

Agenda

Vision

Sweden

Norway

International

Newspapers in TV format

➔ **Organic growth**

Finance

Outlook

Schibsted's main challenge

Schibsted ASA (NOK million)		2004	2005	Growth 04-05
Operating revenues		9 690	9 832	1,5 %
EBITA excl. new projects		940	1 140	21,3 %
Share price 20 March			190,00	
EV/EBITA 05			13,8	

Online activities (NOK million)		2004	2005	Growth 04-05
Operating revenues		568	857	50,9 %
EBITA excl. new projects		159	332	108,8 %
<i>EBITA margin</i>		28 %	39 %	

Traditional media (NOK million)		2004	2005	Growth 04-05
Operating revenues		9 122	8 975	-1,6 %
EBITA excl. new projects		781	808	3,5 %
<i>EBITA margin</i>		9 %	9 %	

Challenge to balance running a mature business vs. focusing on high growth online operations

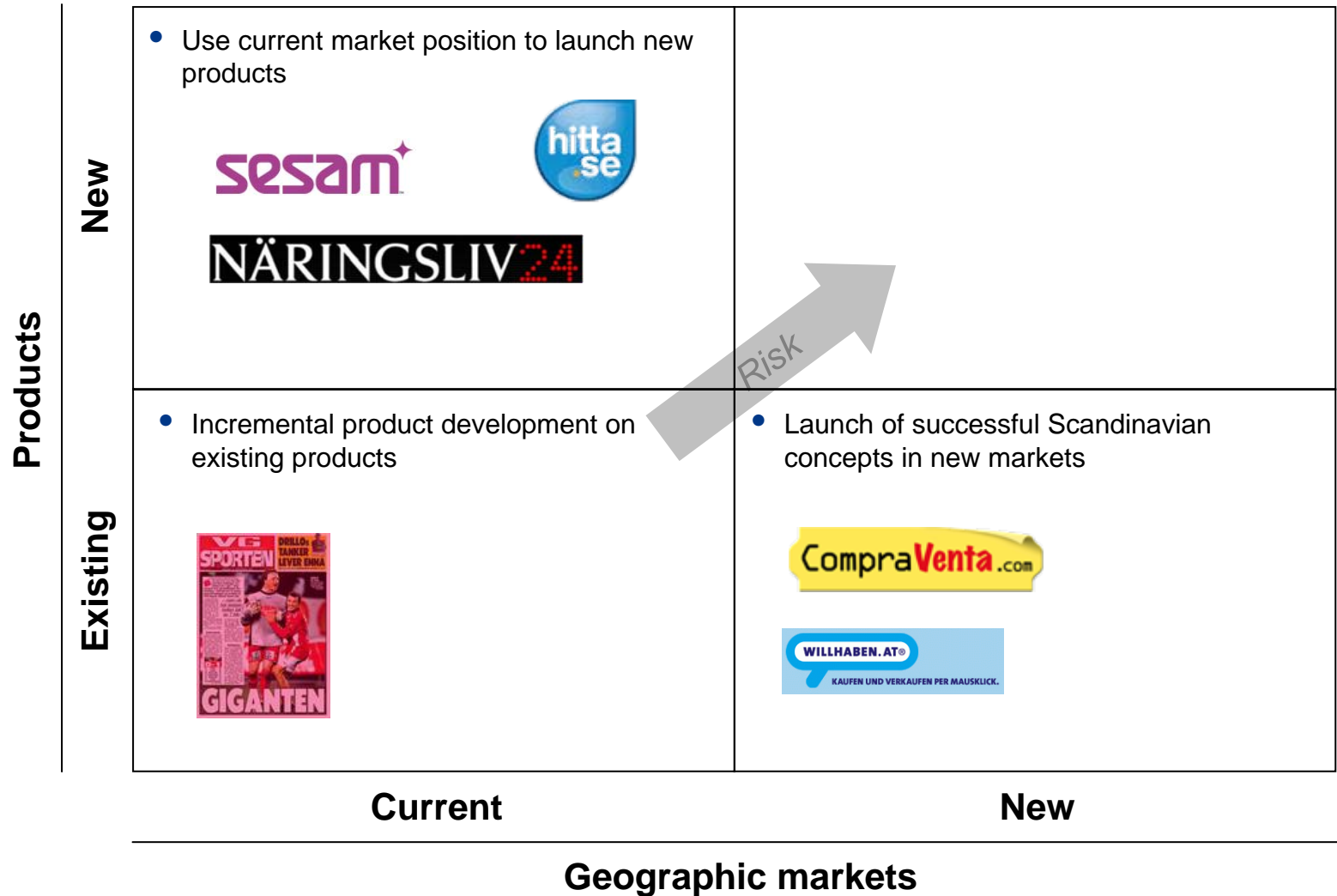
Focus on organic growth

- Schibsted is in an expansion phase following several years of consolidation
- There are few attractive acquisition targets in the niches where Schibsted sees the largest potential
- Through sustained focus on online activities since the .com heydays, the group has developed valuable unique skills within new media



Schibsted has chosen to focus on organic growth to capitalize on the group's competitive advantages

Two axis of expansion



Areas of focus

Online search and directories

- Exploit traffic potential on Scandinavian media sites to enter the directories market
- Building position in the increasingly important online search market

Online classifieds international

- Exploit knowledge of classified markets and services to export FINN and Blocket concepts to markets/segments that still has not been “taken”

