

Søndagsavisen a-s

Annual report 2009

9 March 2010

Agenda

- **Highlights 2009**
- **Financial development in 2009**
- **Segment performance**
- **Outlook and guidance**

Presentation team

Mads Dahl Andersen, CEO

Arne Ullum, Media Director

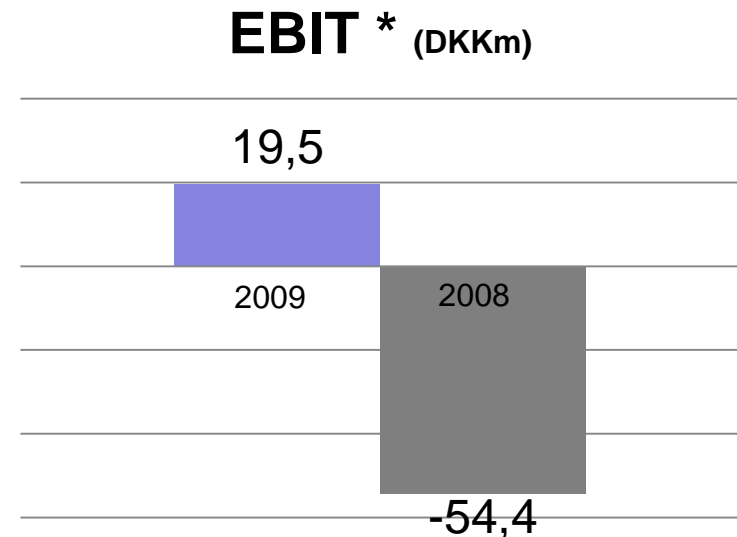
Kåre Wigh, CFO

Challenging and declining markets reduced revenue in 2009 as expected, but...

- **Group revenue was reduced by 11% to DKK 1,029m (continued activities) as markets in all segments were impacted by recession in 2009**
- **Activities in print segment lower due to a continuously declining advertisement market, but strong operational performance in distribution activities boost earnings**
- **Revenues and earnings in online segment hit by dramatic negative changes in underlying markets, especially within recruitment**
- **The continuing activities in Helsingør Dagblad performed better than expected and only saw a minor decline in revenue despite tuff markets**

...strong focus on increased efficiency and cost controls improved earnings considerably

- **Very strong and satisfactory earnings growth - EBIT improved by DKK 74m and exceeded expectations**
 - Strengthening of products, increased efficiency and tight cost control throughout the Group
- **Group well prepared to excel when positive markets return**
 - A continued improvement of EBIT is expected for 2010 as revenue will rise moderately and efficiency gains will kick-in further



* Before special items

Other Group highlights in 2009

- **Søndagsavisen a-s awarded compensation of DKK 75m from Post Danmark A/S by the High Court of Eastern Denmark for abuse of dominant position – ruling appealed by Post Danmark**
- **Helsingør Dagblad became a fully owned subsidiary – printing activities discontinued**
- **Postponement of strategic process regarding distribution activities**
- **The Board of Directors suggest to the AGM that no dividend are paid for 2009, and that a more suitable group structure is implemented**

Financial development in 2009

Net result affected by strong operational performance and write-down on goodwill

P&L (DKKm)

	2009	2008
EBIT before special items	19,5	-54,4
Special items	-13,2	-52,9
Net financials	-4,4	-9,6
EBT, continued activities	3,4	-120,0
Tax	6,9	-14,1
Net result, continued activities	-3,5	-105,9
Profits from sale	10,7	299,4
Net result, discontinued activities	1,9	11,7
Net result, total	9,1	205,2

Solid financial position maintained after dividend payment of DKK 50m in August

BALANCE SHEET (DKK m)

	2009	2008
Assets		
Non-current assets	524,5	651,2
Current assets, total	278,4	271,9
Current assets, discount. act.	32,0	0,0
Cash	155,3	12,4
Equity and liabilities		
Equity	573,5	661,4
Long term debt	91,1	93,7
Current liabilities	138,4	168,0
Net debt	-62,9	85,5
Net Working Capital	-44,2	96,7
Equity ratio	71,4%	71,6%

Strong cash flow from continued activities

CASH FLOW (DKKm)

	2009	2008
Net result, continued activities	-3,5	-105,9
Adj. non-cash op.	81,8	82,5
Change in working capital	-28,5	38,9
CFFO before net financials	49,8	15,5
CFFO, continued activities	41,0	1,5
CFFO, total	75,1	75,7

Solid operational performance in print segment despite declining markets and revenue

