

# **Søndagsavisen a-s**

Securities ID code: DK001027034-7

**Interim Report 2008**

**August 2008**

# Agenda

- **Highlights H1-08**
- **Expectations full year 2008**

# H1-08 numbers in short

- **H1-08 as expected**
- **Revenue and profits lower**
  - Group revenue DKK 805.8 million, - 7 % vs. H1-07
  - Group EBT DKK 11.2 million, DKK 37 million lower than in H1-07
- **Reduced profits from Danish activities**
- **Higher profits in Sweden**

# H1-08 activities in short

- Declining advertising market in Denmark
- Lower market share for distribution activities in Denmark
- Gratistidningar i Sverige AB (GISAB) increases market share
- Agreement on the sale of Norsk Avisdrift AS
- Sales process for MatchWork WorldWide A/S stopped
- Sales process for GISAB continues according to plan

# Lower revenue and profits in Denmark – higher in Sweden

Primary Segments (DKK million)

REVENUE	H1-08	H1-07	Growth %	OPERATING PROFIT	H1-08	H1-07	Var.
Denmark	639.0	719.7	-11 %	Denmark	-9.5	35.6	-45.1
Sweden	154.4	131.3	+ 18 %	Sweden	25.6	11.7	+13.9
Other countries	31.9	34.4	- 7 %	Other countries	1.1	3.5	-2.4
<b>Total revenue</b>	<b>825.3</b>	<b>885.4</b>	<b>- 7 %</b>	<b>Total op. profit</b>	<b>17.2</b>	<b>50.8</b>	<b>-33.6</b>
Discont. activities	19.5	20.0	- 2 %	Discont. activities	0.5	-1.0	+1.5
<b>Total revenue</b>	<b>805.8</b>	<b>865.4</b>	<b>- 7 %</b>	<b>Total op. profit</b>	<b>16.7</b>	<b>51.8</b>	<b>-35.1</b>

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# Lower revenue and profits from newspaper publication and distribution

Secondary Segments (DKK million)

REVENUE	H1-08	H1-07	Growth %	OPERATING PROFIT	H1-08	H1-07	Var.
Newspaper publication and distribution	772.8	839.3	- 8 %	Newspaper publication and distribution	22.4	44.6	-22.2
Internet	52.5	46.1	+ 14%	Internet	-5.2	6.2	-11.4
<b>Total revenue</b>	<b>825.3</b>	<b>885.4</b>	<b>- 7 %</b>	<b>Total op. profit</b>	<b>17.2</b>	<b>50.8</b>	<b>-33.6</b>
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# Lower market share of Danish distribution market

- Lower market share
- Cost reductions and price increases carried out and continues
- Distribution costs higher due to low unemployment rate
- Packaging costs higher, rebuilding completed
- Continuing focus on optimization of operations
- Mads Dahl Andersen acting MD for distribution activities

# Declining job-ad market in Denmark

- Declining advertising market, particularly for job-ads
- Prices on market for display ads under pressure
- Helsingør Dagblad has lost printing customers
- Intensified competition in mid-week newspaper market
- Reorganization of Media-Online activities completed
- Specialist and managerial competence added within Media-Online



## **Internet activities – MatchWork sale stopped**

- **Revenue growth of 14 % from H1-07 to H1-08 to DKK 52.5 million**
- **Growth mainly due to acquisition of MinReklame ApS and positive progress at BoligPortal.dk**
- **Lower revenue growth than expected from FORUM.dk**
- **Satisfactory growth from MatchWork activities in local currencies**
- **Sales process for MatchWork WorldWide A/S stopped**

# Internet activities – delayed launch of Job-features

- **OFiR Job's revenue growth affected by declining job-ad market as well as lower market share**
- **Significantly lower profits from internet activities due to:**
  - Investments/cost in OFiR Job business development
  - One-off costs in connection with intentions to divest MatchWork
  - Specialist and managerial competence added within Media-Online
- **Profits for H1-08 were DKK - 5.2 million, down DKK 11.4 million compared to H1-07**

# Sweden: increased profit in flat market

- Revenue growth of 18 % in Sweden. Revenue H1-08 DKK 154.4 million
- Advertising market overall flat – Mitt i increases market share
- Profits significantly higher and are DKK 25.6 million in H1-08
- Profits up on higher revenue, improved margins, nil advertising taxes
- Sales process for GISAB continues according to plan

# Norsk Avisdrift AS

- **Agreement on the sale of Norsk Avisdrift AS**
- **Agreed price for 100% of the shares is NOK 35 million on debt free basis**
- **The profit impact from the sale of Norsk Avisdrift AS will be positive by approx. DKK 20 million**
- **Agreement is subject to approval from the Norwegian authorities, and the profit impact is thus not included in the H1-08 results**

## Other countries

- Lower revenue in MatchWork UK due to declining market
- MatchWork sales offices in Sweden and Germany develop positively

