ANNUAL REPORT 2013

NORTH MEDIA A/S

Content

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The Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.

NORTH MEDIA A/S


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Nærdemokrati. Valg til lokaludvalg.
Amager Bladet
Kultur. Rå barndom skildres i ny bog.
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Skybrud. Grønne og blå løsningsforslag
Nat. Nye natteravne skal øge trygheden
Vanløse Bladet
Valg til lokaludvalget - så er det nu
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Trafiklegeplads. Fortsat uafklaret skæbne
Lokaludvalg. Uenighed om modellen
Østerbro Avis
Østerbros helt egen Mozart
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Lokaludvalg. Engagerede borgere søges
Politi. Indsats mod gaderøverier
Nørrebro NordVest Bladet
Brug for hjælp? - ring til Daniel
minby.dk
Gadekær. Dårlig chance for fotografier
Lokalt valg. Jagten på de unge kvinder
Valby Bladet
Erling Jepsen om de grove løjer
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Ris. Vesterbro Lokaludvalg får hård kritik
Møde. Få indflydelse på Værnedamsvej
Vesterbro Bladet
På besøg i Mongoliet blandt blinde
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Hjemløse. Et møde om skæve boliger
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Eurovision. København overtager stafet
CityAvisen
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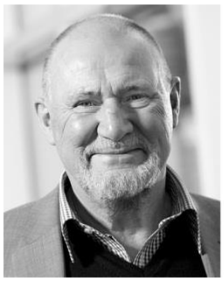
Kikkasser med genbrugstrylleri
Kommunale penge giver Montmartre spillerum et år
STANDARD
Til samtlige husstande




Preface

By Richard Bunck, Chairman of the Board of Directors, and Lars Nymann Andersen, CEO

Launch of No Ads+ and acquisition of eight newspapers in the Copenhagen region substantiate the Group's goals of constantly developing business and improving earnings

After several years of structural changes, the media market and media consumption are characterised by a large number of different channels and unceasing changes. Today, a given media user relies on both physical and electronic platforms – and is considerably on-demand-oriented and niche-focused.

More than ever, the market requires media houses that can effectively reach a wide audience and segment the contents for special target groups, including via strong online media, while maintaining a very high innovation pace.

Thanks to its efficient push media, including a free newspaper circulation of 1.6 million copies each week and a distribution business reaching out to 2.2 million households each week, North Media holds a strong position. By comparison, ordinary flow TV and dailies are no longer able to efficiently reach the wide public due to significant growth in TV on-demand services and the generally significant decline in circulation of dailies.

With its solid online verticals within jobs, housing, building services and retail, and extensive development focus, North Media is well-equipped to continuously exploit the many opportunities offered by the media market.

Results-oriented business development in 2013
North Media is focussed on maintaining and enhancing its positions within Print and Online, primarily based on efficient and aggressive business development and, secondarily, by acquiring activities to support and develop existing positions. Our goal is to create several strong and profitable business pillars, thus ensuring a stable and high earnings level and become less vulnerable to negative market fluctuations in any of the relevant market segments. The Group is well on its way to achieve this goal.

In 2013, North Media used its financial resources to invest in refining its business foundation and to launch new business initiatives and services that are expected to fortify the Group.

North Media acquired eight local newspapers in Copenhagen and Frederiksberg and launched the addressed distribution product, No Ads+, which enables each household to select the printed ads they want – a product that responds to a number of consumers' wishes of personally deciding what printed matter they want to receive. The alternative is often that the household signs up for the No ads, please, scheme and subsequently receives no printed matter at all.

BEKEY has refined its lock systems, and, in 2013, several municipalities have already implemented BEKEY in the nursing sector. BoligPortal.dk launched its "self-sale" of dwellings, and Ofir has reduced its losses considerably.

In the financial performance for 2013, EBIT before special items stands at DKK 63 million which exceeds expectations at the beginning of the year considerably, but is, however, DKK 37 million below the 2012 performance. The decline in earnings is largely attributable to the unacceptable and criticisable circumstance that, in North Media's view, state-owned Post Danmark continues to abuse its dominant position in the distribution market, thus trying to drive private independent distributors out of the market. Post Danmark's conduct has contributed to major declines in the earnings of FK Distribution in both 2012 and 2013. In December 2013, North Media A/S brought new proceedings against Post Danmark with a view to stopping this conduct.

Unchanged earnings level expected for 2014
The positive initiatives taken in 2013 are expected to pick up pace in 2014 when EBIT before special items is expected to be on a par with 2013. The development of the distribution activities is still characterised by low predictability and considerable uncertainty which will largely be balanced by improved earnings in the newspaper and online activities. The activities which were loss-making in 2013 are expected to achieve EBIT break-even by Q2 2015 at the latest.

Strong financial resources are considered an important strategic strength in the present market for achieving the goal of a Group relying on several profitable pillars and generating stable high earnings. Based on these factors and the continued substantial market uncertainties, the Board of Directors will, at the Annual General Meeting to be held on 28 March 2014, recommend that no dividend be paid for the financial year 2013. If developments remain positive, and the situation and the strategic priorities at that time so permit, the Board of Directors aims at resuming payment of dividends for the financial year 2014.

Group financial highlights

Income statement:	2013	2012	2011	2010	2009
Revenue	1,061.7	1,104.6	1,211.6	1,138.7	1,028.5
Gross profit	499.7	530.4	579.7	535.7	441.7
EBITDA	99.4	133.8	199.5	156.4	74.9
Amortisation and depreciation	36.0	33.3	33.0	46.2	55.4
EBIT before special items	63.4	100.5	166.5	110.2	19.5
Special items, net	-20.0	-7.0	0.0	-28.0	-13.2
EBIT	43.4	93.5	166.5	82.2	6.3
Financials, net	-8.5	5.1	-3.7	4.3	-4.4
Profit/loss before tax, continuing operations	26.8	97.0	162.3	103.0	3.4
Tax, continuing operations	11.1	20.9	41.1	15.3	6.9
Net profit/loss, continuing operations	15.7	76.1	121.2	87.7	-3.5
Disposals of subsidiaries	0.0	0.0	182.0	-0.3	10.7
Net profit/loss, discontinued operations	0.0	0.0	-1.6	-1.6	1.9
Net profit for the year	15.7	76.1	301.6	85.8	9.1
Comprehensive income	20.4	74.3	302.9	78.5	10.9
Balance sheet:					
Total assets	915.8	864.2	868.9	762.2	802.9
Shareholders' equity incl. minorities	523.3	511.6	523.8	498.2	573.4
Net interest-bearing debt	-5.0	47.2	107.3	57.7	62.9
Net working capital (NWC)	-32.9	-40.2	-40.3	-59.1	-41.6
Invested capital	528.3	464.4	416.5	440.5	510.5
Investments in property, plant and equipment	25.4	25.3	13.5	8.8	11.5
Free cash flow	66.0	106.4	166.7	166.4	42.6
Cash flow statement					
Cash flows from operating activities	81.1	91.1	155.9	147.7	41.0
Cash flows from investing activities	-46.5	-22.1	-178.9	-43.0	-53.4
Cash flows from financing activities	-17.2	-102.7	-204.4	-158.7	-54.1
Changes in cash and cash equivalents	17.4	-33.7	-227.4	-54.0	-66.5
Other information:					
Average number of employees	613	637	602	627	672
Numbers of shares at year-end, in thousand	20,055	20,055	20,055	20,055	20,055
Treasury shares, in thousand	1,485	1,485	444	582	24
Share price at year-end, DKK	16.0	17.1	22.8	36.0	34.5
Ratios:					
Gross margin (%)	47.1	48.0	47.8	47.0	42.9
Operating margin (EBIT) (%)	6.0	9.1	13.7	9.7	1.9
Equity ratio (%)	57.1	59.2	60.3	65.4	71.4
Return on equity (ROE) (%) (1) *)	3.0	14.7	59.0	16.0	1.5
Return on capital employed (ROIC) (%) *)	12.8	22.8	38.9	23.2	3.1
Earnings per share (EPS)	0.5	3.4	5.8	4.1	-0.3
Earnings per share (EPS) - Total (1)	0.5	3.4	15.0	4.0	0.2
Price Earning (P/E) (1)	32.0	5.0	1.5	9.0	172.5
Price/Book Value (P/BV)	0.6	0.7	0.9	1.4	1.2
Cash flow per share (CFPS)	4.4	4.7	8.0	7.5	2.0
Dividend and cash remuneration per share, paid in the financial year	0.0	3.0	14.0	6.5	2.5

The consolidated highlights are shown for continued operations unless otherwise stated. The consolidated highlights are adjusted for discontinued operations for 2009.
Note 1: The key figures also include discontinued operations.

Management commentary

Many positive and important events in 2013

- Group EBIT before special items comes to DKK 63.4 million in 2013. This is much better than expected at the beginning of the year.
- FK Distribution launched the innovative No Ads+.
- Acquisition of eight local newspapers in Copenhagen and Frederiksberg.
- In 2013, EBIT from newspaper activities went up by DKK 11.9 million on last year.
- In 2013, EBIT before special items for the Online segment went up by DKK 13.9 million compared to 2012.
- Financial resources remain sound also after the acquisitions.
- For 2014, the Group expects EBIT before special items to be on a par with 2013 results.

In 2013, Group revenue stands at DKK 1,061.7 million, and is thus DKK 42.8 million, or 4%, lower than in 2012. This decline is chiefly attributable to an 8% drop in earnings for FK Distribution, who experienced continued decline in prices. Revenue from newspaper activities went up by 13%. A minor part of this increase is attributable to the acquisition of eight local newspapers in the Copenhagen region at 1 November 2013. Revenue from the online activities increased by DKK 4.1 million to DKK 91.0 million. This increase is adversely affected by revenue of MinReklame having moved to and merged with FK Distribution. The four main activities of Online: Ofir.dk, Byggestart.dk, BoligPortal.dk and Bostadsportal.se upped their revenue by 21% from 2012 to 2013.

After Q3 2013, expectations were that Group revenue for 2013 would be between DKK 1,025 million and DKK 1,040 million. Accordingly, the revenue realised was slightly higher, and this improvement is primarily attributable to the volume decline of FK Distribution being less than expected because the advertising tax was postponed.

Group EBIT before special items comes to DKK 63.4 million. At the beginning of the year, a financial performance between a negative DKK 15 million and a positive DKK 15 million was expected. Thus, the performance realised turned out much better than originally expected. Group expectations were adjusted upwards several times during the year and most recently in company announcement no 01-14 of 14 January 2014.
Compared to 2012, Group EBIT before special items is DKK 37.1 million lower in 2013. The decline is predominantly attributable to a drop in prices and volumes for FK Distribution, resulting in a lower performance. By contrast, newspaper activities increased their performance by DKK 11.9 million. Overall, EBIT before special items for the Print segment went down from DKK 140.1 million in 2012 to DKK 86.3 million in 2013.
The Online segment reduced its EBIT loss significantly from a negative DKK 39.6 million in 2012 to a negative DKK 26.1 million in 2013. This is primarily attributable to Ofir's improvements.

FK Distribution launched No Ads+ in May 2013 – nationwide roll-out progresses according to plan

On 21 May 2013, FK Distribution launched a new product, No Ads+, at Forum.dk. This product allows consumers to choose themselves what printed matter they want to receive and thus deselect the printed matter they do not want. Under the No Ads+ arrangement, consumers may also choose not to have their preferred printed matter distributed to them during holidays.

At year-end 2013, FK Distribution filed a complaint against Post Danmark with the Danish Competition and Consumer Authority. The reason is that, according to North Media, Post Danmark abuses its dominant position as regards the pricing towards FK Distribution's customers and Post Danmark's own customers in violation of the competition laws. Despite the tightened market conditions, FK Distribution succeeded in maintaining its market shares, and new business agreements were entered into with several of the company's customers.The advertising tax on printed matter adopted in 2012 still has not been enforced. It is not expected to be enforced before H2 2014 at the earliest.

At 1 November 2013, Søndagsavisen acquired eight local newspapers and fortified its position considerably

By acquiring the eight local newspapers in Copenhagen and Frederiksberg, Søndagsavisen became the undisputedly largest publishing house in the Greater Copenhagen area. The Group presently publishes 1.6 million newspapers a week at national level. At the end of Q3 2013, Søndagsavisen succeeded in restoring higher revenue growth. Throughout 2013, however, Søndagsavisen's growth has exceeded the market's slightly declining tendency.

Ofir's cost reductions entailed much improved results in 2013. Ofir now offers the e-recruitment system, Emply.

Thanks to the cost reductions implemented, Ofir is on track in terms of performance at year-end 2013. The operating loss was reduced by 40% from 2012 to 2013. Ofir has also entered into a distribution agreement on selling the market-leading e-recruitment system, Emply.

The Group expects EBIT before special items in 2014 to be on a par with 2013.

In 2014, falling prices and implementation of the advertising tax are expected to lead to a lower profit for FK Distribution. The newspaper activities, on the other hand, are expected to see continued growth and thus improve performance significantly. In 2014, negative EBIT for the Online segment is expected to be limited to DKK 5-10 million.

Goal: At the onset of 2013, five top priority focal areas were defined for 2013 financial performance and future earnings:

Performance: Execution and goal achievement of strategic initiatives and activities proceed according to plan

As anticipated, 2013 was a year characterised by business development. The most significant initiatives implemented in 2013 were:

1. Developing and launching the addressed distribution product, No Ads+, for FK Distribution.
2. Maturing of the BEKEY product, and five out of seven municipal tenders won resulting in a market-leading position.
3. Acquisition of eight local newspapers in the Copenhagen region.
4. Refining and executing Ofir's central media selection model, including the signing of exclusive distribution agreements for the Emply e-recruitment system.
5. Restructuring Byggestart.dk which has become more attractive for both private developers and builders.

All initiatives are in line with the Group's focus on business development and form a natural and necessary part of a long-term perspective in change-prone markets.

All strategic initiatives are intended to ensure the following:

- Maintaining existing market positions and high-level efficiency.
- Maintaining high manoeuvrability and profitability in a print market marked by uncertainty.
- Implementing business development of both print and online activities based on core skills.
- High stability, profitability and cash flows enabling investments and handsome direct returns to the shareholders.

From the onset of 2013, five focal areas were defined which, across the Print and Online segments, enjoyed top priority with respect to the 2013 performance and the more long-termed earnings level. The five focal areas relate to FK Distribution, BEKEY, Søndagsavisen, Ofir.dk and Byggestart.dk/HentTilbud.dk.

> " Business development is our top priority and proceeds as planned. The newspaper and online activities improved their market positions significantly in 2013, whereas FK Distribution is challenged by low predictability and unfair price competition on the part of Post Danmark"

1. FK Distribution, goals for 2013

FK Distribution is to develop new and supplementary business models to prepare for the structural market development and legislative measures that have an adverse impact on printed matter. At the same time, profitability must to the greatest extent possible be maintained by the traditional activity of unaddressed distribution of printed matter.

FK Distribution, performance for 2013

Recurring analyses show that, more than any other advertising media, door-to-door-distributed printed matter promotes competition and thus promotes lower consumer prices in general. FK Distribution launched No Ads+ in May 2013 in selected postal districts. No Ads+ constitutes an important part of FK Distribution's future strategy set to capture the core of the retail leaflet market and develop new solutions to cater for the consumers' wishes and provide the retail business with efficient and relevant marketing channels to the consumers.

The roll-out of No Ads+ largely proceeds as planned. No Ads+ is expected to cover most of Denmark during Q1 2014.

The No Ads+ arrangement has also enhanced the distribution ability, entailing that, aside from unaddressed printed matter, FK Distribution is also capable of offering the market distribution of addressed printed matter, such as magazines and direct mail at highly competitive prices and of high quality. Expectations are, therefore, that the product range will be expanded further to also include distribution of addressed printed matter.

