



**A HELICOPTER PERSPECTIVE
ON SCHIBSTED**

Örenäs Castle, May 19, 2005



SCHIBSTEDs DUAL OWNERSHIP STRUCTURE RESULTS IN A BALANCED CHALLENGE

The "Tinius trust"



Institutional investors

- Scandinavia
- London
- New York



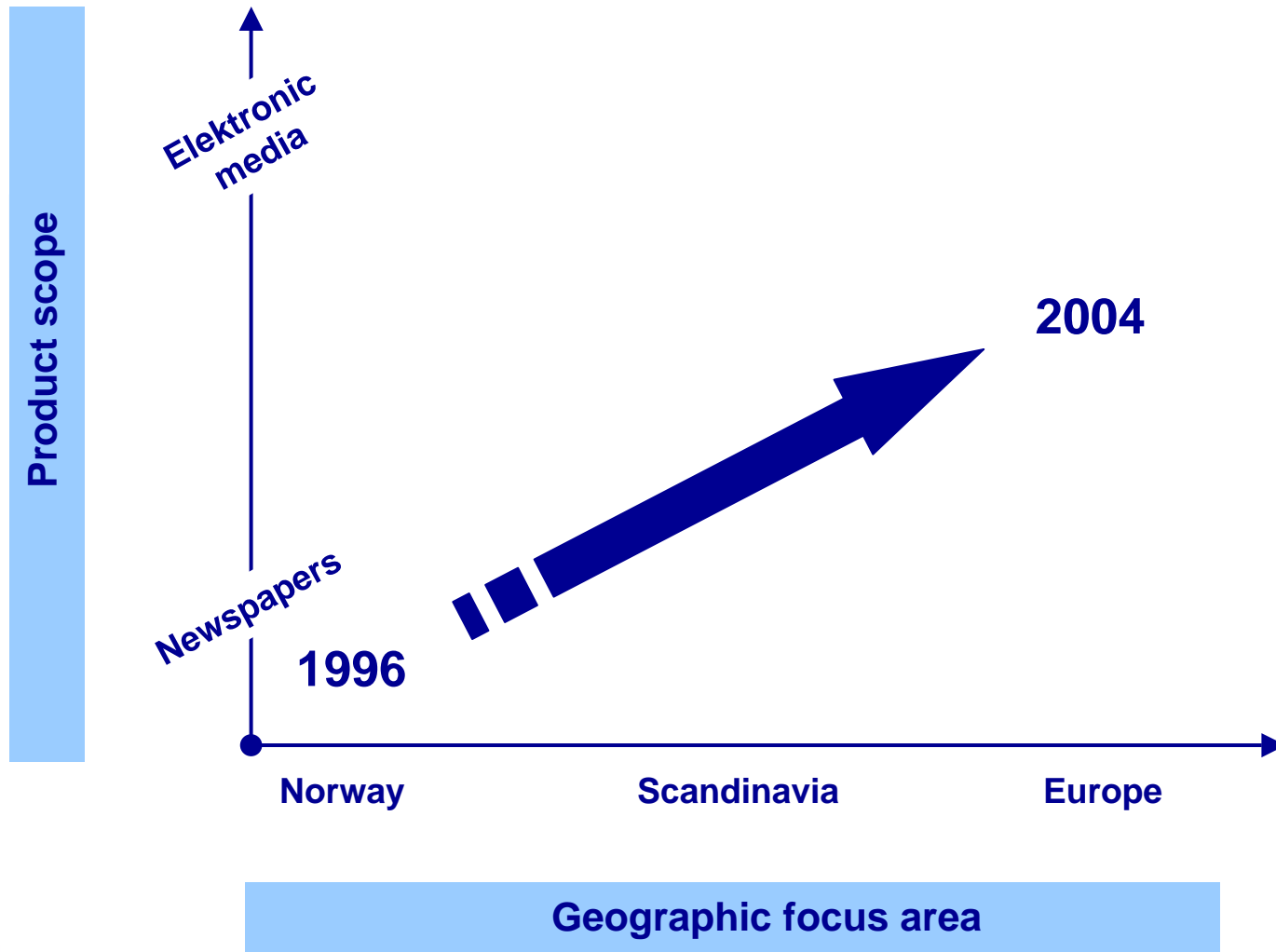
Agenda

➔ Major transition since 1996

Even more fundamental changes
needed going forward



Strategic repositioning

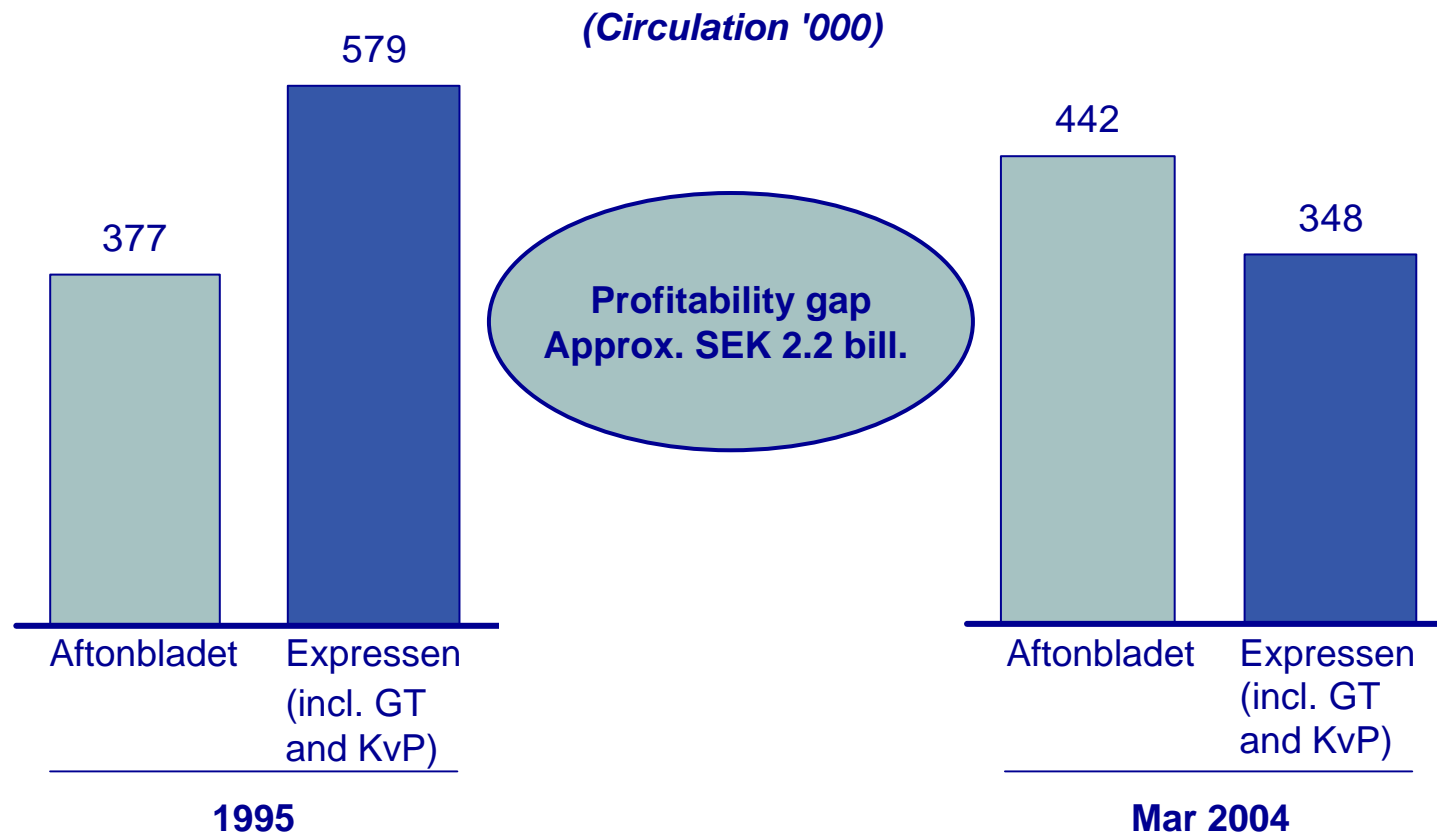


Development from 2nd place to market leader

AFTONBLADET

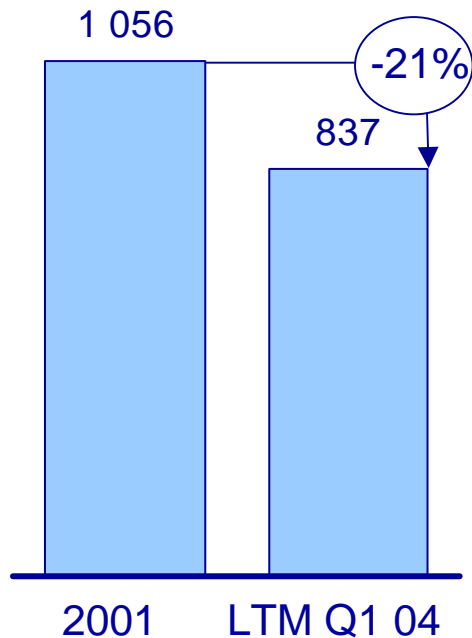
vs.

