-
Decrease in Profit (loss) attributable to owners of the parent	(1)

Revenue from contracts with customers

	2018
Revenue from contracts with customers	17,983
Other revenues	76
Operating revenues	**18,059**

Other revenues include revenues from lease contracts in the amounts of NOK 16 million in 2018 and government grants of NOK 58 million in 2018.

Contracts with customers typically have a contract period of one year or less and do not contain significant variable consideration.

The revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present as the sales are normally made with a credit terms of 30-60 days, which is consistent with market practice. While deferred payment terms exceeding normal credit terms may be agreed in rare circumstances, the deferral never exceeds twelve months.

Schibsted has no significant obligations for refunds, warranties and other similar obligations.

Disaggregation of revenue

In the following table, revenue is disaggregated by category.

	2018	2017
Circulation revenues online	859	708
Circulation revenues offline	2,967	3,185
Advertising revenues online	3,934	3,809
Advertising revenues offline	1,051	1,178
Classifieds revenues	6,600	5,616
Other operating revenues	2,648	2,447
Operating revenues (Note 6)	**18,059**	**16,943**

Contract assets and liabilities

The contract assets primarily relate to the Schibsted's rights to consideration for advertisements and newspapers delivered but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. It is expected insignificant credit loss on contract assets. The contract liabilities relate to payments received in advance of performance under subscription, advertising and classified contracts. Contract liabilities are recognized as revenue when we perform under the contract.

The following table provides information about receivables and significant changes in contract assets and contract liabilities from contracts with customers.

	Receivables from contracts with customers	Contract assets	Contract liabilities
Balance as at 1 January 2018	**1,699**	**275**	**927**
Net of cash received and revenues recognized during the period	(74)	276	150
Transfer from contract assets recognized at the beginning of the period to receivables	271	(271)	-
Business combination	6	-	-
Impairment losses recognized	(21)	-	-
Currency translation	(2)	-	8
Balance as at 31 December 2018	**1,880**	**280**	**1,085**

All contracts have duration of one year or less, hence contract liability at the beginning of the period are recognized as revenue during the period. Remaining performance obligations at the reporting date have original expected durations of one year or less. Schibsted applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Contract costs

In 2018 there was no significant incremental commission fees capitalized and no impairment loss related to capitalized contract costs was recognized.

NOTE 8: OTHER OPERATING EXPENSES

	2018	2017
Distribution	1,004	938
Commissions	785	814
Rent, maintenance, office expenses and energy	704	713
PR, advertising and campaigns	2,193	2,140
Printing contracts	266	273
Editorial material	369	374
Professional fees	1,058	936
Travelling expenses	296	310
IT expenses	873	774
Other operating expenses	238	316
Total	**7,784**	**7,588**

NOTE 9: PERSONNEL EXPENSES AND REMUNERATION

	2018	2017
Salaries and wages	5,099	4,904
Social security costs	1,106	1,106
Net pension expense (note 11)	427	432
Share-based payment (note 10)	19	61
Other personnel expenses*	(53)	(186)
Total	**6,598**	**6,317**
Number of full time equivalents	8,348	8,070

* Other personnel expenses are deducted with amount of capitalised salaries, wages and social security.

The Board of Directors' Statement of Executive Compensation

Pursuant to section 6-16a of the Public Limited Liability Companies Act, the Board of Directors must draw up a special statement of guidelines for the pay and other remuneration of senior executives. According to section 5-6 (3) of the same Act, the Annual General Meeting shall hold an advisory vote on the Board of Directors' guidelines for the remuneration of the executive management for the coming financial year (section 1 below), and a binding vote on guidelines concerning share-related incentive programs (section 2 below).

The Board of Directors has appointed a dedicated Compensation Committee in order to ensure thorough consideration of matters relating to the CEO's remuneration. In addition, the Committee advises the Board of Directors and CEO in the work on the philosophy, principles and strategy for the compensation of senior executives in the Schibsted Group.

1. Guidelines for determination of salary and other remuneration for the financial year 2019

The Board of Director's considers the employees as the Group's most important resource, and aims to have reasonable, well balanced, and competitive remuneration packages that attract and retain talented employees that are crucial to our business. The fixed salary shall form the basis for the total compensation in addition to both short- and long-term incentive schemes to align and motivate the executive's efforts in continuous business development and value creation. The compensation of executives is regularly assessed relative to both the market and the positions' responsibilities and complexity.

The Group has established policies that cover several human resource aspects, including terms related to pay and pension, working environment, development programs, and more traditional employee benefits. Guidelines have been developed for the use of variable pay and other incentive schemes in the Group.

1.1 Fixed salary
The fixed salary (the gross annual salary before tax and before variable pay and other additional benefits are calculated) shall be reasonable, balanced and competitive and represent a significant component of executive compensation.

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

1.3 Benefits in kind and other special schemes
Senior executives will normally be given benefits in kind in line with common market practice, such as mobile phone, laptop, broadband, newspapers, company car or car allowance, and parking. There are no specific restrictions on what other benefits may be agreed. Selected executives have some outstanding subsidized loans from a previous scheme.

1.4 Variable pay – short term incentive scheme
Senior executives participate in an annual bonus scheme linked to achievements of both financial criteria, and strategic and operational objectives. Annual bonus is limited to a maximum of six months' salary for the CEO and varies from three to six months' salary for other members of Schibsted's Executive Team. Other Group employees may also participate in such schemes. In such cases the maximum annual bonus is normally limited to three to four months' salary.

1.5 Pension schemes
The CEO and other senior executives in the Group have individual pension plans which mainly entitle them to disability pension, early retirement pension from the age of 62 and thereafter a lifelong retirement pension. As from 2012, the Group's pension scheme for new executives in Norway is a defined contribution scheme in line with established market practices.

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

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

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

2. Guidelines for share based programs for the financial year 2019

2.1. Long-term incentive schemes for executives
The long-term incentive plan (the "LTI Plan"), proposed by The Board of Directors and approved on the Annual General Meeting of 2018, continues to roll during 2019. Purpose of the LTI Plan is to align shareholder and management interests to ensure long term value creation in Schibsted Media Group.

The LTI Plan uses total shareholder return ("TSR") relative to a peer group to measure the performance-based part of the plan. TSR is an objective long-term performance measure for value creation as it considers the share price change over time plus respective years' dividends, and as it is less exposed to changes in market conditions than certain other financial metrics. Further, TSR aligns shareholders' interests with participants' interests as it links the rewards to participants directly to the returns shareholders make on their investment in the company.

The LTI Plan is an annual 3-year rolling plan, part delivered in restricted shares and part delivered in performance shares, with fulfillment in Schibsted B-shares. It is proposed to be offered to the CEO, the members of Schibsted's Executive Team, the members of management teams in the business areas News Media, Next and Nordic Marketplaces, as well as other key employees. Under the LTI Plan the participants will be granted an Award equivalent to a percentage of their base salary at the time of granting. The CEO shall receive a grant equal to 100% of her base salary, whereas other members of Schibsted's Executive Team will receive grants between 50% and 100%. Other participants will receive grants ranging from 10% to 50% of their base salary. The Award will consist of two separate elements; a fixed base (the "Fixed Base") comprising Restricted Stock equal to 1/3 of the grant value and a performance-related grant (the "Performance Base") equal to 2/3 of the grant value.

The Fixed Base is converted into B-shares based on the share price at the program start and transferred to participants at the end of the 3-year program period.

The Performance Base shall vest at the end of the 3-year program period subject to performance and be delivered to participants in B-shares. The value of any vesting is proposed to be a factor of Schibsted's Total Shareholder Return ("TSR") performance over a 3-year performance period relative to a predefined peer group. Vesting of the Performance Base is subject to a minimum performance threshold whereby Schibsted's TSR performance must be at or above the 25th percentile when compared to the peer group. Subject to the performance threshold being met, the Performance Base shall vest as follows:

- At the 25th percentile, the face value of the Performance base shall vest at 50%
- At the 50th percentile, the face value of the Performance Base shall vest in full
- At or above the 75th percentile, the face value of the Performance Base shall vest at 300%
- Vesting in-between the above performance milestones shall be on a straight-line basis

The predefined peer group is composed mainly of companies involved in online classifieds, but also includes other media companies. The composition of the peer group is intended to reflect the underlying values in Schibsted in a balanced matter, and to ensure that the different parts of the Schibsted organization are incentivized to create stable and value-creating businesses in line with Schibsted's long-term strategy.

Detailed general conditions have been developed to ensure a fair and consistent governance of the Plan; these include change of control provisions, and "good leaver"/"bad leaver" provisions related to employment. The LTI Plan also includes a claw-back mechanism which would permit Schibsted to cancel unvested shares and/or to require already transferred shares to be delivered back to the Company. Such a claw-back scenario would include any event whereby Schibsted is required to restate financial statements during a program period, for example due to material non-compliance with applicable accounting rules. A claw-back might also be enforced in the event of fraud or criminal activity, a breach of a non-competition clause or a breach of Schibsted's Code of Conduct by the participant.

As both the Fixed Base and the Performance Base are subject to absolute caps, the maximum cost of the LTI Plan will be equal the Awards for all participants multiplied by the maximum pay-out of 2.33.

The LTI Plan has replaced the previous LTI plans: the Senior Executive Plan ("SEP") and the "Key Contributor Plan" from 2018. Agreements entered into with employees under these LTI plans up until 2017, will remain in force for the duration of these plans. Details of KCP and SEP are included in note 10 of the financial statements.

2.2 Mandatory shareholding requirements

To ensure additional alignment between the interests of senior executives and shareholders, the Board of Directors has broadened shareholding requirements for the senior executives, meaning the senior executives may not sell or otherwise transfer Schibsted shares below the defined requirements.

The requirements are set out as follows:

- CEO: 4 x base salary
- Members of Schibsted's Executive Team: 2-3x base salary
- Other LTI participants: between 10% and 100% of base salary

2.3 Share-saving program for all Group employees

In order to motivate and retain employees, all Group employees are invited annually to save up to 5 percent of their basic annual salary, subject to a maximum of NOK 50,000, through payroll deductions in order to purchase shares in Schibsted. The share purchase is made on market terms four times a year, after the release of Schibsted's quarterly results. Employees who choose to hold their shares for two years (the "Holding Period") and who are still employed by the Group at the end of the Holding Period, are entitled to receive one free bonus share from Schibsted per two shares purchased and held during the Holding Period.

3. Remuneration principles and implementation in the previous fiscal year ending 31 December 2018

The implementation of executive remuneration principles during 2018 have overall been in line with the described principles in the Statement of Executive Compensation for 2018, previously approved by Schibsted's Annual General Meeting.

4. Agreements entered into or amended in 2018 and their impact on the company and the shareholders

In 2018 Schibsted entered into agreements with selected executives regarding participation in the share-based long-term incentive plan (the LTI Plan). The Board of Directors believes that share-based remuneration promotes value creation in the Group and that the impact these agreements have on the company and shareholders is positive.

Details of salary, variable pay and other benefits provided to Group management in 2018 (in NOK 1,000):

Members of Group management [1,2]	Salary incl. holiday pay	Variable pay	Shared-based payment (earned 2018)[3]	Other benefits	Total remuneration	Accrued pension expenses
Kristin Skogen Lund [4]	354	354	-	20	728	7
Rolv Erik Ryssdal [5]	4,518	1,594	3,712	280	10,105	2,809
Trond Berger	3,034	1,128	2,050	243	6,455	1,648
Raoul Grünthal	2,925	943	2,819	44	6,731	1,065
Rian Liebenberg [6]	4,029	953	881	11	5,874	260
Sondre Gravir [7]	1,998	701	1,176	776	4,651	871

1) Some of the members receive salary in other currencies than NOK. Average annual exchange rate are used to translate the numbers in table above to NOK.
2) For members of Group management who either resigned or joined in the year, total remuneration includes all salary and other benefits received from the Group.
3) Cost details and valuation of share-based payment is disclosed in note 10.
4) Kristin Skogen Lund is CEO from December 1st. Variable pay includes a pro-rated compensation for non-enrollment in the Long Term Incentive Plan of 2018. Her contract grants her the right to take part in the company's STI and LTI from 1.12. The Board resolved to pay an additional amount and she will join the incentive schemes from 1.1.2019..
5) Rolv Erik Ryssdal was CEO until November 30th.
6) Rian Liebenberg left Schibsted in July 2018
7) Sondre Gravir left Schibsted in October 2018. Other benefits for Sondre Gravir include coverage of expenses related to expatriation.

The development in number of shares not-vested in share-based payment programs for the Group management in 2018 is as follows:

	Shares not-vested 1 January 2018	Shares granted 1)	Adjustment shares granted 2)	Shares vested 3)	Shares not-vested 31 December 2018
Kristin Skogen Lund	-	-	-	-	-
Rolv Erik Ryssdal	17,543	10,659	(786)	(5,365)	22,051
Trond Berger	10,260	6,139	(280)	(3,378)	12,741
Raoul Grünthal	8,473	8,202	-	(3,781)	12,894
Rian Liebenberg	10,187	1,672	(8,515)	(3,344)	-
Sondre Gravir	6,314	8,364	(10,157)	(4,521)	-

1) Shares granted reflects shares granted for the 2018 program and other bonuses settled in shares.
2) Adjustment shares granted mainly reflects forfeited shares and changes to number of shares granted previous years due to tax rate change.
3) Share price for vested shares are in a range of NOK 197-266.

Details of salary, variable pay and other benefits provided to Group management in 2017 (in NOK 1,000):

Members of Group management 1)	Salary incl. holiday pay	Variable pay	Shared-based payment (earned 2017) 2)	Other benefits	Total remuneration	Accrued pension expenses	Loan outstanding 3)
Rolv Erik Ryssdal	4,433	1,652	3,789	257	10,131	2,666	-
Trond Berger	2,933	1,116	2,136	240	6,425	1,509	800
Raoul Grünthal	3,529	718	2,178	59	6,484	1,050	-
Didrik Munch	3,058	1,086	1,422	263	5,829	1,705	-
Lena K. Samuelsson	2,465	381	892	29	3,767	972	-
Terje Seljeseth 4)	2,967	851	325	1,642	5,785	1,526	-
Rian Liebenberg	3,920	2,000	1,796	21	7,737	298	-
Gianpaolo Santorsola	3,267	726	1,409	264	5,666	194	-
Sondre Gravir 5)	2,957	1,086	1,098	1,097	6,238	767	-
Tina Stiegler	2,303	873	1,105	153	4,434	283	-

1) Some of the members receive salary in other currencies than NOK. Average annual exchange rate are used to translate the numbers in table above to NOK.
2) Cost details and valuation of share-based payment is disclosed in note 10.
3) Loans to Group management have no installments, and the interest rate is 1% lower than the government-set benchmark interest rate.
4) Terje Seljeseth left Schibsted in October 2017 and received 6 months severance pay, included in other benefits. Didrik Munch and Gianpaolo Santorsola resigned from Group management in December 2017.
5) Other benefits for Sondre Gravir include coverage of expenses related to expatriation.

The development in number of shares not-vested in share-based payment programs for the Group management in 2017 is as follows:

	Shares not-vested 1 January 2017	Shares granted 1)	Adjustment shares granted 2)	Shares vested 3)	Shares not-vested 31 December 2017
Rolv Erik Ryssdal	17,245	10,792	(652)	(9,842)	17,543
Trond Berger	10,868	6,096	(266)	(6,438)	10,260
Raoul Grünthal	9,056	5,142	(239)	(5,486)	8,473
Didrik Munch	11,497	6,783	(6,216)	(7,311)	4,753
Lena K. Samuelsson	4,651	2,629	(121)	(2,845)	4,314
Terje Seljeseth	11,056	7,101	(10,111)	(6,970)	1,076
Rian Liebenberg	6,430	5,635	-	(1,878)	10,187
Gianpaolo Santorsola	8,794	4,794	(1,455)	(6,700)	5,433
Sondre Gravir	5,148	4,735	15	(3,584)	6,314
Tina Stiegler	3,329	4,341	(70)	(2,438)	5,162

1) Share price for vested shares are in a range of NOK 186-196.
2) Shares granted reflects shares granted for the 2017 programs.
3) Adjustment shares granted mainly reflects forfeited shares and changes to number of shares granted previous years due to tax rate change.