> "The strategic initiatives for FK Distribution are set to accommodate the structural market development as well legislative initiatives and, in the eyes of FK Distribution, an unlawful price competition."

The very high level of operational efficiency and productivity in the packing facilities, the conveyance of the printed matter and the actual distribution segment has been maintained despite a drop in sales and implementation of No Ads+.

No Ads+ is only one of the initiatives which FK Distribution has commenced to counter and compensate for the current negative market and price development in the traditional market for distribution of unaddressed printed matter. Segmented distribution is another initiative that enables differentiated pricing based on, for instance, effect and expanded advisory services.

MinReklame.dk, which is Denmark's largest distributor of digital retail leaflets and ads, is used as a jumping-off platform for developing digital services. The object of these initiatives is to ensure that FK Distribution – also in the long term – constitutes a major and profitable player in the market for delivering offers and information to the consumers, and thus supplies customers to the shops of FK Distribution's customers.

The advertising tax on printed matter adopted in 2012 still has not been enforced. But the expectation alone of a new tax results in decreased printed matter volumes and lower weight per printed matter item.

At year-end 2013, FK Distribution filed a complaint against Post Danmark with the Danish Competition and Consumer Authority. The reason is that, in the eyes of FK Distribution, Post Danmark abuses its dominant position which conflicts with the competition laws.

2. BEKEY, goals for 2013

BEKEY's goals for 2013 were to market and start selling the products, the development of which were finished at year-end 2012.

BEKEY, performance for 2013

2013 saw a total of seven tenders in Danish municipalities for electronic key systems. This was less than expected. BEKEY won five of the seven tenders and has thus assumed the position of market leader in 2013. BEKEY is also engaged in dialogue with a significant number of municipalities about the system which is used primarily for elderly care. The BEKEY system consists of a thumb turn capable of opening and locking doors via Bluetooth from a mobile phone, and BEKEY's online administration system, NETKEY, from which each municipality may assign electronic, safe keys to staff in the elderly care.

> ”In a fragmented and immature high-growth market, BEKEY successfully took the lead. No competitors have a product portfolio as complete and innovative as BEKEY.”

The sale of BEKEY to private consumers takes place on a test basis.

In the stairway market, that is blocks of flats to which distributors, builders and others need access, focus has been on accelerated roll-out in ten selected postal code areas. At year-end 2013, the system had been installed in more than 16,000 stairways, and BEKEY has begun selling the administration system, NETKEY, to property managers. In 2013, BEKEY has been installed in 7,000 stairways, while installation has been planned in another 12,000 stairways at the beginning of the year.

3. Søndagsavisen, goals for 2013

Søndagsavisen is to continue to increase sales and win market shares in a newspaper market influenced by stagnation or recession. The newspaper activities must be profitable for the Group from Q1 2013.

Søndagsavisen, performance for 2013

The goal of a break-even performance in Q1 2013 was realised despite a revenue growth rate which at the start of the year proved lower than expected.

Thus, 2013 saw particular focus on enhancing the relation to the large national and regional customers and on increasing profitability through a more efficient approach to the market. This proved successful, and at the end of Q3 2013, satisfactory growth rates for revenue were re-established. Even in periods characterised by flat revenue development, Søndagsavisen outperformed its competitors as the market is generally declining.

As stated in company announcement no. 09-13 of 23 October 2013, North Media signed an agreement with Berlingske Media A/S to acquire eight local newspapers in Copenhagen and Frederiksberg. North Media's aggregate newspaper activities thus became the undisputedly largest publishing house in Copenhagen and Frederiksberg, publishing over half a million newspapers every week. After this acquisition, the Group publishes 1.6 million newspapers every week nationwide.

The acquisition comprises Frederiksberg Bladet, Vesterbro Bladet, Valby Bladet, Vanløse Bladet, City Avisen and Nørrebro/Nordvest as well as a 70% stake in the company publishing the local newspapers of Amagerbladet and Østerbro Avis.

Thanks to the acquisition of the local newspapers, expectations were that EBITDA would go up by DKK 20 million, and EBIT by DKK 10 million per year, for instance as a result of synergies with the Group's existing newspaper activities. The updated analyses show larger synergies than originally expected, for which reason EBITDA is now expected to go up by DKK 25 million and EBIT by DKK 13 million as a result of the acquisition.

The acquisition of the eight newspapers offers the Group significant economies of scale and secures the basis of the aggregate newspaper activities.

> ”The eight newspapers are sound, well-established businesses that perfectly match North Media's strategy to fortify and expand its market position within door-to-door-distributed free newspapers and distribution.”

4. Ofir, goals for 2013

Ofir is to increase sales considerably and, in doing so, improve its financial performance.

Ofir, performance for 2013

Ofir managed to increase sales by 15% in H1 2013 compared to the same period last year. Revenue growth was lower in H2 2013. This was, among other things, attributable to the co-operation with eConscribi International ApS not proceeding as expected due to the system's performance problems. Instead, Ofir signed an exclusive distribution agreement to sell the market leading e-recruitment system, Emply. Sales were very satisfactory in Q4 2013, but overall the product switch entailed delays in sales.

In November 2013, Ofir launched a new platform containing a media selection page that constitutes a central element in Ofir's ambition to increase advertisement sales. So far, however, this media selection page is available only to a select group of customers.

Accordingly, Ofir increased its sales by 9% from 2012 to 2013, which was lower than expected. Thanks to cost reductions, Ofir still managed to realise a considerable improvement of results in 2013 compared to 2012. In Q4, the operating loss was reduced by 43%. EBIT, however, remains quite negative.

5. Byggestart.dk/HentTilbud.dk, goals for 2013

Byggestart.dk/HentTilbud.dk, the activity acquired in 2012, is to increase sales considerably and help improve the Group's financial performance.

Byggestart.dk/HentTilbud.dk, performance for 2013

Contrary to expectations, Byggestart.dk/HentTilbud.dk did not manage to increase sales enough to contribute positively to group results. In 2013, the activity continued to realise losses, which is the reason for the DKK 13 million write-down of goodwill as described in detail in the special items section.

At the end of H1 2013, renewed and extensive surveys, interviews and analyses of the various builder industries' business procedures and needs were carried out. In continuation thereof, changes were implemented in the concept which are expected to have a positive effect on revenue and earnings from H1 2014 as the underlying key performance indicators have developed positively since this implementation.

In H2 2013, Byggestart.dk/Henttilbud.dk worked to refine the concept further. These new strategic measures pose an important step towards becoming the preferred media partner of Danish consumers when they need a builder, and the most important partner of the builders when they need customers.

Facts on North Media A/S

North Media is Denmark's only media group listed on the stock exchange. Since its establishment in 1965, North Media's corporate mission has been to communicate offers and information to consumers. This is done through:

Print activities	Distribution of own and third party ad-funded door-to-door distributed free newspapers and unaddressed and addressed advertisements to all households in Denmark. Publication of ad-funded door-to-door-distributed free newspapers and a daily.
Online activities	Provider of a number of Internet services targeting Danish consumers with particular focus on the job market, the housing market and retailing.

North Media A/S is financially well-consolidated and works to create long-term value for its shareholders through profitable expansion of the activities with satisfactory returns on the invested capital (ROIC) and an attractive dividend policy. Profitability is to be achieved based on large volumes and extensive market shares in each business segment.

Strategic initiatives and activities planned for 2014:

Focus on executing launched initiatives and constant business development

In 2014, FK Distribution's market for printed matter will still be subject to uncertainty. The market is characterised by very low predictability due to fierce price competition and uncertainty about a new advertising tax. The continued increase in No ads, please, households also pile on the uncertainty.

Whereas these market conditions increase the uncertainty of FK Distribution, expectations are that the ongoing strategic measures within the newspaper and online activities will continue to develop positively.

> " In 2014, executing the initiatives begun and continued business development will pave the way for more strong and profitable business activities and a stable, high earnings level."

For the Group, six strategic initiatives exist that are decisive for 2014 results and for the more long-termed and future earnings level:

1. FK Distribution's traditional market for distribution of unaddressed printed matter is challenged by structural changes, legislative measures and, in the view of FK Distribution, unlawful price competition on the part of Post Danmark. FK Distribution has launched the No Ads+ arrangement, addressed and segmented distribution and digital services that are to be refined and implemented in 2014 to maintain FK Distribution's market position and to respond to the negative performance development.
2. BEKEY must continue to win the majority of the municipal tenders for electronic access control, and must also successfully launch the product in the private consumer market.
3. Søndagsavisen and the eight acquired mid-week newspapers in the Copenhagen region must realise the planned operating and cost synergies and uphold the efficiency improvements and optimise sales. The Group's aggregate newspaper activities are expected to uphold the earnings improvements and achieve EBIT break-even in 2014.
4. Ofir has two main strategic products: Sale of ads for media in Ofir's job universe using Ofir's media selection page and sale of the Emply e-recruitment system. In 2014, the media selection page must be made available to all customers and thus contribute to revenue growth. High-level revenue growth in 2014 and EBIT break-even by Q2 2015 at the latest are expected.
5. Byggestart.dk must succeed with its revised concept in order to clarify whether this business model can achieve satisfactory, positive earnings. Expectations are that EBIT break-even will be achieved by Q2 2015 at the latest.
6. BoligPortal.dk must maintain its leading position in the market for advertising rental housing. In May 2013, BoligPortal.dk launched a new marketplace for self-sale of co-operative and owner-occupied dwellings which is set to make BoligPortal.dk one of Denmark's most efficient portals for exposing dwellings.

The Group expects EBIT before special items in 2014 to be on a par with 2013

In 2014, revenue for the Print segment is expected to remain unchanged between DKK 950 million and DKK 1,000 million. FK Distribution expects a 10% revenue decline, which is subject to considerable uncertainty, however. Post Danmark's continued unreasonable price competition, an increasing number of No thanks households and reluctance on the part of retailers may lead to price and volume declines exceeding expectations. Revenue for the total newspaper activities will go up considerably primarily thanks to the acquisition of the eight local newspapers.

For the Print segment, EBIT before special items is expected to come between DKK 55 to 85 million in 2014. Earnings expectations for 2014 include DKK 10 million in additional amortisation and depreciation compared to the 2013 performance due to the full-year effect of the eight local newspapers acquired.

Revenue for the Online segment is expected to go up by 20% in 2014, and will thus come to DKK 110 million. Expectations are that EBIT will be improved by DKK 15 to 20 million, arriving at a loss of DKK 5 to DKK 10 million.

For the Group as a whole, revenue for 2014 is expected to come to between DKK 1,060 million and DKK 1,110 million, or a 2% increase compared to revenue for 2013.

In 2014, Group EBIT is expected to range from DKK 50 to 75 million. In 2013, EBIT before special items comes to DKK 63.4 million. So, financial performance for 2014 is expected to be on a par with that for 2013.

2014 EBIT includes a DKK 12 million amortisation of intangible assets related to the acquisition of the eight Copenhagen mid-week newspapers. In 2013, this amortisation amounted to DKK 2 million.

For 2014, The Group is expected to make investments of around DKK 30 million, while ordinary depreciation and amortization is expected to be of around DKK 46 million.

The activities of the Group that have generated losses in 2013 are expected to achieve break-even at EBIT level by Q2 2015 at the latest.

The Group's 2013 results exceeded expectations at the beginning of the year considerably and are satisfactory given the market conditions. However, the last two years' negative performance development is not satisfactory.

Q4 2013 exceeded expectations in terms of both revenue and performance

In Q4, the market for distributing unaddressed printed matter saw increased volumes, and Søndagsavisen upped its revenue growth compared to expectations. Søndagsavisen's revenue is also favourably affected by the acquisition of the eight local newspapers in Copenhagen. The newspapers were acquired at 1 November 2013 and affect Q4 positively.

Revenue for the Print segment in Q4 2013 stands at DKK 276.9 million and was thus 2% up on revenue in the same quarter last year. This is attributable to the acquisition of the eight local newspapers.

EBIT before special items for the Print segment amounts to DKK 36.6 million which is higher than that for Q4 2012 which came to DKK 34.3 million.

In the last quarter of the year, Ofir achieved very satisfactory sales from the e-recruitment system, Emply.

Revenue for the Online segment for Q4 2013 comes to DKK 22.2 million which is 3% up on Q4 2012. This low growth rate was affected by revenue of MinReklame having moved to and merged with FK Distribution.

EBIT before special items for the Online segment amounts to a negative DKK 8.8 million compared to a negative DKK 12.4 million for the same quarter last year. The performance improvement reflects the general progress within the Online segment and that losses in the online activities were reduced significantly in 2013.

	Revenue									
	Year		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
DKKm	**2013**	**2012**	**2013**	**2013**	**2013**	**2013**	**2012**	**2012**	**2012**	**2012**
Print	970.7	1,017.7	276.9	210.7	243.9	239.2	271.1	229.7	255.5	261.4
Index cp. same period last year	*95.4*	*88.7*	*102.1*	*91.7*	*95.5*	*91.5*	*82.8*	*88.9*	*86.2*	*98.7*
Online	91.0	86.9	22.2	21.8	23.2	23.8	21.6	22.0	22.5	20.8
Index cp. same period last year	*104.7*	*134.7*	*102.8*	*99.1*	*103.1*	*114.4*	*150.0*	*128.7*	*138.9*	*123.8*
Group revenue	**1,061.7**	**1,104.6**	**299.1**	**232.5**	**267.1**	**263.0**	**292.7**	**251.7**	**278.0**	**282.2**
Index cp. same period last year	*96.1*	*91.2*	*102.2*	*92.4*	*96.1*	*93.2*	*85.7*	*91.3*	*88.9*	*100.2*

	EBIT before special items									
	Year		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
DKKm	**2013**	**2012**	**2013**	**2013**	**2013**	**2013**	**2012**	**2012**	**2012**	**2012**
Print	86.3	140.1	36.6	10.0	16.5	23.2	34.3	24.2	36.4	45.2
Profit margin	*8.9%*	*13.8%*	*13.2%*	*4.7%*	*6.8%*	*9.7%*	*12.7%*	*10.5%*	*14.2%*	*17.3%*
Online	-26.1	-39.6	-8.8	-5.4	-5.1	-6.8	-12.4	-11.1	-8.3	-7.8
Profit margin	*-28.7%*	*-45.6%*	*-39.6%*	*-24.8%*	*-22.0%*	*-28.6%*	*-57.4%*	*-50.5%*	*-36.9%*	*-37.5%*
Unallocated costs/income	3.2	0.0	1.9	1.3	0.6	-0.6	1.8	0.6	0.0	-2.4
Group EBIT	**63.4**	**100.5**	**29.7**	**5.9**	**12.0**	**15.8**	**23.7**	**13.7**	**28.1**	**35.0**
Profit margin	*6.0%*	*9.1%*	*9.9%*	*2.5%*	*4.5%*	*6.0%*	*8.1%*	*5.4%*	*10.1%*	*12.4%*

The Group's total revenue for Q4 2013 is DKK 299.1 million, or 2% up on Q4 2012. Group EBIT before special items in Q4 2013 is DKK 29.8 million compared to DKK 23.7 million for the same period last year. The reason why results for Q4 2013 were higher than for the same quarter last year is that the loss from Søndagsavisen and BEKEY was reduced.

Group revenue for 2013 declined by 4% compared to 2012

The Group's total revenue for 2013 is DKK 1,062 million, equalling a decrease of DKK 43 million or 4% compared to 2012. The decline in revenue is attributable to revenue for FK Distribution going down by approx 8%, whereas the revenue increase for Søndagsavisen and BoligPortal.dk and the acquisition of the eight local newspapers to some extent compensate for this decline.

