

The Tinius Trust

(Stiftelsen Tinius)

Annual Report 2006



”Ownership must ensure freedom and independence of Schibsted’s media”

At the Annual General Meeting of Schibsted ASA held on 11 May 2006, Tinius Nagell-Erichsen briefed the meeting on the relationship between the Tinius Trust (“Stiftelsen Tinius”) and the Schibsted Group. He said, among other things:

”The freedom of speech is threatened in many places around the world.

As a former journalist and as owner I have become more and more convinced that ownership must ensure the freedom and independence of Schibsted’s newspapers and other media. A free press is perhaps the best safeguard of a strong and vibrant democracy.

On this background, I wanted my ownership stake in Schibsted to contribute to continued editorial freedom, credibility and quality of the media that we own. I also wanted to ensure the long-term and healthy financial development of the Schibsted Group, with a strong, stable and Norwegian ownership.

With this in mind, the Group gave my ownership stake of 26.1 per cent special rights in Schibsted’s articles of association when we decided to list the company on the stock exchange. I established the Tinius Trust in 1996 to ensure that the Schibsted Group continues as a media

group, run according to the same main editorial and business guidelines as at present. The board of the trust was instructed to monitor this, while at the same time work to ensure the long-term, healthy financial development of Schibsted.

The Tinius Trust has in my opinion been a very effective obstacle against financially strong players who would otherwise have tried to take over the group. Without the Trust, Schibsted would probably not have existed in its current form, nor would we have had the same possibilities to further develop the company. The Trust has effectively limited any interest in a take over of the company.

When media companies in other countries have wanted to have Schibsted as owner, we have noticed how the trust has contributed to us being viewed positively as a business partner.

The strength of the Tinius Trust is that, contrary to many other trusts and other types of arrangements, it has power, and if that power is used intelligently, it will undoubtedly serve to protect the freedom and independence of the Schibsted Media Group.

I do hope that what I have done will benefit the holdings that I have worked to keep and defend over the years.”

Manager of the Schibsted G

The Tinius Trust (“Stiftelsen Tinius”) was established by Tinius Nagell-Erichsen in a deed of gift dated 8 May 1996 and has a basic capital of NOK 10 million. Mr. Nagell-Erichsen transferred the only voting share in Blommenholm Industrier AS to the Trust on 5 May 2006. Blommenholm Industrier owns 26.1 per cent of the shares in Schibsted ASA and is the Group’s largest shareholder. The Tinius Trust thus manages the Schibsted Group’s largest shareholding

Directors’ report for 2006

Amendments to Schibsted ASA’s articles of association require the approval by a super-majority of $\frac{3}{4}$ of shareholder votes and according to the articles of association no shareholder may own or vote for more than 30 per cent of the shares. The articles of association of Schibsted ASA also ensure that important decisions made by the Group’s subsidiaries require the support of $\frac{3}{4}$ of the votes at the Annual General Meeting of Schibsted ASA.

As long as the 26.1 per cent shareholding is not split up, the provisions allow a considerable influence over the ownership of Schibsted.

The Tinius Trust’s articles of association stipulate that the Trust shall make efforts to ensure that the Schibsted Group continues as a media group, run according to the same main editorial and business guidelines as at present. Editorial independence, credibility and quality should govern all media and publications, owned by the Schibsted Group. The Trust must also work to ensure the long-term, healthy financial development of the Group.

The Trust’s board currently consists of Tinius Nagell-Erichsen, Per

Egil Hegge, John A. Rein and Ole Jacob Sunde. Upon the death of Tinius Nagell-Erichsen, the board will consist of three members. Each member appoints his/her personal successor.

In 2006, the Trust capital was placed in equities funds, bond funds, hedge funds and in the bank. Loss for the year came to NOK 235,130. The balance sheet bears evidence of the fact that Tinius Nagell-Erichsen donated an investment portfolio worth NOK 32,832,184 to the Trust at the same time as he transferred the one voting share in Blommenholm Industrier. The board of directors is of the opinion that the annual accounts give a true and correct picture of the Trust’s assets and liabilities, its financial position and the loss for the year.

The financial statements have been prepared on the going concern assumption as the financial strength of the operations is good.