Remuneration to the Board of Directors in 2018 (in NOK 1,000):

Members of the Board and Committees:	Board remuneration*	Commitee remuneration	Board remuneration from other Group companies	Total remuneration
Ole Jacob Sunde, Chairman of the Board and the Compensation Committee	1,029	121	-	1,150
Arnaud de Puyfontaine, Member of the Board and the Audit Committee until June 2018*	583	110	-	693
Christian Ringnes, Member of the Board and Chairman of the Audit Committee	483	179	-	662
Birger Steen, Member of the Board and the Audit Committee*	583	110	-	693
Eugénie van Wiechen, Member of the Board and the Compensation Committee*	583	79	-	662
Marianne Budnik, Member of the Board and the Compensation Committee from July 2018 *	583	-	-	583
Orla Noonan, Member of the Board and the Audit Committee from July 2018	583	-	265	848
Philippe Vimard, Member of the Board from June 2018	-	-	-	-
Torbjörn Harald Ek, Employee representative of the Board*	533	-	-	533
Finn Våga, Employee representative of the Board and Member of the Compensation Committee until July 2018*	533	79	-	612
Ingunn Saltbones, Employee representative of the Board and the Compensation Committee from July 2018 *	483	-	-	483
Frank Lynum, Deputy employee representative of the Board	-	-	45	45
Maria Elisabet Carling, Deputy employee representative of the Board	-	-	-	-
Total	**5,976**	**678**	**310**	**6,116**

* Board remunerations include compensation for travelling hours for directors who do not live in Oslo.

Remuneration of the Nomination Committee

Remuneration to the Chairman of the Nomination Committee was NOK 130.000 and NOK 80.000 to the other members of the committee.

NOTE 10: SHARE-BASED PAYMENT

Principle:

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 entities 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 are 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.

The programmes vested before 1 January 2018 is 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 programmes vested from 1 January 2018 with transactions for which Schibsted is obliged to withhold tax on the employee's behalf is classified entirely as share-based payment transactions settled in equity.

Effects of implementing amendment in IFRS 2 Share-based payment

Schibsted has implemented amendments to IFRS 2 Share-based Payment. The amendment relates to share-based payment transactions with a net settlement feature for withholding tax obligations.The amendments to IFRS 2 are implemented prospectively. A payment liability of NOK 13 million recognised at 31 December 2017 related to unvested share-based payment transactions is reclassified to equity at 1 January 2018.

Long-term incentive programmes

In 2015, Schibsted introduced the annual rolling programmes, Key Contributor Plan (KCP) and Senior Executive Plan (SEP). The 2015 programmes initially included 128 participants. The 2016 programmes initially included 117 participants. The 2017 programmes initially included 103 participants. In 2018, the LTI programmes was replaced by the LTI Plan. The programmes started before 2018 will remain in force for the duration of these programs. The 2018 programme includes 90 participants. In addition, certain subsidaries have separate cash-settled local programmes.

	2018	2017
Share-based payment (included in personnel expenses)	**19**	**61**
Of which is equity-settled	33	30
Of which is cash-settled	(14)	31

In 2018 a settlement of a local programme effected the cash-settled share-based cost positively by NOK 17 millon.

	2018	2017
Liabilities arising from share-based payment transactions	**26**	**75**

An amount of NOK 27 million was withheld and paid to the tax authorities in relation to the shares granted in the LTI Plan for 2018.

Key Contributor Plan and Senior Executive Plan

The SEP is a five-year program applicable for the CEO and Schibsted Executive Team, while KCP is a three-year program applicable for managers in key subsidiaries, high potentials and key contributors across the Group. All participants need to show strong performance to stay eligible for the long-term incentive programs.

At the start of the program, each participant is granted a number of shares based on a certain percentage of their fixed salary and the share price at the start of the program. CEO can be granted maximum 100 percent of fixed salary, while the maximum grants for members of the Senior Executive Team vary between 50 to 84 percent of fixed salary. Grant to participants in the KCP range from 10 percent to 50 percent of fixed salary depending on role and position.

In the SEP, the number of shares calculated at the start of the program vest in three equal tranches over a five-year period, subject to the participant's continuous employment in Schibsted. The first one-third of the shares vests at the start of the program, the second one-third vests after three years, and the final one-third after five years. In the KCP the number of shares calculated at the start of the program vest in three equal tranches over a three year period, subject to the participant's continuous employment in Schibsted. The first one third of the shares vests after one year, the second one third vests after two years, and the final one third after three years.

If the employment in Schibsted is terminated three years after grant date, Schibsted's CEO may in special occasions, such as early retirement, make discretionary exceptions and entitle a SEP participant to receive the last 1/3 of granted, but unvested shares.

LTI Plan

The LTI Plan is an annual 3-year rolling plan, part delivered in restricted shares and part delivered in performance shares, with fulfilment in Schibsted B-shares. The program is applicable to the CEO, the members of Schibsted's Executive Team, the members of management teams in the Media and Marketplaces Divisions, as well as other key employees. The participants are granted an award equivalent to a percentage of their base salary at the time of granting. The CEO receive a grant equal to 100% of the base salary, whereas other members of Schibsted's Executive Team will receive grants between 50% and 100%. Other participants will receive grants ranging from 10% to 50% of their base salary. The award consist of two separate elements; a fixed base (the "Fixed Base") comprising Restricted Stock equal to 1/3 of the grant value and a performance-related grant (the "Performance Base") equal to 2/3 of the grant value.

The Fixed Base is converted into B-shares based on the share price at the program start and transferred to participants at the start of the performance period, albeit with a 3-year holding requirement.

The Performance Base is vested at the end of the 3-year program period subject to performance and delivered to participants in B-shares. The value of any vesting is a factor of Schibsted's Total Shareholder Return ("TSR") performance over a 3-year performance period relative to a peer group. Vesting of the Performance Base is subject to a minimum performance threshold whereby Schibsted's TSR performance must be at or above the 25th percentile when compared to the peer group. Subject to the performance threshold being met, the Performance Base is vested as follows:

- At the 25th percentile, the face value of the Performance base vest at 50%
- At the 50th percentile, the face value of the Performance Base vest in full
- At or above the 75th percentile, the face value of the Performance Base vest at 300%
- Vesting in-between the above performance milestones will be on a straight-line basis

The peer group is composed mainly of companies involved in online classifieds, but also includes other media companies. The composition of the peer group is intended to reflect the underlying values in Schibsted in a balanced matter, and to ensure that the different parts of the Schibsted organization are incentivized to create stable and value creating businesses in line with Schibsted's long term strategy.

Detailed general conditions have been developed to ensure the fair and consistent governance of the Plan; these include change of control provisions, and "good leaver"/"bad leaver" provisions related to employment. The LTI Plan also includes a claw-back mechanism which would permit Schibsted to cancel unvested shares and/or to require already transferred shares to be delivered back to the Company. Such a claw-back scenario would include any event whereby Schibsted was required to restate financial statements during a program period due, for example due to material non-compliance with applicable accounting rules. A claw-back might also be enforced in the event of fraud or criminal activity, a breach of a non-competition clause or a breach of Schibsted's Code of Conduct by the participant.

As both the Fixed Base and the Performance Base are subject to absolute caps, the maximum cost of the LTI Plan will be equal the base salary of all participants multiplied by the maximum pay-out of 2.33.

The LTI Plan has replaced the previous LTI plans: the Senior Executive Plan ("SEP") and the "Key Contributor Plan" from 2018. Agreements entered into with employees under these LTI plans up until 2017, will remain in force for the duration of these programs.

Number of shares in the LTI Plan, SEP and KCP programmes:	**2018**	**2017**
Number of shares granted, not-vested at 1 January	237,390	311,323
Number of shares granted	151,932	153,632
Number of shares forfeited	(39,898)	(55,878)
Number of shares vested during the period	(129,822)	(171,687)
Number of shares not-vested at 31 December	**219,602**	**237,390**
Average share price at vesting date (NOK per share)	205	195
Average share price at grant date (NOK per share)	218	182

Number of granted shares include granted shares and adjustment of performance.
The fair value of shares granted in 2017 and 2018 is measured at grant date by adjusting the quoted price by expected dividend yield.

Settlement of rights under existing Schibsted schemes

Existing awards under the Key Contributor Plan and the Long-term Incentive Plan held by participants who will transfer to Adevinta as part of the Separation will be settled in connection with the Listing so as to align their incentives with Adevinta. Awards under the Key Contributor Plan will be settled in cash. Payment will be made in in two cash tranches. The first cash payment will be made on or about the date of the Listing whilst the second payment will be made one year after the date of Listing. Participants must be in Adevinta employment in order to be eligible for either cash payment.

Existing awards under the Senior Executive Plan will vest according to the existing schedule, with vesting dates in December 2019, 2020 and 2021 respectively. Settlement will be made in cash according to the existing terms of the Senior Executive Plan. The only condition for receiving settlement is continued employment. For participants who transfer to Adevinta as part of the Separation, the condition for settlement will be continued employment with Adevinta as of the vesting dates of the awards.

Existing awards under the Long-term Incentive Plan will be measured as of the date of the Listing, and recalculated to a number of Adevinta shares based on this measurement. Awards will be reduced on a pro rata basis to reflect that they are settled before the original vesting date. The Adevinta shares will vest one year following the Listing, subject to continued employment.

Share-saving program for all Group employees

To motivate and retain employees, all Group employees are invited to save up to 5 percent, but a maximum of NOK 50,000, annually of their base gross salary through payroll deductions in order to purchase shares in Schibsted. The shares are purchased on market terms four times a year, after the release of Schibsted's quarterly results. If still employed by the Group, participants receive one free bonus share from Schibsted per two shares purchased and held for two years.

NOTE 11: PENSION PLANS

Principle:

Schibsted has both defined contribution plans and defined benefit plans. In the defined contribution plans, the company pays an agreed annual contribution to the employee's pension plan, but any risk related to the future pension is borne by the employee. In a defined benefit plan, the company is responsible for paying an agreed pension to the employee based on his or her final pay, and the risk related to the future pension is hence borne by Schibsted.

In a defined contribution plan, the pension cost will be equal to the contribution paid to the employees' pension plan. Once the contributions have been paid, there are no further payment obligations attached to the defined contribution pension, i.e. there is no liability to record in the statement of financial position.

In a defined benefit plan, the net liability recognised is the present value of the benefit obligation at the balance sheet date, less fair value of plan assets. 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 pension expense include service cost and net interest on the net defined benefit liability recognised in profit or loss and remeasurements of the net defined benefit liability recognised in other comprehensive income.

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

In the cases where a multi-employer plan is classified as defined benefit plans, but sufficient information is not available to enable recognition as a defined benefit plan, they 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.

Estimation uncertainty:
Defined benefit plans are calculated on the basis of a set of selected financial and actuarial assumptions. Changes in parameters such as discount rates, future wage adjustment, etc. could have substantial impacts on the estimated pension liability.

Schibsted has occupational pension plans in several countries established partly as defined benefit plans (primarily in Norway), partly as multi-employer defined benefit plans accounted for as defined contribution plans (in Norway and Sweden) and partly as defined contribution plans (in Norway, Sweden and other countries).

Schibsted has its occupational pension plans for its employees in Norwegian companies with Storebrand Livsforsikring AS. These pension plans meet the requirements of the Act on Mandatory occupational pensions applicable to Norwegian companies. A significant part of the existing funded defined benefit plans are closed.

The terms of the funded defined benefit plans are mainly uniform. The benefits are mainly dependent upon number of years of employment, salary level at retirement age and the amount of benefits from the National Insurance pension. The majority of the funded defined benefit plans comprise retirement pension for life from 67 years and full retirement pension amounts to approximately 66% of the basis (limited to 12G (the social security base amount) including assumed pension from the National Insurance pension (based on calculated National Insurance pension). Some of the plans include spouse pension, child pension and disability pension.

As at 31 December 2018 the funded defined benefit plans in Norway covered approximately 943 working members and 0 retirees (1,050 in 2017). In 2017, retirees was withdrawn from the funded defined benefit plans. Paid-up policies were issued, transferring the obligation for future payments to the insurance company (Storebrand). Estimated contributions in 2019 to the above mentioned funded defined benefit plans amount to approximately NOK 67 million. Future contributions will be dependent on the accumulation period for each member's pension rights according to the principle of linear accumulation.

The terms related to contributions to defined contribution plans in Norway are mainly uniform, and for most companies the contribution in 2018 amounts to 5,55% of salaries within the interval from 1G to 7,1G and 8% in the interval from 7,1G to 12G. The plans include disability pension.

In addition to the pension obligations that arises from the funded defined benefit plans, the Group's Norwegian companies have unfunded defined benefit obligations related to disability pensions (if not covered by other pension plans or insurances), supplementary pensions for salaries above 12G, Agreement-based pension (AFP) and early retirement pensions.

The Group's companies outside Norway have pension plans, mainly defined contribution plans, in accordance with local practice and local legislation.

The Group has certain pension schemes in Norway and Sweden established as 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 2018 and 2017 required to account for these plans as defined benefit plans, and the plans are therefore accounted for as defined contribution plans.

The amounts recognised in profit or loss and in comprehensive income:

	2018	2017
Current service cost	95	101
Past service cost and gains and losses arising from settlements	(67)	(129)
Net interest on the net defined benefit liability (asset)	26	27
Remeasurements of the net defined benefit liability	27	333
Net pension expense defined benefit plans	**81**	**332**
Pension expense defined contribution plans	176	140
Pension expense multi-employer defined benefit plans accounted for as defined contribution plans	157	193
Net pension expense	**414**	**665**
Of which included in Profit or loss - Personnel expenses (note 9)	427	432
Of which included in Profit or loss - Other income and expenses	(67)	(129)
Of which included in Profit or loss - Financial expenses (note 13)	26	27
Of which included in Other comprehensive income - Remeasurements of defined pension liabilities	27	333

Past service cost comprise restructuring costs in the form of pensions as well as the effect of plan amendments.

The amounts recognised in the balance sheet:

	2018	2017
Present value of funded defined benefit obligations	1,467	1,538
Fair value of plan assets	(1,017)	(1,012)
Present value of unfunded defined benefit obligations	792	838
Net pension liability	**1,241**	**1,364**

The average duration of the defined benefit plan obligation at the end of the reporting period is 18 years (2017: 22 years).

Changes in net pension liability, present value of defined benefit obligations and plan assets:

	2018			2017		
	Net pension liability	Defined benefit obligations	Plan assets	Net pension liability	Defined benefit obligations	Plan assets
As at 1.1	1,364	2,376	1,012	1,273	4,236	2,963
Current service cost	95	95	-	101	99	(2)
Past service cost and gains and losses arising from settlements*	(67)	(177)	(110)	(129)	(2,134)	(2,005)
Interest income and expense	27	51	25	27	103	76
Remeasurements (see below)	27	23	(4)	333	332	(1)
Contributions to the plan	(95)	2	97	(117)	2	119
Payments from the plan	(84)	(85)	(1)	(73)	(211)	(138)
Business combinations and disposals	-	-	-	(25)	(25)	-
Social security costs	(26)	(26)	-	(26)	(26)	-
As at 31.12	**1,241**	**2,259**	**1,017**	**1,364**	**2,376**	**1,012**

* Past service cost in 2017 was effected by gain on amendment of pension plans and mainly related to retirees having been withdrawn from funded defined benefit plans. Paid-up policies were issued, transferring the obligation for future payments to the insurance company (Storebrand).

Remeasurements of defined benefit pension obligations include:

	2018	2017
Actuarial gains and losses arising from changes in financial assumptions	40	403
Other remeasurements (experience adjustments)	(17)	(71)
Remeasurements of defined benefit pension obligations	**23**	**332**
Remeasurements of fair value of plan assets include:		
Return on plan assets, excluding amounts included in interest	30	70
Cost of managing plan assets	(7)	(17)
Other remeasurements (experience adjustments)	(28)	(54)
Remeasurements of fair value of plan assets	**(4)**	**(1)**

The fair value of plan assets is disaggregated by class:

	2018	Quoted in active markets	Unquoted	2017	Quoted in active markets	Unquoted
Equities	15.4%	100 %	-	14.9%	100%	-
Alternative investments	0.7%	-	100 %	2.0%	-	100%
Real estate	13.7%	-	100 %	12.1%	-	100%
Bonds	9.5%	95 %	5 %	19.9%	95%	5%
Corporate bonds	16.1%	80 %	20 %	14.1%	80%	20%
Bonds - loans & receivables	35.7%	80 %	20 %	32.3%	80%	20%
Money market / other	8.4%	100 %	-	5.0%	90%	10%
Total	**100.0%**			**100.0%**		

The actual return on plan assets (value-adjusted return on relevant portfolio of assets) was approximately 0.9 % in 2018 and approximately 5.1 % in 2017.