# Agenda

- **Highlights H1-08**
- **Expectations full year 2008**

# Søndagsavisen a-s' strategy moving forward

## Strategy entering 2007

## Refocused strategy

## Implications

Home markets / geographical focus

Denmark

Sweden

Denmark

Named expansion areas

Distribution

Newspaper

Media-Online

Consolidate position

Distribution

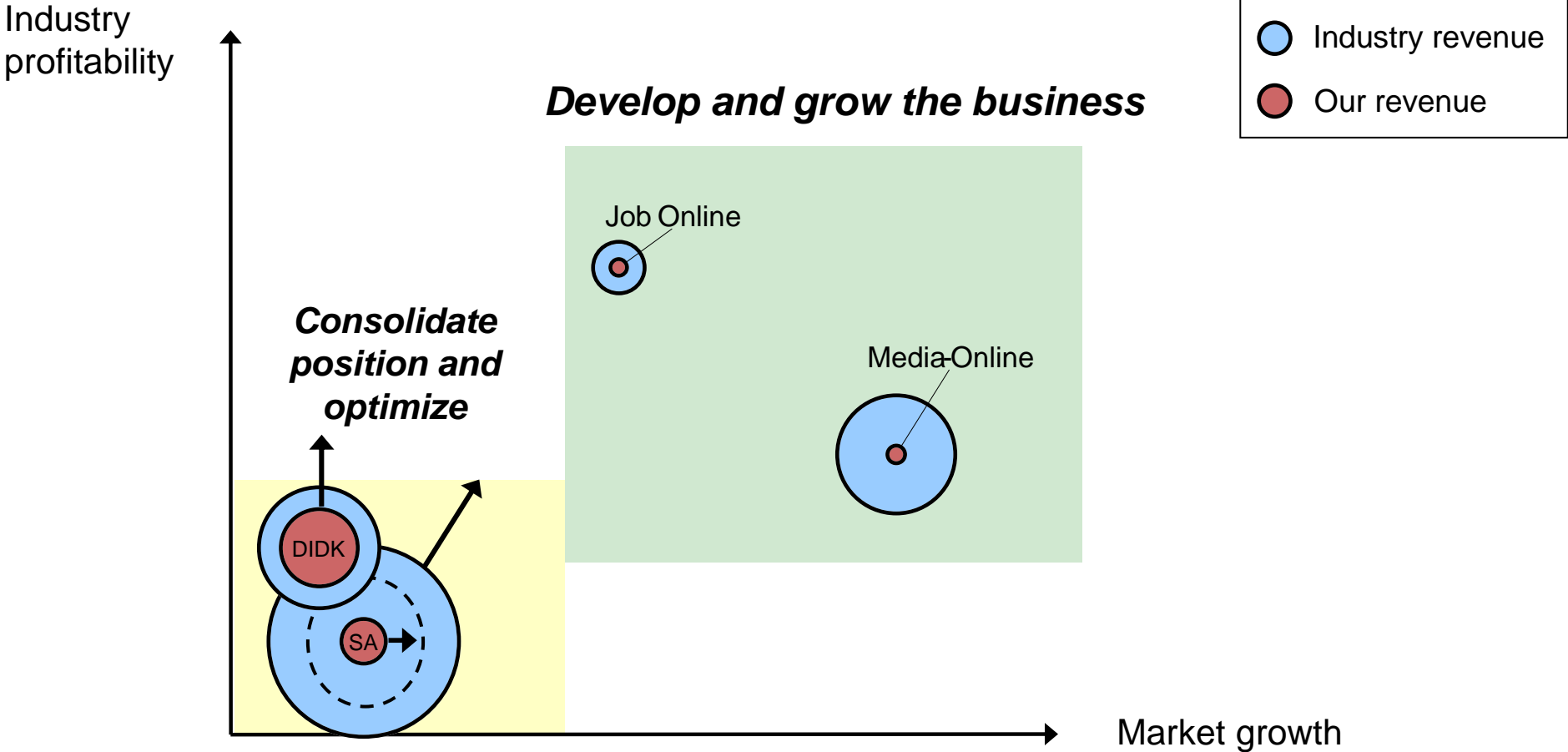
Expansion areas

Media-Online

Divestments under consideration:

- GISAB
- Norsk Avisdrift

# Growth primarily from Online activities





# Expectations for full year 2008

- **Overall focus:**

- Existing businesses: Optimization and streamlining to ensure satisfactory profits  
Significant price increases for Danish distribution activities in 2009
- New businesses: Development of Media-Online strategy. Presented in H2-08

- **Uncertainties in H2-08**

- Job-ad market weakened, especially from Q2-08
- Slow-down in overall economic trends may have negative impact on markets
- Distribution costs (wages) on the rise due to low unemployment rate
- Achieve efficiency gains at distribution terminals after rebuilding

# Expectations for full year 2008

- **Expectations for full year 2008:**
  - Revenue of DKK 1,600-1,650 million
  - Profit before tax of DKK 20-40 million
- **Investments expected to total DKK 70 million**
  - Acquisitions, if any, are not included in this amount
- **Profits from sale of Norsk Avisdrift in Norway included in expectations and increases profits by approx. DKK 20 million**
- **Possible impact from sale of GISAB is not included in expectations. If sale materializes, profit impact will be very positive**

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