EXPRESSEN

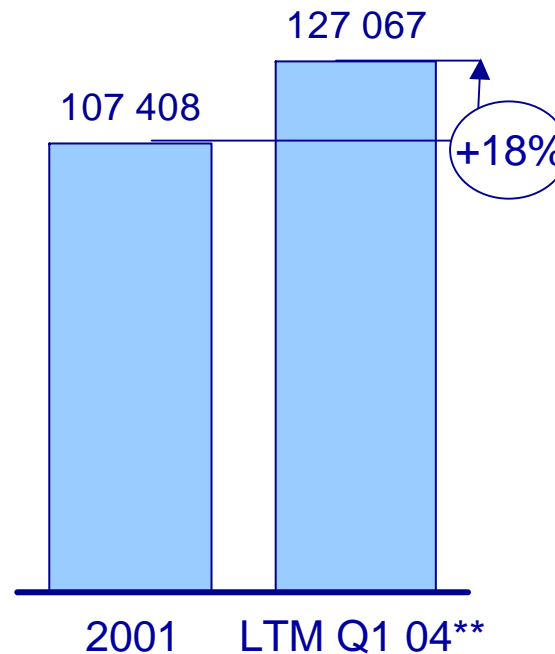


Cost and circulation development SVENSKA DAGBLADET

Costs*
SEK million



Circulation
Stockholm region



Readership in Stockholm increased with 29% in the same period

* Nominal

** Monthly average from April 2003 to March 2004

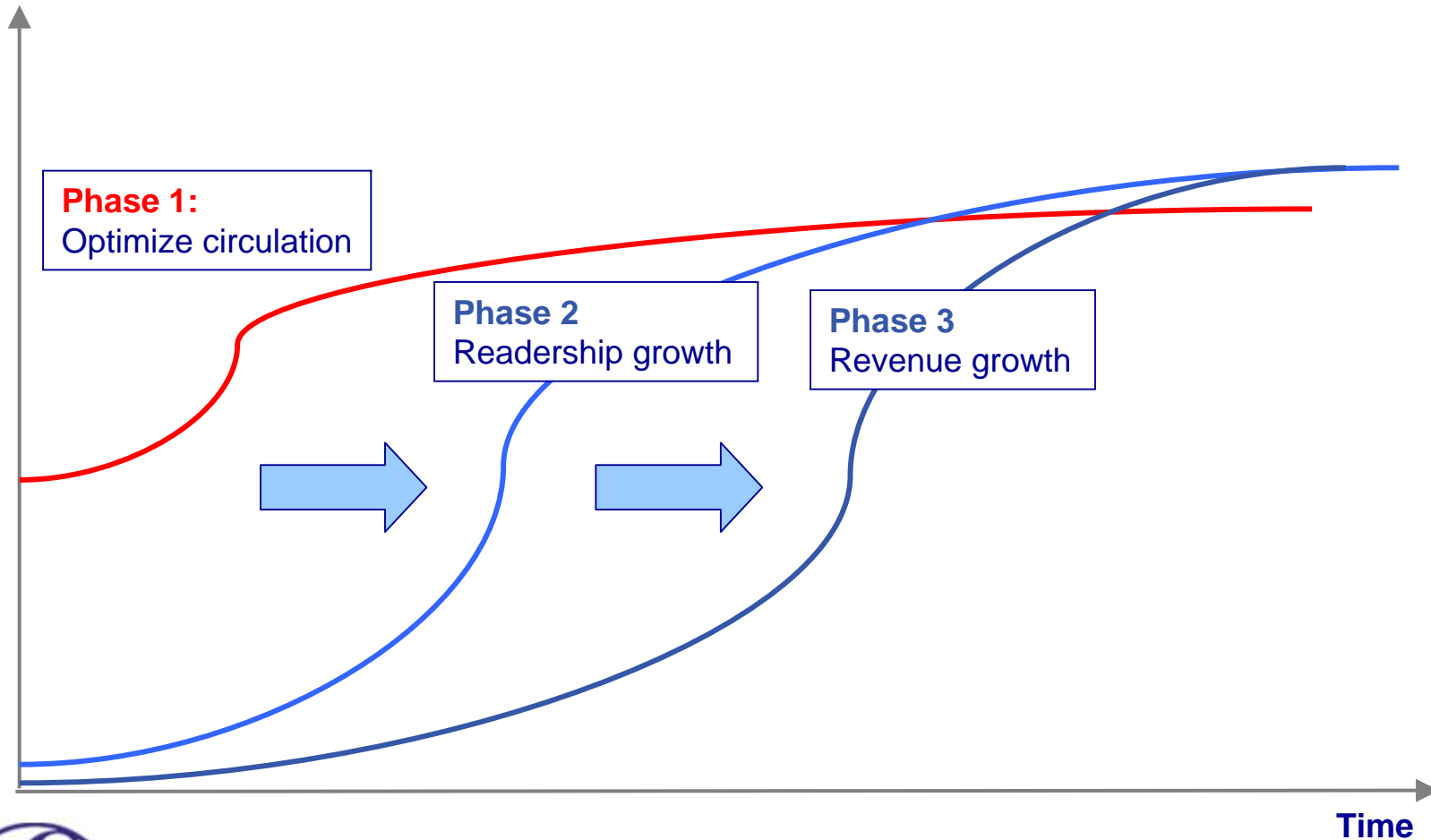
Source: Tidningsstatistik; Orvesto





A 20 Minutes edition goes through three phases

Distribution audience
Revenues

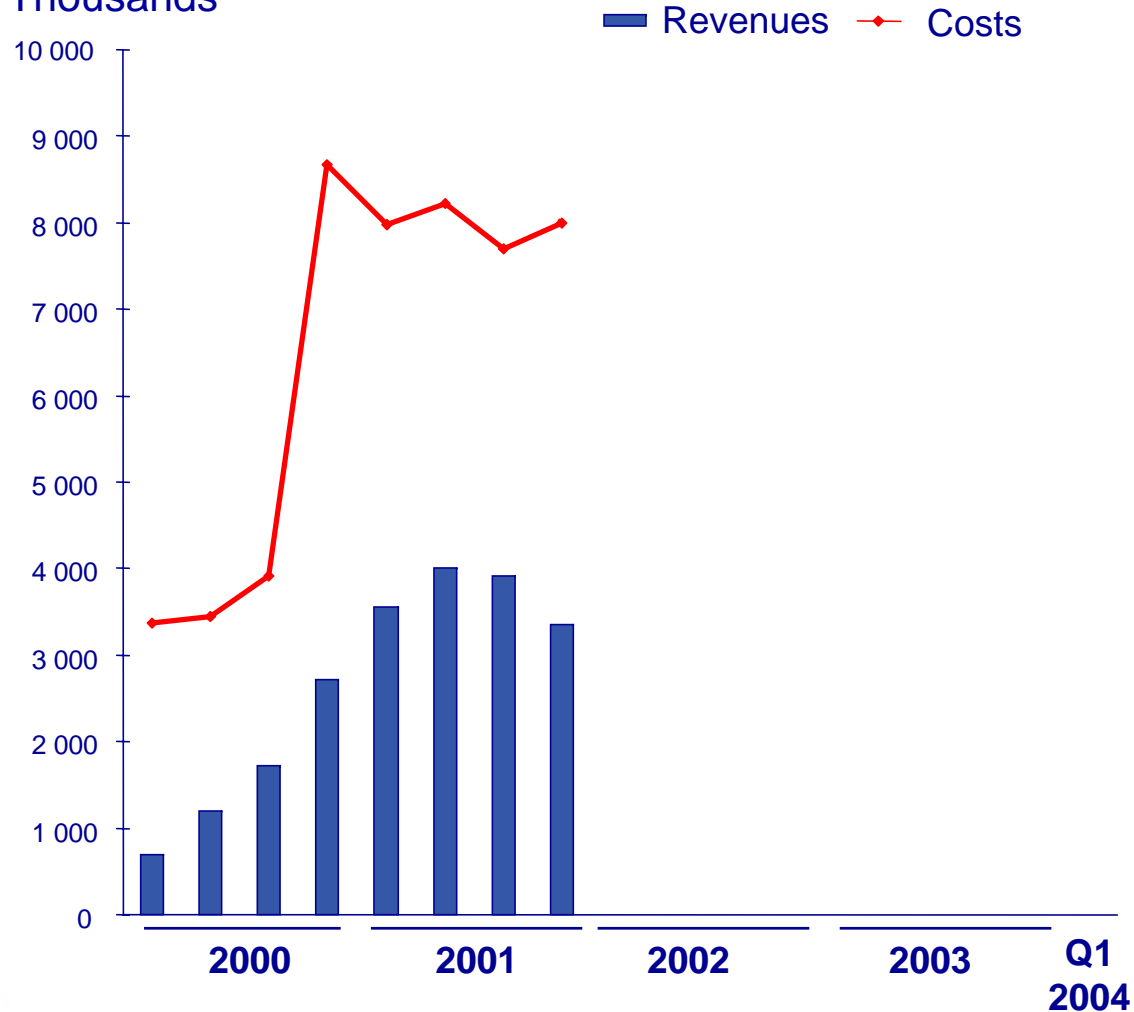




Revenue and cost development



EUR Thousands

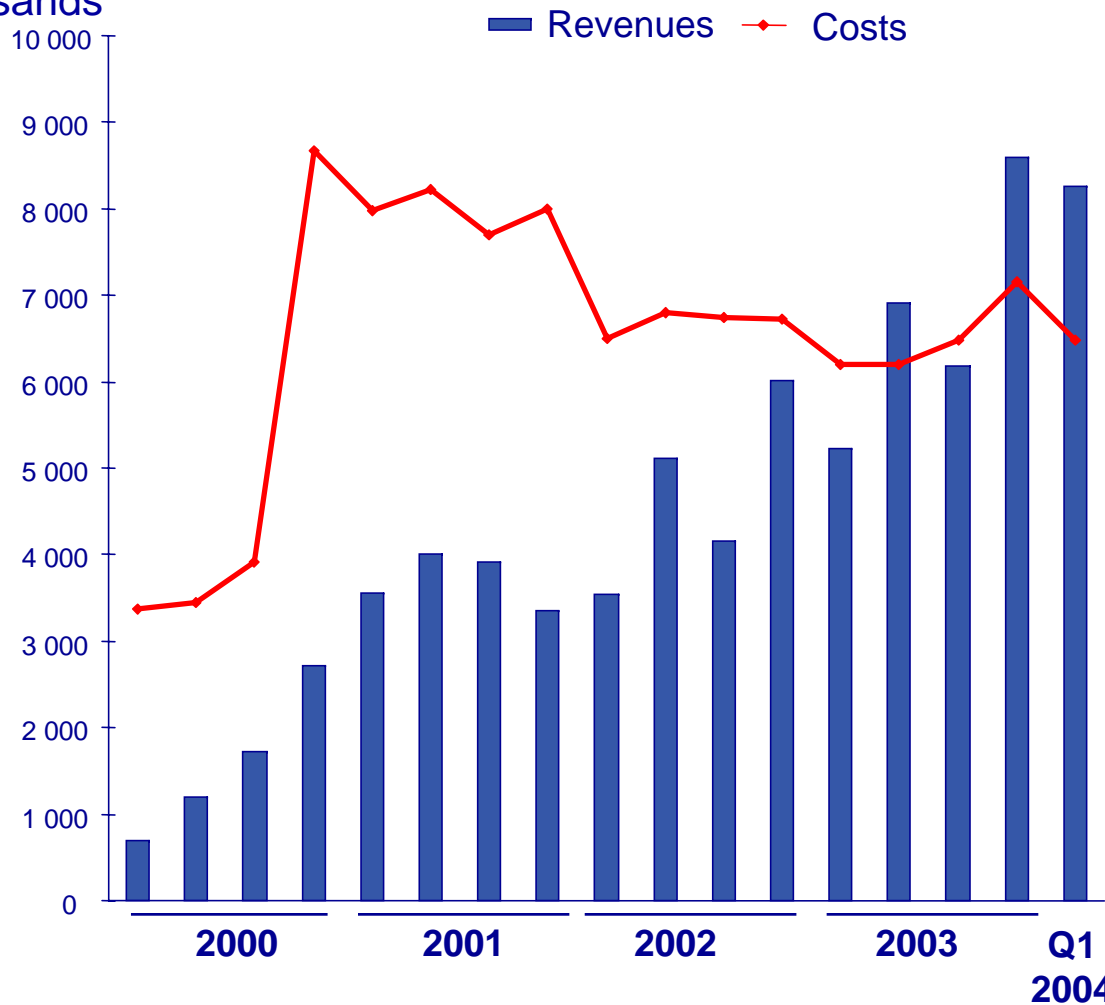




Attractive margins were obtained in the beginning of the fifth year