Significant actuarial assumptions used to determine the present value of the defined benefit obligation:

	2018	2017
Discount rate	2.60 %	2.40 %
Future salary increases	2.75 %	2.50 %
Future increase in the social security base amount	2.50 %	2.25 %
Future pension increases	0.80 %	0.50 %

Schibsted determines the discount rate by reference to high quality corporate bonds. Schibsted has concluded that a deep market exists for covered bonds ("OMF-obligasjoner") in Norway and that this interest rate therefore shall be used as reference under IAS 19 Employee benefits. The 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.

Sensitivity analysis, indicating increase (decrease) in present value of defined benefit pension liabilities, for significant actuarial assumptions:

	2018	2017
Discount rate - increase 0.5 percentage points	(228)	(235)
Discount rate - decrease 0.5 percentage points	245	251
Future salary increases - increase 0.5 percentage points	150	150
Future salary increases - decrease 0.5 percentage points	(164)	(160)
Future increase in social security base amount - increase 0.5 percentage points	(81)	(77)
Future increase in social security base amount - decrease 0.5 percentage points	52	51
Future pension increases - increase 0.5 percentage points	141	152
Future pension increases - decrease 0.5 percentage points	(149)	(154)

Any increases or decreases in present value of defined benefit pension liabilities from changes in actuarial assumptions are recognised in Other comprehensive income.

NOTE 12: OTHER INCOME AND EXPENSES

Principle:
Income and expenses of a special nature are presented on a separate line within operating profit (loss). Such items are characterised by being transactions and events not considered to be part of operating activities and not being reliable indicators of underlying operations. Other income and expenses include items such as restructuring costs, acquisition-related costs, gains or losses on sale or remeasurement of assets, investments or operations and other. Acquisition-related costs may include both costs related to acquisitions done and transactions that were not completed.

	2018	2017
Gain on sale of subsidiaries, joint ventures and associates	13	1,072
Gain on sale of intangible assets, property, plant and equipment and investment property	10	-
Gain on amendments and curtailment of pension plans (note 11)	67	123
Gain from remeasurement on equity interests in business combinations	-	506
Other income or gain	**90**	**1,701**
Restructuring costs	(136)	(170)
Acquisition-related costs	(3)	(8)
Loss on sale of subsidiaries, joint ventures and associates	-	(6)
Other	(7)	(12)
Other expenses or loss	**(145)**	**(196)**
Total	**(55)**	**1,505**

2018
Gain on amendments and curtailment of pension plans includes gain on curtailment of pension plans related to restructuring of NOK 61 million and gain on amendment of pension plans of NOK 6 million. Restructuring costs are mainly related to redundancy packages and provisions for loss on office rental contracts.

2017
Restructuring costs are mainly related to structural measures in the Group, primarily in Media House Norway and in Headquarters, in total amounting to NOK 112 million.

Gain on sale of subsidiaries, joint ventures and associates mainly comprises of a gain from the sale of the associate 701 Search Pte Ltd and a gain from the sale of the subsidiary Hittapunktse AB. See note 4 Changes in the composition of the Group.

Gain on amendment of pension plans is mainly related to retirees having been withdrawn from funded defined benefit plans. Paid-up policies were issued, transferring the obligation for future payments to the insurance company (Storebrand).

Gain from remeasurement of equity interests is primarily related to the step acquisition of Yapo.cl SpA. See note 4 Changes in the composition of the Group.

NOTE 13: FINANCIAL ITEMS

Financial income and expenses consists of:

	2018	2017
Interest income	25	10
Other financial income	5	6
Total financial income	**29**	**16**
Interest expenses	(116)	(104)
Net foreign exchange loss	(12)	(60)
Impairment loss financial assets available for sale	-	(2)
Other financial expenses	(13)	(20)
Total financial expenses	**(142)**	**(187)**
Net financial items	**(113)**	**(171)**
Net foreign exchange gain (loss) consists of:		
Net foreign exchange gain (loss) currency derivatives	(33)	(144)
Net foreign exchange gain (loss) other financial instruments	21	84
Net foreign exchange gain (loss)	**(12)**	**(60)**

Schibsted hedges the majority of its currency exposure by using loans and derivatives, see note 23 Financial risk management. Net foreign exchange loss in both 2018 and 2017 are largely related to currency effects in the Group's businesses in Latin America.

Interest expenses includes NOK 36 million (NOK 38 million in 2017) related to pension liabilities and put options, see note 11 Pension plans, note 21 Financial liabilities related to business combinations and increases in ownership interests and note 25 Financial Instruments by category.

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:

	2018	2017
Interest income	25	10
Interest expenses	(130)	(123)

NOTE 14: INCOME TAXES

Principle:

Current tax liabilities and assets are measured at the amount that is expected to be paid to or recovered from the tax authorities.

Deferred tax liabilities and assets are computed for all temporary differences between the tax basis and the carrying amount of an asset or liability in the consolidated financial statements and the tax basis of tax losses carried forward. For deferred tax assets and liabilities, the nominal tax rates expected to apply when the asset is realised or the liability is paid will be used.

Deferred tax assets relating to tax deficits and other tax-reducing temporary differences are recognised to the extent that it is probable that they can be applied against future taxable income.

Deferred tax liabilities for temporary differences associated with investments in subsidiaries, associates and joint ventures are recognised when it is probable that the temporary difference will reverse in the foreseeable future. Deferred tax liabilities are not recognised for the initial recognition of goodwill.

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.

Estimation uncertainty:
Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with tax planning strategies. For unrecognized deferred tax assets see table below.

The Group's income tax expense comprises the following:

	2018	2017
Current income taxes	921	905
Deferred income taxes	43	(41)
Taxes	**963**	**864**
Of which recognised in profit or loss	965	958
Of which recognised in other comprehensive income	(2)	(90)
Of which recognised in equity	-	(4)

The Group's effective tax rate differs from the nominal tax rates in countries where the Group has operations. The relationship between tax expense and accounting profit (loss) before taxes is as follows:

	2018	2017
Profit (loss) before taxes	**1,681**	**3,144**
Estimated tax expense based on nominal tax rate in Norway	387	755
Tax effect share of profit (loss) of joint ventures and associates	(14)	27
Tax effect impairment loss goodwill	138	1
Tax effect gain from remeasurement on equity interests in business combinations	-	(121)
Tax effect other permanent differences	18	(105)
Change in unrecognised deferred tax assets	278	280
Effect of tax rate differentials abroad	153	112
Effect of changes in tax rates	5	10
Taxes recognised in profit or loss	**965**	**958**

Permanent differences include, in addition to non-deductible operating expenses, tax-free dividends and gains (losses) on sale of subsidiaries, joint ventures and associated companies. Such gains (losses) are recognised in Other income and expenses.

The Group's net deferred tax liabilities (assets) are made up as follows:

	2018	2017
Current items	(24)	(4)
Pension liabilities	(268)	(287)
Other non-current items	1,105	1,103
Unused tax losses	(1,603)	(1,377)
Calculated net deferred tax liabilities (assets)	**(790)**	**(565)**
Unrecognised deferred tax assets	1,458	1,210
Net deferred tax liabilities (assets) recognised	**667**	**646**
Of which deferred tax liabilities	901	897
Of which deferred tax assets	(233)	(251)

The Group's unused tax losses are mainly related to operations in United Kingdom, Mexico, Austria and Italy as well as other countries in which online classified operations has been established. The majority of the tax losses can be carried forward for an unlimited period. Approximately 25% of the unused tax losses expire during the period until 2028.

The development in the recognised net deferred tax liabilities (assets):

	2018	2017
As at 1 January	646	590
Change in accounting policy	(19)	-
Change included in tax expenses	43	(41)
Change from purchase and sale of subsidiaries	-	31
Translation differences	(2)	66
As at 31 December	**667**	**646**

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 those 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 15: EARNINGS PER SHARE

Principle:

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

The dilutive effect is calculated as the difference between the number of shares which can be acquired upon 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 that can be acquired based on outstanding options.

Adjusted earnings per share 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.

	2018	2017
Weighted average number of shares outstanding	238,329,205	227,529,314
Effects of dilution	232,330	274,468
Weighted average number of shares outstanding - diluted	**238,561,535**	**227,803,782**
Profit (loss) attributable to owners of the parent	648	2,130
Earnings per share (NOK)	2.72	9.36
Diluted earnings per share (NOK)	2.72	9.35
Calculation of adjusted earnings per share		
Profit (loss) attributable to owners of the parent	648	2,130
Other income and expenses	55	(1,505)
Impairment loss	747	49
Taxes and non-controlling effect of Other income and expenses and Impairment loss	(8)	106
Profit (loss) attributable to owners of the parent - adjusted	**1,442**	**780**
Earnings per share - adjusted (NOK)	6.05	3.43
Diluted earnings per share - adjusted (NOK)	6.05	3.43

NOTE 16: IMPAIRMENT ASSESSMENTS

Principle:

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, 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 an asset's fair value less costs of disposal and value in use.

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 is 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.

Estimation uncertainty:

The valuation of intangible assets in connection with business combinations and the testing of intangible assets for impairment 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 through both 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.

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. Furthermore, the risk of changes will be significantly higher in periods with uncertain macroeconomic prognosis.

The structural changes in media consumption, with accelerated migration from print to digital results in pressure on profits and cash flows for the media houses in Norway and Sweden. Rapid adaption of the business model and cost base is required to be relevant and profitable in the digital future. Inability to convert print cash flows to digital cash flows can consequently lead to a negative adjustment to the Group's cash flows.

Goodwill and trademarks with indefinite expected useful life specified on cash-generating units

		GOODWILL		TRADEMARKS, INDEFINITE	
	Operating segment	**2018**	**2017**	**2018**	**2017**
Marketplace operations France	Marketplaces	3,846	3,716	936	926
Marketplace operations Spain	Marketplaces	3,436	3,400	180	178
Marketplace operations Chile	Marketplaces	601	1,138	63	67
Marketplace operations France, Italy, Austria, Germany and UK	Marketplaces	542	536	228	226
Marketplace operations Ireland	Marketplaces	374	369	160	159
Marketplace operations Spain, Italy and Mexico	Marketplaces	-	-	1,282	1,268
Marketplace operations Sweden	Marketplaces	692	661	-	-
Marketplace operations Norway	Marketplaces	487	487	-	-
Subscription-based newspapers Norway	Publishing	237	237	431	436
Other CGUs		1,514	1,706	145	148
Total		**11,729**	**12,249**	**3,426**	**3,408**

Impairment testing / Impairment assessments
Schibsted recognised impairment losses related to goodwill of NOK 601 million in 2018 and NOK 3 million in 2017. The impairment losses in 2018 were mainly related to Compricer AB and Yapo.cl SpA.

The carrying amounts of goodwill and other intangible assets with indefinite useful lives are disclosed above. Recoverable amounts of cash generating units are estimated based on value in use. Discount rates applied takes into consideration the risk-free interest rate and risk premium for the relevant country as well as any business specific risks not reflected in estimated cash flows. Expected sustained growth reflects expected growth for the relevant market.

In estimating cash flows used in calculating value in use, consideration is given to the competitive situation, current developments in revenues and margins, trends and macroeconomic expectations for the relevant area of operations. The media houses in Norway and Sweden are experiencing pressure on profits and cash flows from the structural changes in media consumption while marketplace operations experience good growth. Schibsted has goodwill related to cash generating units in certain markets that presently recognise negative or low profitability due to large investments in market positions and immature monetization rates. Such units are dependent on future growth in profitability to recover goodwill.

For the marketplace operations in France and Spain, recoverable amount is significantly higher than the carrying amount.

The structural digital shift is continuing but Schibsted remains focused on digital product development combined with cost adaptions aiming at producing healthy cash flows and operating margins.

Value in use of the Subscription-based newspapers Norway is calculated using a pre-tax discount rate of 9.7% and a sustained growth of 0% in 2018. In 2017 pre-tax discount rate of 9.6% and sustained growth of 0% was used. Changes in significant assumptions would have increased (decreased) recoverable amount (NOK million) of those operations as at 31 December 2018 as follows:

Pre-tax discount rate	+1%	(116)
	(1%)	143
Sustained growth	+1%	103
	(1%)	(84)

An increase in pre-tax discount rate of one percentage point or a decrease in sustained growth of one percentage point would not have resulted in any impairment loss having to be recognised. The recoverable amount is also significantly affected by assumptions used for future cash flows which are uncertain. The estimated future cash flows may decrease by approximately 36% compared to the estimates actually used before any impairment loss would have to be recognised.

An impairment loss of NOK 469 million was recognised in 2018 related to the cash-generating unit marketplace operations Chile. After the impairment the carrying amount is equal to value in use.

Value in use of the marketplace operations Chile is calculated using a pre-tax weighted average discount rate of 12.9% and a sustained growth of 3% in 2018. Changes in significant assumptions would have increased (decreased) recoverable amount (NOK million) of those operations as at 31 December 2018 as follows:

Pre-tax discount rate	+1%	(74)
	(1%)	91
Sustained growth	+1%	45
	(1%)	(37)

Value in use of the marketplace operations Mexico is calculated using a pre-tax weighted average discount rate of 17.7% and a sustained growth of 3% in 2018. Changes in significant assumptions would have increased (decreased) recoverable amount (NOK million) of those operations as at 31 December 2018 as follows:

Pre-tax discount rate	+1%	(35)
	(1%)	40
Sustained growth	+1%	15
	(1%)	(13)

An increase in pre-tax discount rate of one percentage point or a decrease in sustained growth of one percentage point would not have resulted in any impairment loss having to be recognised. The recoverable amount is also significantly affected by assumptions used for future cash flows which are uncertain. The estimated future cash flows may decrease by approximately 16% compared to the estimates actually used before any impairment loss would have to be recognised.

For all cash-generating units pre-tax discount rates are determined by country and are in the range between 8.2% and 17.7%. Sustained growth is determined by cash generating unit and does not exceed 3%.

NOTE 17: INTANGIBLE ASSETS

Principle:
Intangible assets are measured at its cost less accumulated amortisation and accumulated impairment losses. Amortisation of intangible assets with a definite 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 are 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.

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.

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 software and licenses is normally 3 years, and 1.5-10 years is used for Other intangible assets. The amortisation method, expected useful life and any residual value are assessed annually.

Estimation uncertainty:
Schibsted has significant activities related to developing new technology to facilitate digital transformation and the strategy of forming identity-based ecosystems and products that improve the ability to offer targeted advertising and personalised products for customers within both online and news. Costs of developing such technology is expensed until all requirements for recognition as an asset is met. When requirements for recognition as an asset are met, the costs are capitalised. The requirements for recognition as an asset include the requirement to demonstrate probable future economic benefits and the requirement that the cost of the asset can be measured reliably. Determining whether cost shall be charged to expense or be recognised as an asset based on the existing requirements involves the use of judgement by management.

Development in net carrying amount in 2018	Goodwill	Trademarks, indefinite	Trademarks, definite	Software and licenses	Customer relations	Total
As at 1 January	12,249	3,408	10	1,150	166	16,983
Additions	-	-	1	658	2	660
Acquired through business combinations	87	-	-	3	8	98
Disposals	-	-	-	(1)	-	(1)
Reclassification	-	-	3	(3)	-	-
Amortisation	-	-	(1)	(426)	(49)	(476)
Impairment loss	(601)	(5)	-	(137)	(0)	(743)
Translation differences	(7)	23	-	(16)	(1)	(1)
As at 31 December	**11,729**	**3,426**	**12**	**1,228**	**126**	**16,521**
Of which accumulated cost	14,523	3,440	260	3,460	369	22,051
Of which accumulated amortisation and impairment loss	(2,794)	(13)	(248)	(2,232)	(243)	(5,530)

Development in net carrying amount in 2017	Goodwill	Trademarks, indefinite	Trademarks, definite	Software and licenses	Customer relations	Total
As at 1 January	10,022	3,156	10	805	107	14,100
Additions	-	-	-	661	-	661
Acquired through business combinations	1,697	99	-	35	94	1,924
Disposals	-	-	-	(1)	-	(1)
Disposals on sale of businesses	(236)	(80)	-	(4)	-	(320)
Reclassification	-	-	-	(15)	-	(15)
Amortisation	-	-	(1)	(347)	(47)	(395)
Impairment loss	(3)	(3)	-	(45)	-	(51)
Translation differences	770	235	1	61	13	1,080
As at 31 December	**12,249**	**3,408**	**10**	**1,150**	**166**	**16,983**
Of which accumulated cost	14,429	3,416	253	2,877	359	21,335
Of which accumulated amortisation and impairment loss	(2,180)	(8)	(243)	(1,728)	(192)	(4,352)

Additions in Software and licenses mainly consists of internally developed intangible assets. Research and development expenditure that do not meet the criteria for recognition as intangible assets are recognised as an expense when incurred. Such investments and maintancene of existing software reduced Gross operating profit by NOK 1,245 million in 2018 and NOK 1,214 million in 2017. Impairment of NOK 137 million from Software and licenses in 2018 are related to closure of the joint generalist platform projekt Rocket and certain other projects. For information on impairment loss on goodwill see note 16.