Other online projects

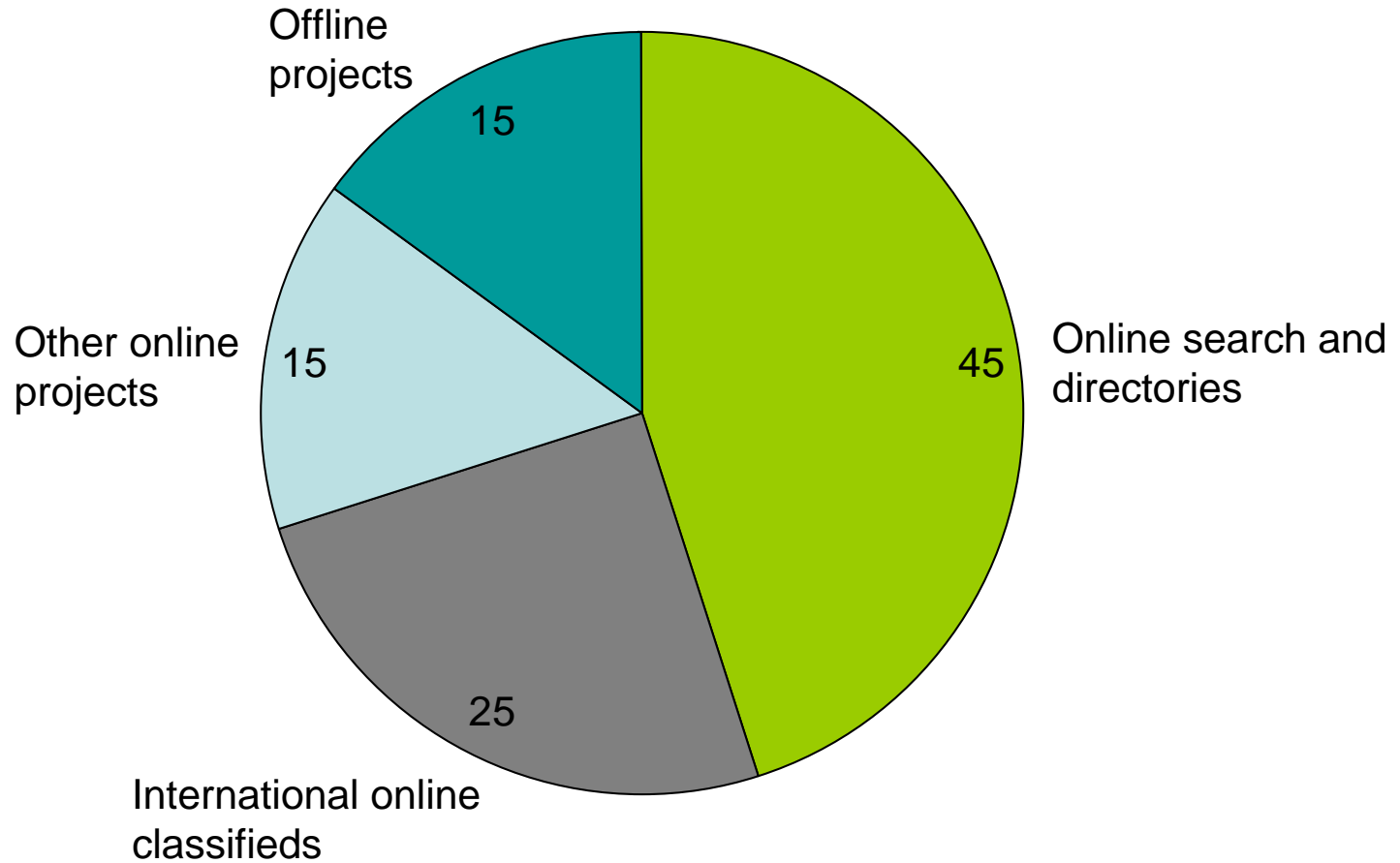
- Launch of new products to strengthen current online portfolio in existing markets – i.e. n24, web-TV and IPTV

Offline projects

- Export of successful concepts to new markets – relaunch of tabloid newspaper in Lithuania, freesheet in Russia

New projects by area of investment

Share of spending in 2006, percent



Project selection criteria

Local market presence

- Marketing power
- Access to knowledge of local market
- Possibilities to generate traffic

Market dynamics

- Internet/broadband penetration
- Use of internet products
- Advertising market in general and online

Competitive situation

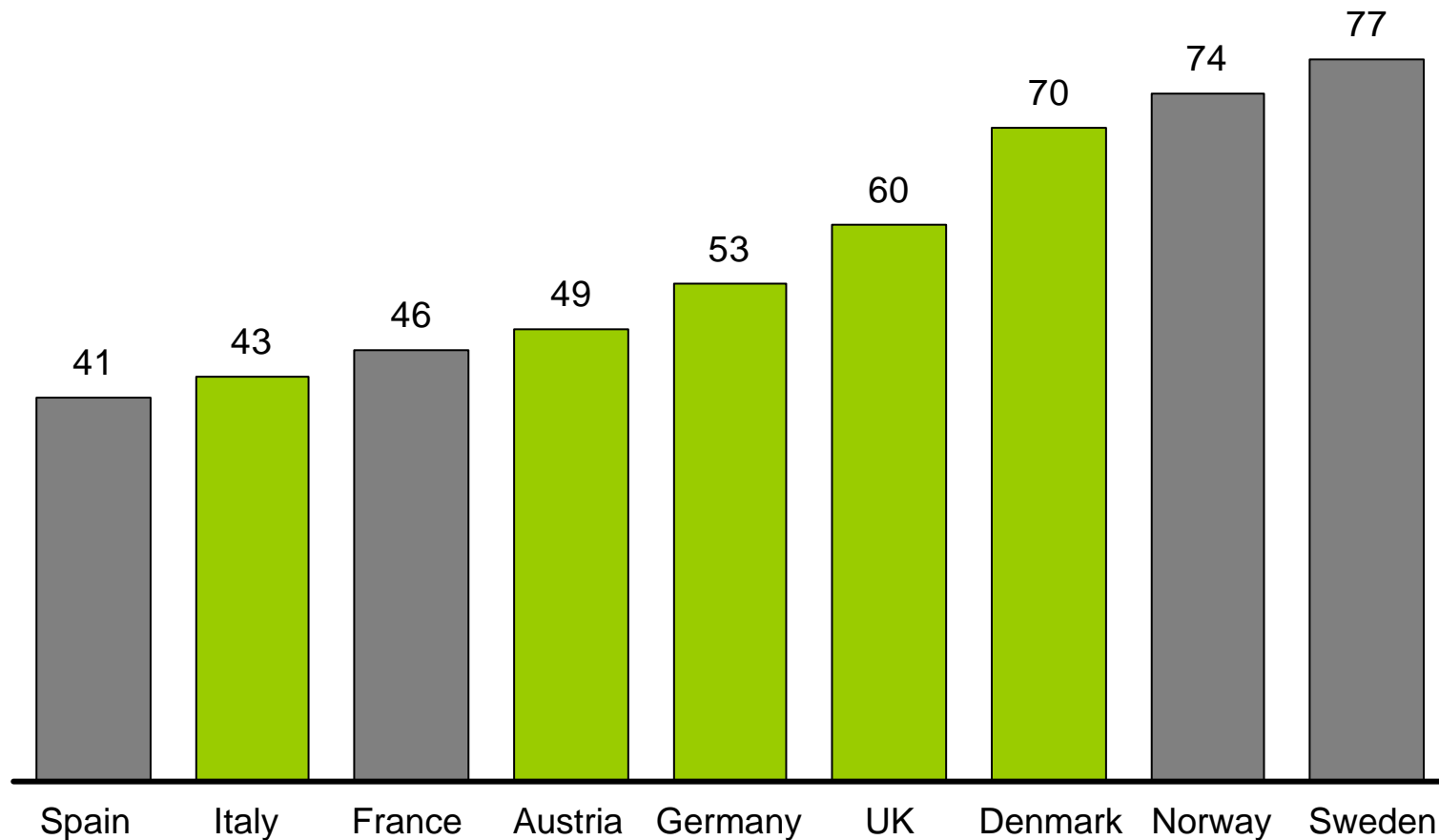
- No clear market leader in attractive niches
- Price levels in attractive niches
- Strength and competence of local players

The timing is now...