As stated in the Group's Interim Management Statement for Q3 2013, the Group's revenue was expected to total DKK 1,025 to 1,040 million in 2013. Accordingly, the revenue realised exceeded expectations by 3%.

FK Distribution is the main driver of the revenue decline recorded for the Print segment

In 2013, revenue for the Print segment stands at DKK 971 million compared to DKK 1,018 million in 2012, equalling a decline of DKK 47 million, or 5%. This revenue decline is mainly attributable to FK Distribution whereas Søndagsavisen increased its earnings.

The eight newspapers acquired by the Group at 1 November 2013 affect Print segment revenue positively.

In the Group's Interim Management Statement for Q3 2013, revenue for the Print segment in 2013 was expected to range from DKK 930 to 945 million. Accordingly, the revenue realised exceeded expectations by 4%.

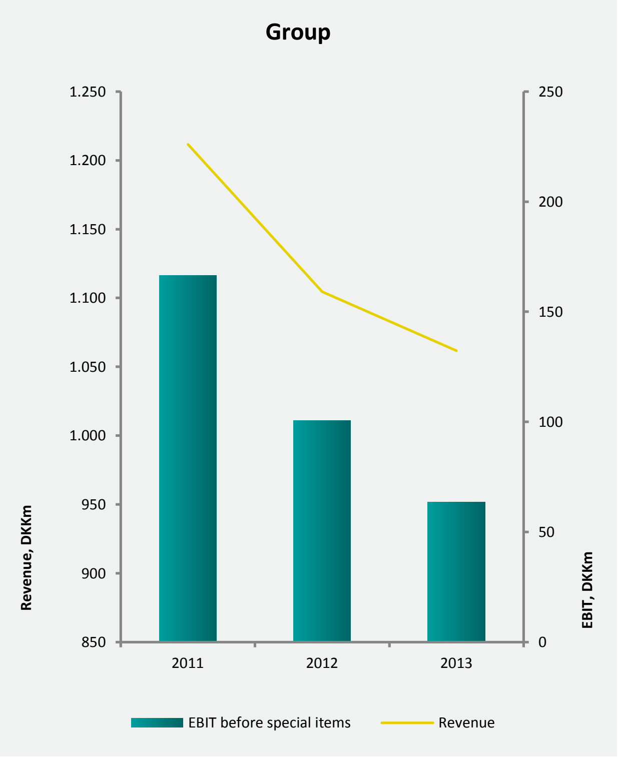
Revenue for the Online segment's primary activities went up by 21%

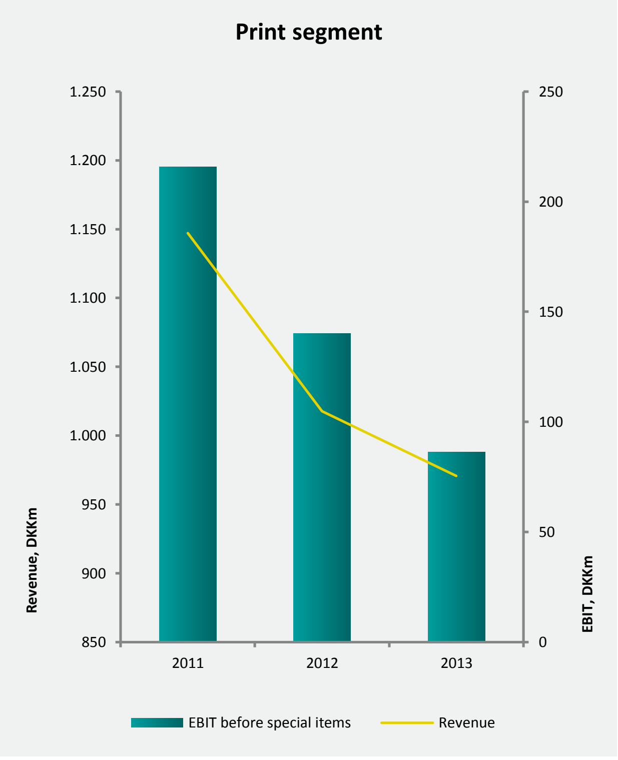
For the online activities, revenue went up from DKK 86.9 million in 2012 to DKK 91.0 million in 2013, equalling a growth rate of 5%. The growth is negatively affected by MinReklame merging with FK Distribution. The four main activities of the Online segment, Ofir.dk, Byggestart.dk, BoligPortal.dk and Bostadsportal.se, upped their revenue by 21%.

Revenue growth for the Online segment for 2013 was stated to total approx 10% in the Interim Management Statement for Q3 2013. The growth rate comes to approx 5 percentage points, or approx DKK 4.5 million.

Contribution margin

In 2013, the aggregate contribution margin of the Group amounted to DKK 499.7 million, equalling a contribution ratio of 47.1%. In 2012, the contribution margin came to 530.4 million and the contribution ratio to 48.0%.





Staff costs

Staff costs come to DKK 273.7 million in 2013 compared to DKK 279.0 million in 2012. Staff costs have gone down by DKK 5.3 million, or 2%, from 2012 to 2013. The drop is attributable to a staff reduction as a consequence of efficiency improvements in a number of companies.

In 2013, the average number of employees was 613, which is 24 down on 2012.

Other expenses

Other expenses primarily include marketing costs, costs of premises, IT costs, fees and administrative expenses. Other expenses total DKK 136.0 million in 2013 compared to DKK 124.6 million in 2012. This increase is primarily attributable to legal expenses with respect to the closed competition proceedings involving Post Danmark. Expenses have also been incurred for development and implementation of the new No Ads+ arrangement.

2013 better than expected at the onset of the year

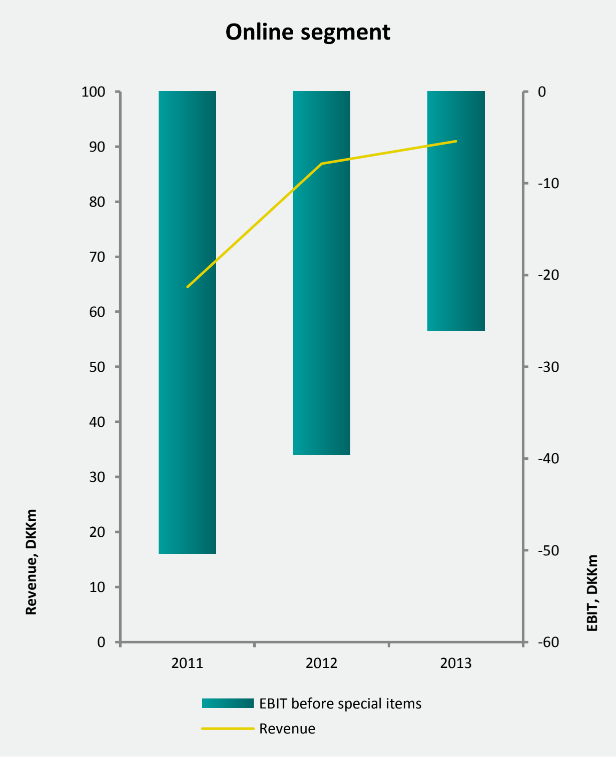
In 2013, Group EBIT before special items comes to DKK 63.4 million. In 2012, Group EBIT before special items was DKK 100.5 million and thus DKK 37.1 million higher. The decline in revenue for FK Distribution is the main driver of the drop in financial performance. All other activities generally improved their performance. The most material performance improvements for 2013 compared to 2012 are attributable to the newspaper activities and Ofir.

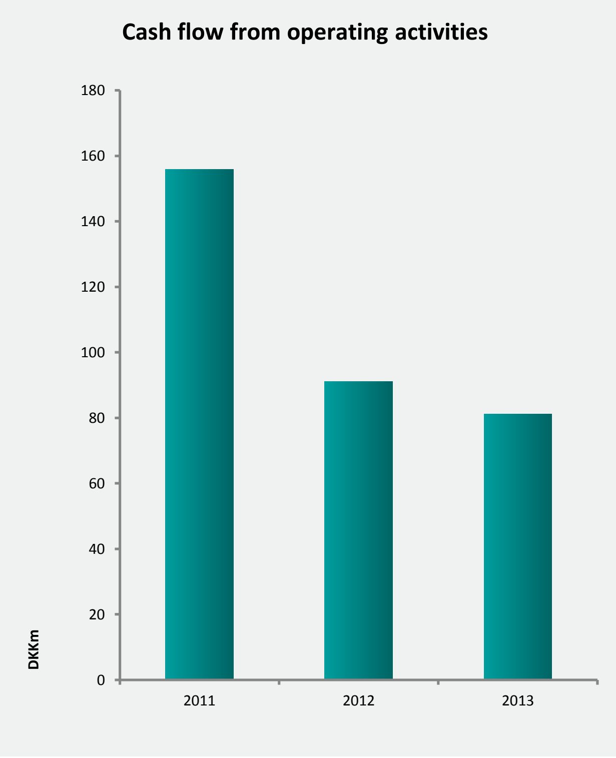
At the onset of the year, EBIT for the year was expected to be in the range of a negative DKK 15 million and a positive DKK 15 million. However, this range was adjusted upwards several times during the year, most recently in Company Announcement no 01-14 of 14 January 2014. So, the realised EBIT before special items of DKK 63.4 million is significantly higher than expected at the beginning of the year.

EBIT before special items for the Print segment is DKK 86.3 million, which is DKK 54 million down on 2012. This decline is attributable to lower revenue for FK Distribution whereas the newspaper activities improved their results in 2013.

Financial performance was adversely affected by DKK 0.5 million relating to the acquisition of the eight local newspapers as a net effect of operating profit less acquisition and integration costs.

Compared to the earnings expectations for the Print segment given at the onset of the year in the 2012 Annual Report, current EBIT before special items stands at DKK 86.3 million – i.e. DKK 41 to 71 million higher. The earnings expectations were adjusted upwards several times in 2013.





EBIT for the Online segment remains negative, but the planned improvement exceeded expectations

For 2013, EBIT before special items for the Online segment is a negative DKK 26.1 million. The operating loss is mainly caused by the loss realised by Ofir.dk and Byggestart.dk, primarily resulting from product development and secondarily from marketing costs. Ofir.dk's performance was much better in 2013 compared to last year, albeit still negative.

In 2013, the Online EBIT before special items at a negative DKK 26.1 million was much better than in 2012, when it came to a negative DKK 39.6 million.

At the beginning of 2013, Online EBIT was expected to be negative by around DKK 30 million, corresponding to a performance improvement of approx DKK 10 million compared to the year before. The current performance improvement comes to DKK 13.5 million.

Special items

Group performance for 2013 includes a DKK 7 million write-down of the property in Elsinore which has been reclassified in this Annual Report from ”Assets held for sale” to ”Property, plant and equipment”. As a consequence, the DKK 7 million write-down made at 30 June 2013 was transferred from ”Discontinued operations” to ”Special items”. The comparative figure has been changed accordingly.

Moreover, a DKK 13 million write-down was made on goodwill attributable to the acquisition of Byggestart.dk/HentTilbud.dk. Performance turned out poorer than originally expected. In 2013, the activity still generated a considerable loss which proved much larger than expected, for which reason goodwill has been written down partially. The activity is still expected to serve as a positive contributor to the Group's financial performance in the years ahead.

Share of profits/losses from associates

The Group's share of net profits/losses from associates comes to a negative DKK 8.1 million in 2013 compared to a negative DKK 1.6 million in 2012. This negative performance development was mainly attributable to the DKK 4.2 million loss realised when selling the minority block in eConscribi International ApS and a DKK 2.0 million write-down of the investment in Shopbox ApS. Moreover, eConscribi International ApS realised losses up to the point of sale, and performance of Shopbox ApS was negative too.

However, the performance of A/S Vestsjællandske Distriktsblade is positive and better than in 2012.

Financial income

In 2013, the Group had financial income of DKK 3.2 million, whereas income was DKK 15.9 million in 2012. This income primarily originates from realised and unrealised capital gains from bonds, interest income and dividend received.

At 31 December 2013, the Group's portfolio of securities totalled DKK 139.7 million, whereas the portfolio at the same date in 2012 came to DKK 188.4 million.

Financial expenses

In 2013, financial expenses stand at DKK 11.7 million and mainly relate to interest on long-term mortgage loans in the Group's properties amounting to DKK 156.0 million at 31 December 2013, and the discounting effect on the purchase price payable and capital loss on shares of DKK 0,9 million. In 2012, financial expenses came to DKK 10.8 million, and also related to interest on long-term mortgage loans and the discounting effect on the purchase price payable.

Profit before tax

The Group's profit before tax amounts to DKK 26.8 million which is DKK 70.2 million down on 2012. This is primarily due to lower sales.

Taxation

Tax on profit for the year comes to DKK 11.1 million and equals an effective tax rate of 41.4%. The high effective tax rate is chiefly attributable to the amortisation of goodwill which is not deductible in the taxable income. In 2012, the aggregate tax stood at DKK 20.9 million equalling an effective tax rate of 21.5%.

Profit for the year

Profit for the year for the Group was DKK 15.7 million in 2013. This is DKK 60.4 million down on 2012 and, aside from the lower operating profit, it is attributable to a relatively higher tax expense.

Goodwill and intangible assets

Goodwill and other intangible assets on the Group's balance sheet have increased considerably during 2013 thanks to the acquisition of the eight local newspapers. Goodwill related thereto was computed at DKK 47.8 million. Other intangible assets consisting of publishing and name rights were computed at DKK 61.9 million. Goodwill in the amount of DKK 13.0 million related to the acquisition of Byggestart.dk/HentTilbud.dk was written down in the year, and the remainder stands at DKK 12.1 million.

The rest of the goodwill relates to FK Distribution and BoligPortal.dk, and the other intangible assets also to BoligPortal.dk.

Investments in associates

In 2013, the Group sold the minority block in eConscribi International ApS. The investment in Shopbox ApS was increased from 22.8% to 34.6% by converting the advertising commitment into a cash contribution. The investment in Shopbox ApS was computed at DKK 3.9 million.

Investments

For 2013, the Group's total investments come to DKK 26.5 million, of which the overwhelming majority has been invested in technical installations at FK Distribution's packing terminals.

Depreciation for the year comes to DKK 36.0 million for 2013, which is DKK 2.7 million up on last year. The increase is attributable to increased depreciation of identifiable intangible assets when acquiring the eight local newspapers. In 2012, the Group's investments totalled DKK 27.7 million, including DKK 25.3 million in property, plant and equipment. In 2012, investments were also primarily made in FK Distribution's packing terminals.

Working capital

At 31 December 2013, the Group's trade receivables amount to DKK 104.4 million. This corresponds to a debtor days ratio of 29.3 days. Compared to the same period in 2012, the Group's receivables have gone up by DKK 5.8 million, and the debtor days ratio has increased by 2.7 days from 26.6 days. This increase in debtor days is mainly attributable to the acquisition of the eight local newspapers, for which the sale in November and December was not invoiced until December.

At year-end 2013, short-term trade payables stand at DKK 56.6 million compared to DKK 52.2 million at year-end 2012. In days payable outstanding, this corresponds to 34.1 days in 2013 compared to 31.1 days in 2012.

At 31 December 2013, other payables amount to DKK 88.5 million which is DKK 7.7 million up on the same date in 2012. Other payables primarily relate to holiday pay payable and A tax.

The Group's net working capital (NWC) amounted to a negative DKK 32.9 million at year-end 2013, which is DKK 7.3 million less than at the same time last year, when the Group's NWC was a negative DKK 40.2 million. The reduced NWC is primarily attributable to the deferred invoicing of the new local newspapers.

Group ROIC comes to 12.8% for 2013

Group ROIC comes to 12.8% compared to 22.8% in 2012. This reduction is chiefly attributable to the reduced profit, but also to an increase in invested capital that is a result of the acquisition of the eight local newspapers.