NOTE 18:
PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

Principle:

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

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.

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.

Property, plant and equipment and investment properties, excluding land, are depreciated on a straight line basis over their estimated useful life. Depreciation schedules reflect the assets' residual value. Items of property, plant and equipment where material components can be identified with different useful life are depreciated over the individual component's expected useful life. 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.

Development in net carrying amount in 2018	Buildings and land	Investment properties	Plant and machinery	Equipment, furniture and similar assets	Total
As at 1 January	209	67	149	564	989
Additions	4	-	6	146	156
Acquisitions through business combinations	-	-	-	1	1
Disposals	(3)	-	-	(10)	(13)
Reclassification	-	-	-	-	-
Depreciation	(18)	(3)	(53)	(182)	(256)
Impairment loss (reversal of loss)	-	-	-	(4)	(4)
Translation differences	-	-	-	(4)	(4)
As at 31 December	**192**	**64**	**102**	**511**	**869**
Of which accumulated cost	434	68	1,692	1,456	3,650
Of which accumulated depreciation and impairment loss	(242)	(4)	(1,590)	(945)	(2,781)

Development in net carrying amount in 2017	Buildings and land	Investment properties	Plant and machinery	Equipment, furniture and similar assets	Total
As at 1 January	217	67	201	534	1 019
Additions	24	-	9	171	204
Acquisitions through business combinations	-	-	-	3	3
Disposals	(18)	-	(4)	(8)	(31)
Reclassification	-	-	-	15	14
Depreciation	(15)	-	(58)	(166)	(239)
Impairment loss (reversal of loss)	-	-	2	-	2
Translation differences	2	-	-	14	16
As at 31 December	**209**	**67**	**149**	**564**	**988**
Of which accumulated cost	435	68	1 686	1 354	3 542
Of which accumulated depreciation and impairment loss	(226)	(1)	(1 537)	(790)	(2 554)

Investment properties

Schibsted has two properties classified as investment properties at year-end 2018. One of them is a separable unused property in Stavanger (Norway) with a carrying amount of NOK 63 million. The other is a commercial building in Farsund (Norway) with a carrying amount of NOK 4 million. Fair values as at 31 December 2018 are not expected to deviate significantly from the carrying amount.

NOTE 19: OTHER NON-CURRENT AND CURRENT ASSETS

	Non-current		Current	
	2018	**2017**	**2018**	**2017**
Trade receivables, net (note 7 and 20)	-	-	1,880	1,699
Prepaid expenses and accrued revenue	22	22	395	932
Income tax receivables	-	-	111	103
Loans to joint ventures and associates	-	-	59	16
Other shares	55	17	-	-
Financial derivatives (note 25)	8	5	40	52
Other receivables	46	70	699	328
Inventories	-	-	15	11
Total	**131**	**114**	**3,199**	**3,141**

NOTE 20: TRADE RECEIVABLES

	2018	2017
Trade receivables	1,984	1,799
Less provision for expected credit loss on trade receivables (note 25)	(104)	(100)
Trade receivables (net)	**1,880**	**1,699**
The aging of the past due, not impaired trade receivables:		
Up to 45 days	380	313
More than 45 days	255	224
Total	**635**	**537**

For information regarding receivables transferred from contract assets during 2018, see Note 7.
For information regarding effects of implementation of IFRS 9, see note 25

NOTE 21: FINANCIAL LIABILITIES RELATED TO BUSINESS COMBINATIONS AND INCREASES IN OWNERSHIP INTERESTS

Principle:

Contingent consideration in business combinations and the present value of future consideration to be paid related to non-controlling interests' put options over shares in subsidiaries are recognised as financial liabilities. If the agreement with non-controlling interests implies that Schibsted may be required to acquire the shares and settle the liability within a period of twelve months from the balance sheet date, the liability is classified as current. Other liabilities related to put options are classified as non-current. The requirement to settle the liability is contingent on the non-controlling interests actually exercising their put options. For agreements where the option can be exercised over a defined period, the actual settlement may therefore occur in later periods than presented in the maturity profile below. See note 25 Financial instruments by category for principles related to financial instruments.

Estimation uncertainty:
The liabilities are measured at fair value which is based on the best estimate of future considerations. The estimates take 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 estimate can be changed in future periods as the consideration to be paid is dependent upon future fair value as well as future results. Estimation uncertainty is significantly reduced due to settlement of non-controlling interest put option in January 2019, see note 32 for further information.

	Non-controlling interests' put options		Contingent considerations	
Development in net carrying amount	**2018**	**2017**	**2018**	**2017**
As at 1 January	924	969	1	5
Settlement	(102)	(53)	(1)	(1)
Change in fair value recognised in equity	198	(75)	-	-
Change in fair value recognised in profit or loss	-	-	-	(3)
Interest expenses	9	10	-	-
Translation differences	10	73	-	-
As at 31 December	**1 039**	**924**	**-**	**1**
Of which non-current (note 22)	29	39	-	-
Of which current (note 22)	1 010	885	-	1
The maturity profile of the financial liabilities				
Maturity within 1 year	1 010	885	-	1
Maturity between 1 and 2 years	29	-	-	-
Maturity between 2 and 5 years	-	39	-	-

The non-controlling interests' put option related to Finderly GmbH was settled in 2018. The most significant liabilities related to non-controlling interests' put options in 2017 are related to shareholdings in Schibsted Classified Media Spain S.L and Finderly GmbH. For information on non-controlling interests' put option settled after 31 December 2018 see note 32.

NOTE 22: OTHER NON-CURRENT AND CURRENT LIABILITIES

Principle:

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The provision is calculated on the basis of the best estimate of anticipated expenses. If the effect is material, anticipated future cash flows will be discounted, using a current pre-tax interest rate that reflects the risks specific to the provision.

Contingent liabilities and contingent assets are a possible obligation or a possible asset that may be incurred depending on the outcome of a future event, and is not recognised in the financial statements. Contingent liabilities are disclosed unless the probability that an economic settlement will be required to settle the obligation is remote. Contingent assets are disclosed where an inflow of economic benefits are probable.

Prepaid revenues and deferred revenues included in other liabilities for 2017 are reported seperately for 2018 as contract liabilities in the combined statements of financial position, following implementation of IFRS 15.

	Non-current		Current	
	2018	**2017**	**2018**	**2017**
Financial liabilities related to non-controlling interests' put options (note 21)	29	39	1,010	885
Contingent considerations business combinations (note 21)	-	-	1	1
Trade payables	-	-	1,010	1,040
Prepaid revenues	-	-	-	914
Public duties payable	-	-	751	710
Accrued salaries and other employment benefits	17	32	845	832
Accrued expenses	-	-	497	440
Provision for restructuring costs	82	114	81	109
Financial derivatives (note 25)	70	83	71	27
Other liabilities	44	58	308	387
Total	**242**	**326**	**4,575**	**5,345**

NOTE 23: FINANCIAL RISK MANAGEMENT

Capital management and funding

Schibsted aims to provide a competitive rate of return based on healthy finances. Schibsted targets to maximise the shareholders' return through long-term growth in the share price and dividend. The Group's dividend policy is to place emphasis on paying a stable to increasing dividend amount over time. In years when there is an economic slowdown, or for other reasons weaker cash flows of the company, the company may reduce or decide not to pay 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.

Funding and control of refinancing risk is handled by Group treasury on the parent company level. Schibsted has a diversified loan portfolio both in terms of loan sources and maturity profile, see note 24 Interest-bearing borrowings. The most important funding sources are banks and the Norwegian bond market. Schibsted's objective is to be considered as an investment grade rated company over time (BBB- or better). Schibsted does not have an official credit rating, but has been rated by lenders and was classified BBB. Due to new regulations most of the banks have now discontinued such ratings. Schibsted will follow up on the requirement for rating going forward. The financial flexibility is good and the refinancing risk is considered as low.

Schibsted's loan agreements contain financial covenants regarding the ratio of net interest-bearing debt (NIBD) to gross operating profit (EBITDA). The ratio shall normally not exceed 3, but can be reported at higher levels up to three quarters during the loan period, as long as the ratio stays below 4. According to the definition of the loan agreements, the ratios were 0,73 as at 31 December 2018 and 1.0 as at 31 December 2017. The target level is 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.

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

	2018	2017
Non-current interest-bearing borrowings	3,837	4,212
Current interest-bearing borrowings	389	28
Cash and cash equivalents	1,844	1,626
Net interest-bearing debt	**2,383**	**2,614**
Group equity	14,673	15,054
Net gearing (net interest-bearing debt/equity)	0.16	0.17
Undrawn long-term bank facilities (note 24)	2,984	2,952

Financial risks

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

Currency risk

Schibsted has Norwegian kroner (NOK) as its base currency, but is through its operations outside Norway also exposed to fluctuations in the exchange rates of other currencies, mainly Euro (EUR) and Swedish kronor (SEK). Schibsted has currency risks linked to both balance sheet monetary items and net investments in foreign operations. The Group makes use of loans in foreign currencies and financial derivatives (forward contracts and cross currency swaps) to reduce this currency exposure. The loans in foreign currencies and the financial derivatives are managed actively in accordance with the Group's financial strategy. As at 31 December 2018 the Group had entered into several forward contracts and several interest rate and cross currency swap agreements.

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 financial income or expenses.

As at 31 December 2018 and 31 December 2017 Schibsted has the following forward contracts, which all mature within 12 months:

		2018		2017	
	Currency	Amount	NOK	Amount	NOK
Forward contracts, sale	SEK	832	807	250	250
Forward contracts, sale	EUR	127	1,263	114	1 122
Forward contracts, sale	MXN	77	34	66	27
Forward contracts, buy	SEK	870	844	260	260
Forward contracts, buy	MXN	77	34	-	-

As at 31 December 2018 forward contracts for the sale of SEK 832 million are related to hedging of net investments in foreign operations. As at 31 December 2017 the corresponding figure was SEK 250 million. Fair value of the contracts accounted for as hedges was NOK (14) million as at 31 December 2018 and NOK (4) million as at 31 December 2017. Fair value of other forward contracts was NOK (22) million as at 31 December 2018 and NOK (15) million as at 31 December 2017.

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 December 2018 Schibsted has the following cross currency swaps, which mature in 2019-2021:

	Currency	Currency payment		NOK to receive	
Cross currency swap	EUR	21	Euribor 3 months + margin	195	Nibor 3 months + margin
Cross currency swap	EUR	40	Euribor 3 months + margin	350	Nibor 3 months + margin
Cross currency swap	EUR	43	Euribor 3 months + margin	405	Nibor 3 months + margin
Cross currency swap	SEK	161	Stibor 3 months + margin	150	Nibor 3 months + margin

The cross currency swap agreements are linked to bonds and floating rate notes and matches the payments completely during the contract period. The agreements are accounted for as hedges. The fair value of the agreements was NOK (89) million as at 31 December 2018 and NOK (74) million as at 31 December 2017.

Schibsted follows a currency hedging strategy where parts of net investments in foreign operations are hedged. As at 31 December 2018 66% of the Group's interest-bearing debt and derivatives was in EUR. Similarly, 3% of the Group's interest-bearing debt and derivatives was in SEK. As at 31 December 2017 62% of the Group's interest-bearing debt and derivatives was in EUR and 13% was in SEK.

The sensitivity of exchange rate fluctuations is as follows: if NOK changes by 10% compared to the actual rate as at 31 December 2018 for SEK and EUR, the carrying amount of the Group's net interest-bearing debt and currency derivatives in total will change by approximately NOK 179 million. Currency effects will have a limited effect on Group profits since changes in value will be tied to instruments hedging the net foreign investments or matching interest-bearing loans to non-Norwegian subsidiaries.

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

Interest rate risk

Schibsted has floating interest rates on most of its interest-bearing borrowings according to the financial strategy, see note 24 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 net interest expenses of approximately NOK 24 million.

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

As at 31 December 2018 Schibsted has the following interest rate swap agreements in NOK million:

	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 24 million as at 31 December 2018 and NOK 35 million as at 31 December 2017. The interest rate swaps involving fixed rates are accounted for as hedges with a corresponding loss related to the hedged item.

Credit risk

Trade receivables are diversified through a high number of customers, customer categories and markets. Trade receivables consist of a combination of prepaid subscription or advertisements and sales invoiced after delivery of the product. For some receivables there is no or very little credit risk (prepaid subscription and payments made by credit card at purchase date) and for other receivables the credit risk is higher. Credit risk will also vary among countries in which Schibsted operates. To some extent credit insurance is also used. In total the credit risk is considered as low. Net carrying amount of the Group's financial assets, except for equity instruments, represents maximum credit exposure, and the exposure as at 31 December 2018 is disclosed in note 25 Financial instruments by category. Exposure related to the Group's trade receivables is disclosed in note 20 Trade receivables.

Schibsted has a conservative placement policy. Excess liquidity is temporarily placed in the Group's cash pool, and at times in the short-term money market with the relationship banks. Schibsted requires all relationship banks to have a certain rating.

Liquidity risk

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

As at 31 December 2018 Schibsted has a long-term liquidity reserve of NOK 4,828 million and net interest-bearing debt is NOK 2,383 million. The liquidity reserve corresponds to 27% of the Group's turnover. At the end of 2017 Schibsted's long-term liquidity reserve was NOK 4,578 million, and net interest-bearing debt was NOK 2,614 million, where the liquidity reserve corresponded to 27% of the Group's turnover.

NOTE 24: INTEREST-BEARING BORROWINGS

Non-current interest-bearing liabilities	Carrying amount 2018	Carrying amount 2017	Fair value [1] 2018	Fair value [1] 2017	Currency	Coupon
Bonds						
ISIN NO0010637275 (2012-2019)	300	300	302	315	NOK	5.9%
ISIN NO0010667843 (2012-2022)	250	250	273	281	NOK	5.4%
ISIN NO0010667850 (2012-2022)	150	150	157	159	NOK	FRN: Nibor 3 months + 250 bps
ISIN NO0010710569 (2014-2021)	600	600	602	601	NOK	FRN: Nibor 3 months + 110 bps
ISIN NO0010786866 (2017-2024)	500	500	494	494	NOK	FRN: Nibor 3 months + 120 bps
ISIN NO0010797533 (2017- 2020)	1,000	1,000	1,003	1,002	NOK	FRN: Nibor 3 months + 100 bps
ISIN NO0010797541 (2017-2023)	600	600	602	603	NOK	FRN: Nibor 3 months + 145 bps
ISIN NO0010797558 (2017-2023)	300	300	297	300	NOK	2.825%
Total bonds	**3,700**	**3,700**	**3,730**	**3,755**		
- of this current interest bearing liabilities	300	-	302	-		
Bank loans	417	499	417	499		
Other loans	20	13	20	13		
Total non-current interest-bearing liabilities	**3,837**	**4,212**	**3,866**	**4,267**		
Current interest bearing liabilities						
Bonds, maturity <1 year	300	-	302	-		
Bank loans, overdrafts	87	22	87	22		
Other loans	2	6	2	6		
Total current interest-bearing liabilities	**389**	**28**	**391**	**28**		
Total interest-bearing liabilities	**4,227**	**4,240**	**4,257**	**4,295**		

(1) The fair value of exchange-traded bonds is quoted prices, whereas book values are assumed to represent fair value for other loans.
Schibsted has issued three bonds with fixed interest rates, where two of the bonds are hedged with interest rate swap agreements implying floating interest rates in practice for these bonds.
The nominal interest rate is not an expression of the Group's actual interest cost, as various interest rate swaps have been entered into.

