

INTERIM REPORT

2013



NORDEA, 7 AUGUST 2013

Agenda

- H1 2013 in outline
- Development of companies
- Financial development
- Expectations for FY 2013



No Ads+ launched and the earnings performance better than expected for H1 2013

STATUS

- Group EBIT for H1 2013 realised by DKK 28m, which is better than expected due to higher revenue at FK Distribution
- Tax on printed matter not yet implemented
- Implementation and roll-out of No Ads+ arrangement have started

GOING FORWARD

- EBIT expectations for FY 2013 have been adjusted upwards to range between DKK 0 and DKK 20m because of improved performance in the Print segment
- Visibility still low and uncertainty high – particularly in the distribution market where intensified competition and legislative measures have adverse effects
- Development of business models and positions of all companies at the top of Management's agenda

FK Distribution launches products and records a decline smaller than expected



- H1 2013 revenue down by 8% (YoY) – structural market changes continue to affect sales adversely
 - The number of households declining advertisements has now reached 28%
 - Competition on prices of unaddressed printed matter has sharpened
 - Tax on printed matter now in Q4 2013 at the earliest. Retailers reduce the volume of printed matter and the unit weight thereof accordingly, although not as much as originally estimated
- High efficiency and productivity ensure reasonable profit margin
- Focus on developing business models that support consumers' future needs and retailers' demand for effective and relevant means of contact

NoAds+

- a game changer from FK Distribution

- A new, ground-breaking product from FK Distribution
- Enables consumers who used to turn down advertisements to have only those delivered that they want – and gives retailers direct access to customers at a much lower cost per thousand
- Rolled out in parts of Greater Copenhagen, in Funen, Southern and Central Jutland with positive feedback from consumers – estimated nationwide roll-out by year-end 2013
- 62 chains participated in the test and 45 of them have opted for the arrangement
- Strengthens FK Distribution's distribution competency – enables distribution of addressed printed matter (magazines, Direct Mail etc) at attractive prices and high quality from 2014

Nu kan du sige
nej tak til reklamer og alligevel få dem, du
gerne vil have. Kalder du det mærkeligt?
Vi kalder det **NejTak+**.

Læs mere ►



Bekey continues roll-out



Nem og enkel administration af nøgler, og derved større effektivitet.

- Commercialisation through marketing and sales progressing as planned
- Bekey put into operation in and being tested by 10 municipalities and proposals submitted to many other municipalities
- At 30 June 2013, the system had been installed in +14,000 stairways in Greater Copenhagen

Søndagsavisen growth stagnant – still outperforming the market

- Zero revenue growth at Søndagsavisen
 - Advertisement market conditions intensified, with further decline in Q2 2013
 - Stagnant sales of advertisements to large advertisers through media agencies
 - Still outperforming the market
- Other newspapers develop as expected
- Non-revenue growth at Søndagsavisen leads to the newspapers' contribution to group results for H1 2013 being zero – and consequently being behind expectations

NYHED: HYDRO 5
Innovation fra Wilkinson Sword
LÆS MERE >

SØNDAGSAVISEN
Tilbudsviser | Bolig | Job | Læs avisen | Annoncering
GodMail
Ny bruger | Login

Søg
Genvej til sektioner

Nyeste historier | Mest læste | Bagsiden

Foto ikke tilgængeligt

Job i regionerne
ofirck
Alle Kbh Sj. Syd Midt Nordj.
Projektleder til projekt 'Samle...
Furesø Kommune | Furesø Kommu...
Klinikkysseplejerske søges til a...
Lægepraksis | København Komm...
Talepædagog til Taleinstituttet
GULDBORGSUND KOMMUNE | Næ...
Teknikere og projektledere sø...
Intelligent Bygningsautomatik | O...
Fodterapeut søges
Ballerup Podklinik | Ballerup Kom...
Stilling som afdelingsleder i C...
Frederikshavn Kommune | Frederi...
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– INKL. 2 DAGE I LEGOLAND®
BOOK NU

Ofir develops positively – improved performance

- Revenue up by 15% in H1 2013.
Advertisement sales are growing according to expectations
- Sales promotion ups the number of unique users and leads to higher unassisted awareness
- Implementation of a new business model results in reduced costs which has lowered operating losses considerably



BoligPortal.dk continues to make headway

- Denmark's largest housing market place continued its two-digit revenue growth and improved H1 2013 performance
- Competition in the online housing market intensifies, but BoligPortal.dk maintains its market position
- New products for the co-operative and owner-occupied housing market