No director’s remuneration was paid in 2006. The auditor’s fee amounted to NOK 7,500.-. The Trust has no employees, but upholds the principle of equal rights. The Trust does not harm the environment.



Tinius Nagell-Erichsen
Chairman of the Board

Formerly a journalist with *Aftenposten* and other publications, General Manager of *Verdens Gang* and Managing Director of *Aftenposten*. Several periods as Chairman of *Avisenes Arbeidsgiverforening* between 1972 and 1987. Former Chairman and present Deputy Chairman of the Board of Schibsted ASA. Chairman of the Board of Blommenholm Industrier AS. Former Chairman of the Board and Member of the Board of *Aftenposten*. Chairman of the Board of *Fædrelandsvennen*. Member of the Board of *Aftenposten*. Master of Science, London School of Economics 1959.

Oslo, 1 Juni 2007

Tinius Nagell-Erichsen
(Chairman of the board)

Per Egil Hegge
(Member of the board)

John A. Rein
(Member of the board)

Ole Jacob Sunde
(Member of the board)

roup's largest shareholding



John Rein

Member of the Board

John A. Rein is a business lawyer and a partner in Wikborg Rein. Entitled to appear before the Supreme Court Other directorships: Deputy Member of the Board of Schibsted ASA, Member of the Board of VG and Blommenholm Industrier AS. Rein has been legal adviser to Tinius Nagell-Erichsen for almost twenty years. Former Fellow of the Scandinavian Institute of Maritime Law (1978 – 1979) and Contracts Manager, Conoco, London (1979 – 1981).



Ole Jacob Sunde

Member of the Board

Chairman of the Board of Schibsted ASA. Founder and Chairman of the Board of Formuesforvaltning ASA. Founded Industrifinans Forvaltning ASA in 1983 and was General Manager until 2000. Formerly a consultant with McKinsey & Co. (1980 – 83). Various directorships, including Blommenholm Industrier AS. Graduate of the Université de Fribourg, Switzerland (1976) and Kellogg School of Management, Northwestern University, USA (1980 – with distinction).



Per Egil Hegge

Member of the Board

Employed with Aftenposten 1962-2005. 12 years as foreign correspondent in London, Moscow and Washington DC. Editor of A-Magasinet 1984-1988. Cultural Editor 1992-1998. 12 books, including biographies of Otto Sverdrup, Fridtjof Nansen and King Harald V. Narvesen Prize in 1969. Oslo og Bærum Riksmålsforening Gold Pen Award 1993. Class 1 Knight of the Order of St. Olav 2003. Bachelor's Degree from Oslo University, specialising in Russian, English and Political Science (1966).

Trust establishes research scholarship

The Tinius Trust is looking to finance a three-year research scholarship for a researcher who will be linked to one of our journalism/media educational institutions during the period of the scholarship, with a further possibility of a placement at the Norwegian Institute of Journalism in Fredrikstad. The intention is that the scholarship will conclude with a dissertation for a doctor's or master's degree.

The Trust would like to focus on the following questions:

- What affects freedom of expression?
- What are the effects of different types of ownerships and owner concentrations?
- What consequences does technical development have on the media, given that the individual person and non-media institutions now have far more opportunities to make themselves heard by the public?

The scholarship amount consist of three annual salaries for one researcher, using the rates defined in the salary system of the Research Council of Norway.

The scholarship is to be publicly announced in August 2007. The Trust's board will award the scholarship after consultation with the Norwegian Press Association.

The Tinius Trust

Income Statement 1.1 - 31.12

	2006	2005
OPERATING EXPENSES		
Other operating expenses	460 825	176 693
Total operating expenses	460 825	176 693
Operating profit	(460 825)	(176 693)
FINANCE INCOME AND FINANCE COSTS		
Dividend received	323 855	0
Interest income, bank	22 824	2 610
Interest income, interest fund	552 496	616 174
Realised gains+/- losses- on securities	(2 028 308)	(13 062)
Unrealised gains+/- losses- on securities	1 354 828	12 729
Total finance income and finance costs	225 695	618 451
PROFIT (-LOSS) FOR THE YEAR	(235 130)	441 758
TRANSFERS		
Transfer of uncovered losses	(235 130)	441 758
Total transfers	(235 130)	441 758