Contractual amount in NOK million of interest-bearing borrowings breaks down as follows by currency:

	Interest-bearing liabilities 2018	Interest-bearing liabilities 2017
NOK	3,718	3,741
EUR	515	506
Other	-	5
Total contractual amount	4,233	4,252

Maturity profile interest-bearing liabilities and unutilised credit facilities (contractual amounts):

	Interest-bearing liabilities 2018	Interest-bearing liabilities 2017	Unutilised credit facilities 2018	Unutilised credit facilities 2017
Maturity <3 months	-	-	-	-
Maturity 3 months-1 year	392	33	-	-
Maturity 1-2 years	1,097	402	-	-
Maturity 2-5 years	2,130	2,227	2,984	2,952
Maturity >5 years	615	1,589	-	-
Total contractual amount	4,233	4,252	2,984	2,952

Credit facilities

Schibsted has a long-term revolving credit facility of EUR 300 million. The lenders consist of seven Nordic and international banks. The facility has interest terms based on Euribor with the addition of a margin, and Schibsted pays a commitment fee to maintain the facility's availability. The facility was not drawn as at 31 December 2018.

The Group also holds cash pools and bank accounts with short-term credit lines. Unutilised credit lines on these accounts are not included in the table.

Guarantees

The Group has provided guarantees of NOK 2 million. The Group has no mortgage debt.

NOTE 25: FINANCIAL INSTRUMENTS BY CATEGORY

Principle:

New standards implemented

IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 has been implemented retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. Equity instruments held at date of implementation will be presented with subsequent changes in fair value in other comprehensive income. Related AFS reserve will be reclassified from accumulated OCI to retained earnings.

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Group. The Group continued measuring at fair value all financial assets previously held at fair value under IAS 39. The following are the changes in the classification of the Group's financial assets:

- Trade receivables and Other non-current financial assets classified as Loans and receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.

- Equity investments in non-listed companies classified as AFS financial assets as at 31 December 2017 are classified and measured as Equity instruments designated at fair value through OCI beginning 1 January 2018. The Group elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.

The implementation impact of IFRS 9 is immaterial, and Schibsted's equity as at January 2018 have consequently not been adjusted upon adoption of the standard. In accordance with the IFRS 9's transitional provisions, comparative figures have not been restated.

Principle

The Group initially recognizes 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 or other comprehensive income) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.

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, Financial assets at amortized cost, Equity instruments designated at fair value through OCI and Financial liabilities at amortized cost. The classification depends on both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset

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, Other current liabilities and Other non-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.

Financial assets at amortised cost 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. Financial assets at amortised cost are recognised initially at fair value plus directly attributable transaction costs. Subsequently, financial assets at amortised cost are measured at amortised cost using the effective interest method, reduced by any impairment loss. The carrying amounts of trade and other current payables are assumed to be the same as their fair values, due to their short-term nature. Short-term loans and receivables are for practical reasons not amortised. Effective interest related to financial assets at amortised cost is recognised in profit or loss as Financial income.

The Group elected to classify irrevocably all its investments in non-listed equity instruments as equity instruments designated at fair value through OCI (FVOCI) when they meet the definition of equity under IAS 32 Financial instruments: Presentation. When designated at FVOCI, items are not recycled through profit and loss upon derecognition. Exception is made for dividends which are recognised as other income and expense in the statement profit and loss. Carrying amount of investment in equity instruments is included in the balance sheet item Other non-current assets. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial liabilities not included in any of the above categories are classified as financial liabilities at amortized cost. 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. After initial measurement, financial liabilities at amortized cost are measured at amortised cost using the effective interest method. Effective interest is recognized in income as financial expenses. Short-term financial liabilities are for practical reasons not amortized.

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. Indications of impairment is evaluated separately for each investment, but normally a 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 the years prior to 1 January 2018 Schibsted have used the incurred loss model when assessing credit quality of financial instruments. From 1 January 2018 Schibsted has assessed at each balance sheet date the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of Expected Credit Loss (ECL) recognized as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. The simplified approach using lifetime ECL forms the basis for the assessment.

For trade and other receivables Schibsted has applied the practical expedient, the carrying amount is reduced through the use of an allowance account reflecting the lifetime expected credit losses for trade and other receivables, and the loss is recognized as other operating expenses in the income statement. Impairment of all other financial assets are recognized as financial expenses.

Fair value of financial instruments is based on quoted prices at the balance sheet date 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.

Financial assets and liabilities measured at fair value are classified according to valuation method:

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.

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

Changes in fair value recognised in other comprehensive income is recognised in the line item Exchange differences on translating foreign operations. Changes in fair value recognised in profit or loss are presented in the line item Financial expenses and Other income and expenses.

Hedges
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.

In a fair value hedge, the gain or loss from remeasuring a derivative hedging instrument at fair value is recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk is also recognised in profit or loss.

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.

Estimation uncertainty:
Certain financial instruments are measured at fair value. When no quoted market price is available, fair value is estimated using different valuation techniques. Estimation uncertainty is significantly reduced due to settlement of non-controlling interest put option in January 2019, see note 32 for further information.

Carrying amount of assets and liabilities divided into categories:

31 December 2018	Note	Financial assets and liabilities at fair value through profit (loss)	Financial assets at amortised cost	Equity instruments at fair value through OCI	Financial liabilities at amortised cost	Total
Other non-current assets	19	8	68	55	-	131
Contract assets		-	280	-	-	280
Trade and other receivables	19, 20	40	3,143	-	-	3,184
Cash and cash equivalents		-	1,844	-	-	1,844
Total assets		**48**	**5,335**	**55**	**-**	**5,439**
Non-current interest-bearing borrowings	24	-	-	-	3,837	3,837
Other non-current liabilities	22	70	-	-	171	242
Current interest-bearing borrowings	24	-	-	-	389	389
Other current liabilities	22	71	-	-	4,446	4,517
Total liabilities		**141**	**-**	**-**	**8,844**	**8,985**

31 December 2017	Note	Financial assets and liabilities at fair value through profit (loss)	Loans and receivables	Financial assets available for sale	Other financial liabilities	Total
Other non-current assets	19	5	91	17	-	114
Trade and other receivables	19, 20	52	3,078	-	-	3,130
Cash and cash equivalents		-	1,626	-	-	1,626
Total assets		**57**	**4,795**	**17**	**-**	**4,869**
Non-current interest-bearing borrowings	24	-	-	-	4,212	4,212
Other non-current liabilities	22	83	-	-	215	298
Current interest-bearing borrowings	24	-	-	-	28	28
Other current liabilities	22	27	-	-	4,337	4,364
Total liabilities		**110**	**-**	**-**	**8,792**	**8,902**

The fair value of the Group's financial derivatives:

	Assets		Liabilities	
	2018	**2017**	**2018**	**2017**
Forward contracts	17	8	52	27
Interest rate and cross currency swaps	24	44	89	83
Warrants	8	5	-	-
Total	**48**	**57**	**141**	**110**

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

31 December 2018	Level 1	Level 2	Level 3	Total
Equity instruments at fair value through OCI	-	-	55	**55**
Financial assets at fair value through profit or loss	-	48	-	**48**
Financial liabilities at fair value through profit or loss	-	141	-	**141**
Financial liabilities business combinations and increases in ownership interests (note 21)	-	-	1,039	**1,039**

31 December 2017	Level 1	Level 2	Level 3	Total
Equity instruments at fair value through OCI	-	-	17	**17**
Financial assets at fair value through profit or loss	-	57	-	**57**
Financial liabilities at fair value through profit or loss	-	110	-	**110**
Financial liabilities business combinations and increases in ownership interests (note 21)	-	-	925	**925**

Changes in level 3 instruments:

	2018	2017
Net carrying amount 1 January	(908)	(962)
Additions	48	9
Disposals	(9)	(2)
Settlements	103	54
Changes in fair value recognised in equity	(198)	75
Changes in fair value recognised in other comprehensive income	(12)	(57)
Changes in fair value recognised in profit or loss	(9)	(25)
Net carrying amount 31 December	**(984)**	**(908)**

NOTE 26:
NUMBER OF SHARES

Principle:

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.

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:

	NUMBER OF A-SHARES			NUMBER OF B-SHARES			TOTAL NUMBER OF SHARES		
2017	Shares outstanding	Treasury shares	Issued	Shares outstanding	Treasury shares	Issued	Shares outstanding	Treasury shares	Issued
As at 31 December 2016	107,727,595	276,020	108,003,615	118,323,179	480,797	118,803,976	226,050,774	756,817	226,807,591
Capital increase	-	-	-	11,880,397	-	11,880,397	11,880,397	-	11,880,397
Decrease in treasury shares	15,551	(15,551)	-	259,603	(259,603)	-	275,154	(275,154)	-
As at 31 December 2017	**107,743,146**	**260,469**	**108,003,615**	**130,463,179**	**221,194**	**130,684,373**	**238,206,325**	**481,663**	**238,687,988**
Increase in treasury shares	-	-	-	(105,000)	105,000	-	(105,000)	105,000	-
Decrease in treasury shares	4,242	(4,242)	-	223,550	(223,550)	-	227,792	(227,792)	-
As at 31 December 2018	**107,747,388**	**256,227**	**108,003,615**	**130,581,729**	**102,644**	**130,684,373**	**238,329,117**	**358,871**	**238,687,988**

In November 2017 Schibsted completed a capital increase of 11,880,397 B-shares, equal to 10% of the B-shares outstanding. After the capital increase, the share capital of Schibsted ASA is NOK 119,343,994 split on 108,003,615 A-shares with a nominal value of NOK 0.50 and 130,684,373 B-shares with a nominal value of NOK 0.50. The B-shares are carrying equal rights as A-shares in all respects except that the A-shares have 10 votes per share while the B-shares have one vote per share.

No shareholder may own more than 30% of the shares or vote for more than 30% of the total number of votes which may be cast under the Company's Articles of Association.

The Annual Shareholder's Meeting has given the Board authorisation to acquire up to 10% of the company's shares as treasury shares. The authorisation was renewed at the Annual Shareholder's Meeting on 3 May 2018 for a period until the Annual Shareholder's Meeting in 2019. At the Annual Shareholder's Meeting on 3 May 2019 the Board will propose a resolution to extend the authorisation for the Board to acquire 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 Shareholder's Meeting.

Schibsted has in 2018 transferred a total of 137,307 treasury B-shares to key managers in connection with share-based payment plans. Fair value of treasury shares transferred was NOK 33 million.
In 2018, 4,242 treasury A-shares and 86,243 treasury B-shares were sold in connection with an employee share saving plan. Total consideration was NOK 15 million.
Schibsted acquired 105,000 treasury B-shares in 2018 at a total purchase price of NOK 28 million.

NOTE 27: NON-CONTROLLING INTERESTS

		2018				2017			
	Location	Non-controlling interest (%)	Profit (loss) attributable to NCI	Accu-mulated NCI	Dividends paid to NCI	Non-controlling interest (%)	Profit (loss) attributable to NCI	Accu-mulated NCI	Dividends paid to NCI
Finn.no group	Oslo, Norway	9.99%	63	59	43	9.99%	51	41	45
Aftonbladet Hierta group	Stockholm, Sweden	9.00%	7	45	13	9.00%	13	52	13
Distilled SCH group	Dublin, Ireland	50.00%	20	142	28	50.00%	13	149	24
Finderly GmbH	Vienna, Austria	-	(27)	-	-	9.05%	(31)	-	-
SCM Spain S.L	Barcelona, Spain	10.00%	26	-	4	10.00%	16	-	3
Other		-	(22)	16	4	-	(7)	19	13
Total		**-**	**68**	**262**	**92**	**-**	**55**	**261**	**98**

In December 2018 Schibsted increased its ownership interest in Finderly GmbH from 90.95% to 100%.
When put options are granted by Schibsted to holders of non-controlling interests, the related accumulated non-controlling interest is derecognised.
For information on non-controlling interests' put option settled after 31 December 2018 see note 32.

Summarised financial information for subsidiaries with material non-controlling interests:

	Finn.no group	
	2018	2017
Cash and cash equivalents	755	592
Other current assets	276	222
Non-current assets excluding goodwill	95	80
Goodwill	488	487
Total assets	**1,613**	**1,381**
Current liabilities	1,049	881
Non-current liabilities	18	25
Total liabilities	**1,067**	**906**
Operating revenues	2,029	1,811
Gross operating profit (loss)	880	678
Profit (loss)	564	447
Comprehensive income	564	447
Net cash flow from operating activities	715	702
Net cash flow from investing activities	(56)	(37)
Net cash flow from financing activities	(496)	(698)
Net increase (decrease) in cash and cash equivalents	**163**	**(33)**

Aggregate cash flows arising from obtaining control of subsidiaries and businesses:

	2018	2017
Cash in acquired companies	56	92
Acquisition cost other current assets	10	40
Acquisition cost non-current assets	99	1,927
Aggregate acquisition cost assets	**165**	**2,059**
Equity and liabilities assumed	(70)	(172)
Contingent consideration paid	(1)	1
Contingent consideration deferred	-	-
Gross purchase price	**94**	**1,888**
Fair value of previously held equity interest (note 4)	-	(517)
Cash in acquired companies	(56)	(92)
Acquisition of subsidiaries, net of cash acquired	**38**	**1,279**

Aggregate cash flows arising from losing control of subsidiaries and businesses:

	2018	2017
Cash in sold companies	-	36
Carrying amount other current assets	3	314
Carrying amount non-current assets	-	81
Aggregate carrying amount assets	**3**	**431**
Equity and liabilities transferred	(2)	(94)
Gain (loss)	5	194
Gross sales price	**6**	**531**
Fair value of retained equity interest	(5)	(2)
Cash in sold companies	-	(36)
Sales price deferred	-	(113)
Proceeds from sale of subsidiaries, net of cash sold	**1**	**380**

NOTE 28: SUPPLEMENTAL INFORMATION TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The following amounts of interest paid, and interest and dividend received are classified as cash flow from operating activities:

	2018	2017
Interest paid	(78)	(64)
Interest received	25	10
Dividends received	40	21

Changes in liabilities arising from financing activities:

	Interest-bearing borrowings	Financial derivatives	Put obligations
Debt as at 1 January 2017	2,343	53	969
Cash flows from financing activities	1,860	(88)	(53)
Foreign exchange adjustments	39	110	72
Changes in fair value	-	-	(75)
Other	(1)	-	10
Debt as at 31 December 2017	**4,240**	**75**	**924**

Changes in liabilities arising from financing activities:

	Interest-bearing borrowings	Financial derivatives	Put obligations
Debt as at 1 January 2018	4,240	75	924
Cash flows from financing activities	(19)	29	(102)
Foreign exchange adjustments	-	(15)	7
Changes in fair value	-	-	198
Other	5	-	12
Debt as at 31 December 2018	**4,227**	**89**	**1,039**

NOTE 29: TRANSACTIONS WITH RELATED PARTIES

Schibsted ASA has direct and indirect control of around 207 entities in various parts of the world. Directly-owned subsidiaries are presented in Note 7 to Schibsted ASA's financial statements.

Schibsted has ownership interests in joint ventures and associates. For loans to joint ventures and associates see note 19 Other non-current and current assets. For loans from joint ventures and associates, see note 22 Other non-current and current liabilities.

Schibsted has in 2018 received NOK 13 million from Polaris Media Group related to decreased ownership interests in subsidiary.

For remuneration to management, see note 9 Personnel expenses and remuneration.

NOTE 30: AUDITORS' REMUNERATION

Details on fees to the Group's auditors for the fiscal year 2018 (excl. VAT):

	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
Schibsted Group					
EY	15	1	6	8	30
Other auditors	1	-	-	-	1
Total	**16**	**1**	**6**	**8**	**31**
Schibsted ASA					
EY	1	-	4	2	7

Details on fees to the Group's auditors for the fiscal year 2017 (excl. VAT):

	Audit services	Other attestation services	Tax advisory services	Other non-audit services	Total
Schibsted Group					
EY	13	1	4	7	25
Other auditors	1	-	-	-	1
Total	**14**	**1**	**4**	**7**	**26**
Schibsted ASA					
EY	1	-	3	-	4

NOTE 31: LEASE AGREEMENTS

Principle:
Leases are classified as either finance leases or as operating leases. Leases that transfer substantially all the risks and rewards incidental to the asset are classified as finance leases. Other leases are classified as operating leases. All of the Group's material leases are considered to be operational. Lease payments related to operating leases are recognised as an expense over the lease term.