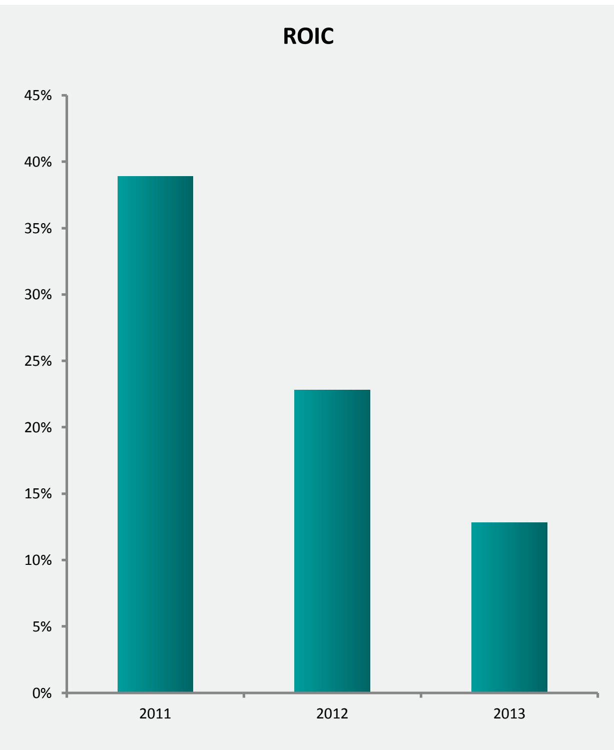
In 2013, cash flows for the year from operating activities stand at DKK 81.1 million

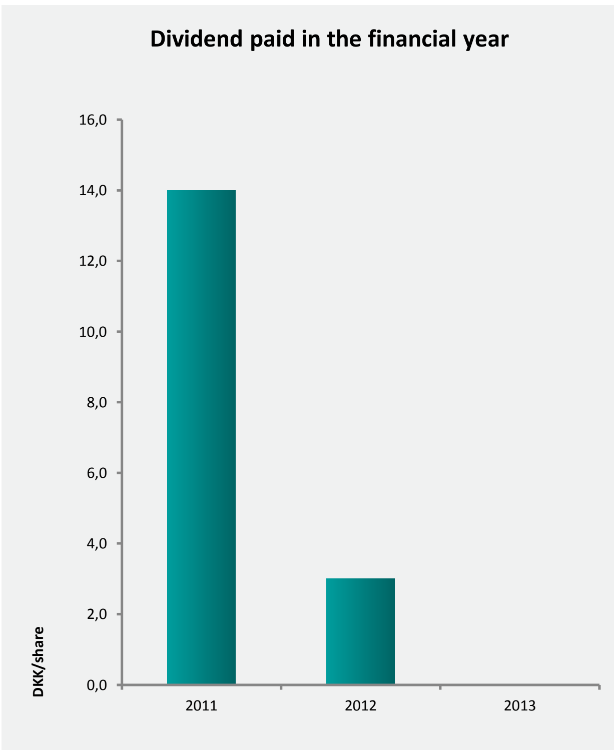
Cash flows for the year from operating activities went down from DKK 91.1 million in 2012 to DKK 81.1 million in 2013. This reduction is partly attributable to the lower operating profit, but it is to a large extent set off by a considerably reduced tax payment.

Cash flows from investing activities stand at a negative DKK 46.5 million in 2013 compared to a negative DKK 22.1 million in 2012. Cash flows from investing activities are affected considerably by the purchase and sale of securities, and in 2013 also by the acquisition of the eight local newspapers which amounted to DKK 66.9 million net. In 2012, DKK 17 million was invested in the acquisition of businesses, and DKK 11.5 million in the acquisition of investments in associates.

In 2013, cash flows from financing activities were a negative DKK 17.2 million and are attributable to dividend paid to minority shareholders totalling DKK 11.4 million and instalments paid on mortgage loans. In 2012, cash flows from financing activities came to a negative DKK 102.7 million, which were mainly attributable to the DKK 58.9 million dividend distribution to the shareholders and the acquisition of treasury shares worth DKK 22.5 million.

In 2013, total cash flows for the year amount to DKK 17.4 million.





Financial resources remain solid – also after acquiring the eight new newspapers in 2013

In 2013, the Group paid a cash amount of DKK 66.9 million to acquire the eight newspapers in the Copenhagen region. This transaction clearly substantiates the structural changes and consolidations seen in the media market. The market is also characterised by fierce price competition, and vis-à-vis customers and suppliers North Media must represent a strong and long-termed business partner. For North Media it is key to be able to partake actively in this development, which is why solid financial resources are considered vital.

At 31 December 2013, the Group has cash and cash equivalents totalling DKK 64.6 million and a portfolio of securities worth DKK 139.7 million. Accordingly, the Group's cash resources stand at DKK 204.3 million at year-end 2013.

At 31 December 2013, the Group's shareholding comes to DKK 51,8 million, consisting of investments in Danish and foreign ultra liquid shares in the IT and health care industry sectors.

At 31 December 2013, the Group's portfolio of bonds has a value of DKK 87,9 million. This portfolio includes corporate bonds and mortgage credit bonds.

For Q4 2013 year-to-date, returns on securities stood at DKK 1.6 million, or 1.1 %.

Moreover, the Group has mortgage loans inclusive of negative fair value of interest-rate swaps amounting to DKK 157.5 million. The Group also has an purchase price payable relating to the acquisition of HentTilbud ApS and Lokalaviserne Østerbro og Amager A/S totalling DKK 51.8 million. DKK 12.2 million of this purchase price payable falls due in 2014, whereas the remaining amount falls due in 2015 to 2019.

At year-end 2013, net of the purchase price payable, the Group's net interest-bearing debt thus totals DKK 5.0 million.

At year-end 2012, the Group's net interest-bearing cash position was DKK 47.2 million.

Low financial gearing is a significant element in the overall capital structure

The Board of Directors regularly assesses whether the Group's capital structure is consistent with the interests of the Company and its shareholders. The overall objective is to ensure a capital structure that supports long-term financial growth while maximising returns to the Group's stakeholders by maintaining a naturally balanced debt-to-equity ratio.

It is group policy to distribute dividend insofar as such distribution is considered reasonable, given the existing capital structure and liquidity as well as the outlook.

It is also group policy to be self-supporting to the extent possible, although the Group's properties are financed by way of long-term loans. The Group's overall financial strategy is consistent with that of last year.

The Group's capital structure consists of long-term mortgage debt, cash and cash equivalents, including easily negotiable securities, and equity.

The Company's Board of Directors reviews the Group's capital structure twice a year in connection with the presentation of the Interim Report and Annual Report. As part of this review, the Board of Directors considers the Group's cost of capital and the risks associated with the various types of capital.

The Group has net interest-bearing debt of DKK 5.0 million after recognition of purchase price payable totalling DKK 51.8 million, and thus low financial gearing.

The Board of Directors recommends that no dividend be paid for the financial year 2013

Strong financial resources are considered an important strategic strength in the present market for achieving the goal of a group relying on several profitable pillars and generating high earnings. Based on these factors and the continued substantial market uncertainties, the Board of Directors will, at the Annual General Meeting to be held on 28 March 2014, recommend that no dividend be paid for the financial year 2013. If developments remain positive, and the situation and the strategic priorities at that time so permit, the Board of Directors aims at resuming payment of dividends for the financial year 2014.

Equity and holding of treasury shares

On 31 December 2013, the Group's equity totals DKK 523.3 million which is DKK 11.7 million higher than at year-end 2012.

No treasury shares were purchased or sold during the year.

At 31 December 2013, the Group's portfolio of own shares numbered 1,485 thousand, or 7.4 % of the share capital and voting rights of North Media A/S.

FK Distribution

FK Distribution distributes information and offers to Danish consumers via both print and online media. FK Distribution is Denmark's largest, privately owned distributor

FK Distribution is Denmark's largest privately owned distributor of free newspapers, retail leaflets for supermarket chains, DIY retailers, white goods and electronics dealers and other retailers to all Danish households – both in printed and electronic form.

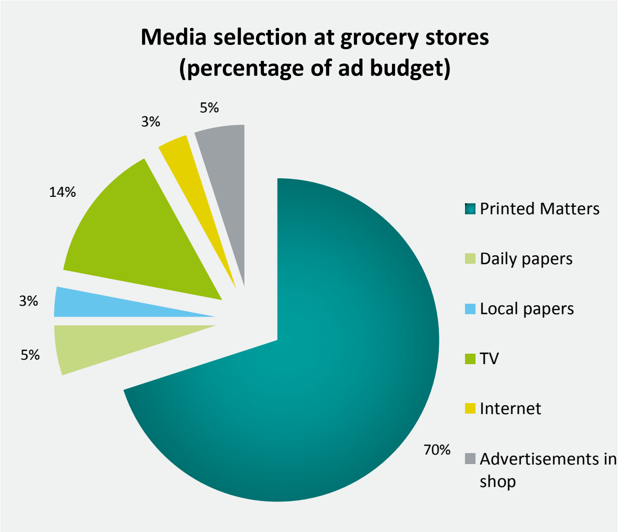
Consumers prefer door-to-door distributed ads
Retail leaflets are consumers' preferred media when seeking information about shopping. Most Danish consumers use the retail leaflet actively when planning their day-to-day shopping, making this sales format the most efficient advertising platform for the retail trade. First and foremost because the retail leaflet provides relevant and current information on product supply and special offers, but also because the leaflets let the consumers decide themselves where and when to read the ads.

According to a report prepared by the GfK research institute in March 2011, the leaflets annually provide consumers with retail discounts in the order of DKK 25 to 30 billion – or approx DKK 750 per month for an average Danish family with children. Surveys also show that, more than any other advertising media, retail leaflets promote competition and generally help to promote lower retail prices.

Door-to-door distributed ads are also the preferred advertising media of the retail trade
FK Distribution services the businesses of the retail trade, and the customer portfolio contains everything from small grocery shops to the largest supermarket chains. FK Distribution commits to long-term relations with the customers, and the company is acknowledged by the market for its high-quality products, fairness, flexibility and unique customer service.

Door-to-door distributed advertisement is the retailers' preferred advertising tool as the effect is much higher than in other forms of advertising. Door-to-door distributed advertisements drive a major flow of customers that can be measured directly through the shops' sales. This is why 70% of supermarkets' advertising budget is spent on leaflets, and only 3 % of this budget is earmarked for Internet advertising.

In a changed market FK Distribution launches the solution of tomorrow: NoAds+



Source: Report from the Danish Competition and Consumer Authority: "Special offers with Danish retailers"

Against this background, FK Distribution believes that printed ads will remain the grocery sector's most important and most efficient advertising media in the future. No other potentially substituting media, such as local newspapers, TV or the Internet offer nowhere near the same effect or cost efficiency.

Stability in a changing market

The market for door-to-door distributed ads stagnated in 2010 at just under 3 billion units and has been in decline since then. In early 2013, a 10% drop in volume was expected as a result of the new advertising tax on printed matter. The implementation of this tax was postponed, which contributed to the market declining by less than expected in 2013. Estimations are that the volume of printed ads totalled 2.4 billion units in 2013. FK Distribution expects that the volume of door-to-door distributed ads will decline by 5 to 8% in 2014, and drop further in the years ahead, however, at a slower pace.

Facts on FK Distribution

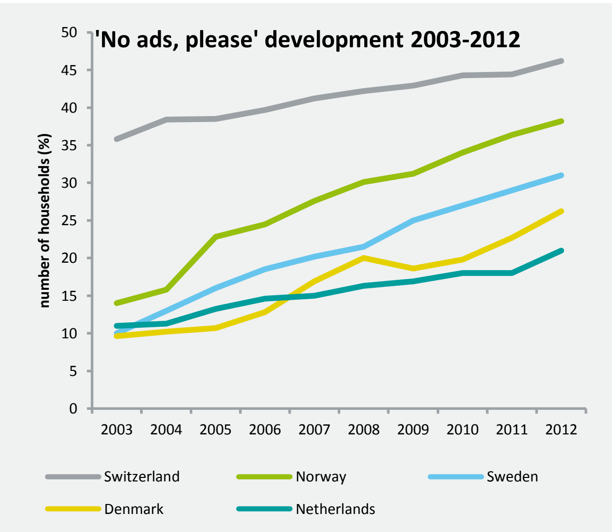
PRODUCTS
FK Distribution distributes addressed and unaddressed printed matter and free newspapers to every household in Denmark. The printed matter is distributed by approx 10,000 distributors servicing approx 16,000 routes. FK Distribution is Denmark's largest distributor of electronic retail leaflets to the Danish households.

CUSTOMERS
FK Distribution services a large number of businesses operating in the retail trade. The customer portfolio ranges from small retailers to the largest chain stores of the retail trade.

MARKET POSITION
Post Danmark and FK Distribution lead the Danish market for distribution of unaddressed printed matter.

Expectations are that the advertisement tax will be implemented from H2 2014 at the earliest. Estimations are that the retailers have to some extent already adapted to this tax. Nevertheless, the drop in volume is expected to be higher in H2 compared to H1 2014.

In the short run, the drop in volume is aggravated by the general stagnation in Denmark and retail sales. Also, the increasing number of “No thanks” households has impacted negatively on volumes.



Source: European Letterbox Marketing Association

Denmark has the lowest “No thanks" level in Scandinavia. At the onset of 2013, approx 5 percentage point growth was expected in “No thanks” households, but for all of 2013 the growth rate realised here was 4%. So, the “No thanks” growth was less than expected for 2013. FK Distribution expects that this increase will continue in the years ahead. The success and efficiency of the retail leaflets also pose a challenge to the medium.

In a changed market, FK Distribution launches the solution of the future: No Ads+

In the current market, it is key to FK Distribution’s customers, i.e. the retail trade, to optimise their in-store traffic. Also, most consumers want access to printed retail leaflets, however, with a tendency towards increased segmentation and more offers targeting the individual household and broken down by different types of media.

Based thereon, and having distinct, strategic strengths as regards efficient packaging and distribution of retail leaflets and strong and loyal relations with the retailers as well as being in contact with all Danish households twice a week, FK Distribution has a unique possibility of satisfying existing needs and developing distribution products to meet future needs.

That is why FK Distribution launched the groundbreaking system, No Ads+, at forum.dk in 2013. No Ads+ lets the Danish consumers choose what retail leaflets they want to receive. Thus, No Ads+ compensates for the general increase in No ads, please, households, and the customers are given the option of reaching even more relevant consumers with their retail leaflets.

Danish consumers are bargain hunters and would like to read the retail leaflets that are relevant to them. Surveys conducted by YouGov in 2012 document that more than a third of ”No thanks” households are positive towards receiving retail leaflets if they can choose which ones themselves. This is emphasised by the fact that a large number of the households signing up for No Ads+ were previously “No thanks” households. The number of subscriptions is consistent with the plans envisaged at the launch.

The competitive situation

As stated in Company announcement no 03-13 of 15 February 2013, on that date, the Danish Supreme Court repealed the decision made by the Danish Competition Council in 2004 with respect to Post Danmark A/S’ abuse of its dominant position.

However, the Supreme Court did not acquit Post Danmark A/S for abusing its dominant position. The repeal was a result of other causes:

Through its decision of 29 December 2004, the Competition Council established that, for example, Post Danmark A/S had abused its dominant position in the market for unaddressed printed matter by offering Forbruger-Kontakt a-s’ (FK Distribution A/S) customers lower prices than those offered by Post Danmark A/S to its own customers and without Post Danmark A/S being able to substantiate the differences in prices.