- Continental Europe is lagging Scandinavia in broadband penetration – development patterns are expected to follow the Scandinavian
- All leading positions have not yet been taken – attractive niche positions are still open to challengers
- Online advertising is still in an early stage – important lessons learned could be transferred

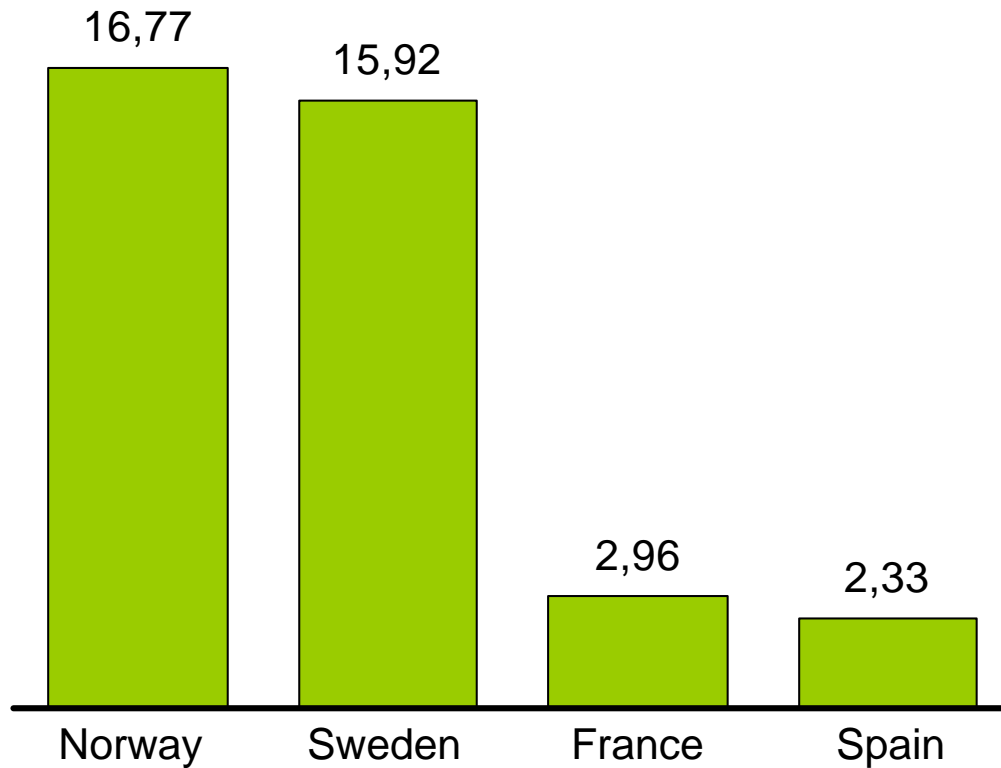
Fewer households are online in Southern Europe

Online household penetration, 2005



Online advertising has not yet taken off in Southern Europe

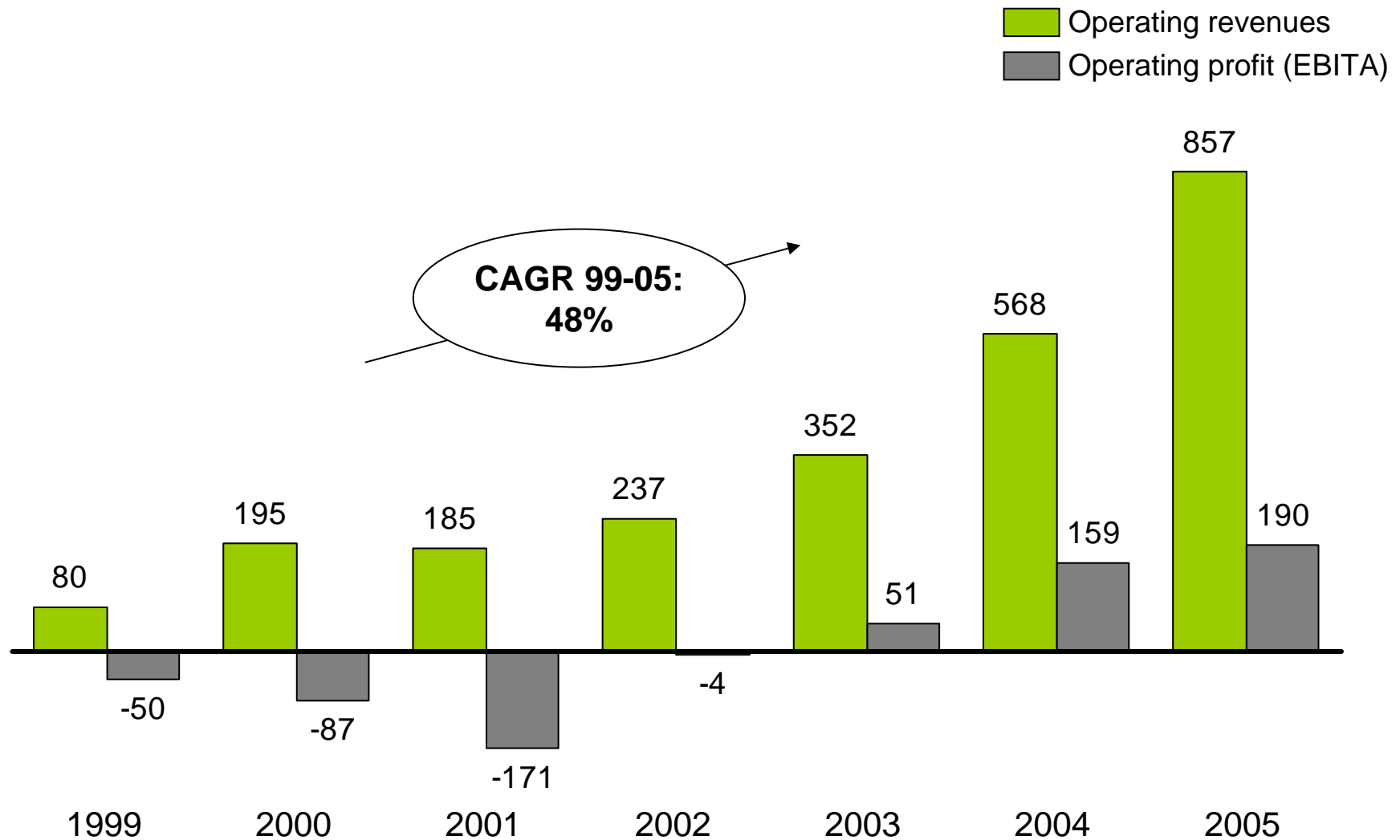
Online advertising revenues per capita, EUR, 2004



...and we believe Schibsted has the right skills

- Experience from some of the most advanced online markets in the world
- Schibsted has demonstrated entrepreneurial skills and stamina in developing online services in Scandinavia
- Several years of online experience have generated a unique and valuable competence base
 - Product development
 - Knowledge of user behavior and user friendliness – translated into traffic generation