- **Revenue at DKK 914.4m – down 10% YoY, primarily in Søndagsavisen, as difficult market conditions continued in 2009**
 - General set back on advertisement market, but especially recruitment markets suffers from recession and increased unemployment rates
 - Markets stabilized towards end of 2009, but at much lower levels than before
- **Strong focus on optimizing quality of products, cutting cost and increasing efficiency in all parts of value chain**

Søndagsavisen

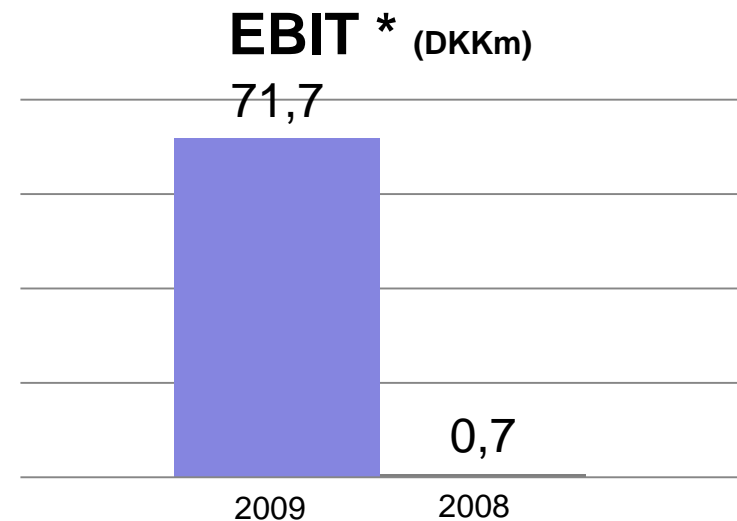
- Head count reductions by beginning of year
- Circulation reduced from 2.1 mill. to 1.3 mill. and loss-making regional editorial offices closed
- Lay-out and content of Søndagsavisen redesigned – # readers/copy increased by 30%
- Digital advertising tool “Build&Book” introduced

Forbruger-Kontakt

- Market share reduced slightly due to implementation of price increases in 2008/2009
- Considerably efficiency gains and cost reductions from:
 - Implementation of Lean principles in terminals
 - Route and transport optimization
 - Focus on employee engagement

Very strong earnings growth in 2009 led by efficiency gains

- EBIT growth considerably higher than expected – increased by DKK 72.7m ex. restructuring costs of DKK 1.7m
- Strong increase in profitability on lower revenue base primarily driven by higher efficiency in distribution and general lower cost base (EBIT-margin of ~8%)



* Before special items

Outline for 2010 – No market improvement expected, but further efficiency gains to be realised

- **Distribution activities are expected to regain market share in 2010**
- **Further efficiency gains in distribution activities due to full year effect from 2009-projects as well as new initiatives**
- **Strategic decision process regarding distribution activities to be resumed in the second half of 2010**
- **Difficult advertising market situation characterized by intense competition, over-capacity on newspaper market. Low visibility expected to continue**
- **Efforts will be concentrated on supporting sales, exercising strict cost control and continue to improve products, efficiency and competitiveness**
- **Print segment revenues expected to be slightly higher than in 2009 while profitability is expected to increase further**

Focus on cost reductions and business development as markets are hit severely

- **Activity levels in online segment heavily influenced by continued negative development and very low activity in underlying markets**
- **Aggregated revenues down 24% to DKK 71.3m, but strong growth in BoligPortal.dk and market shares maintained in all areas**
- **Management's focus is on strengthening competitiveness by investing in product development and reducing cost considerably**

Ofir

- Revenues deeply affected by declining job-ad markets
- Investments into product development - New platform and dedicated segment portals launch in April

MatchWork

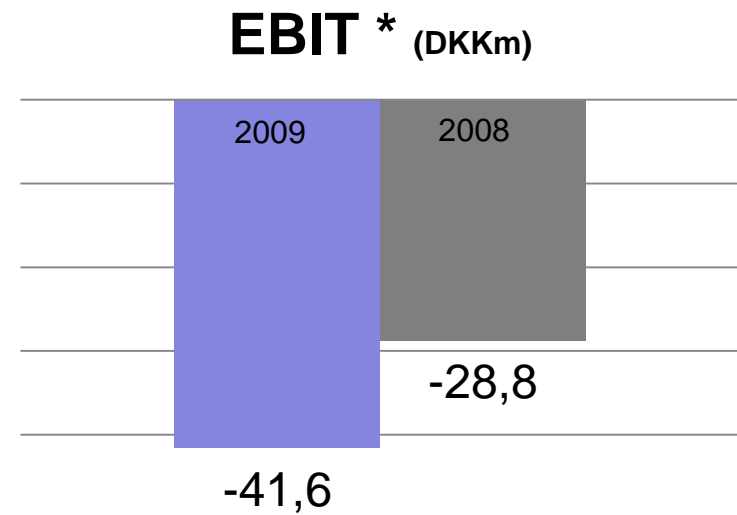
- Negatively impacted by reduced activity and exchange rates
- Introduction of new and improved IT-platform with export potential in April