The Competition Council's decision was affirmed by the Danish Competition Appeals Tribunal through its decision of 1 July 2005 and by the Danish Eastern High Court's ruling of 21 December 2007. During the legal proceedings brought before the Supreme Court, preliminary matters were referred to the Court of Justice of the European Union, which stated in its ruling of 27 March 2012 that this could be a case of dominant position abuse, but that it would be necessary to also take into account prices charged and costs incurred when adjudicating the case.

In a related action for damages, FK Distribution (Forbruger-Kontakt a-s) was awarded DKK 75 million in damages and DKK 4 million in legal costs by the Eastern High Court's decision of 20 May 2009. The Eastern High Court held that, based on the established abuse of a dominant position, a basis of liability could also be established on the part of Post Danmark A/S. Post Danmark A/S appealed against the ruling made in the action for damages with the Supreme Court, awaiting the Court's ruling that, as described above, was made on 15 February 2013 in the proceedings involving Post Danmark A/S and the Competition Council.

Notwithstanding that, in its ruling of 15 February 2013, the Supreme Court did not acquit Post Danmark A/S of abusing its dominant position, but for other reasons repealed the Competition Council's ruling in this respect, North Media A/S decided to drop the action for damages at the Supreme Court. As the compensation of DKK 75 million awarded by the Eastern High Court has not been recognised as income, dropping the action for damages had no performance-related consequences aside from covering the legal costs of Post Danmark.

At year-end 2013, FK Distribution filed a complaint against Post Danmark A/S with the Danish Competition and Consumer Authority. The background is that Post Danmark A/S has reduced its prices of unaddressed printed matter drastically since 2010 and offers FK Distribution's customers prices which, in FK Distribution's view, are far below Post Danmark A/S' own costs, posing a violation of the competition laws.

Earlier in the year, Post Danmark A/S filed a complaint against FK Distribution with the Competition Council claiming that FK Distribution abuses an alleged dominant position on the market. FK Distribution believes that Post Danmark has filed this complaint in order to reduce their prices further below their cost levels. FK Distribution denies that it holds a dominant position on the market and believes that Post Danmark A/S' current pricing represents unfair competition on the market for distributing unaddressed printed matter.

Despite the tightened market conditions, FK Distribution succeeded in maintaining its market shares, and new business agreements were entered into in 2013 with several of the company's largest customers.

Market developments, price competition and the increasing number of "No thanks" households, however, reduced sales by 8% from 2012 to 2013. This was slightly less than originally anticipated as a result of the advertising tax not being implemented. The decline in sales had a considerable adverse impact on FK Distribution's operating profit in 2013, dropping by a large eight-digit figure, even though

the company succeeded in maintaining an acceptable profit margin in 2013.

Through an age long and continually focused effort, FK Distribution has achieved a very high level of operating efficiency and productivity in all links of the value chain. Thus, focus in the years ahead will be on developing the business with a view to creating products across the media channels that support the customers' business.

New business models in Management's spotlight in 2014

In 2014, Management will concentrate on introducing new business models that exploit the synergies existing across media channels to the benefit of consumers, customers and FK Distribution.

In co-operation with the customers, FK Distribution will concentrate on further developing and refining No Ads+ to enable FK Distribution to offer an even more efficient marketing channel with fewer retail leaflets, but with more readers. This will increase the value of the retail leaflet significantly as it will become more popular among consumers. Also, retailers will see a greater effect on their marketing costs.

Based on the recently modernised packing machines and efficient distribution, FK Distribution has developed skills and accumulated knowledge in delivering custom No Ads+ packages for the individual household. This will be used as a basis for refining and further developing segmented and focused products for the individual households. So, the ambition is to penetrate the market of addressed distribution of trade journals, direct mail and magazines in the course of 2014.

Online reads are a continually increasing factor in the hunt for offers, and more than one out of four consumers read online leaflets each week. FK Distribution expects that more and more retail leaflets will be read online in the years ahead. This is why FK Distribution intends to merge MinReklame with No Ads+ in forum.dk in 2014 besides working to create better digital reads at the new platform.

Enjoying the primary focus of Management in 2014, the new business models are set to ensure a competitive position for FK Distribution with close interaction across products and media channels. By exploiting the value of the retail leaflet, the objective is to enlarge the access path to consumers for FK Distribution's customers.

Overall, the market for door-to-door distributed ads is rapidly changing. FK Distribution responds to those changes by adjusting the business models by, for instance, introducing No Ads+, addressed distribution and a new platform for digital reading of offers.

The existing activities are optimised continually. Overall, the object of this strategy is to secure a competitive position for FK Distribution with close interaction across products and channels.

Based on market developments in 2013, the expectations for 2014 are subject to considerable uncertainty. The manner and date of implementation of the advertising tax remain unknown, as does the tax effect on the market development. It is also uncertain whether the increase in the number of "No thanks" households will continue or whether the trend slows down and settles at a stable level.

Thus, the speed at which the market changes is subject to uncertainty. But developments in 2013 endorse the strategic course laid by FK Distribution. In future, FK Distribution will still supply the preferred marketing channels to consumers and the retailers.

Expectations are that FK Distribution's revenue will drop by approx 10% in 2014 as a consequence of the market decline and lower average prices. The drop in revenue will affect the operating profit adversely, and increased marketing costs for setting up the No Ads+ arrangement will reduce earnings. So, expectations are that FK Distribution's performance for 2014 will be lower than that for 2013.

	Performance in 2013	**Strategy**	**Expectations for 2014**
Market developments and position	Drop in volumes and pressure on prices continued, but less decline than originally expected due to the advertising tax being postponed	Secure long-term business contracts based on high quality, flexibility, customer service and effect.	Consolidate market position and enhance productivity to reduce effect of negative market pressure
Product and business development	Launch of the groundbreaking No Ads+, enabling consumers to choose the retail leaflets they want to receive, and increasing marketing value for advertisers	Increasing awareness of No Ads+ and refining segmentation platforms for new printed matter markets. Plus development of new products across Print and Online segments	Nationwide access for all households to No Ads+ and considerable increase in number of subscriptions. Development of supplementary online services
Finances	Drop in revenue and earnings below expectations at onset of year		Limit drop in revenue and EBIT for 2014

BEKEY

In 2013, BEKEY further refined its product portfolio of electronic access control for properties and consolidated its market-leading position.
Focus remains on growth in 2014.

Facts on BEKEY A/S

PRODUCTS
BEKEY is an access control system that can man-age and issue fixed-term electronic keys to users. With BEKEY, a mobile phone can replace the ordinary physical key.

CUSTOMERS
Customers include the elderly care in municipalities and regions, mail and package distributors, property management companies, telecommunications and energy companies as well as private citizens.

MARKET POSITION
BEKEY leads the market with respect to stairways and municipalities. The market is fragmented and immature, and the competitors primarily consist of small start-up businesses. No competitors have a product portfolio as complete and new as BEKEY.

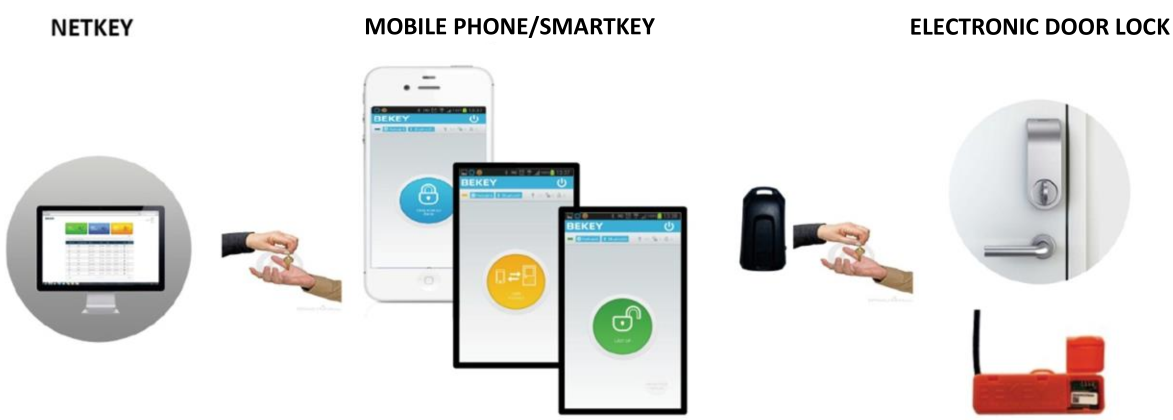
An immature market booming

The electronic lock system market is still immature, but experiencing strong growth. Growth is first and foremost driven by the demand from the public sector and specifically the municipal elderly care which gains easier, cheaper and more secure access to citizens in need of care and nursing when the electronic systems are installed. In 2013, municipal tenders were fewer, and the pace of implementation was lower than expected – one of the reasons being that some of the solutions available in the market were not technically adequate. BEKEY expects to make up for the tender backlog as the solutions are improved.

Optimisation retains leading position of BEKEY

In 2013, BEKEY's products and processes were refined and optimised. In 2013, BEKEY appointed a developer team to work on product improvements based on more consistent performance specifications and follow-up in respect of sub-suppliers etc. In terms of processes, BEKEY has trimmed the organisation and introduced fixed processes for tenders and implementation of new customers.

BEKEY believes that these initiatives will strengthen BEKEY's standing with the customers and thus maintain its position as the unrivalled leading player in the field in Denmark.



NETKEY is a centrally controlled software system distributing BEKEY's electronic keys to mobile devices. The keys may be issued so that they only work within a specific period of time and may be encrypted so that the key only works for the person authorised to use it. An application on the user's mobile phone or a BEKEY remote control device can be used to activate an electronic door lock mounted invisibly behind the existing entry phone panel, or a thumb turn for each door wirelessly via Bluetooth.

Progress in commercialisation and international co-operation

BEKEY has used 2013 to commercialise its products and up its marketing efforts. Particular focus has been on the municipal market. BEKEY has completed 10 tests, won 5 out of 7 tenders and is today engaged in dialogue with a substantial number of municipalities about the system. Encouraged by the positive experiences from the Danish municipal market, BEKEY established co-operation with a Swedish partner who in 2013 began promoting the solution in Sweden and set up a test solution in Malmö.

In the stairway solutions market, that is blocks of flats to which distributors, builders and others need access, focus has been on accelerated roll-out in 10 selected postal code areas. At year-end 2013, the system is installed in over 16,000 stairways, including 300 where the refined ”BEKEY Stairway Plus” version is installed. In 2013, BEKEY has been installed in 7,000 stairways, while installation has been planned in another 12,000 stairways for the beginning of the year. One of the main reasons why BEKEY was installed in fewer stairways than originally planned is that focus was shifted to completing the postal code areas in progress before installations were begun in new postal code areas.

Most recently, BEKEY has begun selling the NETKEY administration system to property administrators and experienced considerable interest in the product.

Sales increased significantly in 2013, but from a low level. As a consequence of the focus on commercialisation and the current expenses for development, operating income has been negative in 2013 as per expectations.

Solid growth in sales expected in 2014

In its strategy for 2014, BEKEY focuses on enhancing quality assurance and customer service to distance itself from the competitors, primarily in the municipal market where massive growth is expected in the years ahead. Moreover, resources will be allocated for specific product development. This applies to both the hardware and software elements which will fortify the market position in the municipal and private markets further.

Lastly, in early 2014, BEKEY will launch its solution for private consumers, for which a web shop solution has been developed. The preparatory dialogue and test installation were initiated in 2013.

In 2014, BEKEY expects sales to increase significantly.

	Performance in 2013	Strategy	Expectations for 2014
Market development and position	In a new market, BEKEY established a leading position with respect to municipal customers	Expand municipal market and establish presence in new areas	Greater roll-out in stairways and launch vis-à-vis private consumers
Product and business development	Commercialisation and internationalisation commenced	Enhance specific products and improve service. Continued focus on cost control	Consolidate market position further based on complete product programme
Finances	Considerable growth in sales, but from a low level		High revenue growth

Søndagsavisen and other newspapers

With its total weekly circulation of 1.6 million newspapers, North Media is one of Denmark's largest publishing houses measured by circulation. In 2013, this position was consolidated via organic development and acquisitions, and the newspaper activities' positive contribution to group earnings will be strengthened further in 2014.

Facts on Søndagsavisen A/S

PRODUCTS
Aside from Søndagsavisen, Søndagsavisen A/S publishes eight local newspapers in Copenhagen and Frederiksberg as well as Helsingør Dagblad, which also publishes the mid-week newspaper, Lokalavisen Nordsjælland. The activities also include 50% of Vestsjællandske Distriksblade, which publishes three local newspapers and the regional version of Søndagsavisen.

CUSTOMERS
Brands, retailers, estate agents and other advertisers in search of a wide and geographically well-defined coverage area.

MARKET POSITION
Søndagsavisen estimates its market share of the total ad market for dailies and local weekly newspapers to be almost 4% in 2014. Its share of readers has gone up relative to the market development. Average readership for dailies and weeklies dropped by 8.7% and 3.5%, respectively, from 2012 to 2013 whereas Søndagsavisen's readership is more stable with a 2.7% drop in the same period.

Each week, North Media publishes 1.6 million door-to-door distributed newspapers broken down by 35 free newspapers and one daily. The business concept is to own newspapers, from which the Group may obtain maximum economies of scale by exploiting its unique production set-up, its extensive knowledge of advertisement sales and a relevant editorial content for door-to-door distributed free newspapers. The newspaper activities are consolidated under Søndagsavisen A/S, ensuring optimal exploitation of cross-disciplinary functions such as pre-press, purchase of print, advertisement sales administration, IT and back-office functions.

Søndagsavisen is by far Denmark's largest newspaper in terms of circulation figures, number of readers and geographical coverage. Published for the first time in 1978, the free newspaper is funded by advertisements and is read by 1.25 million readers on a weekly basis. The newspaper is published in 24 regional versions, where the ads are adjusted to the individual region based on analyses of the inhabitants' purchasing, traffic, moving and behavioural patterns in the relevant area. The editorial content, on the other hand, is the same across regions and focuses on society, consumption, food and health, personal finances and family and work life centring on the modern family with young children.

Søndagsavisen expands its market position

Recent years' massive changes in the media market continued in 2013. The decline in readership bears witness to the tendency of printed newspaper media massively losing market shares to online media. According to Dansk Oplagskontrol (Danish Circulation Control), dailies have lost 50% of their revenue since 2006 first and foremost because consumers' willingness to pay for newspapers and news slumps as mobile data, hotspots, etc gain ground.

Despite the decline in readership, Søndagsavisen is among the print media most successfully withstanding this tendency. This means that the position in the printed ad market, worth almost DKK 4 billion, is strengthened, one of the reasons being that Søndagsavisen's contact prices and segmentation options are very competitive and attractive.

North Media's newspaper activites, households

Publication	Distributed to
Søndagsavisen, 24 reg. ver.	1.239.000
Amager Bladet	68.000
Uge Nyt	56.500
Nørrebro/Nordvest Bladet	51.000
Frederiksberg Bladet	45.000
Østerbro Avis	37.000
Lokalavisen Nordsjælland	33.000
Valby Bladet/Kgs. Enghave	31.000
City Avisen	24.000
Korsør Posten	21.800
Vanløse Bladet	17.000
Vesterbro Bladet	17.000
Helsingør Dagblad	5.600
Total	**1.645.900**

Since 2010, Søndagsavisen has increased its ad volume by 110%, while revenue has gone up by 50% as a result of increased price competition. Søndagsavisen has concentrated on expanding its dialogue with large advertisers via media agencies which has resulted in a most satisfactory 135% increase in contributed revenue from these types of customers since 2010.