The Tinius Trust

Balance Sheet at 31.12

	31.12.2006	31.12.2005
ASSETS		
NON-CURRENT ASSETS		
Shares in Blommenholm Industrier AS	30000	0
Total non-current assets	30 000	0
CURRENT ASSETS		
Receivables		
Other receivables	75778	0
Total receivables	75 778	0
Investments		
Mutual fund	19 287 318	1 087 252
Hedge fund	1 788 845	1 756 485
Bond fund	23 492 122	14 570 992
Money market fund	4 410 573	0
Forward currency contracts	28 414	(12 186)
Total investments	49 007 272	17 402 543
Bank deposits	1 021 098	39 320
Total current assets	50 104 148	17 441 863
TOTAL ASSETS	50 134 148	17 441 863
EQUITY AND LIABILITIES		
EQUITY		
Capital base	10 000 000	10 000 000
Total paid-in capital	10 000 000	10 000 000
Other equity	40 057 235	7 426 721
Total retained earnings	40 057 235	7 426 721
Total equity	50 057 235	17 426 721
LIABILITIES		
Other current liabilities	76 913	15 142
Total current liabilities	76 913	15 142
TOTAL EQUITY AND LIABILITIES	50 134 148	17 441 863

Oslo, 1 June 2007

Tinius Nagell-Erichsen
Chairman of the Board

Ole Jacob Sunde
Board Member

John Rein
Board Member

Per Egil Hegge
Board Member

Articles of association for The Tinius Trust

§1 Trust name

The name of the trust is "Stiftelsen Tinius".

The Board of Directors represent the Trust externally. The Board may authorize the chairman to represent the Trust externally as long as Tinius Nagell-Erichsen remains chairman. After that, the board may authorize the chairman and one board member together to represent the Trust externally.

§2 Basic capital

The Trust is established by Tinius Nagell-Erichsen in a deed of gift dated 8 May 1996, with a basic capital of NOK 10,000,000.

§3 Objective

The Trust is the owner of the voting A share in Blommenholm Industrier AS. The Trust shall manage the share and other assets belonging to the Trust in accordance with the following guidelines:

The Schibsted Group is to be run according to the main editorial and business guidelines laid down on formation of the Group, guidelines which have since been governing the Group operations.

The Schibsted Group is to be run in such a way that it ensures free and independent editing of the newspapers owned by the Group and its subsidiaries involved in editorial operations.

The Schibsted Group is to strive for quality and credibility in all its publications, and defend values such as religious freedom, tolerance, human rights and democratic principles.

The Trust is to work to achieve the long-term, healthy financial development of the Schibsted Group.

When necessary, the Trust shall also work to impact the general conditions essential to ensure a free and independent press.

§4 The Trust Board

The Trust Board shall during Tinius Nagell-Erichsen's lifetime consist of not less than three and not more than four directors. Tinius Nagell-Erichsen appoints the directors to the board in his lifetime.

After that, the board shall consist of three directors appointed by Mr. Nagell-Erichsen prior to his death. Each director is to appoint his/her personal deputy director. The deputy director automatically succeeds the director when his/her term comes to an end.

In the future, each board member shall at any time appoint a deputy member who will also be his/her personal successor. The director who has appointed the deputy can, before the deputy becomes a full board member, reconsider and appoint someone else to be his/her personal deputy.

Tinius Nagell-Erichsen is to be chairman for as long as he remains on the board. After that, the board shall elect a chairman.

§5 Decision-making by directors

In the event that a board member has made apologies for his/her absence at the meeting, the deputy member shall meet in his/her place. A quorum is present when all the board members or their deputies are present.

The board's decisions should be unanimous. If that is not possible, even after consideration of the issue in question at a new board meeting, the majority decision stands.

The board of directors can, within the scope of the law, unanimously adopt amendments to the articles of association and proposals to dissolve the Trust.

The board of directors shall endeavour to reach solutions in accordance with the intentions stated in § 3 Objective, but are expected to show considerable business flexibility.

§6 Auditor

The auditors are elected by the board.

Address:
The Tinius Trust (Stiftelsen Tinius)
c/o Formuesforvaltning
P.O. Box 1777 Vika
NO-0122 OSLO Norway
Telephone: +47 22 42 65 76