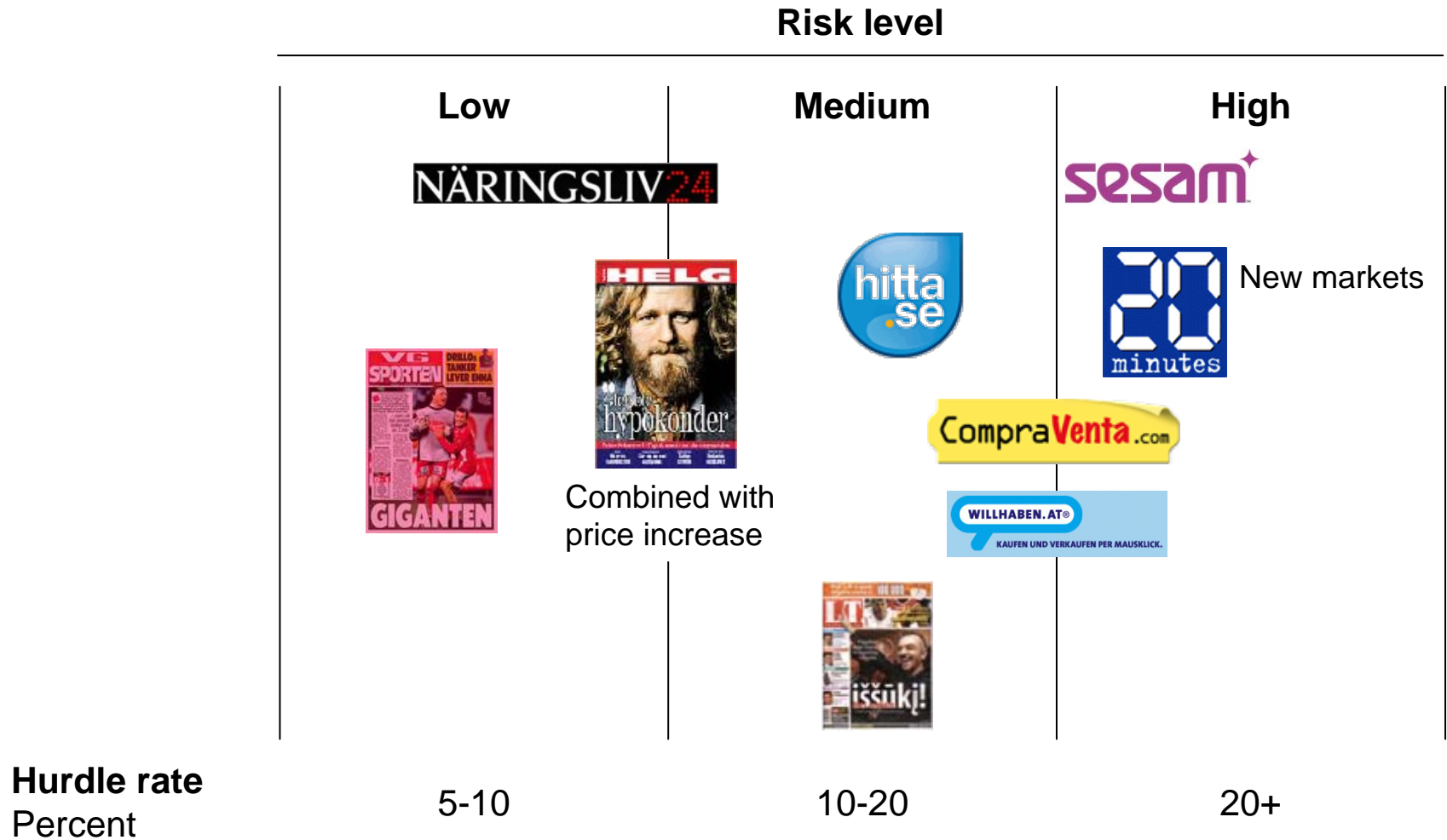
Development of Schibsted's online services



Risk profile – criteria

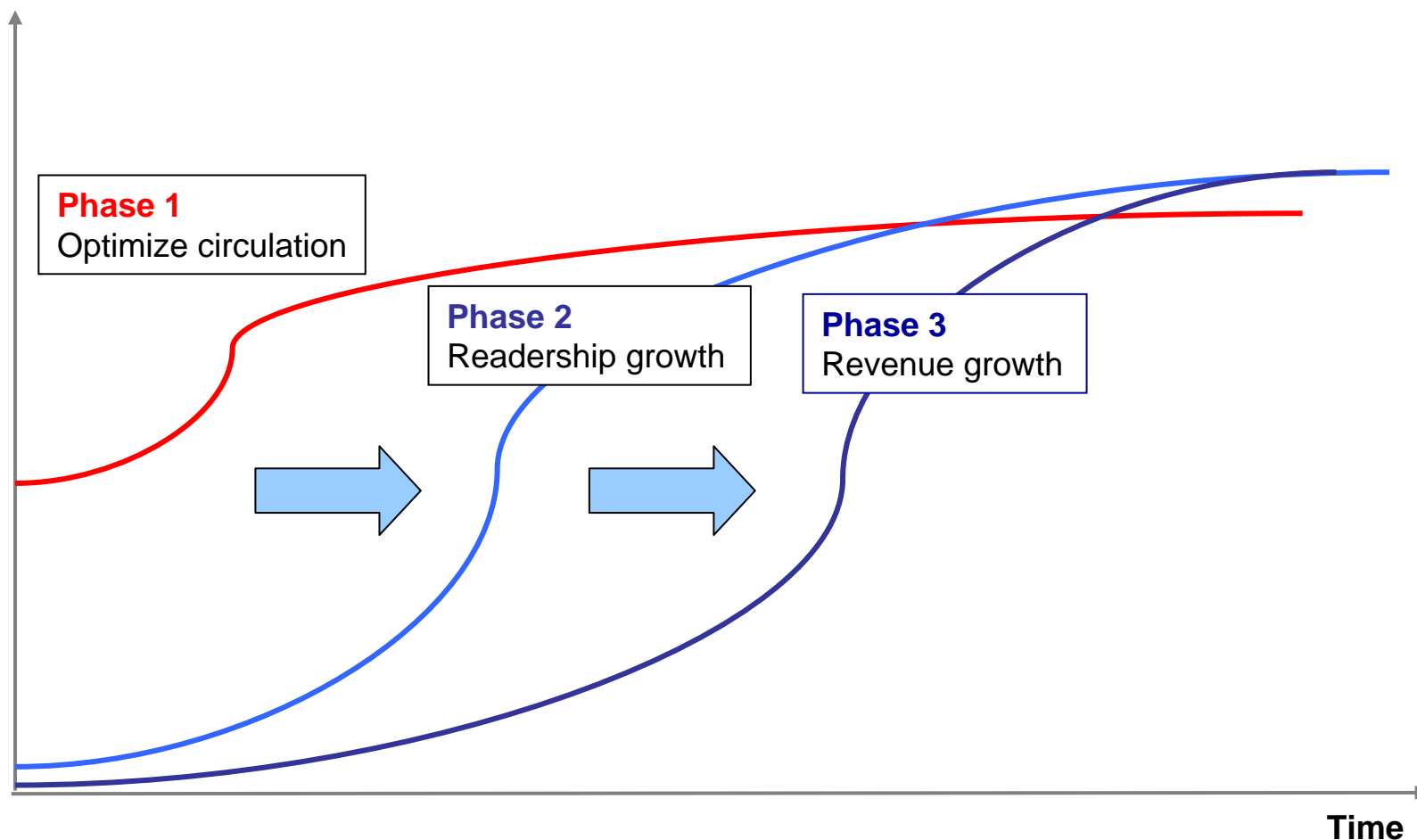
	Risk level		
	Low	Medium	High
Local market presence <ul style="list-style-type: none"> • Marketing power • Market knowledge • Traffic generation 			
Market dynamics <ul style="list-style-type: none"> • Internet/broadband penetration • Use of internet products • Advertising market – general/online 			
Competitive situation <ul style="list-style-type: none"> • No clear market leader in attractive niches • Price levels in attractive niches • Strength and competence of local players 			
Hurdle rate Percent	5-10	10-20	20+