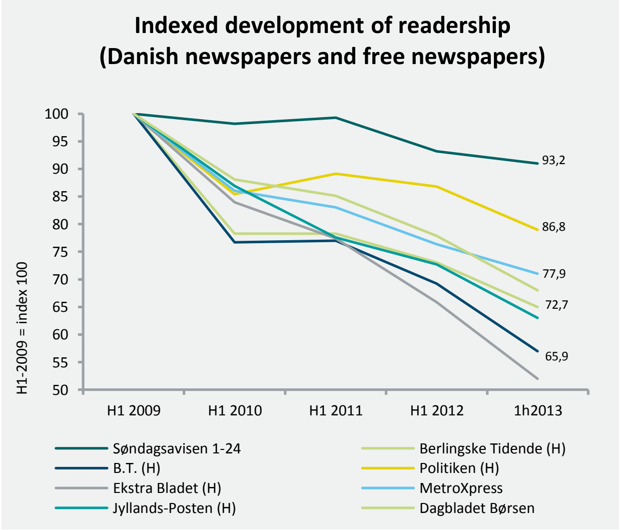
Søndagsavisen overcame H1 stagnation and achieved growth

Søndagsavisen's growth stagnated by the end of 2012 and in H1 2013. A new sales manager has intensified the sales strategy and particularly the execution, focusing on profitability and productivity optimisation in the sales department. This focus restored the growth basis in the second half of the financial year 2013. A close resource management based on CRM systems and tight segmentation focusing on large national, regional and local advertisers helped increase efficiency in the sales efforts considerably.

Consequently, a 17% growth rate was achieved in Q4 2013. Taking the year as a whole, income from advertisements went up by 5% compared to 8% in 2012. This growth has been achieved in spite of a market in decline, one of the reasons being that the newspaper's editorial content has been strengthened during the year. This ensured that recent years' slight drop in readership per copy was turned around in the first three quarters of the year, while Q4 disappointed.

Acquisition of eight strong local newspapers in the Copenhagen region

With effect from 1 November 2013, North Media acquired eight local newspapers from Berlingske Media.



Kilde: TNS Gallup: Index Danmark 1. halvår 2012

The papers are distributed in Copenhagen, Frederiksberg, Østerbro and Amager. Thanks to total circulation figures of 290,000 copies per week, the eight newspapers hold a very strong position in the local districts. This acquisition strengthens North Media's newspaper activities in Copenhagen significantly, entailing that North Media is the undisputedly largest publishing house in the capital.
The acquisition of this portfolio is a direct continuation of North Media's strategy of fortifying and expanding its position in the market for door-to-door distributed free newspapers and achieving economies of scale for the newspaper activities. The newspapers will maintain strong focus on their area of publication and thus play a central role in the local debate and business life. The intention is also to strengthen the newspapers' roles as the focal point of the democratic debate in Copenhagen, giving particular attention to matters of interest across the local districts.

The acquisition of this portfolio resulted in a cash net payment of DKK 66.9 million. A put/call option was also entered into with respect to acquiring the remaining 30% stake of the two newspapers, Østerbro Avis and Amagerbladet, meaning that, in accordance with expectations, the remaining 30% will be acquired in 2016 and 2019, respectively. As a result, the expected option price has been allocated as purchase price payable in the balance sheet at 31 December 2013. The activities acquired will increase newspaper revenue by approx DKK 80 million annually and affect Group EBITDA by DKK 25 million.

Stable development for Helsingør Dagblad and Lokalavisen Nordsjælland

As one of very few dailies in Denmark, Helsingør Dagblad has successfully sustained a stable circulation in 2013 and even increased newspaper sales by 5%. Advertisement sales have also gone up by 40%, or DKK 1.5 million, on 2012. Advertisement sales of Lokalavisen Nordsjælland are on a par with 2012 in a market characterised by declining sales.

In 2013, the IT departments of Helsingør Dagblad and Lokalavisen Nordsjælland were shut down and transferred to the Group's IT platform. This completed the last of the major restructurings to achieve economies of scale and ensure improved profitability of the existing activity.

Positive contribution to group earnings in 2013

2013 was seen as the year in which Søndagsavisen would again contribute positively to group earnings after a number of years of considerably declining ad sales. This objective was realised, although not with the potency originally budgeted for due to the non-growth in H1 of the financial year.

In 2013, sales and performance have not been significantly affected by the acquisition of the eight local newspapers in the Copenhagen region.

Sales and earnings growth will embody 2014

Søndagsavisen expects that the pressure on the newspaper market will continue and reduce the printed ads market by 5% in 2014 alone. Thus, it is imperative for the development of North Media's newspaper activities that an active and progressive strategy be adopted to respond to the consequences of the declining ad volumes and falling prices on profitability. The strategy for the newspaper activities is determined based on three overall elements:

1. **Large volume.** Efficient production systems and wide publication areas form the basis of targeting large advertisers with large volumes. This also helps increase the volumes of FK Distribution.
2. **High-quality editorial product.** The newspapers' editorial style must appeal to and retain the commercially attractive readers. This requires high quality and quantity within every subject area, and sufficient subject areas to attract as many readers as possible per newspaper by making the content editorially relevant and value-creating.
3. **High efficiency.** Heavy focus on efficiency improvement to enlarge volumes without also increasing the sales-related and editorial resources. These efficiency improvements also extend to back-office functions, production and printing contracts.

Søndagsavisen will focus on improving its image and brand based on goal-oriented development of the editorial content and innovative ad products. Our sales efficiency is also to be improved by focused management of the sales and marketing resources. Lastly, Management is set to allocate resources for launching innovative ad concepts, also in combination with digital platforms.

Revenue for the newspaper activities will see a significant increase in 2014. First and foremost as a consequence of the acquisitions made in November 2013, but also as a result of continued growth in Søndagsavisen's activities.

	Performance in 2013	Strategy	Expectations for 2014
Market development and position	Søndagsavisen fortified its position in a challenging market – thanks to both organic growth and acqui-si-tions	Added focus on volume-driven advertising custom-ers to miti-gate negative market growth	Major customers ac-counting for larger share of sales
Product and business development	Development in read-ership has exceeded the general market develop-ment thanks to the im-proved editorial quality.	Upped focus on retaining and expanding readership based on expanded editorial volume and higher quality. Launch of new ad concepts and continued cost restraint	Boost number of readers per newspaper and strengthen sales efficiency
Finances	Increase in sales and posi-tive contribution to group earnings		Massive growth in sales and further strengthening of earn-ings

Ofir.dk

In a challenging market, Ofir has successfully increased growth rates and adjusted costs to improve its operating profit significantly. Sale of a new e-recruitment system and larger ad volumes will boost growth in 2014.

Facts on Ofir A/S

PRODUCTS
Since 1996, Ofir has been the owner and operator of Denmark's first job portal, Ofir.dk, facilitating daily communication between hundreds of employers and thousands of active and passive job seekers. Also, Ofir is the sole distributor of Emply Recruitment in Denmark – an advanced, online e-recruitment tool.

CUSTOMERS
Ofir's customers are public and private sector businesses that seek new employees, post job ads at Ofir.dk and use e-recruitment systems to underpin their recruitment processes.

MARKET POSITION
Ofir.dk is one of Denmark's largest, privately owned job portals.

Ofir is driven by a strong vision of creating a unique and competitive product for businesses advertising for new employees.

Having been a significant player on the job market since 1978, Ofir.dk ranks today as one of the top three players in the Danish job market which in total constitutes a value of DKK 265 million.

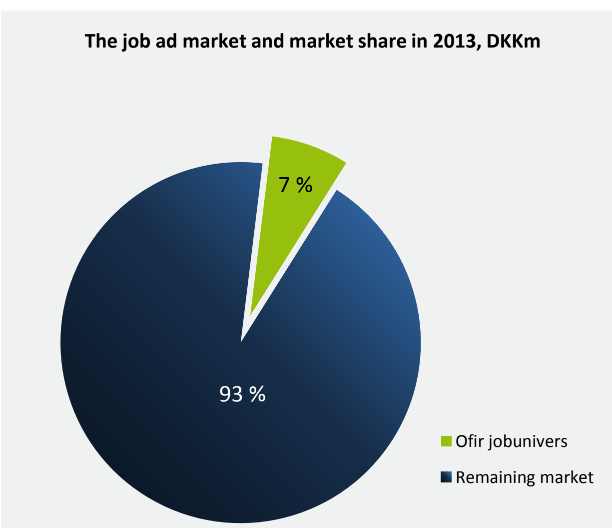
In recent years, Ofir has concentrated its efforts in two business areas:

1. Selling job ads in Ofir's job universe which consists of both online and print media.
2. Sale, implementation and servicing of e-recruitment solutions to large Danish private and public sector enterprises. E-recruitment solutions offering easy access to Ofir's job universe.

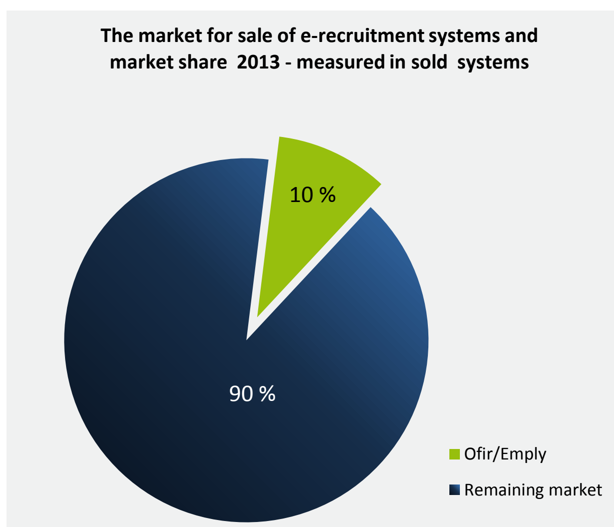
The expectation is that sale of job ads through Ofir's job universe and the sale of e-recruitment systems offering access to Ofir's job universe will create significant business synergy that will secure Ofir a unique position in the market.

A market in continual stagnation

The job ad market is mostly cyclical. This implies that, traditionally, the ad supply is high during boom periods when employers find it difficult to attract labour. Moreover, employers are most willing to pay for advertising, and prices are less sensitive. In periods of slump and high unemployment, however, the ad supply is reduced, entailing that the number of job seekers is high and employers' willingness to pay for advertising low, and, correspondingly, prices are more sensitive.



Source: Danske Medier Research (market statistics for the online job market) as well as in house print job marke statistics.

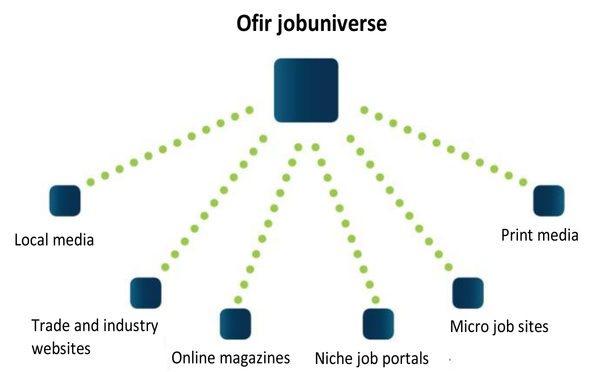


Source: In house statistics og number of sold systems in 2013

With its market share of approx 20% of posted ads, Ofir is one of Denmark's leading online job portals

Since 2008, the number of advertised positions has more than halved. The print ad market has largely disappeared, whereas the online job market has dropped from a level of DKK 400 million to approx DKK 215 million. In 2013, the Danish job market maintained a rather stable course without any indications of improvement. Ofir's market share still stands at approx 7% (measured in DKK) of the total job ad market (print and online) and approx 20% of the number of ads.

The e-recruitment systems market is measured by the number of enterprises. Ofir estimates that the 1,300 largest private and public sector enterprises in Denmark constitute the main target group. Today, approx 500 of these enterprises do not use a system, including a number of municipalities who from 2014 are required to digitalise their recruitment processes. At year-end 2013, Ofir holds a market share of 10%, and thus ranks among the three largest providers in Denmark.



From portal to job universe – a unique media network

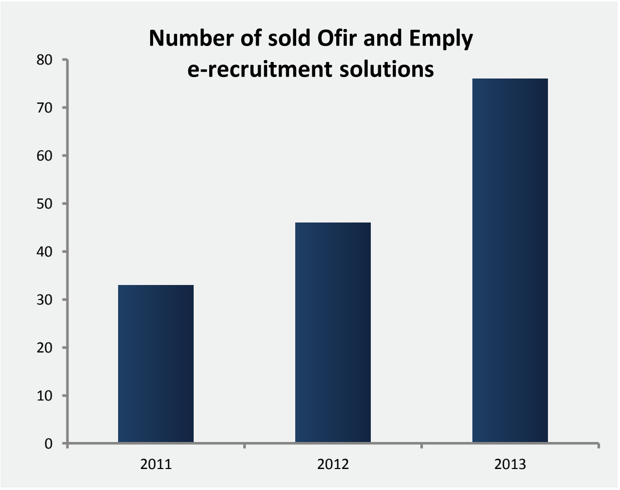
The development of Ofir's job universe continued in 2013. The mindset of Ofir's job universe breaks with traditional job portals' "one size fits all" principle. Based on the job description, job category and location of the workplace, Ofir will suggest 3 to 4 different media packages to be used for advertising for candidates for the vacancy. Everything is controlled by automated processes.

Next, the employer can choose the media package found most suitable based on an assessment of the complexity factor for the recruitment in question. This ensures that employers gain access to the best candidates at the right price.

Ofir's job universe relies on the market's largest network of media for exposing vacancies. At year-end 2013, Ofir's job universe consisted of more than 250 local media, trade and industry websites, niche job portals, micro job sites, online magazines and print media, almost doubling the number in 2012. After being advised by Ofir, employers are able to advertise in the exact media through which their target groups keep informed. This offers them the most favourable conditions for receiving relevant and motivated applications from both active and passive job seekers.
Job sites such as Ofir.dk typically attract the active job seekers. But when the employer combines the exposure of his job ad with the online trade and industry media as well as print media, contact is established not only to the active job seekers, but also to the passive ones, posing an extremely attractive group for the employers. Thanks to its partner media strategy, Ofir.dk offers a unique concept to its customers, who, as a result of the job market's developments, will find it more challenging to recruit the sought-after specialists and managers in the future.

Ofir is the sole distributor of Emply Recruitment in Denmark

In August 2013, Ofir signed an agreement with Emply ApS to sell the e-recruitment solution Emply Recruitment, which is one of the leading e-recruitment systems in Denmark. At



the same time, Ofir acquired a minor stake in Emply ApS. Being a sole distributor, Ofir is responsible for sale, implementation and support of the Emply Recruitment system in Denmark and Sweden, whereas Emply ApS is responsible for the technical operation and development of the system.

Emply Recruitment is an online-based system that facilitates the processes experienced by medium-sized and large enterprises when hiring new staff. The system simplifies the administrative tasks associated with recruitment and, thanks to its solid and stable system architecture, ranks as one of the most user-friendly, innovative and flexible solutions available on the market. In a brief span of time, the solution has successfully attracted a number of large customers, implying that, at year-end 2013, Ofir sells and supports 76 e-recruitment systems compared to 46 at the onset of the year.

The co-operation with Emply ApS also constitutes a corner stone in Ofir's overall objective of increasing volume and earnings with respect to ads. Aside from creating an independent contribution to earnings through its sale of user licences, the system is set to fortify ad sales at Ofir.dk via an efficiency-promoting integration into the system of Ofir's job universe.

Growth and cost reduction heavily boost performance

In 2013, Ofir achieved 10% growth in sales driven by greater advertisement revenue. In a market which failed to live up to the original expectations of gradual improvement, Ofir has in 2013 maintained its focus on efficiency and adjusted its cost base and organisation to the market conditions. A number of jobs were cut in early 2013, and combined with other lower costs for marketing etc, Ofir managed to reduce costs by DKK 10 million on 2012.