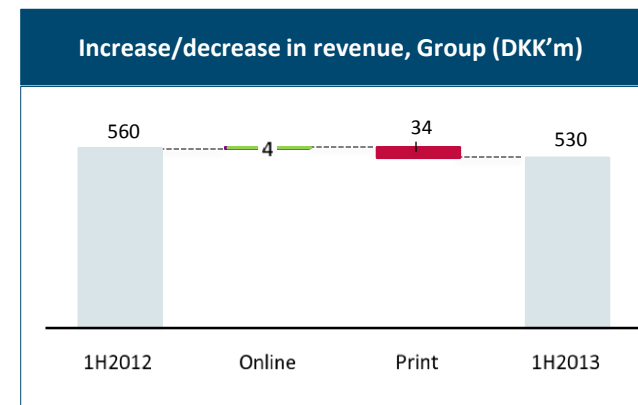
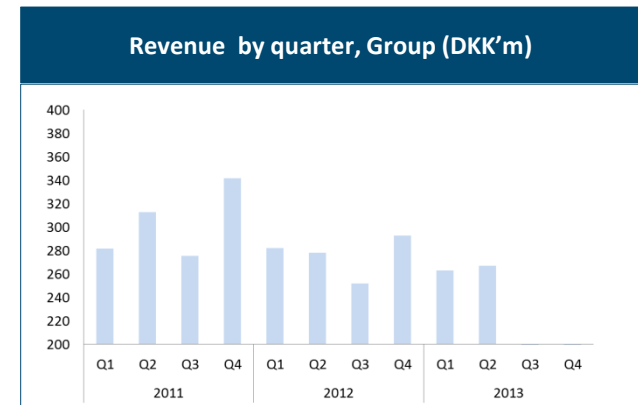
Product offering restructured to kick-start growth of Byggestart.dk/HentTilbud.dk



- Despite a 50% organic increase in revenue, H1 2013 growth of Byggestart.dk and HentTilbud.dk has not been satisfactory
- A comprehensive adjustment of the business model carried through in Q2 2013 – expected to take full effect in H2 2013
- This below-expectations revenue means that, contrary to expectations, Byggestart.dk and HentTilbud.dk did not improve the H1 2013 loss compared to last year

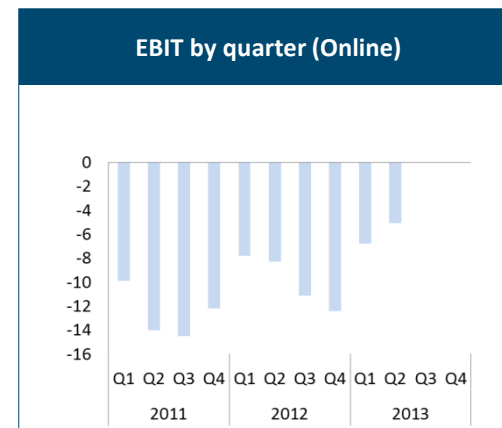
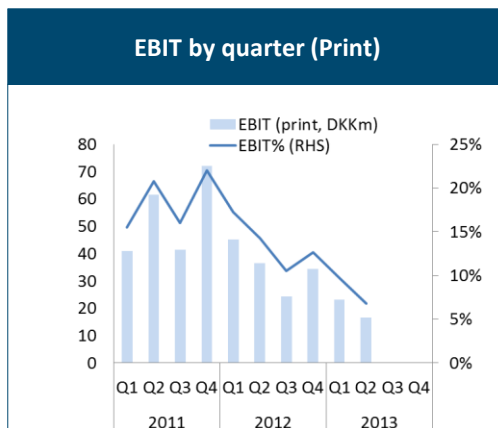
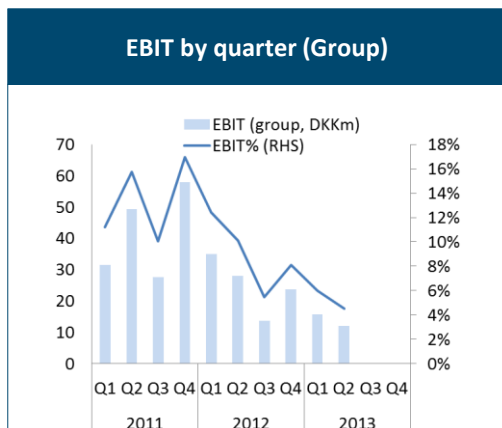
Decline in group revenue due to lower volumes of printed matter – although smaller than estimated

- Market developments seen in Q2 2013 follow trends since Q4 2012
- Structural factors together with uncertainty reduce Q2 2013 revenue by 4% (YoY)
- Revenue down by DKK 30m to DKK 530m in H1 2013, or 5%, which is less than expected
- Online activities continue to go up (+9%), whereas revenue from the Print segment is down by 7%