Risk profile – examples



Free media goes through three phases

Distribution audience
Revenues



New projects

Projects

Key success factors

1. Build traffic



- Identify segments
- Obtain critical mass



2. Document traffic



- Establish leading position in targeted segment

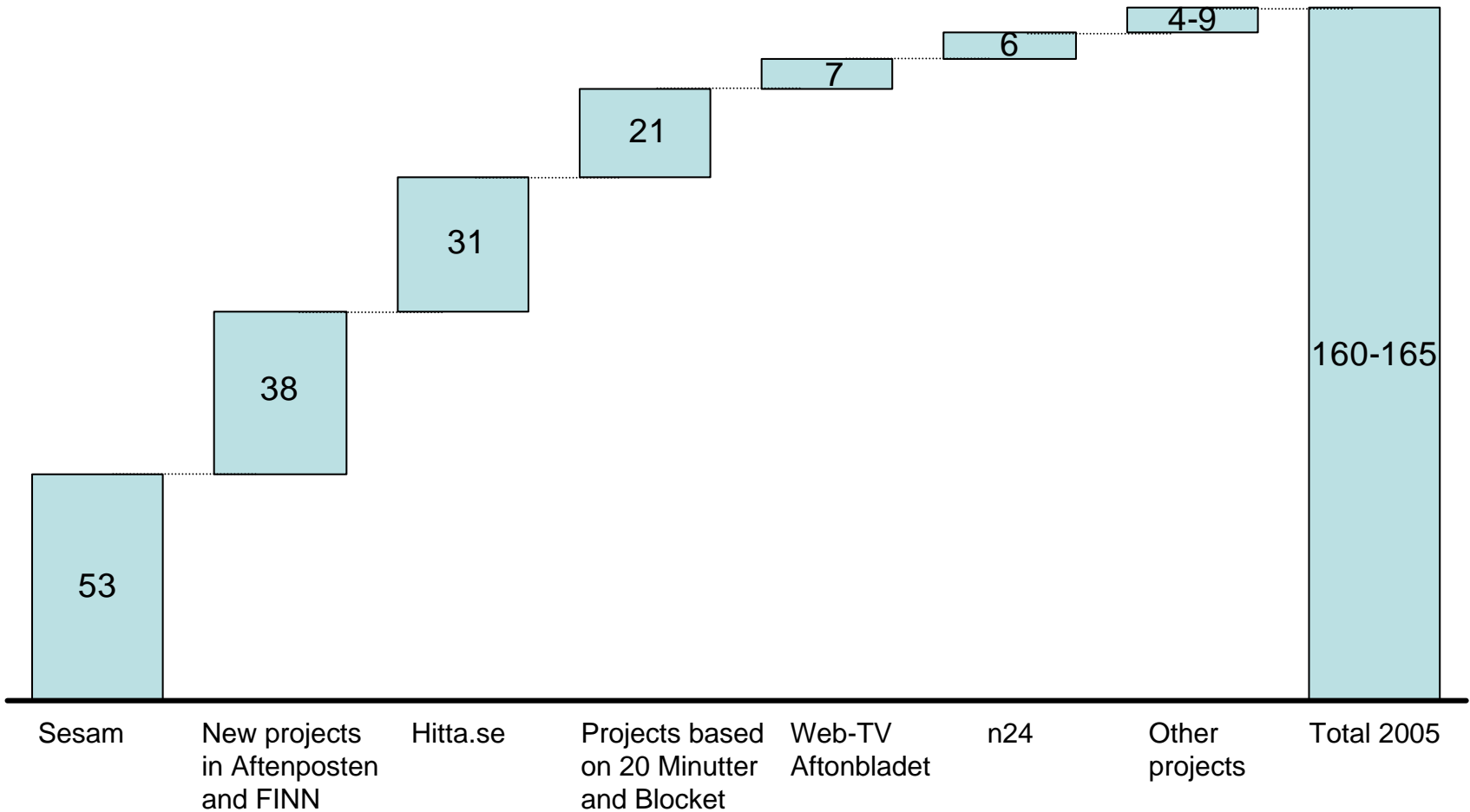
3. Capitalize on users



- Increase/introduce pricing

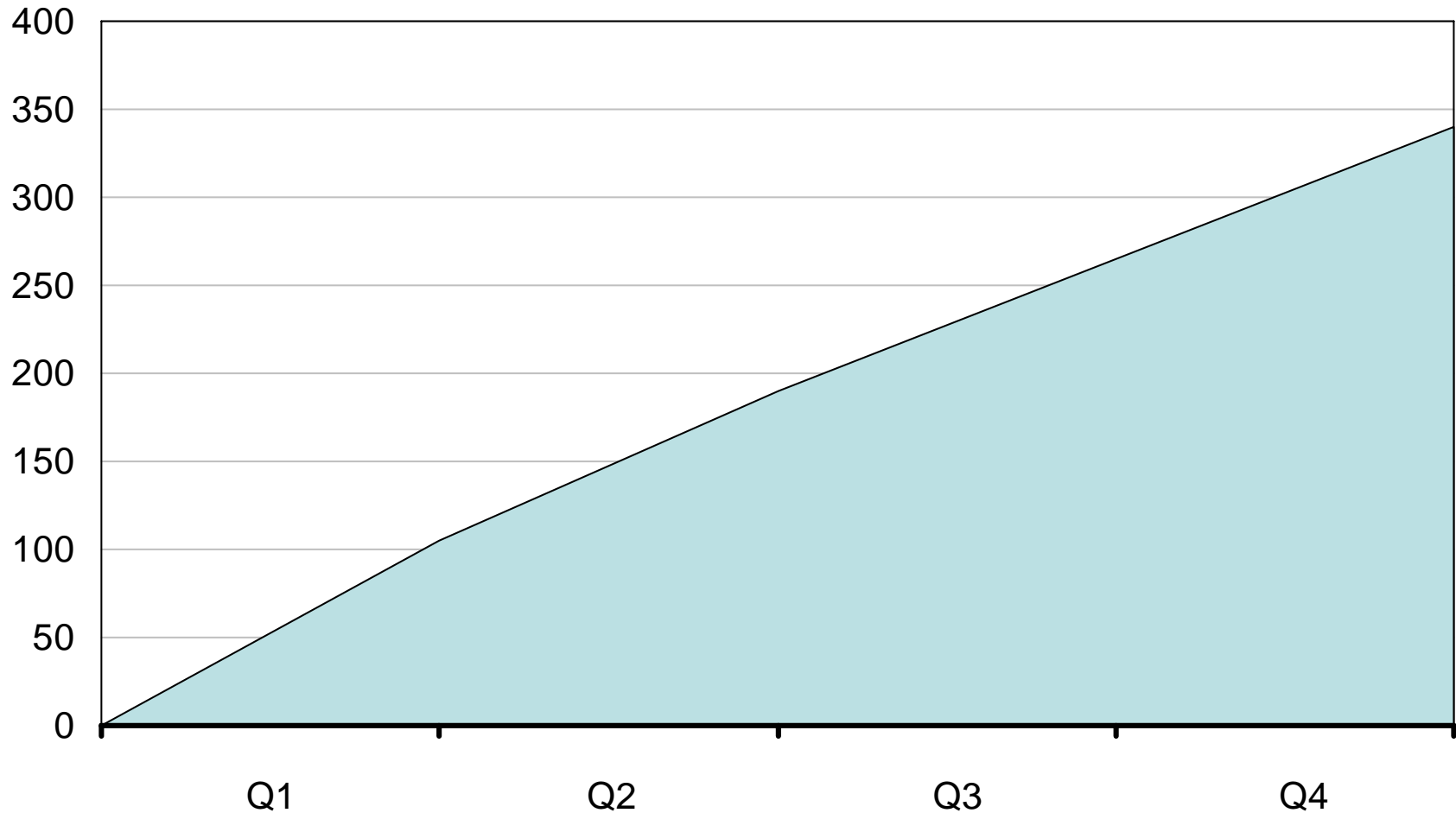
Costs relating to new initiatives in 2005