EUR Thousands



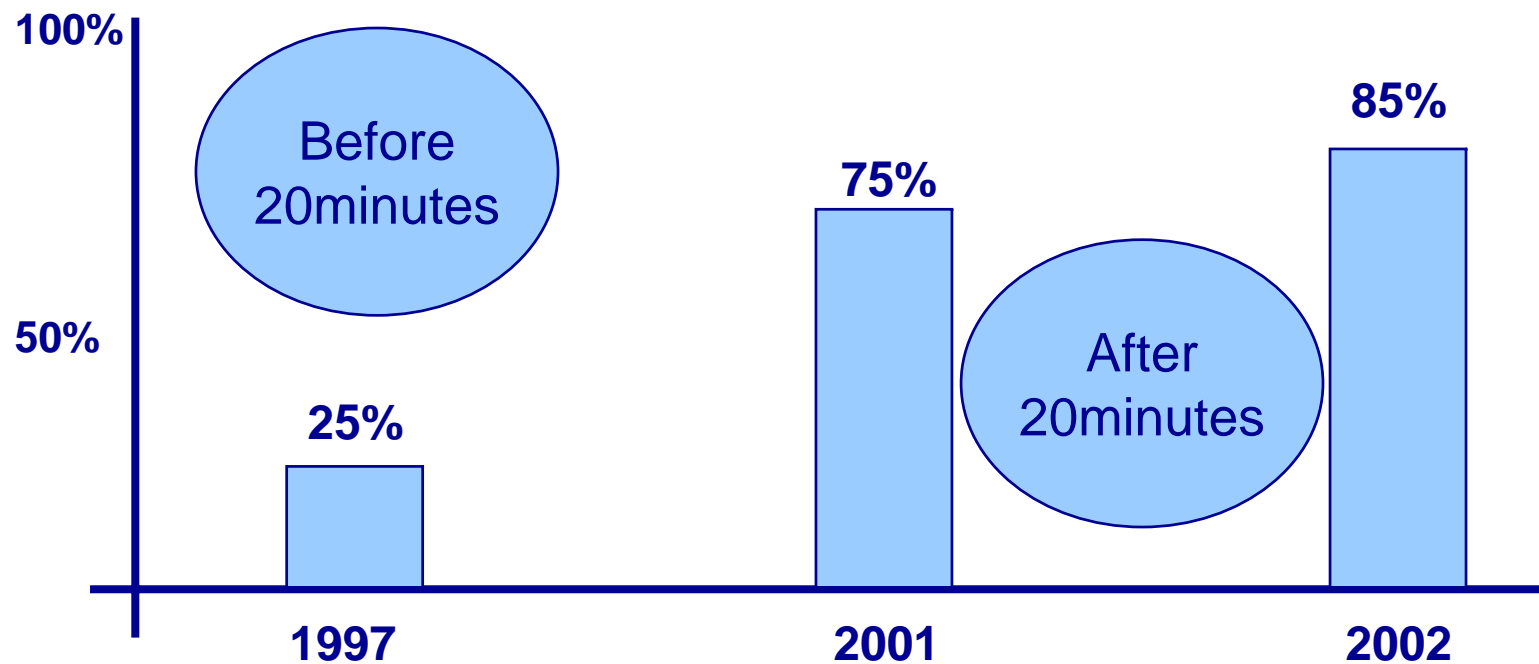
The development of 10 – 13 year olds, who read a newspaper more than once per week (Switzerland)



10 – 13 years



German-speaking Switzerland

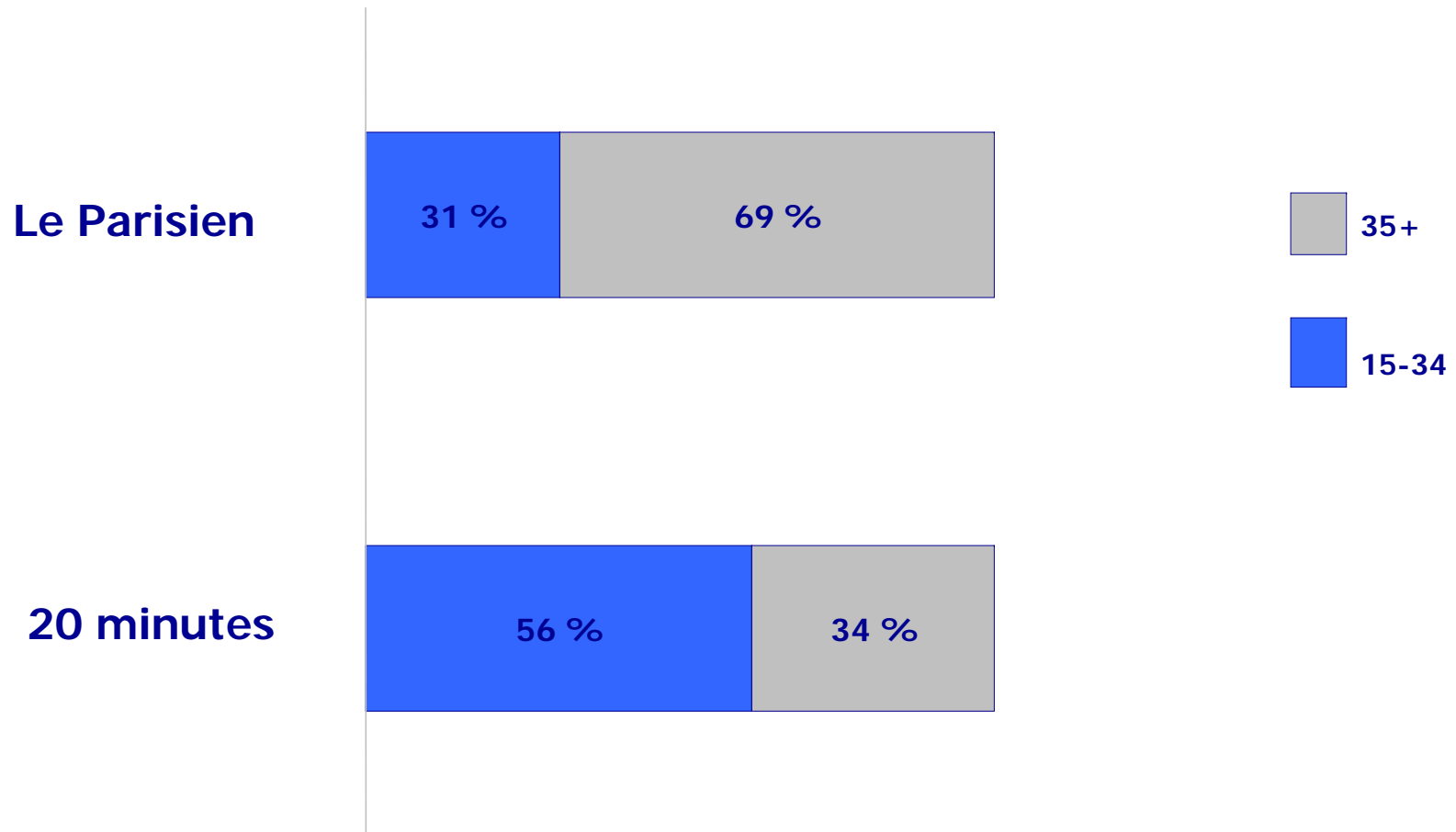


Source: Special survey – “Kids & News”



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Our readers are considerably younger than the established newspapers. We are not stealing any readers.



Source: IPSOS mars-juni 2003



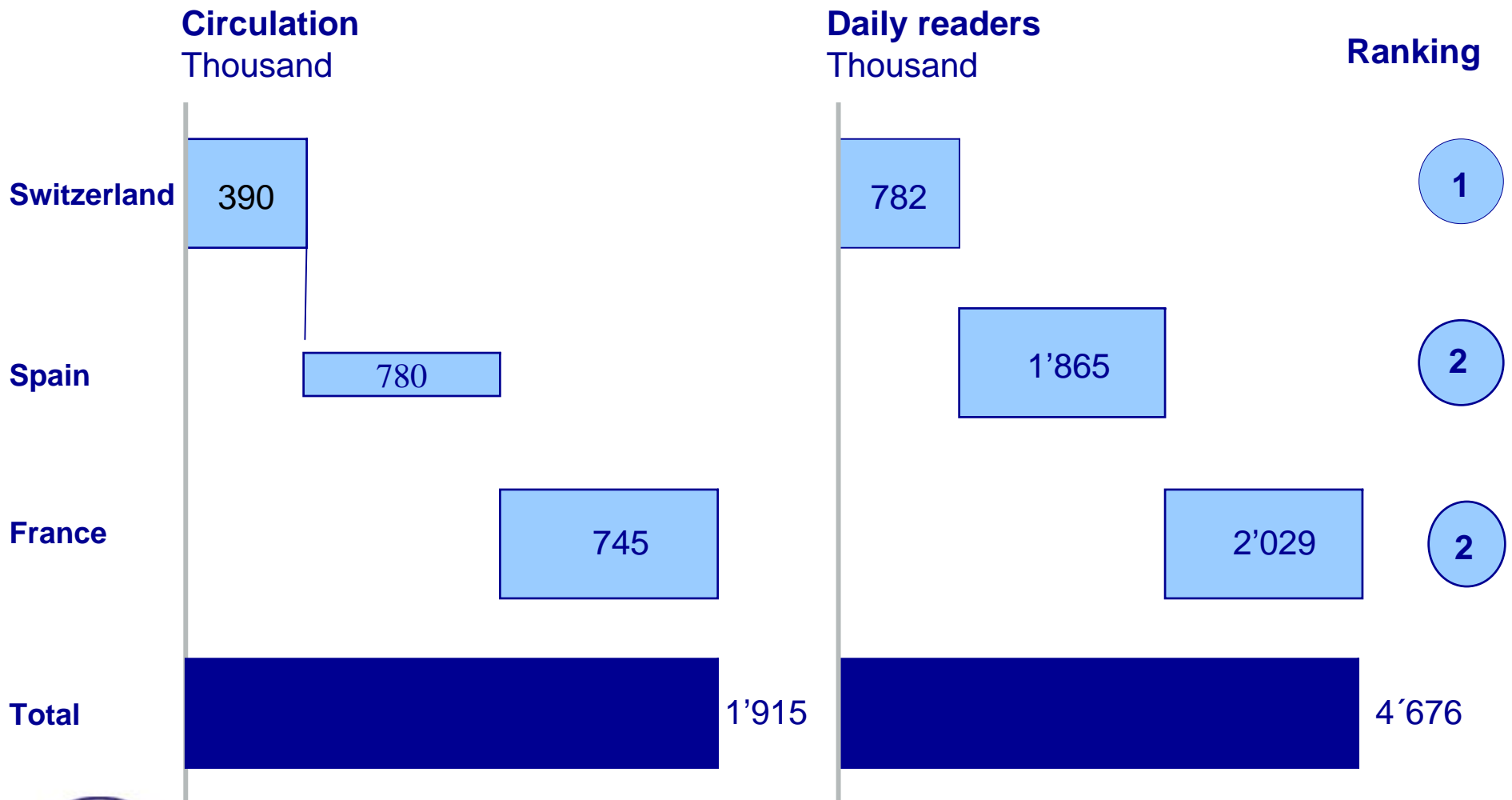
And the concept is proving itself by attracting advertisers targeting the young, problematic readers!