As a consequence, EBIT was strengthened significantly, although it is still negative due to the focus on a number of development initiatives. In order to support the sale of ad products, a number of updates were implemented for the job site that further increase user-friendliness and makes sure that the advantages of using Ofir's job universe are now even more clear to the advertisers. Expectations are that the effect of the improvements will be realised during 2014.

Offensive strategy to ensure future profitability

Ofir's strategy focuses on increasing sales and thus ensuring that profitability is restored in the years ahead after a number of years of unsatisfactory, large operating losses. A market characterised by stagnation entails that the relationship with existing customers must be expanded and that Ofir must gain market shares. This requires the correct product mix as well as an efficient user platform, for which reason intensive efforts are made to develop and enhance Ofir's job universe and the user experience at Ofir.dk.

Ofir expects that the ad volume in Ofir's job universe will go up significantly in 2014, for instance driven by ad sales to new private and public sector companies having purchased a licence for Emply Recruitment.

Throughout 2013, Ofir made a determined effort to ensure that the business is driven increasingly by automated processes and is evolving into a genuine self-service site, where the customers can compose their ads for both online and print media and place them in Ofir's job universe – all the while relying on Ofir's efficient customer service, of course. This will not just make Ofir more efficient, but also enhance the user experience at the site and thus increase customer satisfaction.

Overall, the initiatives are expected to produce massive growth in sales in 2014 that will result in additional reductions in the operating loss. EBIT break-even is expected for Ofir by Q2 2015 at the latest.

	Performance in 2013	Strategy	Expectations for 2014
Market development and position	Improvement in ad sales despite a weak non-growth market	Development of partner channel at Ofir's job universe and upped sales via a new recruitment system are set to fortify market position	Massive revenue growth already from 2014
Product and business development	Enhancing user experience by improving flow and signing distributions agreements with developer of a recruitment system	Further optimisation of the site towards self-service universe and optimisation of user experience.	Transformation to the new Ofir.dk platform to be completed and expanded use of Ofir's media selection among customers
Finances	Increased sales and massive improvement of performance thanks to lower costs		Further reduction of operating loss in 2014 and EBIT break-even by Q2 2015 at the latest

BoligPortal.dk

Denmark’s largest portal for housing ads continues to grow and develop its products and services. In 2014, focus is on business and software development and strengthening the market position for the newly launched self-sale product.

With more than 130,000 annual housing ads and more than 200,000 unique visitors a month, BoligPortal.dk is one of Denmark's largest markets for dwellings and the largest within rental property. This position was achieved by creating the market’s most effective housing advertising portal through which housing providers easily and quickly get into contact with housing seekers. The business model mainly provides ad packages to landlords, home sellers and housing seekers. Basic ad packages and functions are offered free of charge, and renting, selling and searching for housing may be optimised through the purchase of additional services.

Established in 1999, BoligPortal.dk’s original corporate mission was to advertise rental property. Today the portal increasingly posts ads for the self-selling of, for example, co-operative and owner-occupied dwellings with functionalities that help create a safe and secure environment for home buyers and sellers.

With more than 130,000 housing ads a year and more than 200,000 unique users a month, BoligPortal.dk is Denmark’s largest market for rented housing.

The Swedish site, BostadsPortal.se, was launched in 2010 using the same business model as the one underlying BoligPortal.dk. Income is generated through subscrip-tions and services provided to housing seekers and advertisers.

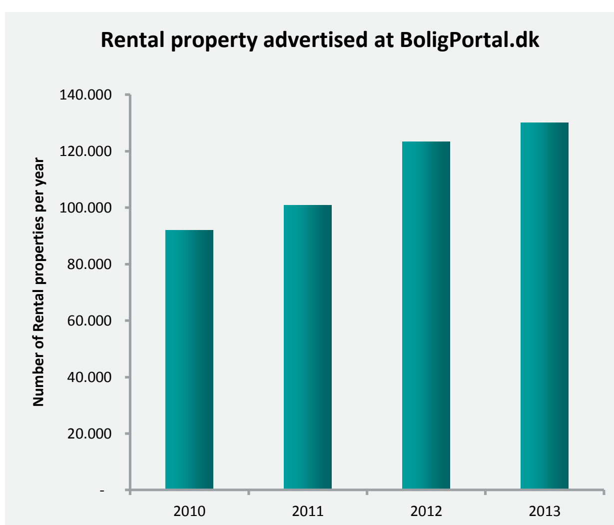
BoligPortal.dk continued to grow considerably in 2013

The markets for renting and selling dwellings developed favourably in 2013 through a great demand for apartments in cities in particular. In addition, the underlying market conditions are reflected by growth in online advertising. In 2013, the number of ads for rental property on BoligPortal.dk has gone up by 5%, and the number of dwellings offered for sale on the portal has increased by 122% compared to 2012.

Competition in the rental property market intensified over the year. Therefore, BoligPortal.dk has stepped up its marketing efforts and increased the allocation of resources to business development with a view to differentiating and further developing the product groups. Lastly, BoligPortal.dk increasingly focuses on segmented services and specialised products in order to expand the target group and win more market shares.

Launch of marketplace for co-operative and owner-occupied dwellings

In May 2013, BoligPortal.dk re-launched its marketplace for selling co-operative and owner-occupied dwellings. The site is an effective, simple and free tool to sell dwellings without involving a real estate agent. The self-sale market is on the rise at the expense of conventional selling through real estate agencies, however, the latter still accounts for 90% of total sales. BoligPortal.dk has already won a reasonable market share by marketing its services to housing sellers and housing buyers.



The marketplace for self-sale of co-operative and owner-occupied dwellings got off to a good start with solid growth in unit sales. The product and related services will be further developed in order to increase the options offered by the solution and to challenge real estate agencies and solutions offered by other competitors even more.

Strengthening of the development department

In mid-2011, BoligPortal.dk started to set up its own software development department in order to better control the development process, increase the quality of the platform and speed up the pace of provision of new products and features. In 2013, the development department increased its capacity further according to plan. Intensive efforts were made to increase the pace of development, which is necessary to be competitive in future.

The roll-out of applications for iPhones and Android telephones was a key measure in 2013, responding to the increasing reliance on mobile units when using the Boligportal services. Additional investments were made to increase the portal's presence in social media like Facebook, Instagram, Twitter and Google+.

Facts on BoligPortal.dk

PRODUCTS
Marketplace for landlords, tenants and housing seekers and for buyers and sellers of co-operative and owner-occupied dwellings. The marketplace facilitates effective advertising and access to housing for tenants and buyers.

CUSTOMERS
Tenants seeking housing, landlords renting out private housing and letting businesses. In the co-operative and owner-occupied dwellings market, focus is on self-sale ads for home-owners.

MARKET POSITION
BoligPortal.dk ranks among Denmark’s largest and most efficient housing portals.

BostadsPortal.se makes headway

In 2013, BostadsPortal.se continued to improve its sales. The improvement is due to positive developments in terms of advertising, with subscription fees having led to an increase in new sales and a considerable rise in the number of visitors at the site, equalling an increase of nearly 40% on 2012.

Products relating to the rental and swapping of dwellings are of high quality, offering a high level of functionality and a capacity allowing for considerable growth of the size aimed for. The co-operative and owner-occupied dwelling product is still brand new and requires refining.

Significant momentum leading to revenue growth

In 2013, BoligPortal.dk realised revenue growth of more than 20%, primarily attributable to a more significant momentum in the rental business, but also to considerable growth in the self-sale service, which still accounts for just a small percentage of total sales, however.

As expected, more resources were allocated to marketing and development activities in order to support the increase in market shares, which is BoligPortal.dk's strategic top priority. However, the activities still generated very satisfactory operating profits on a par with those realised for 2012.

Intensified competition calls for future emphasis on product and platform development

With the prospect of intensified competition, BoligPortal.dk intends to focus even more on business and software development in 2014 to ensure higher quality of rental products with a view to maintaining momentum. The pace and capacity of development are to increase, which is to result in, for instance, updates for the rental and sales elements, which are to be made more mobile-friendly.

The rental property market is to expand by taking a segmented, differentiated and targeted approach in meeting the landlords' requirements and optimising product and package solutions for housing seekers.

In self-sale, BoligPortal.dk is to develop powerful products for buyers and sellers. The awareness of the portal must be raised considerably through innovative and targeted digital marketing, providing a basis for becoming market leader.

BostadsPortal.se intends to focus on increasing the number of customers and ads by entering the owner-occupied dwellings market and working on traffic-generating activities. BostadsPortal.se expects to double its sales and break even at year-end 2014 in terms of monthly earnings.

	Performance in 2013	Strategy	Expectations for 2014
Market development and positions	Market position maintained, but competition in the rental property market has intensified	Innovative development and segmenting to expand the market addressed	Launch of new mobile-friendly site and business growth and a major increase in the number of ads for the self-sale platform
Product and business development	Successful relaunch of portal for self-selling co-operative and owner-occupied dwellings. Strengthening of the development department	Awareness of the self-sale platform is to be raised, and the product improved. Allocation of more resources to marketing and innovation will increase costs.	Launch of new products and features and improved competitiveness
Finances	Solid growth and satisfactory earnings on a par with 2012		Continued growth (above or on a par with market growth) and solid earnings

Byggestart.dk and HentTilbud.dk

Denmark's largest online marketplace for arranging building projects for private developers and builders

Facts on Byggestart.dk and HentTilbud.dk

PRODUCTS
The online portals, Byggestart.dk and HentTilbud.dk, match private developers with selected builders for building projects.

CUSTOMERS
Private developers and more than 1,000 builders.

MARKET POSITION
Danmark's largest online marketplace for matching developers with builders.

Linking developers with builders

With more than 50,000 building projects arranged in 2013, Byggestart.dk and HentTilbud.dk is Denmark's leading online marketplace for private developers and builders.

Developers may easily and free of charge post building projects on those two sites, following which Byggestart.dk and HentTilbud.dk offer their help in specifying the project. The IT platform will then match the developer(s) with the builder(s) based on the project specification. The IT platform guarantees competitive prices for the developer and access to other users' ratings of and comments on the selected builders. The in-depth knowledge offered by the portals provides a more solid basis for the developer to decide on a builder, resulting in a greater chance of a successful building project.

In addition, the IT platform helps builders achieve the number of building projects (leads) they want - also in terms of scope and location. This helps increase the business volume of the builders and optimise utilisation of their capacity. The online solution is offered to the developer free of charge while builders pay a subscription fee for marketing and for winning leads.

Combination of strategies

North Media acquired Byggestart.dk and HentTilbud.dk in early 2012 and spent the rest of the year combining those two platforms and organisations.

In H1 2013, it became clear that the performance and growth rate did not live up to expectations. The number of builders enrolled did not develop as expected. One of the reasons was that the existing ticket coupon system did not work and that some builders' success rate was much too low considering the number of leads won. So, Byggestart.dk and HentTilbud.dk did not achieve the critical mass required for making a profit within the set period.

As a consequence, several analyses were conducted to identify the daily challenges of builders and ticket coupon issues. As part of the analyses, the builders were involved in the development of the then future project to ensure the best possible integration thereof in the builders' daily work. The builders wanted a concept that would give the highest possible success rate, with Byggestart.dk and HentTilbud.dk delivering value-adding systems to facilitate smooth operations on the part of builders. This led to several adjustments to the concept, collectively referred to as Conceptual Adjustment 1.0.

At the end of June 2013, Conceptual Adjustment 1.0 was implemented. The purpose of this was to up the builders' success rates by enhancing project quality and simplifying the product by charging monthly fees instead of charging customers on a project basis

Among other activities, Conceptual Adjustment 1.0 involved:

- Introducing the fixed-price product
- Improving the validation of the developers' possible projects
- Lanunching a profile site for builders

These measures served their purpose, and the number of builders using the IT platform is increasing as expected. Surveys conducted among builders confirm that the adjustments have improved the value of products offered by Byggestart.dk and HentTilbud.dk from a builder's point of view.

In H2 2013, Byggestart.dk/HentTilbud.dk worked to refine the concept (Conceptual Adjustment 2.0). The new strategic measures pose an important step in achieving the objective of becoming the developers' preferred media partner when searching for a builder. As a result, the product offered to builders will be changed in various parameters, and in early 2014 builders will be offered a product composed of the following key elements:

- RFQ marketing (we identify builders for developers)
- Directory marketing (the developers identify builders themselves)
- Profile site for the indivudual builder, which will improve the builders' competitiveness
- It systems supporting communication processes between builders and developers

Those are the key elements that are to help Byggestart.dk and HentTilbud.dk become the builders' most important partner.

The financial developments seen in 2013 were not satisfactory. The results were down on expectations due to the lacking growth in H1 and costs for changing strategies and concepts in H2. In H2 2013, the business developed positively in terms of the most important KPIs, however, without this in the short run generating revenue growth. The unsatisfactory performance was the reason why goodwill was written down by DKK 13.0 million in 2013.

Focus on concept roll-out and growth in 2014

Expectations are that these activities will prove profitable. Both because of the increase in the most important KPIs for H2 2013 and the great potential held by the market with more than 40,000 builders in Denmark.

In 2014, efforts will centre on increasing the number of builders using the IT platform, implementing Conceptual Adjustment 2.0 and taking further value-adding measures with respect to the builders enrolled. For 2014, we expect sales growth of 35% compared to 2013.

EBIT for 2014 is still expected to be negative, but substantially higher than in 2013.

	Performance in 2013	Strategy	Expectations for 2014
Market development and positions	In a relatively fragmented market, Byggestart.dk /HentTilbud consolidated its market leading position in 2013	Implementation of Conceptual Adjustment 2.0 and expansion of IT platform	To be selected builders' principal partner
Product and business development	Changed strategy and adjusted product offering for builders restored business potential	Continued product development – vis-à-vis builders and private developers	Massive revenue growth based on enrolment of a much larger number of builders
Finances	Unsatisfactory performance affected by conceptual adjustments		35% growth in revenue and significant improvement of operating profit for 2014. Positive EBIT from Q2 2015 at the latest.

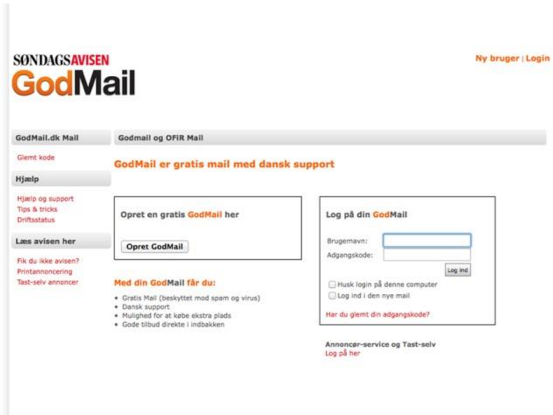
Other online activities

The Group's other online activities broke even for 2013

Good Media – GodMail.dk

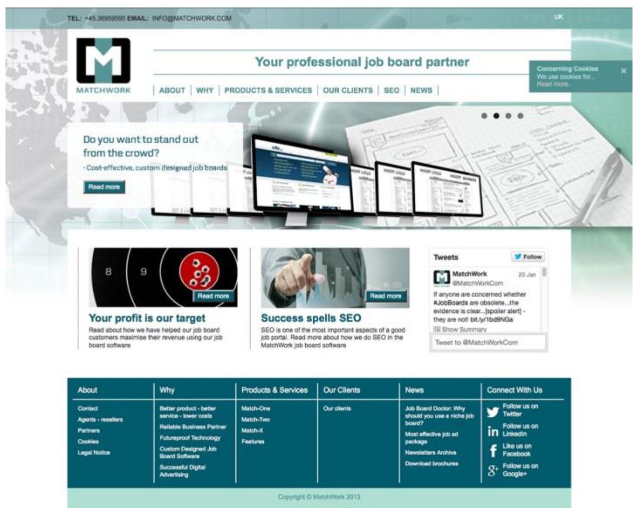
Good Media A/S runs Godmail.dk, which is a webmail like Gmail and Outlook. The service is free and offers Danish customer support, which many customers appreciate. GodMail is a continuation of Ofir mail and Forum Mail. The name was changed in the spring of 2013 when the Forum Chat and Forum Dating services were phased out. Now Good Media focuses on providing mail services only. GodMail.dk's three primary sources of income are as follows:

- User fees in breturn for commercial-free service and storage capacity
- Banner income in co-operations with Eniro
- Affiliate programs based on a large permission database.