Million NOK



Accumulated costs relating to new initiatives¹⁾ in 2006

NOK million

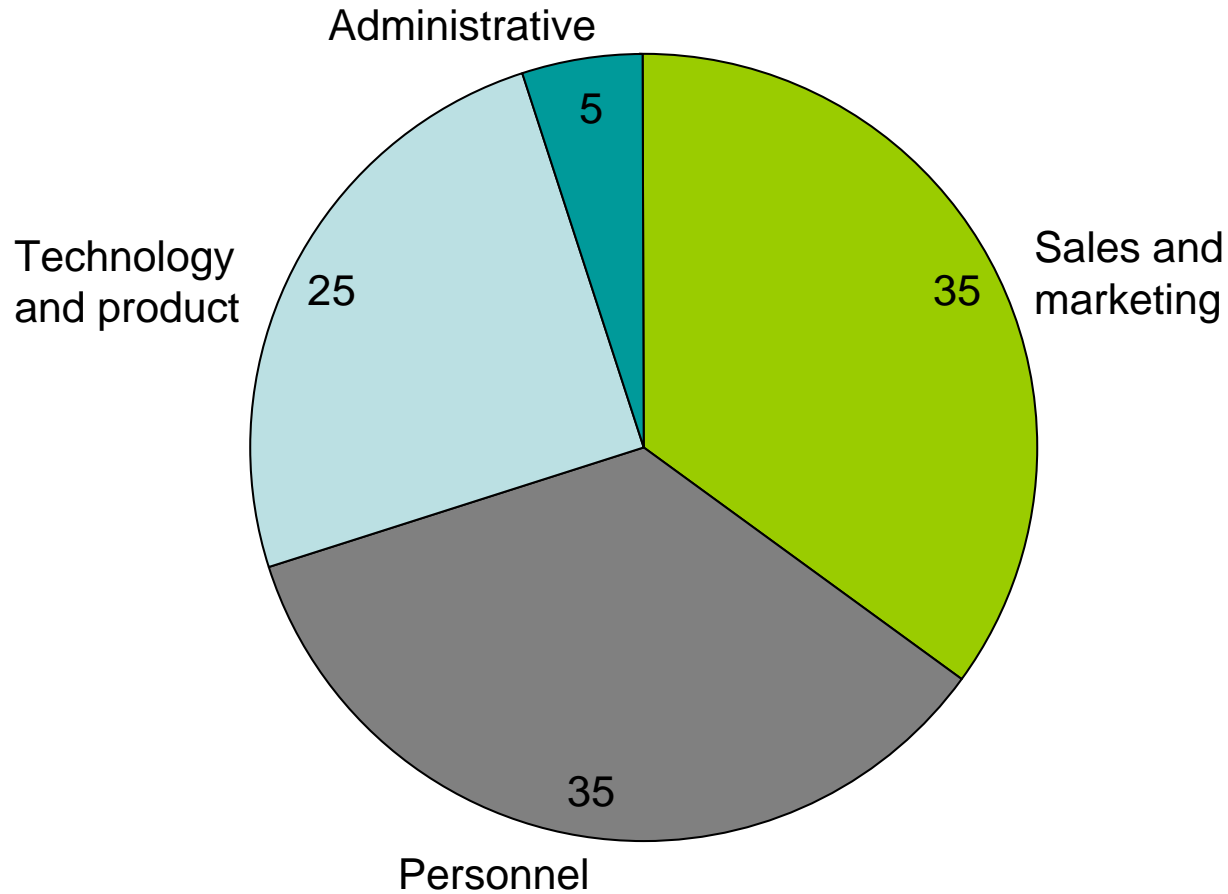


1) Including costs relating to planned new initiatives – additional initiatives could be defined during the year.
Approx. 85 % of total costs are related to online activities.