CocaCola on a front page ad!

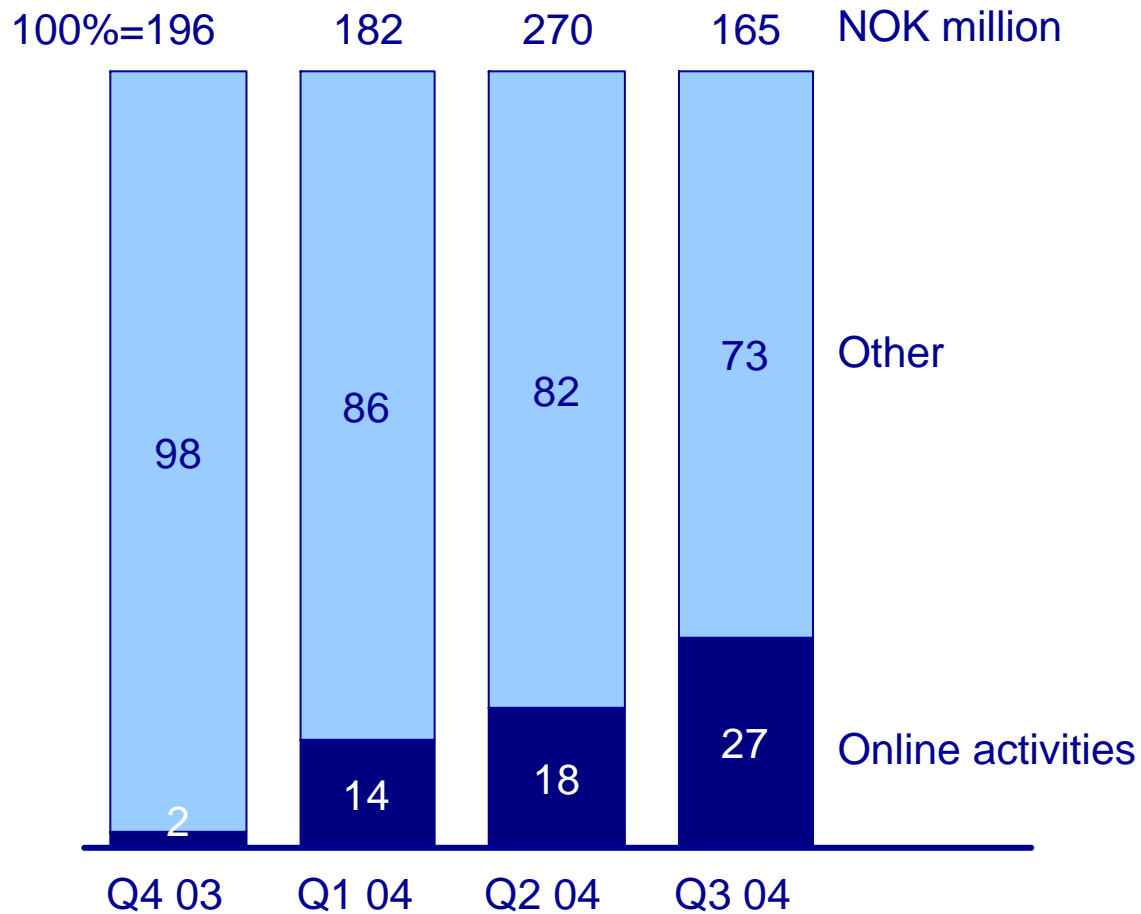


We have already established a strong competitive position in each market



Operating profit contribution from online activities

EBITA, percent



”Schibsted is the media company in Europe that has handled the changes in the media sector best - by far”