Future minimum payments under non-cancellable operational leases where Schibsted is the lessee:

	2018	2017
Within one year	506	506
Between one and five years	1,745	1,616
More than five years	490	464

Schibsted has lease obligations related to off-balance sheet operating assets, mainly office buildings. Rental expenses were NOK 502 million in 2018 and NOK 506 million in 2017. The most significant leases relate to the leases of Schibsted Sverige's premises in Västra Järnvägsgatan 21 in Stockholm (the agreement expires 2023), VG and Aftenposten'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 rights to an extension.

NOTE 32: EVENTS AFTER THE BALANCE SHEET DATE

Adevinta Spin-off
Schibsted announced 18 September 2018 the Board's resolution to initiate a process to reorganize the company into two growth-oriented companies. The international online classifieds operations (preliminarily named "Adevinta") will be spun off and established as an independent, listed company. The company will seek listing on Oslo Stock Exchange, Norway. First day of trading is planned 10 April 2019.

The spin-off of the Adevinta business is carried out by way of transactions and demergers of such business from Schibsted ASA as described in the steps below:

(i) Adevinta ASA was incorporated as an empty subsidiary of Schibsted ASA 9 November 2018.

(ii) Before the demerger of Schibsted ASA, certain intra-group transactions were carried out to ensure that the assets, rights and liabilities of the Adevinta business are owned by companies which are part of the Adevinta Group following completion of the spin-off which is expected 9 April 2019.

(iii) Before the demerger of Schibsted ASA, a demerger of Schibsted ASA's wholly owned subsidiary Schibsted Multimedia AS was carried out, with Adevinta ASA as the acquiring company. Through this demerger, assets representing approximately 65% of the net value of the international online classifieds business were transferred to Adevinta ASA and Schibsted ASA received shares in Adevinta ASA in consideration. These shares represented approximately 65% of the share capital of Adevinta ASA following completion of the spin-off.

(iv) Through a demerger of Schibsted ASA, assets representing approximately 35% of the net value of the international online classifieds business were transferred to Adevinta ASA and the shareholders of Schibsted ASA will receive shares in Adevinta ASA in consideration. These shares will represent approximately 35% of the total number of shares in Adevinta ASA following completion of the spin-off. The demerger was approved by the shareholders on an Extraordinary General Meeting of Schibsted ASA on 25 February 2019 and will be completed after the creditor notification period expires 8 April 2019.

Following the transactions described above, Schibsted ASA will own approximately 65% of the shares in Adevinta ASA and the shareholders of Schibsted ASA will own approximately 35% of the shares in Adevinta ASA. The transactions are expected to be completed by 9 April 2019. The transactions will be accounted for as group continuity basis in Adevinta ASA's future consolidated financial statements

Schibsted plans to retain a 60% ownership in Adevinta at the time of the listing, after selling down up to 5 percent in the market and distributing shares to Schibsted's shareholders.

Change in minority interests

23 January 2019 Schibsted announced the aquisition of 10 percent of SCM Spain, increasing the ownership to 100 percent. Consideration paid for the shares was EUR 100 million.

DEFINITIONS AND RECONCILIATIONS

The consolidated financial statement is prepared in accordance with international financial reporting standards (IFRS). In addition, management uses certain alternative performance measures (APM). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the business' performance and financial position alongside IFRS measures.

APMs should not be considered as a substitute for or superior measures of performance in accordance with IFRS. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described and reconciled below. As APMs are not uniformly defined, the APMs set out below might not be comparable with similarly labelled measures by other companies.

Operating segments were changed from 1 January 2018, and effected APM's are restated retrospectively to give comparable information. See note 6 Operating Segments for more information.

Alternative Performance Measures

MEASURE	DESCRIPTION	REASON FOR INCLUDING
EBITDA (before other income and expenses, impairment, joint ventures and Associates)	EBITDA (before other income and expenses, impairment, joint ventures and Associates) Equals gross operating profit (loss). Gross operating profit is operating profit excluding depreciation and amortisation, Share of profit (loss) of joint ventures and associates, Impairment loss and Other income and expenses.	Shows performance regardless of capital structure, tax situation and adjusted for income and expenses related transactions and events not considered by management to be part of operating activities. Management believes the measure enables an evaluation of operating performance.
EBITDA (before other income and expenses, impairment, joint ventures and Associates) ex. Investment phase	EBITDA (before other income and expenses, impairment, joint ventures and Associates) ex. investment phase is the gross operating profit from developed operations. The excluded operations are characterized by growth phase with large investments in market positions, immature monetization rate and sustainable profitability has not been reached.	Convey information of segment profitability in developed phase operations.
Underlying tax rate	Underlying tax rate is defined as tax cost excluding effects that do not result in current tax payables.	Management believes that adjusted tax rate represent a more understandable measure of what is tax payable by the Group.
Liquidity reserve	Liquidity reserve is defined as the sum of cash and cash equivalents and Unutilised drawing rights on credit facilities.	Management believes that liquidity reserve show the total liquidity available for meeting current or future obligations.
Net interest-bearing debt	Net interest-bearing debt is defined as interest bearing liabilities less cash and cash equivalents and cash pool holdings.	Management believes that net interest-bearing debt provides an indicator of the net indebtedness and an indicator of the overall strength of the statement of financial position. The use of net interest-bearing debt does not necessarily mean that the cash and cash equivalent and cash pool holdings are available to settle all liabilities in this measure.
Earnings per share adjusted EPS (adj.)	Earnings per share adjusted for other income and expenses, impairment loss, non-controlling interests related to other income and expenses and impairment loss and taxes.	The measure is used for comparing earnings to shareholders adjusted for income and expenses related transactions and events net of tax not considered by management to be part of operating activities. Management believes the measure enables an evaluation of value created to shareholder excluding effects of non operating events and transactions.

Reconciliation of EBITDA (before other income and expenses, impairment, joint ventures and Associates)

	2018	2017
Gross operating profit (loss)	3,268	2,606
= EBITDA (before other income and expenses, impairment, joint ventures and Associates)	3,268	2,606

Reconciliation of EBITDA (before other income and expenses, impairment, joint ventures and Associates) ex. Investment phase

	2018	2017
Gross operating profit (loss)	3,268	2,606
- EBITDA (before other income and expenses, impairment, JVs and Associates) Investment phase Marketplaces	(442)	(676)
- EBITDA (before other income and expenses, impairment, joint ventures and Associates) Investment phase Other	1	-
= EBITDA (before other income and expenses, impairment, joint ventures and Associates) ex. Investment phase	3,709	3,282

Other Marketplaces companies are companies not included in proportionally consolidated Marketplaces, that mainly consist of holding companies and overhead within Marketplaces International.

Marketplaces operations - Developed phase and Investment phase

Online classifieds - Developed phase

Subsidiaries

Norway:	Finn, MittAnbud and Lendo
Sweden:	Blocket, Servicefinder and Bytbil
France:	Leboncoin, MB Diffusion, Kudoz and Avendrealouer
Italy:	Subito, Infojobs
Spain:	mainly Coches, FotoCasa, Vibbo, Milanuncios, InfoJobs, Habitaclia
Ireland:	Daft, Done Deal and Adverts
Hungary:	Hasznaltauto, Jofogas
Colombia:	Fincaraiz
Brazil:	Infojobs

Joint ventures and associates

Malaysia:	Mudah (until Q2 2017)
Austria:	Willhaben
Brazil:	OLX (increased ownership from 25% to 50% from Q3 2017)

Online classifieds - Investment phase

Subsidiaries

Finland:	Tori
Chile:	Yapo (as subsidiary from Q3 2017)
Mexico:	Segundamano
Belgium:	Kapaza (until Q2 2017)
Belarus:	Kufar
Tunisia:	Tayara
Morocco:	Avito
Dominican Republic:	Corotos
Portugal:	Custo Justo
Shpock in all markets:	Austria, Germany, United Kingdom, Norway, Sweden and Italy

Joint ventures and associates

Chile:	Yapo (as 50% JV until Q2 2017)
Vietnam:	Cho Tot (until Q2 2017)
Indonesia:	OLX
Thailand:	Kaidee (until Q2 2018)
Bangladesh:	Ekhanei (until Q2 2017)

Reconciliation of underlying tax rate

	2018	2017
Profit (loss) before taxes	1,681	3,144
Share of profit (loss) of joint ventures and associates	(60)	113
Other losses for which no deferred tax benefit is recognised	1,035	1,000
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	(13)	(1,023)
Impairment losses (goodwill and associates)	731	3
"Adjusted" tax base	3,375	3,237
Taxes	965	958
Adjusted effective tax rate	28.6 %	29.6 %

Reconciliation of liquidity reserve

	2018	2017
Cash and cash equivalents	1,844	1,626
+ Unutilised drawing rights on credit facilities	2,984	2,952
= Liquidity reserve	4,828	4,578

Reconciliation of net interest-bearing debt

	2018	2017
Non-current interest-bearing borrowings	3,837	4,212
+ Current interest-bearing borrowings	389	28
- Cash and cash equivalents	1,844	1,626
= Net interest-bearing debt	2,383	2,614

Reconciliation of earnings per share - adjusted

	2018	2017
Profit (loss) attributable to owners of the parent	648	2,130
- Other income and expenses	55	(1,505)
- Impairment loss	747	49
+ Taxes and Non-controlling interests related to Other income and expenses and Impairment loss	(8)	106
= Profit (loss) attributable to owners of the parent - adjusted	1,442	780
Earnings per share – adjusted (NOK)	6.05	3.43
Diluted earnings per share – adjusted (NOK)	6.05	3.43

Currency rates used when converting profit or loss

	2018	2017
Swedish krona (SEK)	0.9364	0.9680
Euro (EUR)	9.5995	9.3301

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2018	2017
Operating revenues	16	**86**	**156**
Personnel expenses	4	(127)	(153)
Depreciation and amortisation		(7)	(5)
Other operating expenses	3, 16, 17	(151)	(235)
Operating profit (loss)		**(199)**	**(237)**
Financial income	5	1,898	1,297
Financial expenses	5	(506)	(1,428)
Net financial items		**1,392**	**(131)**
Profit (loss) before taxes		**1,193**	**(368)**
Taxes	6	(174)	(147)
Profit (loss)		**1,019**	**(515)**

STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	31 December 2018	31 December 2017
ASSETS			
Deferred tax assets	6	89	91
Intangible assets		19	22
Property, plant and equipment		4	6
Investments in subsidiaries	7	23,156	20,113
Investments in associates	7	128	128
Other non-current assets	8	6,096	7,827
Non-current assets		**29,492**	**28,187**
Current assets	8	988	979
Cash and cash equivalents	9	1,138	1,131
Current assets		**2,126**	**2,110**
Total assets		**31,618**	**30,297**
EQUITY AND LIABILITIES			
Share capital		119	119
Other paid-in capital		6,721	6,690
Retained earnings		9,943	9,414
Equity	10	**16,783**	**16,223**
Pension liabilities	12	269	279
Other non-current liabilities	13, 14	3,893	4,302
Non-current liabilities		**4,162**	**4,581**
Current liabilities	13, 14	**10,673**	**9,493**
Total equity and liabilities		**31,618**	**30,297**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

(NOK million)	Note	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before taxes		1,193	(368)
Taxes paid	6	(154)	(5)
Depreciation and amortisation		7	5
Impairment loss on shares / net reversal of impairment loss	5	-	1,063
Share-based payment		1	(3)
Group contributions included in financial income	5	(852)	(823)
Dividend not included in financial income		-	246
Change in non-current assets and liabilities	8	(86)	151
Net effect pension liability		(20)	3
Change in working capital	8	(446)	(85)
Net cash flow from operating activities		**(357)**	**184**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible assets and property, plant and equipment		(2)	(20)
Change in subsidiaries receivables and liabilities in cash pool (net)	8, 13	4,956	(842)
Group contributions (net)		818	266
Acquisitions of and capital increase in subsidiaries		(1,359)	(2,630)
Repayment of non-current loans to subsidiaries	8	(3,627)	(206)
Sale of shares		-	-
Net cash flow from investing activities		**786**	**(3,432)**
CASH FLOW FROM FINANCING ACTIVITIES			
Capital increase	10	-	2,491
New interest-bearing loans and borrowings	13	-	3,800
Repayment of interest-bearing loans and borrowings	13	(27)	(1,927)
Dividends paid	10	(417)	(396)
Purchase / sale of treasury shares	10	22	54
Net cash flow from financing activities		**(422)**	**4,022**
Net increase (decrease) in cash and cash equivalents		**7**	**774**
Cash and cash equivalents as at 1 January		1,131	357
Cash and cash equivalents as at 31 December	9	**1,138**	**1,131**

* Change in working capital consist of changes in trade receivables other current receivables - and liabilities and other accruals

NOTE 1: COMPANY INFORMATION

Schibsted ASA is the parent company of the Schibsted Media Group. The financial statements of the holding company cover the head office activities. Activities at head office include the Group´s executive management and the corporate and common functions within finance, HR, legal, M&A, communication, learning and development.

The financial statements for Schibsted ASA for the year 2018 were approved by the Board of Directors on 21 March 2019 and will be proposed to the General Meeting 3 May 2019.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The financial statements for Schibsted ASA have been prepared in accordance with the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway.

All amounts are in NOK million unless otherwise stated.

Cash and cash equivalents

Schibsted ASA is the ultimate parent of Schibsted's multi-currency corporate cash pool system. Schibsted ASA's funds in the cash pool are classfied as Cash and cash equivalents. The subsidiaries positions in the cash pool are recognised as receivables and liabilities in Schibsted ASA's balance sheet. Liabilities are classified in their entirety as current. The classification of receivables as current or non-current depends on agreement with each subsidiary.

Cash and cash equivalents consist of bank deposits and other monetary instruments with a maturity of three months or less.

Revenue recognition

Revenues are recognised in the period when the services are rendered.

Classification

An asset or liability is classified as current when it is part of a normal operating cycle, held primarily for trading purposes, falls due within 12 months or when it consist of cash or cash equivalents on the statement of financial position date. Other items are classified as non-current.

Shares

Subsidiaries are all entities controlled, either directly or indirectly, by Schibsted ASA. For further information concerning evaluation whether Schibsted ASA controls an entity, please see note 2 in the consolidated financial statement.

Shares are classified as investment in subsidiaries from the date Schibsted ASA effectively obtains control of the subsidiary (acquisition date) and until the date Schibsted ASA ceases to control the subsidiary.

An associate is an entity that Schibsted ASA, directly or indirectly through subsidiaries, has significant influence over. Significant influence is normally presumed to exist when Schibsted controls 20% or more of the voting power of the investee.

Subsidiaries and associates are recognised according to the cost method and yearly testet for impairment.

Group contributions and dividends received are recognised as financial income provided that it does not represent a repayment of capital invested. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet.

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. Impairment losses are reversed if the basis for the impairment is no longer present.

Leases

Leases are classified as either finance leases or 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. All of the company´s leases are considered to be operational. Lease payments related to operating leases are recognised as expenses over the lease term.

Foreign currency

Foreign currency transactions are translated into the functional currency on initial recognition by using the spot exchange rate at the date of the transaction. Foreign currency monetary items are translated with the closing rate at the balance sheet date. 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 recognised at nominal value less provision for expected loss.

Treasury shares

Acquisition and proceeds from sale of treasury shares are accounted for as equity transactions.

Pension plans

Schibsted ASA has chosen, in accordance with NRS 6, to use measurement and presentation principles according to IAS 19R – Employee Benefits.

The accounting principles for pension are consistent with the accounting principles for the Group, as described in note 11 Pension plans in the consolidated financial statement.

Share-based payment

Schibsted ASA accounts for share-based payment in accordance with NRS 15A Share-Based Payment. NRS 15A requires share-based payments to be accounted for as required by IFRS 2 Share-based Payment. See note 10 Share-based Payment to the consolidated financial statements for additional information.

Taxes

Tax expense (tax income) comprises current tax payable and changes to deferred tax assets/liabilities. Deferred tax liabilities and assets are computed for all temporary differences between the tax basis and the carrying amount of an asset or liability in the financial statements and the tax basis of tax losses carried forward. Deferred tax assets are recognised only when it is probable that the asset will be utilised against future taxable profit. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Contingent liabilities

Contingent liabilities are recognised when it is more probable than not that future uncertain events will result in outflow of economic resources. 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

Dividend for the financial year, as proposed by the Board of Directors, is recognised as a liability as at 31 December.