Costs by type

Share of total costs in 2006, percent

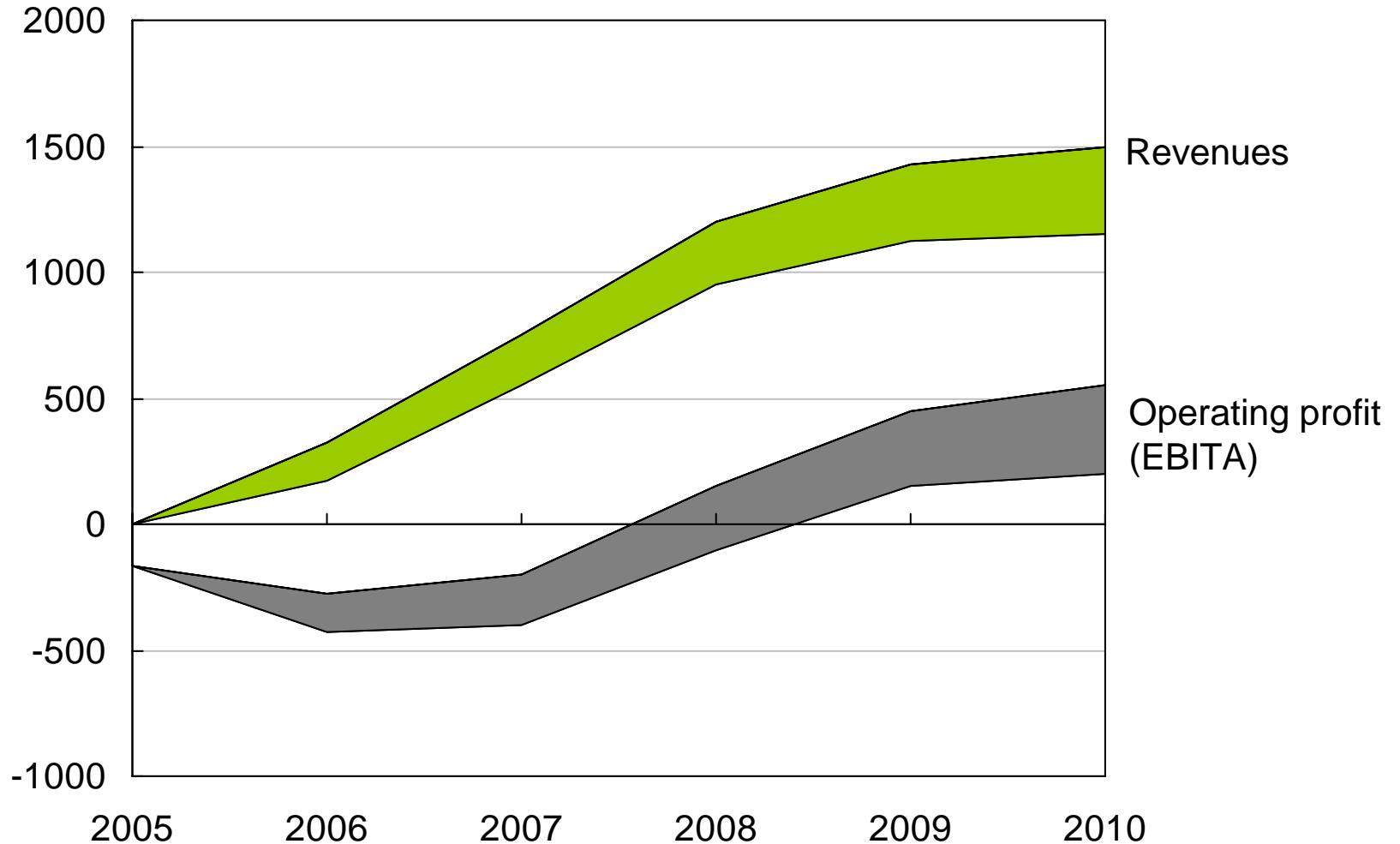
SESAM EXAMPLE



Revenue and operating profit – new projects

NOK million


ROUGH ESTIMATE



New project portfolio

Project portfolio

- Sesam Norway
 - Sesam Sweden
 - Hitta
 - Compraventa.com
 - Online classifieds – Slovenia
 - Online classifieds – Croatia
 - Willhaben.at
 - Marcheconclu.fr
 - n24.se
 - n24.no
 - Web- and IPTV
 - L.T.
 - Moy Rajon
 - DTT licence in Sweden
 - Other
- 45 %
- 25 %
- 15 %
- 15 %

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- **Project portfolio diversified across geographies and niches**
 - **Individual projects could be closed down without impact on others**
 - **Total risk is limited**

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Balance sheet

(NOK million)	As of Dec 31	
	2005	2004
Non-current assets	5 667	5 303
Current assets	2 268	2 112
Total assets	7 935	7 415
Equity	3 221	2 431
Non-current liabilities	1 969	2 489
Current liabilities	2 745	2 495
Total equity and liabilities	7 935	7 415

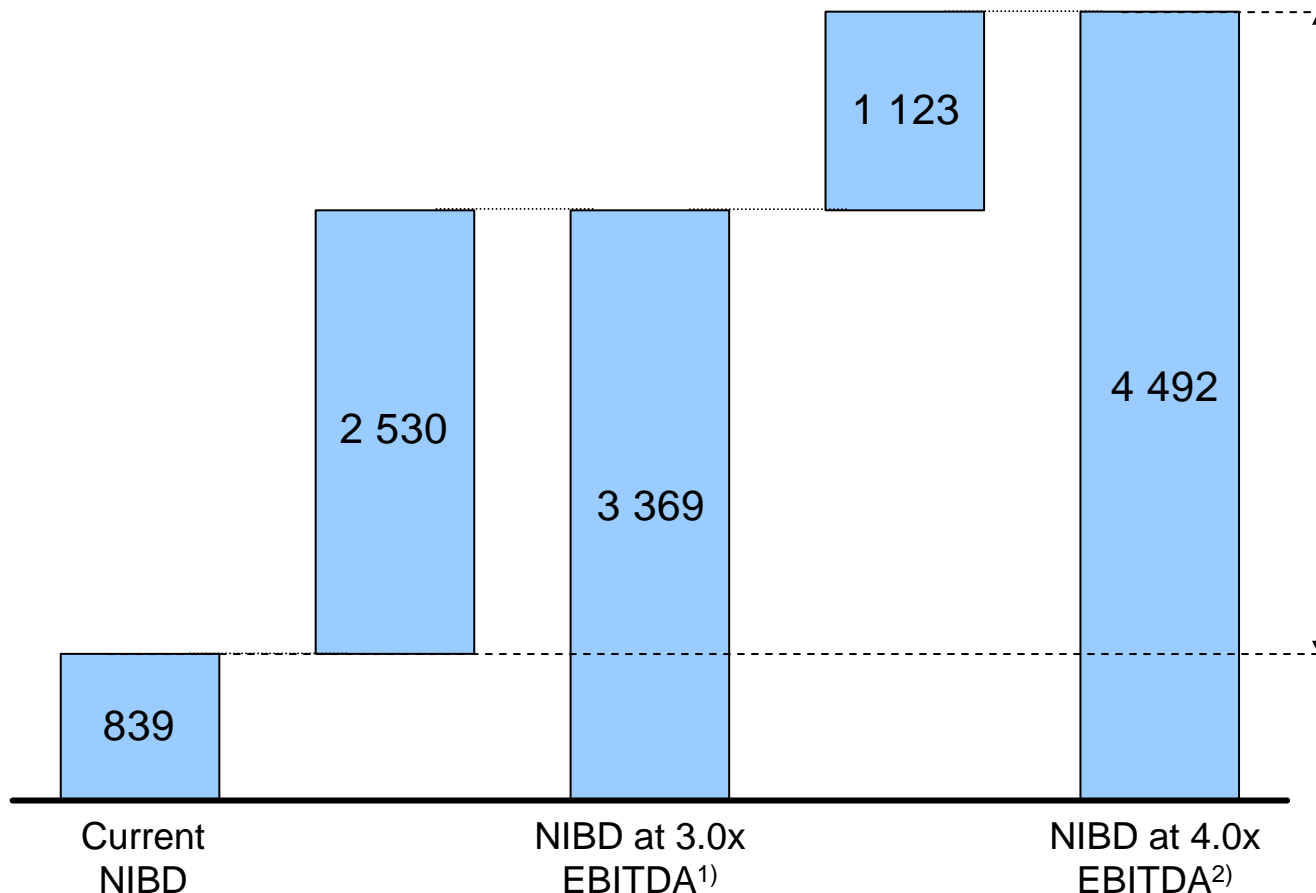
Balance sheet

NOK million

(NOK million)	(NOK million)	As of 31 Dec	
		2005	2004
Non-current assets	Deferred taxes	311	331
Current assets	Intangible assets	1,406	1,273
	Investment property	198	201
Total assets	Property, plant and equipment	1,931	2,013
	Investment in associated companies	1,584	1,202
Equity	Long-term investments	137	165
	Other non-current assets	100	118
	Total fixed assets	5,667	5,303
Non-current liabilities		1 969	2 489
Current liabilities		2 745	2 495
Total equity and liabilities		7 935	7 415