Capital Research
Schibsteds 3rd largest stockholder

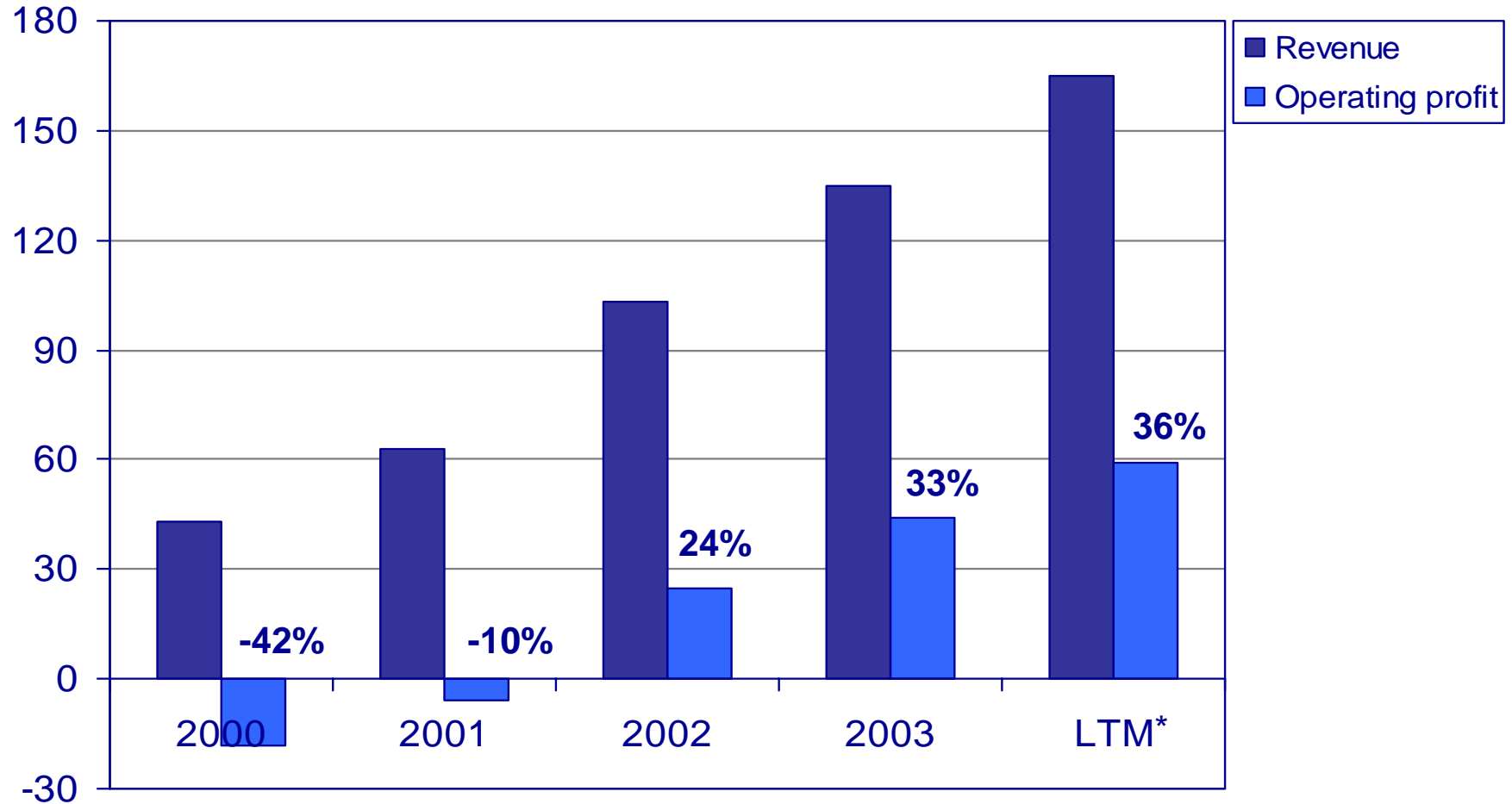




FINN

Financials 2000 – 2004

NOK million



* As of 30 September 2004



FINN has a very strong market position



Recruitment

Market share

#1

Bundling with newspaper

Limited



Real estate

80%

Yes



Cars

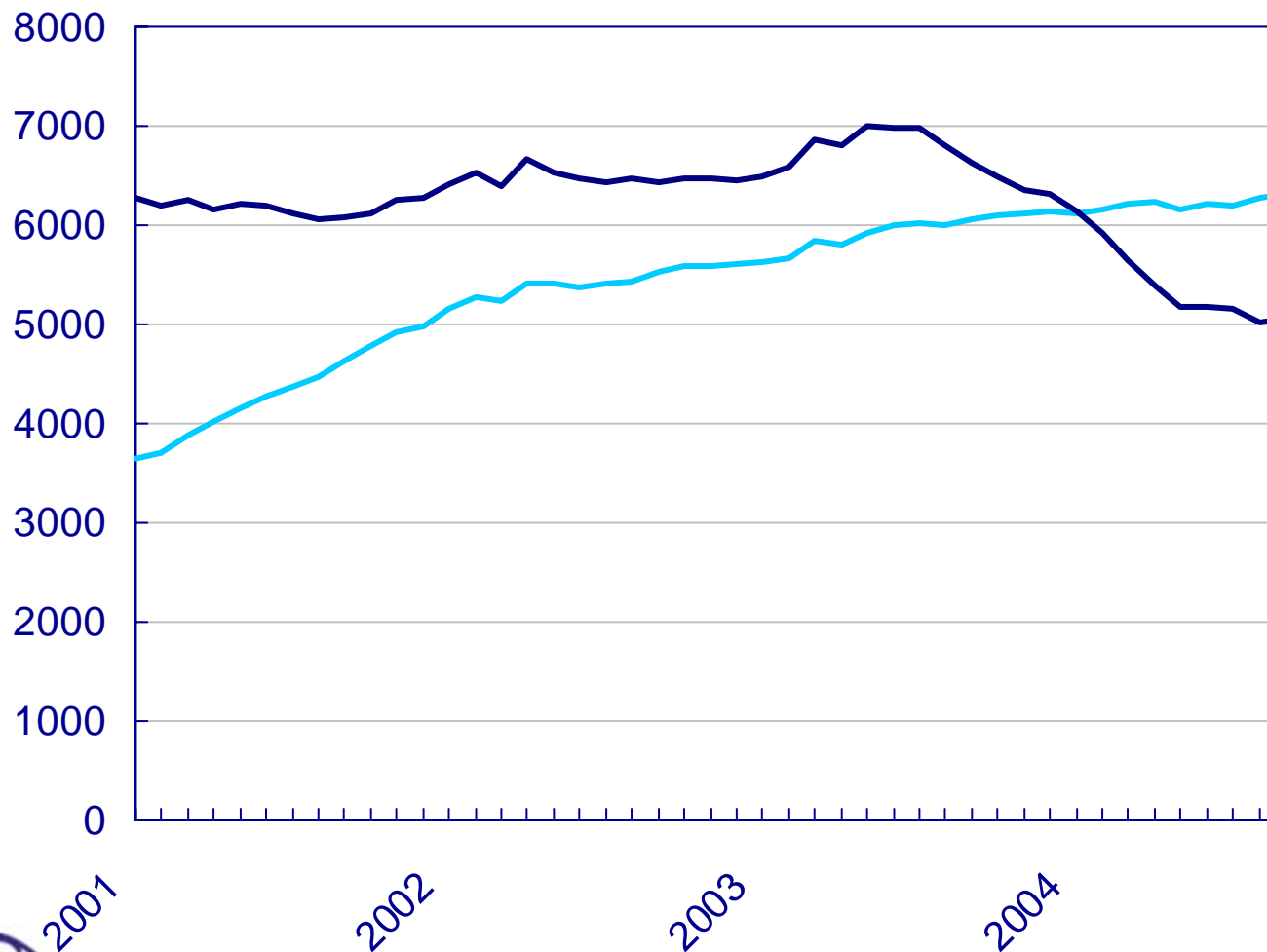
75%

Limited



Migration of classified advertising – Real estate

Number of ads, 12-month rolling average



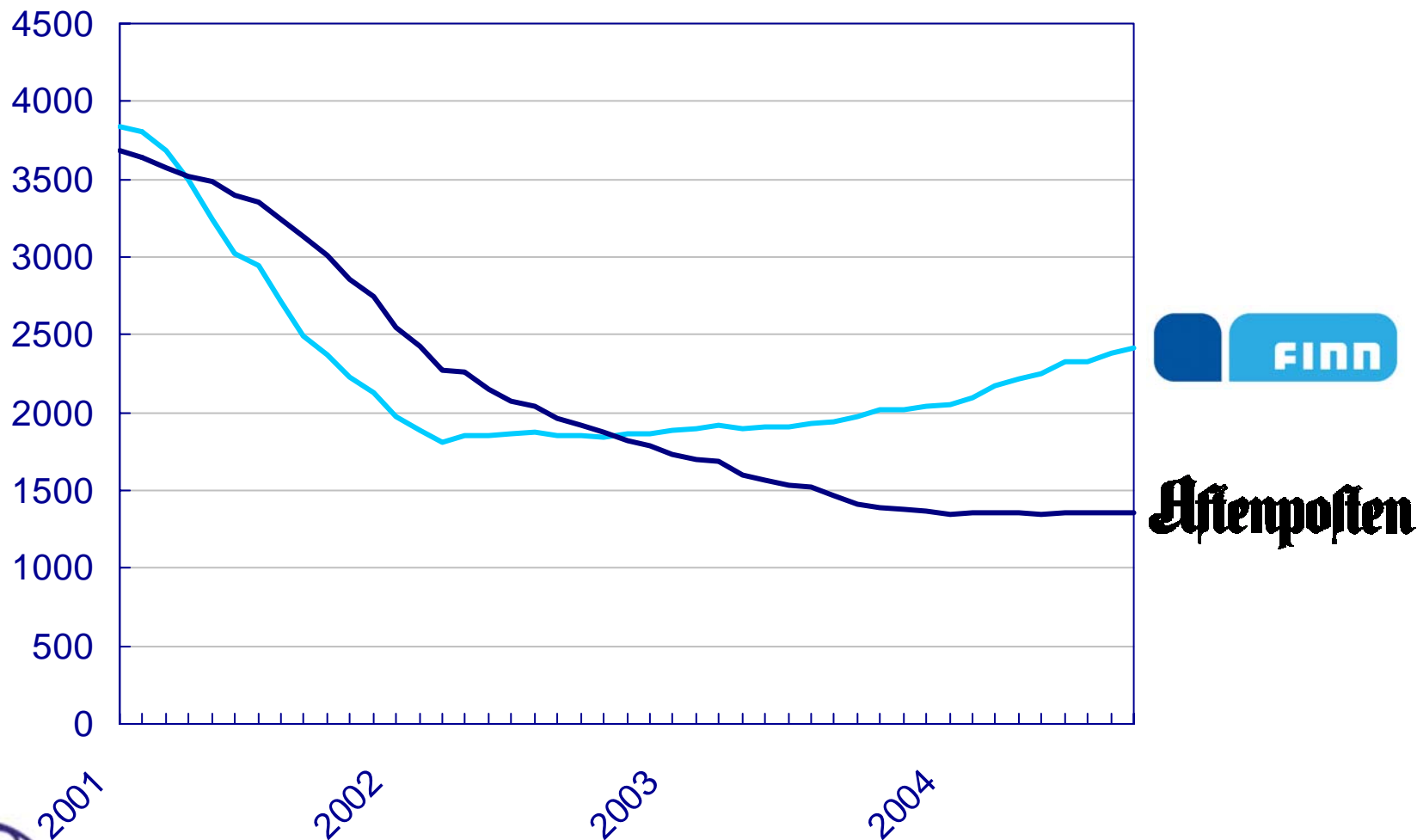
FINN

Aftenposten



Migration of classified advertising – Recruitment

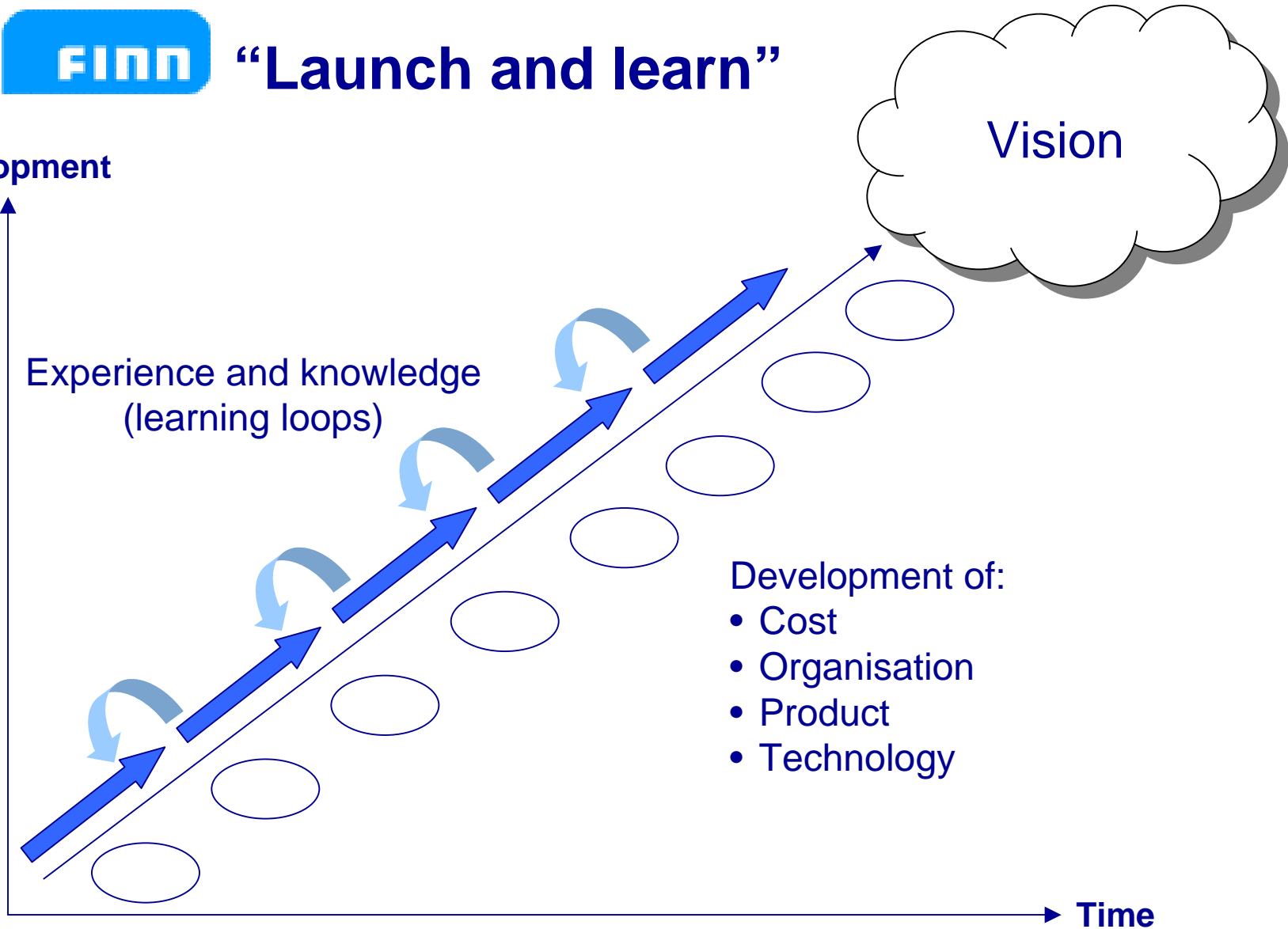
Number of ads, 12-month rolling average





“Launch and learn”