Statement of cash flows

The statement of cash flows is prepared under the indirect method. Cash and cash equivalents include cash, bank deposits and cash on hand.

NOTE 3: OTHER OPERATING EXPENSES

	2018	2017
Rent and maintenance	19	34
Office and administrative expenses	10	21
Restructuring costs	(8)	40
Professional fees	101	99
Travel, meetings and marketing	29	41
Total operating expenses	**151**	**235**

Restructuring costs in 2017 were mainly related to structural changes. Some of these costs were reversed in 2018 as Schibsted ASA renegotiated some of the agreements.

NOTE 4: PERSONNEL EXPENSES

	2018	2017
Salaries and wages	82	108
Social security costs	13	15
Net pension expense (note 12)	13	15
Other personnel expenses	10	7
Share-based payment	9	8
Total personnel expenses	**127**	**153**
Number of FTEs, including trainees	64	88

Kristin Skogen Lund is the CEO of both Schibsted ASA and the group.

For further information concerning remuneration to management and share-based payment, see note 9 Personnel expenses and remuneration and note 10 Share-based payment in the consolidated financial statements.

For information related to auditor's fee, see note 30 Auditors' remuneration in the consolidated financial statements.

NOTE 5: FINANCIAL ITEMS

Financial income consists of:

	2018	2017
Interest income	23	10
Interest income cash pool	154	165
Group contributions received	852	823
Dividends from subsidiaries	436	86
Dividends from associates	22	17
Foreign exchange gain (agio)	411	196
Total	**1,898**	**1,297**

Financial expenses consist of:

	2018	2017
Interest expenses	76	64
Interest expenses cash pool	36	38
Interest expenses on pension plans (note 12)	5	6
Impairment on shares	-	1,063
Foreign exchange loss (disagio)	379	239
Other financial expenses	10	18
Total	**506**	**1,428**

Interest expenses relates to bonds and bank loans, as well as financial derivatives.

All material foreign exchange gains and losses relates to financial derivatives, loans and bank balances. See note 13 Non-current and current liabilities for further details. Foreign exchange gains must be seen in connection with foreign exchange losses.

Schibsted ASA undertake treasury operations to offset currency exposure for the Group as a result of foreign investments.

In connection with a reorganization process of the group, the ownership of Schibsted Marketplaces AB was moved from Schibsted Sverige AB to Schibsted ASA. The transaction was carried out as a dividend, using a book value of NOK 2,468 million. NOK 436 million were recognized as financial income, while NOK 2,032 million were reallocated from the aquisition cost of Schibsted Sverige AB to Schibsted Marketplaces AB.

Shares in Schibsted Products & Technology UK Ltd were written down by NOK 1,070 million in 2017. The company has been transferred to Schibsted Classified Media AS in 2018.

NOTE 6: INCOME TAXES

Set out below is a specification of the difference between the profit before taxes and taxable income of the year:

	2018	2017
Profit (loss) before taxes	1,193	(368)
Dividends and tax free group contributions received	(458)	(104)
Group contributions payable	(54)	(5)
Other permanent differences	2	1,067
Change in temporary differences	10	69
Effect of unrecognised actuarial gain (loss) in the pension liability	(10)	(1)
Effect of Capital increase costs, recognised in equity (note 10)	-	(16)
Taxable income	**682**	**642**
Tax rate	23 %	24 %

Taxes payable and taxes charged to expenses are calculated as:

	2018	2017
Calculated taxes payable	157	154
Change in net deferred tax asset	6	(9)
Tax related to change in tax rate on deferred tax	(4)	(4)
Tax related to Capital increase costs, recognised in equity (note 10)	-	4
Tax related to unrecognised actuarial gain (loss) in the pension liability	2	-
Tax related to Group contributions payable	13	1
Tax expense	**174**	**147**

Effective tax rate is a result of:

	2018	2017
Profit (loss) before taxes	1,193	(368)
Tax charged based on nominal rate	274	(88)
Tax effect permanent differences	(105)	227
Tax of Capital increase, recognised in Equity (note 10)	-	4
Tax related to change in tax rate from 23% to 22% (24% to 23%) on deferred tax	4	4
Taxes	**174**	**147**

The net deferred tax liability (asset) consists of the following:

	2018	2017
Temporary differences related to:		
Property, plant and equipment	(1)	(1)
Pension liabilities	(264)	(261)
Other current liabilities	(141)	(135)
Total basis for deferred tax liability (asset)	**(406)**	**(397)**
Tax rate	22 %	23 %
Net deferred tax liability (asset) with applicable year's tax rate	(93)	(95)
The effect on Net deferred tax liability (asset) related to change in tax rate from 24% to 23% (25% to 24%)	4	4
Net deferred tax liability (asset)	**(89)**	**(91)**

NOTE 7: SUBSIDIARIES AND ASSOCIATES

Schibsted ASA is the ultimate parent company in the Schibsted Media Group with operations world wide. For more information about these operations, see note 6 Operating segments to the consolidated financial statements.

Shares in subsidiaries directly owned by Schibsted ASA:

	Ownership and voting share	Location	Carrying amount 2018	Carrying amount 2017
Schibsted Multimedia AS	100,00 %	Oslo, Norway	15,273	12,241
Schibsted Products & Technology UK Ltd	100,00 %	London, United Kingdom	-	1,075
Schibsted Products & Technology Switzerland AG	100,00 %	Sachseln, Switzerland	2	2
Schibsted Tech Polska sp. z.o.o *	100,00 %	Krakow, Poland	-	-
Schibsted ePayment AS	100,00 %	Oslo, Norway	14	14
Schibsted Eiendom AS	100,00 %	Oslo, Norway	105	87
Schibsted Norge AS	100,00 %	Bergen, Norway	-	2,502
Schibsted Media AS	100,00 %	Oslo, Norway	3,203	-
Schibsted Sverige AB	100,00 %	Stockholm, Sweden	-	2,733
Schibsted Marketplaces Sweden AB	100,00 %	Stockholm, Sweden	2,468	-
Schibsted Enterprise Technology AB	100,00 %	Stockholm, Sweden	2	-
Finn.no AS	90,01 %	Oslo, Norway	1,454	1,428
Schibsted Vekst AS *	96,00 %	Oslo, Norway	32	31
Adevinta ASA	100,00 %	Oslo, Norway	1	-
Schibsted AG Verlagsgesellschaft	100,00 %	Berlin	-	-
Kapaza Belgium NV	100,00 %	Brussel, Belgium	4	-
Schibsted Classified Media Suomi Oy	100,00 %	Helsinki, Finland	598	-
Total			**23,156**	**20,113**

* Direct ownership and voting shares in Schibsted Vekst and Schibsted Tech Polska are 10.00% and 1.00%, respectively. For these companies the table also includes shares in subsidiaries where Schibsted ASA has indirect control.

2018

1 Group contributions payable (net) is capitalised as part of investments, with a total of NOK 42 million.

2 In addition to group contribution, Schibsted Multimedia received new equity of NOK 3 009 million, including the direct ownership of Schibsted Products & Technology. UK Ltd.

3 Adevinta ASA was established in 2018 and received new equity of NOK 1 million. In addition Schibsted Media AS was established by receiving new equity of NOK 3,203 million. The transaction included the shares in Schibsted Sverige AB and Schibsted Norge AS. Furthermore the ownership of Schibsted Marketplaces AB was moved from Schibsted Sverige AB to Schibsted ASA. See note 5 Financial items.

5 A dividend of NOK 26 million from Schibsted Norge AS was settled in 2018. The dividend consisted of shares in Finn.no.

6 Schibsted Enterprise Technology AB was bought from Schibsted Products & Technology UK Ltd.

7 Kapaza Belgium and Schibsted Classified Media Suomi Oy was bought from Schibsted Classified Media NV.

Shares in associates:

	Ownership and voting share	Location	Carrying amount 2018	Equity	Profit (loss)
Polaris Media ASA	28.97 %	Trondheim, Norway	127	1,828	95
Svanedamsveien 10 AS	31.40 %	Kristiansand, Norway	1	54	4
Total			**128**		

* Ownership and voting share for Svanedamsveien 10 AS include shares own indirect by Schibsted ASA. Direct ownership and voting shares in Svanedamsveien 10 AS is 25 %.

Fair value of the shares in Polaris Media ASA is NOK 374 million as at 31 December 2018.

NOTE 8: NON-CURRENT AND CURRENT RECEIVABLES

	NON-CURRENT		CURRENT	
	2018	**2017**	**2018**	**2017**
Group companies' liabilities in cash pool	2,928	7,174	-	-
Other receivables from Group companies	3,164	646	932	929
Other receivables	4	7	39	34
Financial derivatives	-	-	17	16
Total	**6,096**	**7,827**	**988**	**979**

Non-current receivables from Group companies in 2018 consist of loan to Schibsted Classified Media AS of NOK 2 487 million, a loan to Schibsted France SAS of NOK 676 million, and a loan to Sentinel Software AS of NOK 2 million.

NOTE 9: CASH AND CASH EQUIVALENTS

	2018	**2017**
Net assets in cash pool	386	1,131
Net assets outside the cash pool	752	-
Total Cash and cash equivalents	**1,138**	**1,131**

Schibsted ASA has a multi-currency cash pool with Danske Bank and a EUR cash pool with BNP Paribas, in which almost all the Nordic and some of the European subsidiaries are included. These cash pools has been established to optimise liquidity management for Schibsted.

The Group has an overdraft facility of NOK 400 million linked to the cash pool with Danske Bank and an uncommitted overdraft facility of EUR 10 million linked to the cash pool with BNP Paribas. At year-end 2018 these facilities were not drawn.

Excess liquidity is placed in our relationship banks, in the cash pool or in the short-term money market.

Payroll withholding tax is not restricted cash as Schibsted holds a tax guarantee for the purpose.

NOTE 10: EQUITY

	Share capital	Treasury shares	Other paid-in capital	Retained earnings	Total
Equity as at 31 December 2017	**119**	**-**	**6,690**	**9,414**	**16,223**
Capital increase - Placement of shares	-	-	-	-	-
Change in treasury shares	-	-	26	(5)	21
Share-based payment		-	5	-	5
Unrecognised actuarial gain (loss) in pension plans	-	-	-	(8)	(8)
Profit (loss)	-	-	-	1,019	1,019
Dividend	-	-	-	(477)	(477)
Equity as at 31 December 2018	**119**	**-**	**6,721**	**9,943**	**16,783**

The share capital of Schibsted ASA is NOK 119,343,994 divided on 108,003,615 A-shares of NOK 0.50 par value and 130,684,373 B-shares of NOK 0.50 par value. Treasury shares as at 31 December 2018 comprise 256,227 A-shares and 102,644 B-shares. The par value of treasury shares is presented on a separate line within other paid-in capital with a negative amount. For more information on number of shares, see note 26 Number of shares to the consolidated financial statements.

For the year 2018, NOK 2.00 has been allocated for the distribution of dividends to the Shareholders for each owned A and B share.

In September 2018 Schibsted announced a propose of reorganizing the Group into two growth-oriented companies. See note 18 Events after the reporting period.

NOTE 11: SHAREHOLDER STRUCTURE

The 20 largest shareholders as at 31 December 2018

	Number of A-shares	Number of B-shares	Toal number of shares	Ownership	Voting share
Blommenholm Industrier AS	28,188,589	28,598,589	56,787,178	23.8 %	25.6 %
Folketrygdfondet	6,121,141	11,159,950	17,281,091	7.2 %	6.0 %
NWT Media AS	4,274,300	4,063,000	8,337,300	3.5 %	3.9 %
State Street Bank And Trust Comp *	2,516,097	5,321,907	7,838,004	3.3 %	2.5 %
Alecta Pensionsforsakring, Omsesid	3,464,000	3,633,600	7,097,600	3.0 %	3.2 %
State Street Bank and Trust Comp	3,267,810	2,477,982	5,745,792	2.4 %	2.9 %
Deutsche Bank Aktiengesellschaft	433,517	4,728,332	5,161,849	2.2 %	0.7 %
State Street Bank And Trust Comp *	2,066,438	2,711,094	4,777,532	2.0 %	1.9 %
Goldman Sachs & Co. Llc *	325,102	4,157,393	4,482,495	1.9 %	0.6 %
Ako Master fund Ltd	2,561,356	1,275,542	3,836,898	1.6 %	2.2 %
Morgan Stanley & Co. Llc *	1,250,625	2,106,204	3,356,829	1.4 %	1.2 %
The Northern Trust Comp, London Br *	1,510,712	1,467,545	2,978,257	1.2 %	1.4 %
Ubs Securities Llc *	2,160,420	771,870	2,932,290	1.2 %	1.8 %
JPMorgan Chase Bank, N.A., London *	1,380,744	1,285,819	2,666,563	1.1 %	1.2 %
State Street Bank And Trust Comp *	1,356,557	1,057,928	2,414,485	1.0 %	1.2 %
Verdipapirfondet Dnb Norge (IV)	723,246	1,536,521	2,259,767	0.9 %	0.7 %
JPMorgan Chase Bank, N.A., London *	1,997,700	248,922	2,246,622	0.9 %	1.7 %
BNP Paribas Securities Services	1,124,216	1,065,170	2,189,386	0.9 %	1.0 %
JPMorgan Chase Bank, N.A., London *	1,172,679	1,009,349	2,182,028	0.9 %	1.1 %
Citigroup Global Markets Ltd	1,106,810	1,000,103	2,106,913	0.9 %	1.0 %
Total 20 largest shareholders	**67,002,059**	**79,676,820**	**146,678,879**	**61.5 %**	**61.9 %**

*) Nominee accounts.

The list of shareholders is based on the public VPS list. For further information regarding the underlying 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 A-shares	Number of B-shares	Toal number of shares
Ole Jacob Sunde (Chairman of the Board)	40,000	100,000	140,000
Birger Steen (Member of the Board)	520	-	520
Marianne Budnik (Member of the Board)	-	-	-
Christian Ringnes (Member of the Board)	40,000	40,000	80,000
Philippe Vimard	-	-	-
Eugénie Van Wiechen (Member of the Board)	-	-	-
Orla Noonan (Member of the Board)	2,500	2,500	5,000
Ingunn Saltbones (Employee representative)	416	674	1,090
Torbjörn Ek (Employee representative)	133	493	626
Finn Våga (Employee representative)	96	96	192
Kristin Skogen Lund	-	-	-
Rolv Erik Ryssdal	20,357	51,305	71,662
Trond Berger	4,425	38,810	43,235
Raoul Grünthal	17,484	26,004	43,488
Total Board of Directors and Group Management	**125,931**	**259,882**	**385,813**

The total number of issued shares in Schibsted ASA is 108,003,615 A-shares and 130,684,373 B-shares as at 31 December 2018. The number of shareholders as at 31 December 2018 is 5,099. Foreign ownership is 56.2% (57.1% in 2017). See note 26 to the consolidated financial statement for more information regarding number of shares.

The Chairman of the Board, Ole Jacob Sunde is also member of the Board in Blommenholm Industrier.

NOTE 12: PENSION PLANS

The company is obliged to have an occupational pension scheme in accordance with the Act on Mandatory Company Pensions ("Lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of the Act.