Financial capacity

NOK million



- Schibsted has additional loan capacity of approx. NOK 3.5 billion given the covenants of the loan facility
- Alma Media process demonstrated strong financing capacity and flexibility

25 Note: Calculations based on EBITDA 2005 (NOK 1,123 million)
1) Financial covenants of syndicated loan facility allows NIBD/EBITDA of 3.0x
2) Financial covenants of syndicated loan facility allows NIBD/EBITDA of 4.0x for four quarters

Cash Flow / Investments

Q4 04	Q4 05	(NOK million)	As of Dec 31	
			2005	2004
285	182	Cash flow from operations	1 255	1 044
403	320	EBITDA	1 321	1 316
84	151	Operational investments	363	215
420	169	Shares and other holdings	693	1 130
504	320	Total investments	1 056	1 345
		Interest bearing debt	1 571	1 831
		Net interest bearing debt	839	1 242

Cash flow

(NOK million)	2005	2004
Profit (loss) before taxes	1 177	476
Income from associated companies	(194)	(84)
Dividends received from associated companies	157	60
Taxes paid	(232)	(135)
Sales losses / (gains) fixed assets	(371)	(58)
Depreciation, amortisation and write-downs intangible and tangible fixed assets	352	739
Write-downs financial fixed assets	1	5
Change in working capital	94	83
Cash flow from operating activities	984	1 086
Cash flow from investing activities	(190)	(1 265)
Net cash flow before financing	794	(179)

Shareholder policy

- Maximize shareholder return through long-term growth in share price and dividend
- The Board of Directors will seek to obtain a pricing that to the best possible extent reflects the long-term profit generating capabilities of the group
- Schibsted's capital structure should be sufficiently robust to maintain the financial flexibility required by the group's growth ambitions
- A stable dividend increase combined with a potential share buyback is regarded as appropriate measures to adjust the capital structure
- A stable dividend payout ratio over time that should be 25-40% of the cash flow per share
- Share buybacks should be carried out over a period of time in the market to adjust the capital structure in line with overall financial targets

Dividend and share buybacks

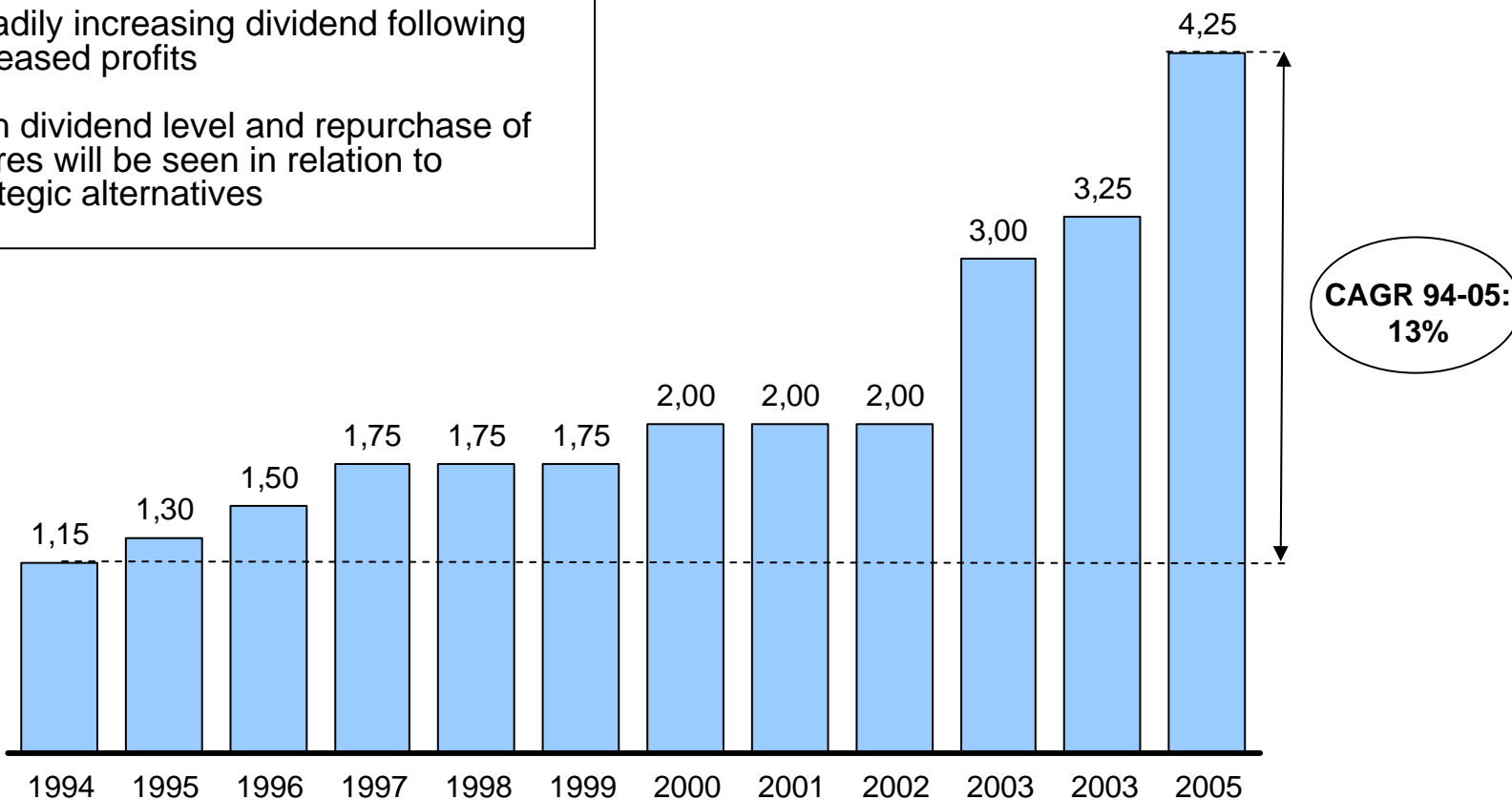
- The Board proposes dividend of NOK 4.25 per share:
 - An increase of 31% over the 2004 dividend (NOK 3.25 per share)
 - 23% of the cash flow per share
 - 33% of earnings per share (EPS)
- Share buyback will be considered in order to adjust capital structure
- Schibsted intends to continue the current practice with share buybacks in the market over a period of time
- Share buybacks allows the group to maintain its financial flexibility in a growth phase

Dividend development 1994-2005

NOK per share

Dividend policy

- Steadily increasing dividend following increased profits
- Both dividend level and repurchase of shares will be seen in relation to strategic alternatives



Effect of share buyback

Change in equity ratio and net debt following share buybacks