Development



Important differences between FINN and Blocket



Strategy

- Exploit the position of the newspapers in the B2B market
- Secondly C2C

- Purely C2C
- Building traffic
- Then B2B

Business Model

- Support real estate agents and companies to succeed

- Activating the consumers – "People's movement"

Product & Price

- Advanced functionality and high price

- Free from the start, low price
- Free text search

Technology

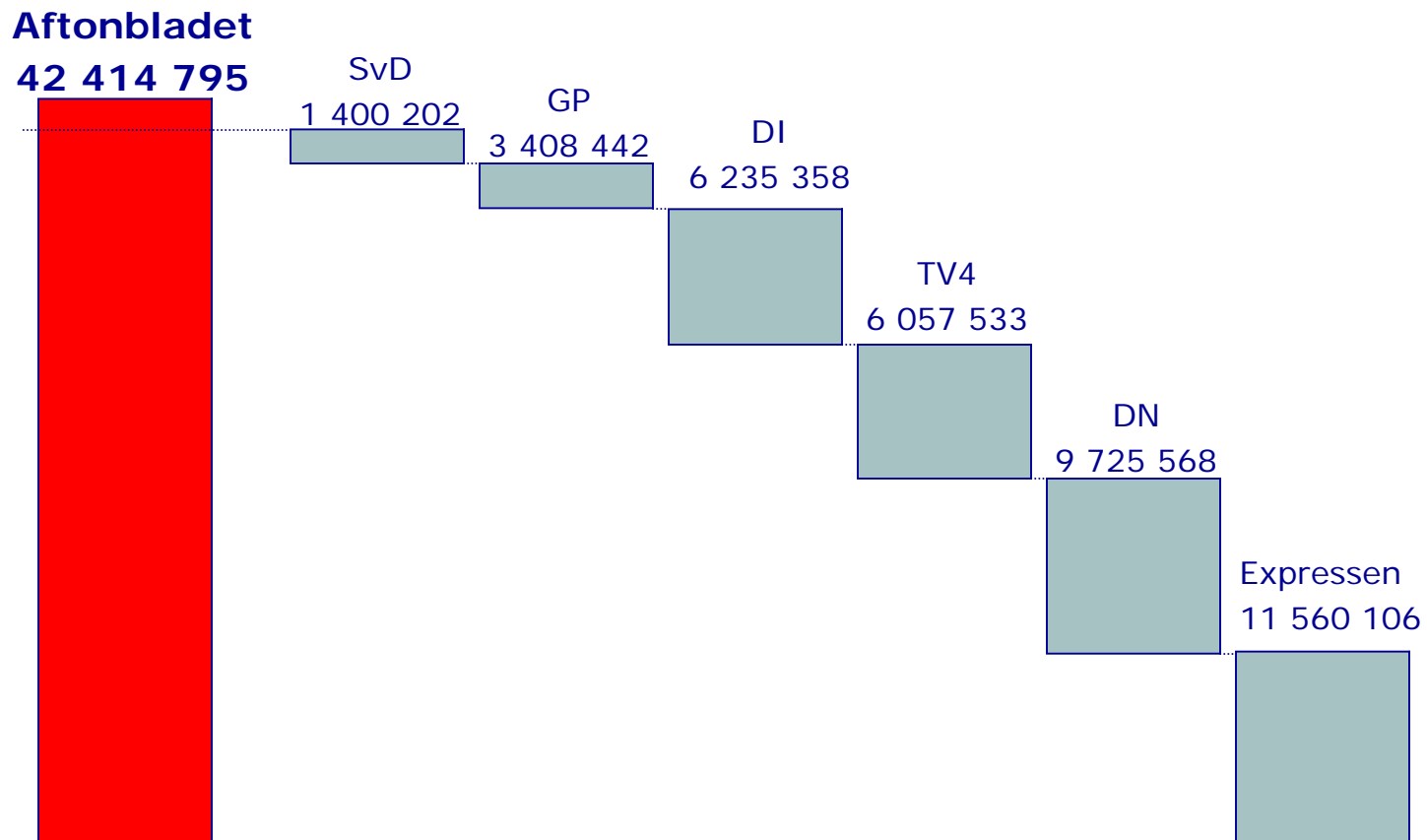
- Structures database queries, well suited for
 - Real estate
 - Recruitment

- Well functioning for free text search
- Less suited for structured queries





Attonbladet.se has more visits than the largest Swedish news sites put together

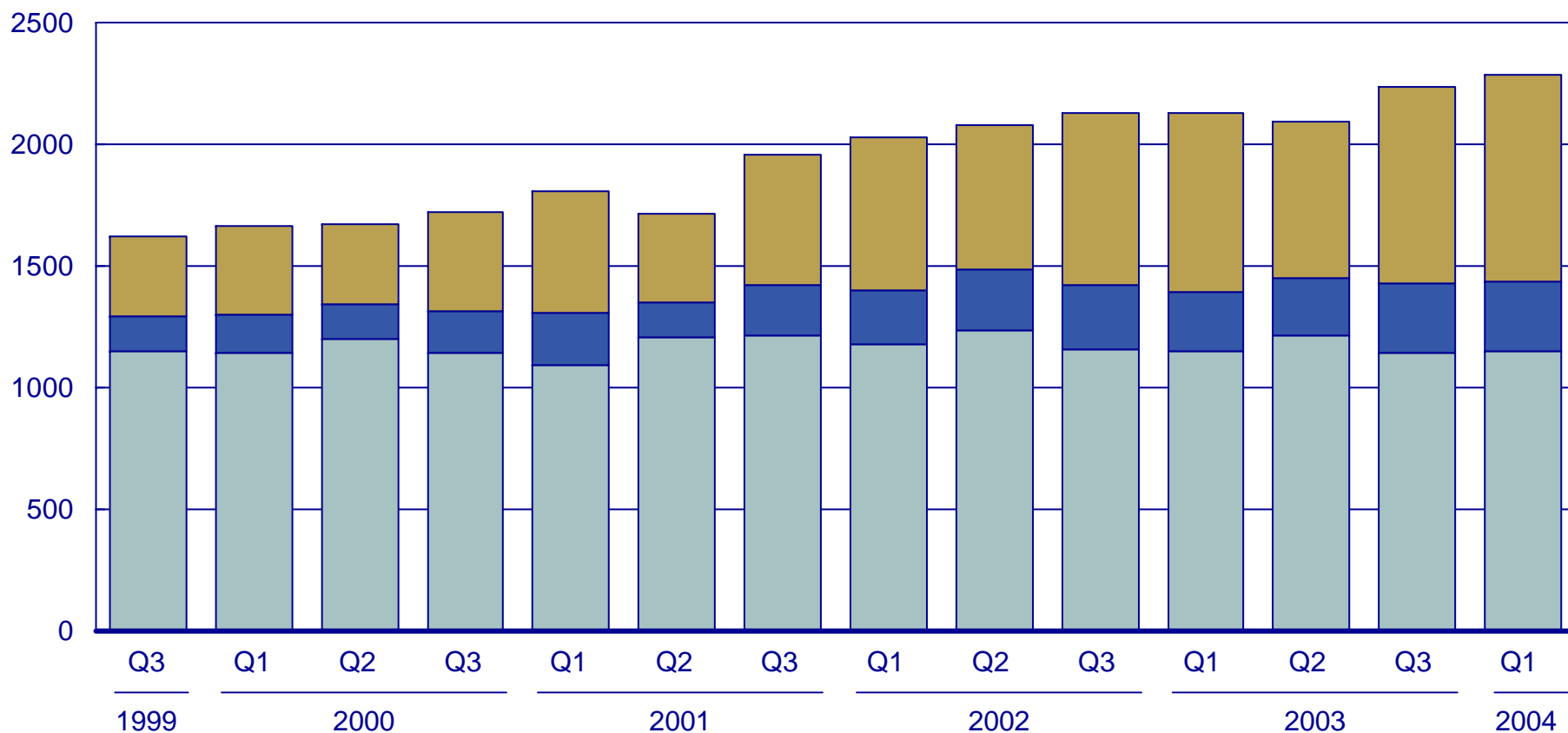


Readership on- and offline

AFTONBLADET.se

Daily readership, thousands

- Only online version
- Both
- Only paper version

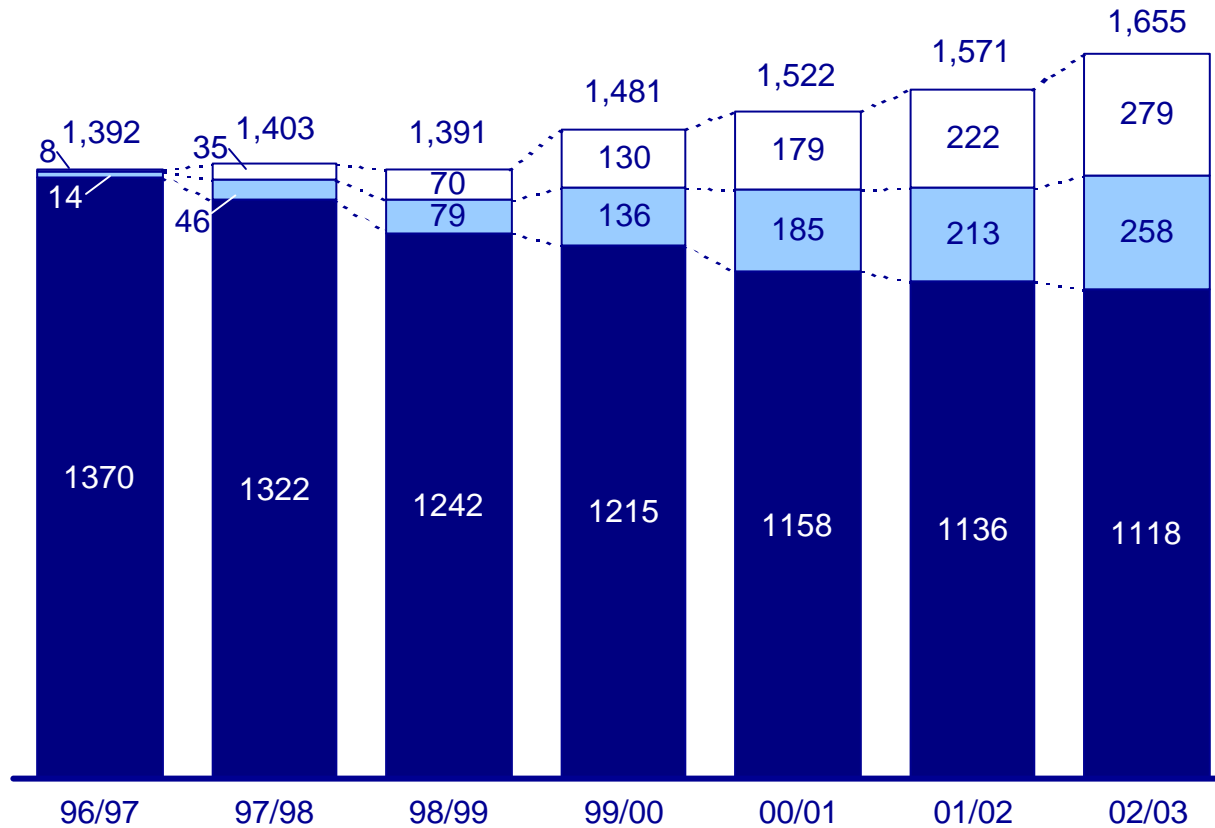




Readership on- and offline

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Source: Gallup – 96/97 represents Forbruker & Media 02/97