As at 31 December 2018 the pension plans covered 14 working members and 23 retirees (total 75 as at 31 December 2017). Note 11 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:

	2018	2017
Current service cost	9	10
Net interest on the net defined benefit liability	5	6
Net pension expense – defined benefit plans	**14**	**16**
Pension expense defined contribution plans	3	4
Pension expense multi-employer defined benefit plans accounted for as defined contribution plans	1	1
Net pension expense	**18**	**21**
Of which included in Profit or loss - Personnel expenses	13	15
Of which included in Profit or loss - Financial expenses	5	6

Amounts recognised in the balance sheet:

	2018	2017
Present value of funded defined benefit liabilities	27	26
Fair value of plan assets	(20)	(19)
Present value (net of plan assets) of funded defined benefit liabilities	**7**	**7**
Present value of unfunded defined benefit liabilities	262	272
Net pension liabilities	**269**	**279**
Social security tax included in present value of defined benefit liabilities	33	34

Changes in pension liabilities:

	2018	2017
As at 1 January	279	275
Net pension expense	14	16
Contributions / benefits paid	(34)	(13)
Unrecognised actuarial gain (loss) recognised in equity (incl. tax)	10	1
As at 31 December	**269**	**279**

New measurement of defined benefit obligation includes:	2018	2017
Actuarial gains and losses arising from changes in financial assumptions	2	14
Other effects of remeasurement (experience deviation)	8	(13)
Remeasurement of defined benefit liabilities	**10**	**1**

NOTE 13:
NON-CURRENT AND CURRENT LIABILITIES

	NON-CURRENT		CURRENT	
	2018	2017	2018	2017
Liabilities to credit institutions (note 14)	421	505	90	27
Bond issues (note 14)	3,400	3,700	300	-
Financial derivatives	70	83	71	27
Dividends accrued	-	-	477	417
Group companies receivables in cash pool	-	-	9,426	8,717
Other liabilities to Group companies	-	-	68	15
Other liabilities	2	14	241	290
Total	**3,893**	**4,302**	**10,673**	**9,493**

NOTE 14:
FINANCIAL RISK MANAGEMENT AND INTEREST-BEARING BORROWINGS

Financial risk management

Funding and control of refinancing risk is handled by Group treasury in Schibsted ASA. Schibsted has a diversified loan portfolio both in terms of loan sources and maturity profile. The most important funding sources are the Norwegian bond market and banks.

For management of interest rate risk and currency risk, see note 23 Financial Risk Management to the consolidated financial statements.

Interest-bearing borrowings, composition and maturity profile:

	NON-CURRENT		CURRENT	
	2018	2017	2018	2017
Bonds issued	3,400	3,700	300	-
Bank loans	421	505	90	27
Total carrying amounts	**3,821**	**4,205**	**390**	**27**
of which maturity beyond 5 years	615	1,589		

For more details on bond issues, bank loans and credit facilities, see note 24 Interest-bearing borrowings to the consolidated financial statements.

NOTE 15: GUARANTEES

	2018	2017
Guarantees on behalf of Group companies	331	328
Other guarantees	1	3
Total	**332**	**331**

A guarantee of up to NOK 282 million to Danske Bank is included in Guarantees on behalf of Group companies. This amount primarily relates to guarantees for tax withholdings. Also included in Guarantees on behalf of Group companies are unsecured pension liabilities of NOK 46 million related to key management personnel.

Schibsted ASA has issued parent company guarantee as security for payment of office rent in some subsidiaries.

NOTE 16: TRANSACTIONS WITH RELATED PARTIES

Schibsted ASA has business agreements with companies in the Group. The pricing of all transactions with Group companies are based on arm's length principle.

Schibsted ASA charge their subsidiaries for their share of costs related to Group services (management fee). In addition, revenues consist of consultant fees, income from lease of office premises as well as fees for subsidiaries' participation in programmes for management and organisational development. All Schibsted ASA´s operating revenues are from Group Companies.

	2018	2017
Sale of services to Group companies	86	156
Purchase of goods and services from Group companies	70	75

Remuneration to management

See note 9 Personnel expenses and note 10 Share-based payment to the consolidated financial statements for information concerning remuneration to management and share-based payment.

NOTE 17: LEASE AGREEMENTS

Schibsted ASA has lease obligations related to off-balance sheet operating assets.

Rental expenses were NOK 19 million in 2018 and NOK 32 million in 2017. The most significant leases relate to lease of office premises and software/IT-services. Rental costs in 2018 are significantly lower than last year mainly due to Schibsted ASA moving out from Apotekergata 10.

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

The Board of directors of Schibsted ASA has in accordance with the decision announced on 18 September 2018 resolved to propose to demerge its international online classifieds operations into a separate listed company. The demerger was approved on the extraordinary general meeting of Schibsted on 25 February 2019.

Schibsted has established Adevinta ASA as a wholly-owned subsidiary for the purposes of the demerger, which will assume Schibsted's activities in international online classifieds business (excluding the Nordics). Adevinta will apply for listing of its shares on the Oslo Stock Exchange.

Upon completion of the demerger, shares representing 35% of the total number of shares in Adevinta will be issued to Schibsted shareholders as consideration in the demerger. Holders of A shares in Schibsted will receive one A share in Adevinta for each A share held in Schibsted, and similarly, holders of B shares in Schibsted will receive one B shares in Adevinta for each B share held in Schibsted. Schibsted will upon completion of the demerger hold the remaining 65% of the shares in Adevinta. Provided that prevailing market conditions so permit, Schibsted intends to sell down 5% Adevinta shares in the market.

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 2018 have been prepared in accordance with applicable accounting standards and give a true and fair view of assets, liabilities, financial position and profit or loss of the Company and the Group taken as a whole and that the Board of Directors' report includes a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face.

Paris, 21 March 2019
Schibsted ASA's Board of Directors

Ole Jacob Sunde
Chairman of the Board

Birger Steen
Board member

Philippe Vimard
Board member

Torbjörn Ek
Board member

Ingunn Saltbones
Board member

Finn E. Våga
Board member

Orla Noonan
Board member

Marianne Budnik
Board member

Eugénie Van Wiechen
Board member

Christian Ringnes
Board member

Kristin Skogen Lund
CEO

Building a better
working world

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Oslo Atrium, P.O.Box 20, NO-0051 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00
Fax: +47 24 00 24 01
www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Schibsted ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Schibsted ASA comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the statement of financial position as at 31 December 2018, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements comprise the statement of financial position as at 31 December 2018, the income statement, statements of comprehensive income, cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- the financial statements are prepared in accordance with the law and regulations;
- the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway;
- the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment assessment of goodwill

The Group is active in establishing positions at an early point in time in new media channels through both business combinations and its own start-ups. Investments that currently recognize low or negative profitability are dependent on future growth in profitability to recover goodwill. Estimates related to future profitability and 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 realize synergies, interest rate levels and other relevant factors. The use of different assumptions could produce significantly different value in use estimates. Since goodwill related to cash generating units with low or negative profitability is material and subject to estimation uncertainty, impairment assessment of goodwill was a key audit matter.

We assessed the design and tested the operating effectiveness of internal controls related to the impairment assessment process. Our procedures included assessing the identification of cash generating units and testing of assumptions used in the value in use model, including estimates related to forecasted future cash flows and the estimated WACC. As part of our procedures we discussed the forecasted sales, the current market situation and expectations about future growth with management. We also tested supporting documentation related to budgets and sales forecasts and the mathematical accuracy of the value in use calculation, and assessed sensitivity analysis of the critical assumptions prepared by management. We used a valuation specialist to assist us in evaluating the discount rate applied.

The estimation uncertainty related to impairment assessment is disclosed in note 3 and note 16 to the annual report.

Revenue recognition and cut off

Revenue is recognized when the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. A good or service is considered transferred when the customer obtains control. Schibsted has products and services with various contractual terms and different pricing elements in contracts with customers throughout the Group. Some revenue is recognized over a period whilst others at a certain point in time. Several IT-systems provide input to the revenue recognition processes and there have been significant changes to these processes in recent years. Due to the complexity of the revenue models and the supporting IT-systems, there is a risk of revenue not being recognized in the correct period. Hence, cut-off of revenue was a key audit matter.

We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. Further, we considered the Group's assessment and the impact of the new revenue recognition standard, IFRS 15 Revenue from contract with customers, including the appropriateness of the Group's accounting policies. We have on a sample basis compared sales transactions, recognized before and after the balance sheet date to customer contracts and performance obligations and assessed whether the implied revenue recognition criteria is in compliance with the group accounting policies as disclosed in note 7 to the annual report.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is 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 International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance and corporate social responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on corporate governance and corporate social responsibility concerning the financial statements, the going concern assumption and 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 management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 25 March 2019
ERNST & YOUNG AS

Kjetil Rimstad
State Authorised Public Accountant (Norway)

SHARE INFORMATION

Schibsted is listed on Oslo Børs, and our aim is that our shares should be perceived as an attractive investment. A competitive return should be based on a sound financial position and be ensured through long-term growth in the share price and a dividend. The company's share price should reflect the company's long-term value creation.

The strategy and vision adopted by Schibsted's Board of Directors implies that the Group's operations must adapt and develop rapidly. Schibsted's capital structure must be sufficiently robust to take advantage of value-enhancing opportunities in the context of the competitive dynamic as well as of fluctuations in general and economic conditions. The share is split into an A-share with 10 voting rights and a B-share with 1 voting right. These two share classes enhance Schibsted's long-term financial flexibility by enabling the company more freely to access the equity market.

Shareholders

	31 December 2017	31 December 2018
Number of registered shareholders	5,056	5,195
Share of non-Norwegian shareholders	57%	57%
Average daily trading volume (SCHA/SCHB)	331k/164k	250k/129k
Average daily trading value (SCHA/SCHB)	NOK 72 m / NOK 33 m	NOK 66 m / NOK 32 m
Turnover velocity (SCHA/SCHB)	77%/34%	57%/25%
Turnover velocity Oslo Børs	47%	48%

	31 December 2017	31 December 2018
Norway	46.4%	43.8%
USA	22.7%	25.1%
UK	11.0%	10.3%
Sweden	5.3%	4.7%
Luxembourg	2.6%	3.1%

The trading data in the table above are based on data from Oslo Børs. In 2018 around 41 percent of trading of the A-shares took place in marketplaces other than Oslo Børs. In 2017 this was around 34 percent. For the B-share, around 34 percent of the trading took place on alternative platforms in 2018, compared to 25 percent in 2017 (source: Fidessa Fragulator).

Schibsted conducts a quarterly analysis of shareholders registered at nominee accounts. A list of Schibsted's shareholders including those registered at nominee accounts is presented below. The list is updated as of 17 January 2019.

RANK	NAME	A-SHARES	B-SHARES	TOTAL	% OF CAPITAL
1	Blommenholm Industrier AS	28,188,589	28,598,589	56,787,178	23.8%
2	Folketrygdfondet	6,024,397	11,159,950	17,184,347	7.2%
3	Baillie Gifford & Co.	7,166,419	5,790,156	12,956,575	5.4%
4	NWT Media AS	3,022,068	5,997,730	9,019,798	3.8%
5	Fidelity Management & Research Company	3,022,068	5,997,730	9,019,798	3.5%
6	Platinum Investment Management Ltd.	3,943,173	3,415,801	7,358,974	3.1%
7	Alecta pensionsförsäkring, ömsesidigt	3,152,000	3,633,600	6,785,600	2.8%
8	Adelphi Capital LLP	3,216,005	3,139,475	6,355,480	2.7%
9	The Vanguard Group, Inc.	2,592,757	2,679,993	5,272,750	2.2%
10	AKO Capital LLP	3,025,870	1,966,569	4,992,439	2.1%
11	Marathon Asset Management LLP	2,269,272	1,971,855	4,241,127	1.8%
12	Pelham Capital Ltd	-	4,209,851	4,209,851	1.8%
13	Luxor Capital Group, L.P.	220,712	3,555,609	3,776,321	1.6%
14	DNB Asset Management AS	911,745	2,777,739	3,689,484	1.5%
15	Storebrand Kapitalforvaltning AS	1,756,694	1,531,995	3,288,689	1.4%
16	FMR Investment Management (U.K.) Limited	2,646,950	360,505	3,007,455	1.3%
17	Echinus Partners LP	2,159,781	771,870	2,931,651	1.2%
18	Mitsubishi UFJ Trust and Banking Corporation	1,525,050	1,353,005	2,878,055	1.2%
19	KLP Forsikring	155,102	2,705,681	2,860,783	1.2%
20	Nordea Funds Oy	907,777	1,948,973	2,856,750	1.2%

The shareholder identification data are provided by Nasdaq OMX. The data are obtained through an 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 Nasdaq OMX or Schibsted can guarantee the accuracy of the analysis.

For an overview of the 20 largest shareholders as of 31 December 2018 from the public VPS register, refer to the annual accounts for Schibsted ASA, note 11.

Dividend and repurchase of shares

Distribution of dividend and opportunity to repurchase shares are regarded as suitable ways to adapt the capital structure. The Group's dividend policy is to place emphasis on paying a stable to increasing dividend amount over time. In years when there is an economic slowdown, or for other reasons weaker cash flows in the company, the company may reduce or decide not to pay dividend.

The Board of Directors has decided to propose to the Annual General Meeting on 3 May 2019 to pay a dividend for 2018 of NOK 2.00 per share. Subject to the decision of the Annual General Meeting, the dividend will be paid on 14 May 2019 to those registered as shareholders on the date of the Annual General Meeting.

The Board of Directors plans to propose to the Annual General Meeting to give Schibsted's Board of Directors authorization to repurchase up to 10 percent of the company's shares. The repurchase will take place over time and should be viewed in connection to Schibsted's dividend policy, investment opportunities, and long-term perspectives for its capital structure.

Shareholder structure

Blommenholm Industrier, which is controlled by the Tinius Trust, is Schibsted's largest shareholder, giving the Group long-term ownership stability. A consequence is that the number of A-shares issued will normally remain stable over time. B-shares may, together with debt, be used as a source of financing for growth in the form of acquisitions or organic investments.

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

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

Return

The Schibsted shares are listed on Oslo Stock Exchange with the ticker codes SCHA and SCHB. Both share classes are among the most traded in Norway. The A-shares were included in OBX index throughout 2018. The OBX index comprises the 25 most liquid stocks on Oslo Børs.

The Schibsted share is covered by sell-side analysts in Scandinavia and London. At year-end 2018, 16 sell-side institutions, five of them based outside Scandinavia, officially covered the Schibsted share.

In 2018, the Schibsted A-share produced a total return for shareholders of 24.6 percent, including dividend of NOK 1.75 per share (reinvested). The Schibsted B-share produced a total return for shareholders of 21.4 percent, including dividend of NOK 1.75 per share (reinvested). By comparison, the Oslo Stock Exchange Benchmark Index (OSEBX) produced a negative return of 1.9 percent.

Share price development for Schibsted compared to various indices and peers can be accessed at www.schibsted.com/ir.

Adevinta demerger

On 18 September 2018, Schibsted announced the resolution of the Board of Directors to initiate a process to demerge its international online classified operations into a separately listed company. Following the Separation, Adevinta will be majority owned by Schibsted, while Schibsted's shareholders will receive 35% of the shares in Adevinta through the Demerger. All businesses other than the Adevinta business will remain in Schibsted after the completion of the Separation.

On 25 February 2019, an Extraordinary General Meeting in Schibsted approved the demerger plan. In connection with the completion of the Demerger, Adevinta will be listed on the Oslo Stock Exchange, planning for listing on 10 April 2019. In the Demerger, 35% of the shares in Adevinta will be distributed to Schibsted's shareholders, while Schibsted will retain the remaining 65% of the shares. Schibsted plans to retain a 60% ownership in Adevinta at the time of the listing, after selling down up to 5% in the market. There are no plans to raise capital through a stock issue in Adevinta. Schibsted intends to remain a long-term owner of Adevinta. The size and time horizon of Schibsted's ownership will be tailored to support and develop shareholder value for both companies, which could also lead to Schibsted becoming a non-majority shareholder over time.

Initially Adevinta will inherit Schibsted's share structure with A- and B-shares carrying different voting rights. However, Schibsted, as a majority owner, will support a simplified governance structure without ownership or voting limitations and an amalgamation into only one share class in due course.

For more information on the demerger, visit Schibsted.com.

MEMBERS OF THE BOARD (2017-18)

Ole Jacob Sunde
(Born 1954)
Chairman of the Board

Marianne Budnik
(Born 1968)
Board member

Philippe Vimard
(Born 1974)
Board member

Orla Noonan
(Born 1970)
Board member

Christian Ringnes
(Born 1954)
Board member

Birger Steen
(Born 1966)
Board member

Eugénie van Wiechen
(Born 1969)
Board member

Torbjörn Ek
(Born 1977)
Board member

Ingunn Saltbones
(Born 1971)
Board member

Finn E. Våga
(Born 1960)
Board member

For biographies of the Board of Directors, visit **schibsted.com/about/who-we-are/the-board/**

SCHIBSTED
MEDIA GROUP

Schibsted ASA
Akersgata 55
PO Box 490 Sentrum
NO-0105 Oslo, Norway

Phone +47 23 10 66 00
Fax +47 23 10 66 01
schibsted@schibsted.no

www.schibsted.com

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