BoligPortal.dk

- Solid growth in revenues and earnings due to growth in rental market
- First mover with information on "actual" sales prices

Share decline in profitability as market and revenues drops

- **Market and revenue plunge within Ofir and MatchWork increases loss despite heavy cost reductions**
- **DKK 12m Goodwill write-down on MatchWork due to poor revenue and earnings performance**
- **EBIT at DKK -36.3m if adjusted for restructuring cost (head count reductions and closing down of MyLiving.dk)**



* Before special items

Outline for 2010 – Resources and focus allocated towards sales generating activities

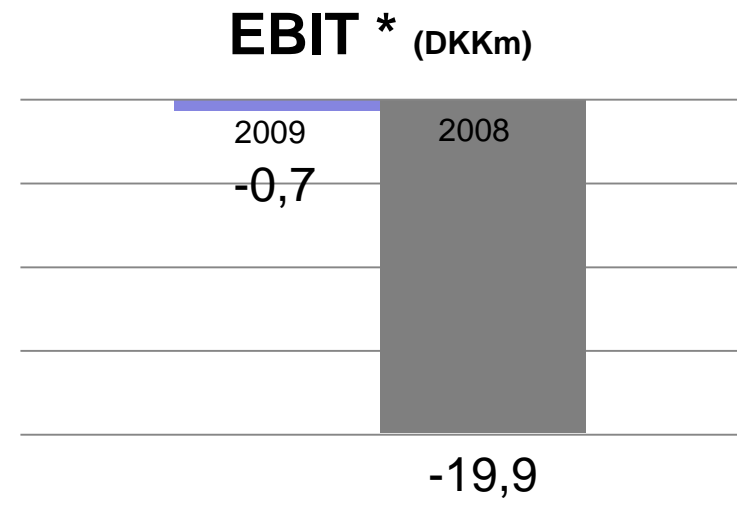
- **No signs of recovery in underlying advertising markets at this stage**
- **To increase business activity and improve profitability, management will focus on sales and expansion activities**
 - Internal optimization of sales department in Ofir.dk and added focus on leveraging of segment portals
 - Accelerating export of new MatchWork platform via agents
 - Utilize product introductions and strengthened interest of rental market to increase growth

Successful restructuring of Helsingør Dagblad achieved

- Became a fully owned subsidiary in July after acquisition of the remaining 43% from Dansk AvisTryk A/S
- As a consequence of considerable excess capacity in printing market, printing activities were discontinued – machinery and buildings now for sale
- Remaining activities – daily *Helsingør Dagblad* and weekly *Nordsjælland* – were restructured and optimized
- Very satisfactory development in H2 2009 and revenue in continued activities only down DKK 7.6m to DKK 42.8m for the full year

Increased activity and stronger earnings performance in continued operations

- EBIT in continued activities improved by DKK 19.2m since 2008
- Remaining printing machinery written down to nil



* Before special items

Outline for 2010 – Strengthening product offer

- **Helsingør Dagblad will focus on introducing quality enhancements to both the *Helsingør Dagblad* and *Nordsjælland* products to increase revenue**
- **A robust distribution set-up with early delivery will be introduced**
- **Helsingør Dagblad is expected to incur costs around DKK 5m to maintain buildings which are put for sales (discontinued operations)**

Expectations of further improvements in 2010

- **The positive development in group earnings is expected to continue even though advertising markets are expected to remain very weak in 2010**
- **Improvements to EBIT will mainly come from increased market shares and profitability in distribution and continued positive performance in Helsingør Dagblad**
- **New and more suitable Group structure targeted at providing increased strategic flexibility proposed by Board of Directors**

Outlook and guidance

Revenue and profits to increase due to efficiency improvements instant

GUIDANCE (DKKm)

	2010E	2009R
Revenue, continued activities	1,050-1,100	1,029
EBIT, continued activities*	55-65	20
Cost associated with discontinued activities	5	
CAPEX	20	25
Depreciations	45	56

*Cost associated with restarting process of a potential divestment of distributions activities are included in guidance

Søndagsavisen a-s

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WWW.SON.DK**

Financial calendar 2010

23 April 2010	Annual General Meeting
6 May 2010	Interim Management Statement Q1 2010
4 August 2010	Interim Report 2010
3 November 2010	Interim Management Statement Q3 2010