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Agenda

Major transition since 1996

➔ Even more fundamental changes needed going forward



Major changes in the media market increases demands on management and competencies

Major changes in the media market

- Higher pace of change
- Convergence and increased competition
 - Consumer market
 - Advertising market
 - Labor market



Market leaders in the electronic industry

1955 (Transistor)
Hughes
Transitron
Philco
Sylvania
TI
GE
RCA
Westinghouse
Motorola
Clevite

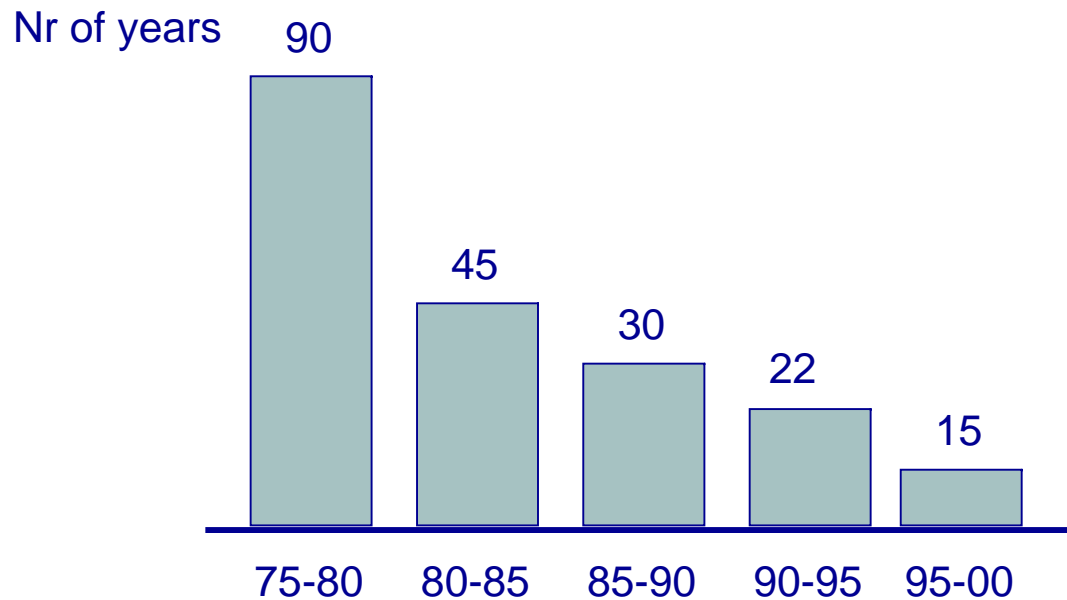
1975 (IC)
TI
Fairchild
National
Intel
Motorola
Rockwell
GI
RCA
Philips
American Micro

1982 (VLSI)
Motorola
TI
NEC
Hitachi
National
Toshiba
Intel
Philips
Fujitsu
Fairchild



New players work their way forward in all industries

**Expected lifetime for S&P 500 companies
based on numbers of bankruptcies/closures***

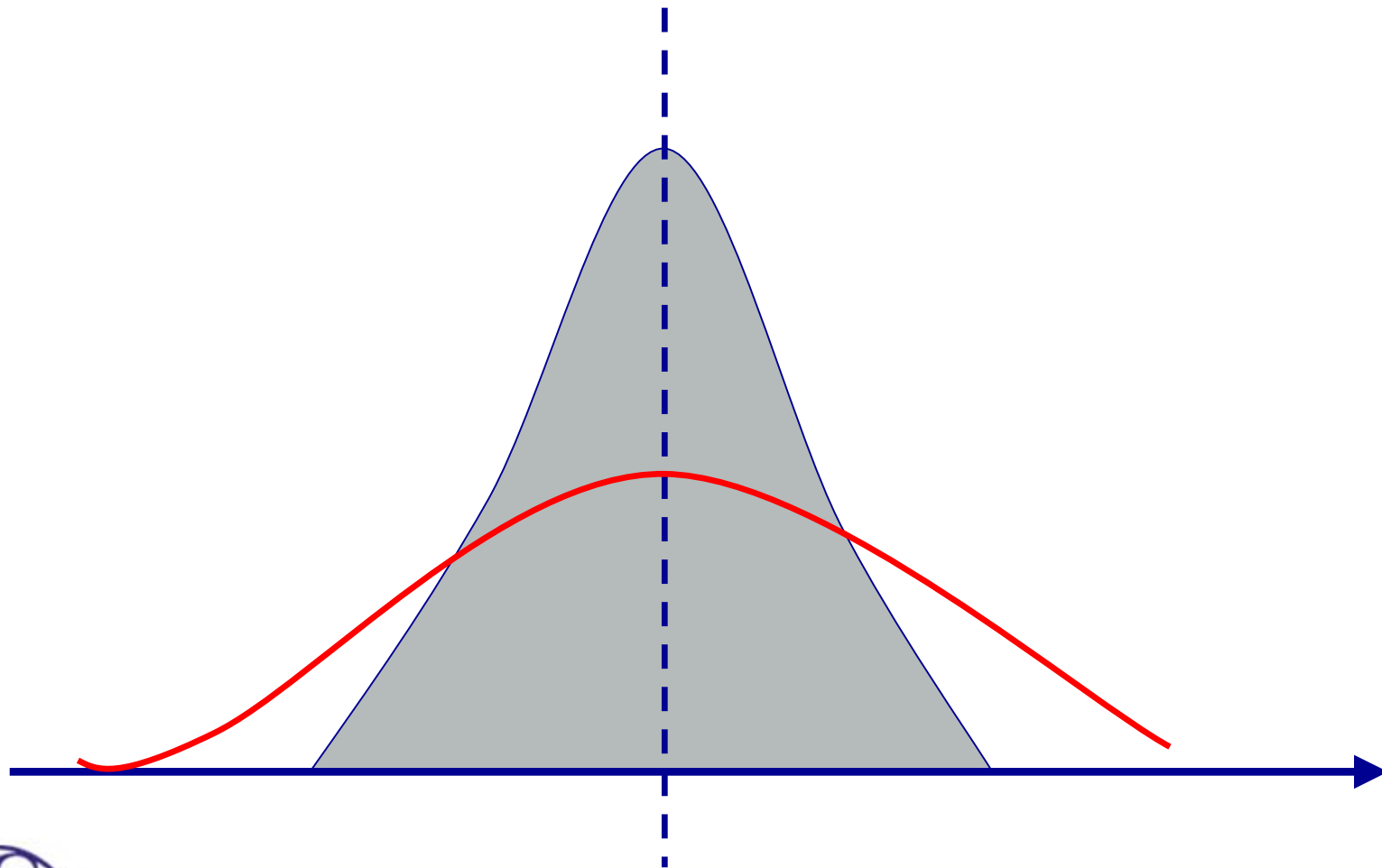


* Number of closures during the past 20 years average

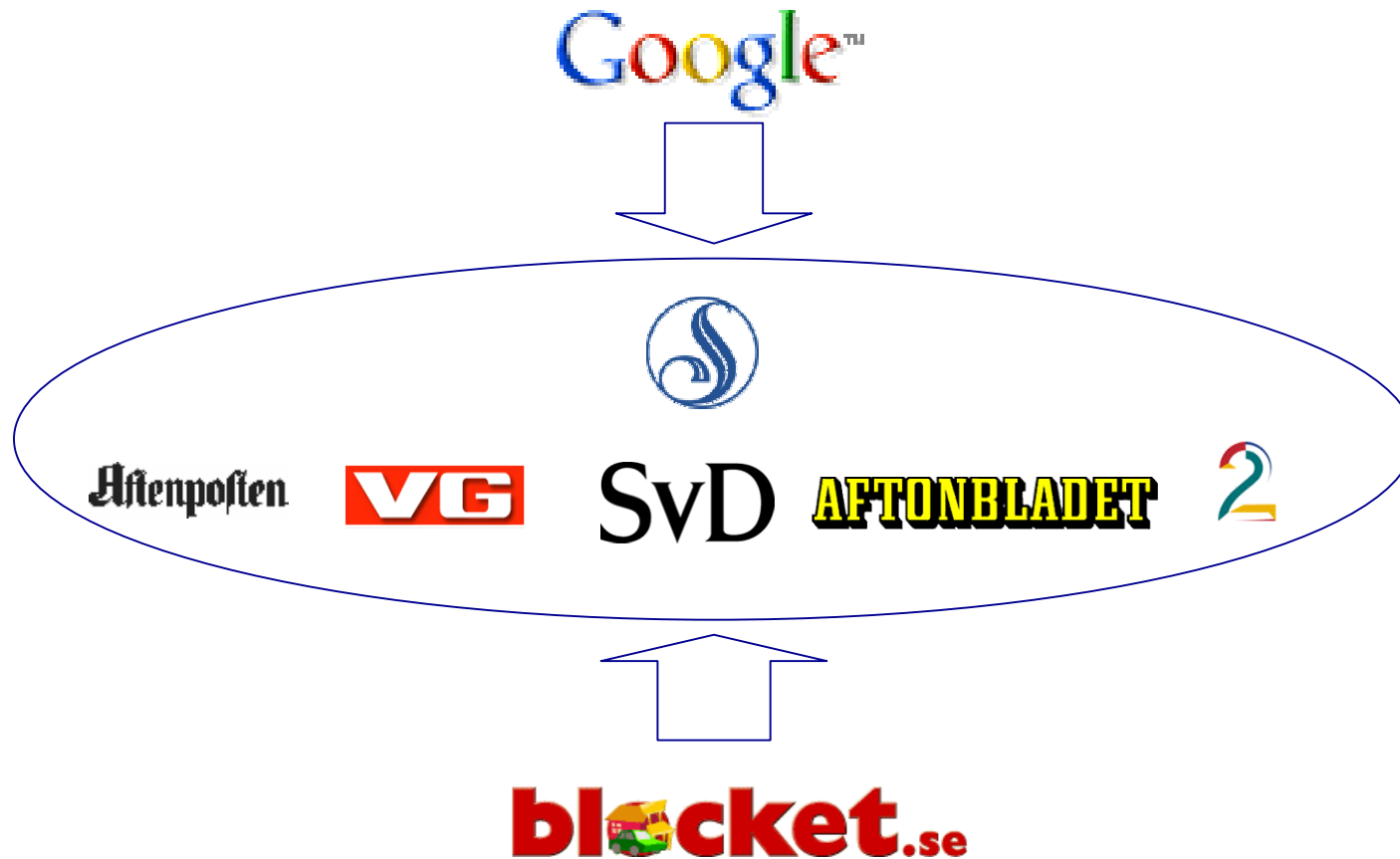
Source: Dick Foster



The difference between excellence and mediocrity will increase



Schibsted's new competitive situation will make it more difficult to "rest on the laurels"