H1 2013 EBIT better than expected

- H1 2013 EBIT of DKK 28m (EBIT% 5.2%) against DKK 63m (EBIT% 11.3%) last year
 - Print: EBIT of DKK 40m (EBIT% 8.2%) against DKK 82m (EBIT% 15.8%)
 - Online: Negative EBIT of DKK 12m – DKK 4m improvement on last year
- Pre-tax profit of DKK 5.6m for H1 2013 – reduced operating profit, write-down of eConcristi and loss realised on securities have a negative effect compared to last year



Strong financial resources secure a continued high level of financial manoeuvrability

(DKK'm)	1H2013	1H2012
Assets		
Non-current, total	465	473
Current, total	397	391
Trade receivables	97	101
Securities	186	157
Cash	68	80
Equity and liabilities		
Equity	501	506
Non-current liabilities	177	179
Current liabilities	184	179
Net working capital	-53	-52
Equity interest	58.1%	58.5%

- Investments amount to DKK 8m – primarily with FK Distribution
- DKK 49m in cash flows from operations – down by DKK 12m (YoY) as the increase in working capital compensates in part for the decrease in operating profit
- Net interest-bearing cash position up by DKK 26m to DKK 92m since the beginning of the year
- Strong financial resources to support strategic initiatives aimed at optimising the long-term earnings capacity

Management focus on implementation of planned activities and business development

1. Maintain existing market positions and high-level efficiency
2. Maintain high-level manoeuvrability and profitability in an unstable market for printed matter
3. Develop online activities based on core competencies
4. Ensure high profitability and cash flows enabling investments as well as a high dividend yield for shareholders



H1 2012 results – in summary



SØNDAGSAVISEN

BEKEY

PRINT SEGMENT

- Revenue down less than expected
- High-level efficiency and productivity
- Launching of No Ads+
- Flat development of revenue
- Zero impact on group results
- The number of readers of Søndagsavisen now corresponds to 7 national newspapers
- Operation and testing in 10 municipalities
- Base installed +14,000



ONLINE SEGMENT

- Revenue up 15%
- Lower cost base
- Heavily improved performance
- +50% revenue growth, but below budget
- Loss-making
- Adjustment of business model

Optimisation and development of concepts in H2 2013



SONDAGSAVISEN

BEKEY

OBJECTIVES

- Develop new and supplementing business models to accommodate negative structural market developments and legislative measures
- Maintain profitability of conventional activity
- Continue to increase revenue and win market shares in a newspaper market influenced by stagnation or recession
- Must be profitable for the Group from Q1 2013
- Start sales promotion and sale of fully developed products

FOCUS IN H2 2013

- Optimise sales and operations under aggravated market conditions and uncertainty
- Ensure successful roll-out of No Ads+
- Continue business development of segmented distribution and interaction between printed matter and digital services that can create new business models
- Strengthen relations to major core customer groups
- Reorganise local and regional sales for higher efficiency
- Re-establish growth in readership and revenue on a par with 2012 level
- Strengthen commercialisation and sell-in
- Increase installation base in Greater Copenhagen

Optimisation and development of concepts in H2 2013 (continued)



OBJECTIVES

- Heavy boost of revenue, leading to improved performance
- Heavy boost of revenue, thus being a positive and considerable contributor to group results

FOCUS IN H2 2013

- Continue rise in organic growth through Ofir's own platform by way of higher awareness and more visitors
- Current ensurance of efficiency in order to reduce operating losses
- Heavily accelerate growth through a change in business concept
- Improve operating results significantly

FY 2013 earnings expectations adjusted upwards because of improved H1 2013 performance

FY 2013 expectations (updated)

- Revenue: DKK 1000-1025m (-8%)
 - Print: DKK 900-925m (-10%)
 - Online: DKK 95-100m (+10%)

- EBIT: DKK 0-20m
 - Print: DKK 30-50m
 - Online: DKK -30m

- Investments: DKK 30m
- Amortisation/depreciation: DKK 30m

Original expectation: DKK 990-1050m

- Narrowing of Print range (from DKK 890-940m) due to net effect of postponement of tax on printed matter (FKD) and reduced estimated growth (Søndagsavisen)
- Adjustment of Online from DKK 100-110m (+25%) due to poorer performance of Byggestart.dk/HentTilbud.dk

Original expectation: A negative DKK 15m to a positive DKK 15m

- Higher revenue of FK Distribution ups EBIT expectation for Print from DKK 15-45m. Small positive contribution from Søndagsavisen
- Effect of H1 2013 cost adjustment at Ofir reduces losses compared to original expectations. Lower results are now expected for Byggestart.dk/HentTilbud.dk than at the beginning of the year. The net effect is still expected to be a loss of DKK 30m for Online

Maintain expectations for level of investments and amortisation/depreciation

WWW.NORTHMEDIA.DK



Financial calendar for 2013

- 6 November 2013 Interim Management Statement for Q3 2013