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Increased demands on leadership and competence

- Integrated and strategic leadership
- Market understanding and brand management becomes more important



Quotes from the interviews

"The newspapers are used to receiving orders – and they still behave like that"

CEO Norwegian Media Agency

"The newspapers' sales representatives focus too much on their own product instead of studying the needs of their advertisers. They know little about how a brand is created and how the newspaper can be used as a communication platform to solve the challenges of the advertiser"

Advertising director

"Each time there's a new 24 year old sales person saying the same thing every time"

Media director



20 % discount in H&M shops, voucher by SMS

The screenshot shows the Aftonbladet website interface. At the top, there is a navigation bar with links for 'plus idag', 'mat+vin', 'du+jag', 'plusmail', 'tvtablå', 'webbspel', 'viktklubben', and 'football manager'. Below this is the Aftonbladet logo and a 'TIPSA OSS' button. The main content area features a large H&M promotional banner with the text 'JULKLAPPSERBJUDANDE FRÅN H&M. VI ERBJUDER DIG 20% RABATT PÅ VALFRI VARA. SKICKA DITT MOBILNUMMER TILL H&M OCH FÅ ERBJUDANDET VIA SMS.' and a 'SKICKA >>' button. Below the banner is a news article titled 'Helénmannen inför rätta' with a sub-headline 'Rättegången inledd mot Ulf Olsson'. The article text includes 'Mordmisstänkte Ulf Olsson förs in i sal 1 i Lunds tingsrätt i morse.' and 'Rättegången inledd mot Ulf Olsson. Heléns och Jannicas anhöriga följer rättegången på plats i Lund.' There is also a 'blocket..' section with a list of items and their prices.

"Special x-mas offer from H&M. We give you a 20% discount on whatever product you choose. Send your mobile number to H&M and receive the discount voucher via SMS."



Which Pizza Grandiosa has the best taste?

VALGKAMPEN ER I GANG!



Kandidat 1: Pepperoni



Kandidat 2: Kjøttdeig & Løk

Du bestemmer om det er Grandiosa Pepperoni eller Grandiosa Kjøttdeig & Løk som blir det nye medlemmet i Grandiosa-familien. Stemningen vil foregå via SMS, på Internett og pr. post. Se baksiden av pakningen for stemmeinformasjon.

GRANDIOSA
PIZZAVALG 2004

- Information on how to vote was printed on the pizza box
- TV and print was used to launch the campaign and to report the results of the vote
- 197.175 votes received:
 - Internet: 131.833
 - In shops: 50.348
 - By mail: 4.292
 - SMS: 10.702



Major changes in the media market increases demands on management and competencies

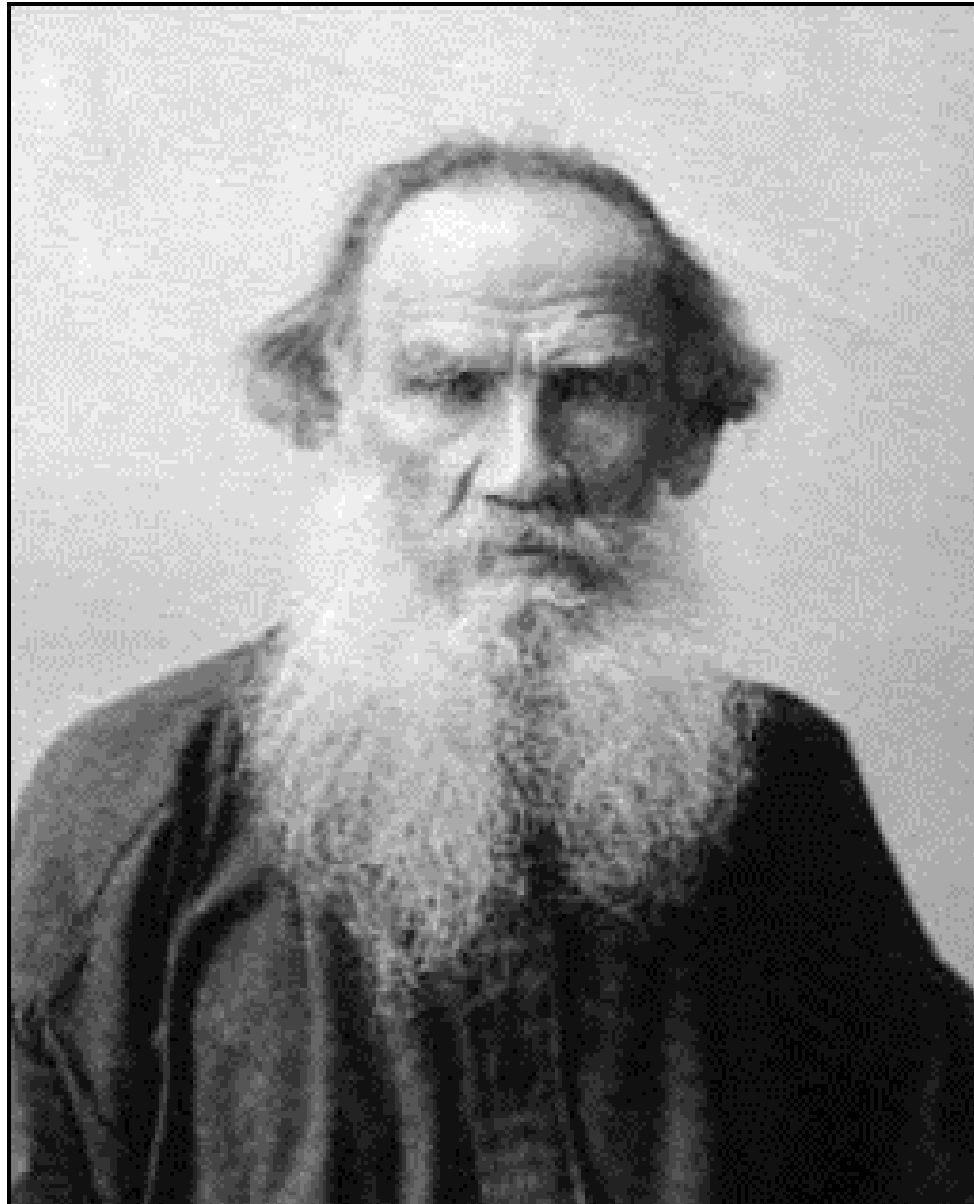
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- Market understanding and brand management becomes more important
- Increased demand for continuous cost improvement
- Organizational and competence development will be paramount





The Adaptive Enterprise

Strategy

- Few, basic rules
- Experiments, not plans
- Developed at the front

Organization

- Fluid, informal structures
- Self-organizing staffing
- Market rewards



ENCOURAGE RISK TAKING AND REMOVE FEAR OF FAILURE



**No
failure,
no
learning**

“Only through failure can precious experience be learned. But be sure to always learn from your mistakes. Failure by itself is not necessarily failure.”

– Sochiro Honda, cofounder



**Safe to
fail**

“At Disney, we also feel that the only way to succeed creatively is to fail. A company like ours must create an atmosphere in which people feel safe to fail.”

– Michael Eisner, CEO





"Failing is good as long as
it doesn't become a habit"

- Michael Eisner
CEO of Disney



Some important changes were needed in Schibsted

From

- Measured on failures
- Bureaucratic decision processes
- Steep functional pyramids

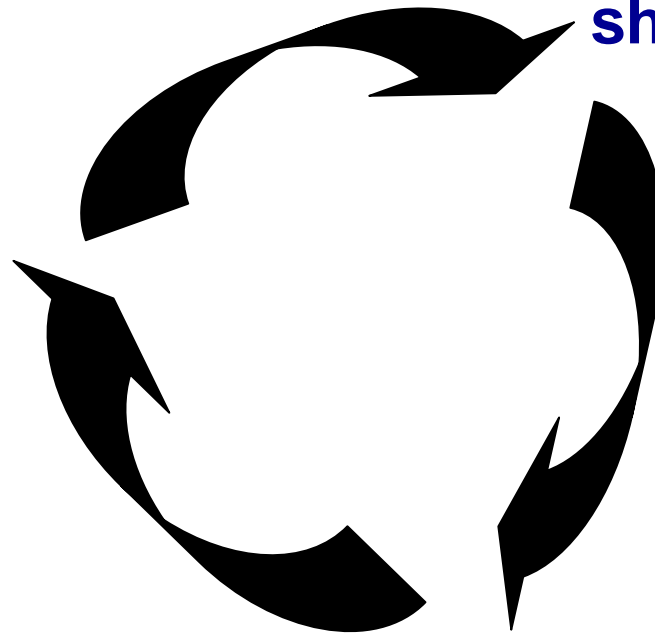
To

- Incentives for risk taking
- Speedy decisions
- Business decisions at low levels in the organisation



Some building blocks for developing more entrepreneurial and adaptive organisations in Schibsted

**Attract,
develop
& retain
top
talents**



Competence building and sharing

- Strategic brand management
- Operational effectiveness
- Advertising products & sales
- Multimedia concepts

Yearly organisational reviews