In future, GodMail will be focusing on overall revitalisation of the e-mail service, including not least serious improvements in stability and operations, proactive platform development, services and business models.

MatchWork.com



Throughout the last 15 years, MatchWork has worked with a wide range of Danish and international customers, including job portals, trade associations, businesses and public institutions.

MatchWork helps businesses attract the best candidates relying on optimal and user-friendly exposure of the business' vacancies at its own homepage and via mobile services, social media and in search engines.

Accordingly, MatchWork can mobile-optimise businesses' job ads in step with the mobile market's developments. MatchWork can also search-engine optimise the businesses' job ads in order to boost the Google traffic. MatchWork also offers advisory services with respect to Facebook, LinkedIn and other social networks.

MatchWork's modules are standard solutions relying on a continually upgraded platform. This standard solution may be adapted to the business' brand and layout. The MatchWork solution can go live after just one month.

MatchWork returned a marginally negative financial performance in 2013 which is also the expectation for 2014.


NejTak+
NETTO
Du ved aldrig, hvornår jeg eksploderer
Vi angiver hinanden som aldrig før
SØNDAGSAVISEN

Shareholder information

The Group and NASDAQ OMX Copenhagen

North Media A/S was the first Danish media group to be listed on the then Copenhagen Stock Exchange. This took place in May 1996.

Company information

Address:	North Media A/S Gladsaxe Møllevej 28 DK - 2860 Søborg
Internet:	www.northmedia.dk
Telephone:	(+45) 39 57 70 00
Telefax:	(+45) 39 66 74 15
E-mail:	investor@northmedia.dk
CVR.no.:	66 59 01 19
Securities ID:	DK001027034-7
Audithors:	Deloitte
Banker:	Danske Bank A/S

Financial year

The Group's financial year follows the calendar year, and this Annual Report covers the period 1 January to 31 December 2013, the Company's 33rd financial year.

General Meeting

The Annual General Meeting will be held on 28 March 2014 at 3.00 pm at Ingeniørforeningens Mødecenter A/S, Kalvebod Brygge 31-33, 1780 Copenhagen V, Denmark.

Share capital

The Company's share capital is DKK 100.3 million, distributed on 20,055,000 shares of DKK 5.00 nominal, which has been fully paid up. All shares are listed on NASDAQ OMX Copenhagen. No shares carry special rights, and the negotiability of shares is not limited in any way. Any amendment to the Articles of Association must be presented to the General Meeting and must be adopted by at least two-thirds of the votes cast as well as of the voting share capital represented at the General Meeting. If no proposal has been made or adopted by the Board of Directors, at least half of the voting share capital must be represented at the General Meeting.

Authorisation

The Board of Directors is authorised to increase the share capital once or several times by up to DKK 25 million.

Increases may take place by way of cash contributions or otherwise. Increases may take place without any pre-emptive right for the Company's existing shareholders if the increase is effected at market price, or as consideration for the Company's acquisition of an existing business, or specified assets at a price equivalent to the value of the shares issued. Other than in the cases described in the previous sentence, the shareholders have a pre-emptive right to subscribe for new shares on a proportionate basis. The authorisation is given for a period up to 9 March 2017.

Treasury shares

The Board of Directors is authorised to allow North Media A/S to acquire treasury shares up to an aggregate amount of 15% of the share capital in accordance with applicable law provided that the acquisition is made at the market price in force at the time of purchase with a variance of plus or minus 5%. The authorisation has been granted for a five-year period ending on 23 April 2015.

The Company's holding of treasury shares at 31 December 2013 was 1,485,000 shares, or 7.40% of the share capital.

Dividend

The Board of Directors will at the Annual General Meeting to be held on 28 March 2014 recommend that ordinary dividend not be distributed.

The Parent company's income statement shows a profit of DKK 2.2 million. The Board of Directors recommends the following appropriation of profit:

Appropriation of profit, DKK'm	
Retained earnings at 1 January 2013	352.8
Profit for the year	2.2
Share-based payment	1.2
Adjustments investments in subsidiaries and associates	4.8
Other equity items	0.1
Available for distribution	**361.1**
The Board of Directors submits the following appropriation of profit for approval by the Annual General Meeting:	
Dividend to the shareholders	0.0
Retained earnings at 31 December 2013	361.1

Shareholders

The register of shareholders holding at least 5% of the share capital, which the Company keeps in accordance with the Danish Public Companies Act, includes the following shareholders:

Baunegård ApS
Fredensborg Kongevej 49
2980 Kokkedal

The principal shareholder is Richard Bunck, founder of the Company, who through a wholly-owned and controlled holding company, Baunegård ApS, holds 56.39% of the share capital.

Baunegård ApS prepares consolidated financial statements including North Media A/S.

The Board of Directors' and the Executive Board's shareholding in North Media A/S at 31 December 2013:

Board of Directors	Shares
Richard Bunck (incl. Baunegård ApS)	11,308,832
Peter Rasztar	0
Steen Gede	1,170
Ulrik Holsted-Sandgreen	0
Total	**11,310,002**

Executive Board	Shares.
Lars Nymann Andersen	0
Kåre Stausø Wigh	30,000
Arne Ullum Laursen	20,000
Total	**50,000**

Management

At year-end 2013, the Company's Board of Directors and Executive Board, excluding Richard Bunck, controlled 51,170 shares, or 0.26% of the share capital.

No shares were traded by the Board of Directors or the Executive Board during the financial year.

Share price

At 31 December 2013, the market capitalisation of the Company's shares was DKK 320.9 million.

Contact with investors

North Media A/S has an open and consistent dialogue with investors and analysts so as to provide the stock market with optimum and adequate information about the Company.

Meetings with shareholders, investors, financial analysts and other stakeholders are held at regular intervals.

Banks and stockbrokers monitoring North Media A/S

Stockbroker	Name and telephone no.
Nordea Markets	Dan Wejse (+45) 33 33 24 09

Corporate site

North Media A/S' corporate site, www.northmedia.dk, provides information about the Company, the Board of Directors, the Executive Board, shareholders, etc.

Contact to investors

Lars Nymann Andersen, Chief Executive Officer
Kåre Stausø Wigh, Chief Financial Officer

Telephone: (+45) 39 57 70 00
Fax: (+45) 39 66 74 15
E-mail: investor@northmedia.dk

Company Announcements 2013	
7 February 2013:	2012 Annual Report
7 February 2013:	This is to convene the Annual General Meeting of North Media A/S, Central Business Registration no 66590119
7 February 2013:	This is to convene the Annual General Meeting of North Media A/S, Central Business Registration no 66590119
15 February 2013:	The Suppreme Court amends the Eastern High Court's judgment
7 March 2013:	Changes to the statement on recommendations for corporate governance
8 March 2013:	Annual General Meeting of North Media A/S, Friday, 8 March 2013 - Summary
16 April 2013:	North Media A/S decides not to pursue the action for damages against Post Danmark
3 May 2013:	Q1 2013 group results exceeded expectations and FK Distribution has developed a ground-breaking new product: No Ads+ at Forum.dk
7 August 2013:	Interim Report 2013
23 October 2013:	North Media A/S acquires eight local newspapers in Copenhagen/Frederiksberg, considerably strengthening its position
1 November 2013:	North Media A/S has just completed Closing of the acquisition of eight local newspapers in Copenhagen and Frederiksberg formerly owned by Berlingske Medier
6 November 2013:	The Group's expectations for the financial year 2013 are adjusted upwards. FK Distribution continues to roll out No Ads+, and Søndagsavisen has acquired eight local newspapers covering the Copenhagen area.
29 November 2013:	Distribution agreement with Coop extended until 31 December 2015
18 December 2013:	Financial Calendar 2014 for North Media A/S

Company Announcements 2014	
14 January 2014:	Group EBIT expectations before special items are adjusted upwards, arriving at approx. DKK 60 million for 2013

Financial calendar for 2014	
7 February 2014:	Annual Report 2013 of North Media A/S
14 February 2014:	Deadline for submitting business for the agenda of the Annual General Meeting
28 March 2014:	Annual General Meeting
8 May 2014:	Interim Management Statement for Q1 2014
7 August 2014:	Interim Report for 2014
6 November 2014:	Interim Management Statement for Q3 2014

The Board of Directors' meeting calandar for 2014
Thursday, 23 January 2014
Thursday, 6 February / Friday, 7 February 2014
Fridag, 28 March 2014
Wednesday, 7 May / Thursday, 8 May 2014
Monday, 16 June 2014
Wednesday, 6 August / Thursday, 7 August 2014
Monday, 15 September 2014
Wednesday, 5 November 2014 / Thursday, 6 November 2014
Wednesday, 3 December 2014

Management

The management of North Media is based on the Group’s values: customer focus, corporate responsibility, quality, fairness and positive aggressiveness.

The Group's values set the guidelines for how to practise management in the subsidiaries. To make sure that these values are present and relevant in our staff’s working days, they are spiced with some “words of wisdom”. Words of wisdom reflect in concentrated form an observation, a position or a wish and thus forms part of the Group’s core values.

Customer focus
Words of wisdom:
”Customers do not constitute an interruption of your work. They ARE your work.”

Above all, focus at North Media is on the customer. We develop and deliver products and services that create growth and value for them.

Corporate responsibility
Words of wisdom:
”It is important not to be afraid to take responsibility and to use one’s own judgment, should the situation call for that. And to be held accountable if you have crossed the line."

We take responsibility when we interact with customers and each other. When things go as planned, but also when the unexpected suddenly occurs, ownership, honesty and thoughtfulness are the very substance of our actions. Because only by demonstrating accountability in all of our actions and at all times, we can make the right decisions for the benefit of our customers, staff, shareholders and other stakeholders.

Quality
Words of wisdom:
”In order to do our job well, we need to have the skills to do it, the necessary knowledge, a healthy and positive approach to work and the will to make the effort that it takes.”

At North Media, we want to be known for the quality of our products and services, and we strive persistently and relentlessly to ensure that through thoroughness, efficiency and focus on optimising all of our products, processes and dialogues.

We believe that value-creating quality products delivered at the right time and price are the bedrock of long-lasting relationships.

Fairness
Words of wisdom:
”Sound business practice is a matter of common sense: We think before we spend money. We deliver a good product, and for that we must be paid a fair price."

We are fair in all we do and exercise sound business practice so that both our customers and we benefit from the partnership. We make great demands on each other and on our customers, and we mutually keep the agreements made.

Positive aggressiveness
Words of wisdom:
"It is imperative to be active and create activity. He or she who can, will and does - is given a chance."

The very substance of our success is based on a passion for what we do, on perseverance and on the ability and courage to think new thoughts. We never act from fear, but from what we want and desire. We call that positive aggressiveness.

Statutory report on Corporate Governance

Board of Directors and Executive Board

The general meeting of North Media A/S has the ultimate authority to elect members to the Company's Board of Directors and is responsible for its overall management. The Board of Directors supervises the Company's activities and safeguards the proper management of the Company in accordance with the Articles of Association, the Danish Companies Act and other regulations of relevance to the Company. The primary duties of the Board of Directors is to lay down the overall goals and strategies, define clear guidelines for the division of responsibilities, planning and risk management and appoint a competent executive board and serve as its easy-to-reach and active sounding board. The Board of Directors is made up of four members with Richard Bunck, principal shareholder, serving as chairman.

The Executive Board is responsible for the day-to-day management of the Company. In compliance with the guidelines and directions prepared by the Board of Directors, the Executive Board prepares action plans and forecasts that support the Company's strategy and reports earnings performance, risks and other significant data to the Board of Directors on a regular basis.

Since 1 January 2011, Lars Nymann Andersen has been serving as the CEO of the Group.

Besides Lars Nymann Andersen, the Group's Executive Board consists of Arne Ullum Laursen, who serves as Media Director in charge of all newspaper activities, and of Kåre Stausø Wigh, CFO.

The Board of Directors and the CEO are the Company's Chief Operating Decision Makers (CODM) focusing on and being responsible for the Group's Print and Online segments. The Executive Board is responsible for the different business areas/segments and for cross-segment product and business developments.

In 2013, the Board of Directors held eight meetings against 13 in 2012.

The Board of Directors evaluates the work and competence of the Board of Directors and the Executive Board. The results of the 2013 evaluation showed good co-operation on both of the boards and between them as well as satisfactory individual efforts, results and competencies.

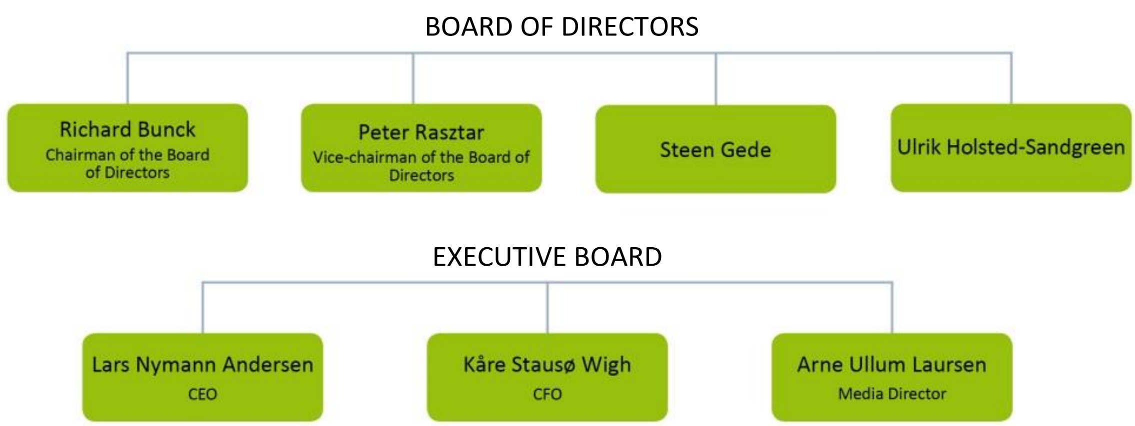
Audit Committee

The Board of Directors is responsible for the overall management of the Company. The Board of Directors has set up an audit committee to supervise financial reporting, among other procedures. The Audit Committee is made up of two members of North Media's Board of Directors. The members are appointed by the Board of Directors for a term of one year at a time. In 2013, the Audit Committee consisted of Peter Rasztar, Vice-Chairman of the Company's Board of Directors, who chairs the Audit Committee, and Steen Gede.

Audit Committee members are to have accounting or auditing insight into as well as experience in listed companies, and they must be independent members, see the definition in the corporate governance recommendations. The Board of Directors appoints the chairman of the Audit Committee.

The Audit Committee convenes at least twice a year in connection with the external auditor's issuance of audit book comments on interim audits and their year-end audit of the financial statements, respectively. Other than that, the Audit Committee convenes as necessary.

The primary tasks of the Audit Committee are to monitor and check the financial information of external financial reports or other material financial reports on behalf of the Board of Directors as well as to ensure compliance with applicable law, standards and other requirements applicable to financial reporting. At least once a year, the Audit



Committee also reviews and considers internal control procedures in order to evaluate the appropriateness of controls and/or any weaknesses. Further, the Audit Committee considers the external auditor's audit plan and reviews the related audit engagement letter and audit fee as well as the auditor's management letters and audit book comments. In 2013, the Committee held three meetings, and four meetings were held in 2012.

Day-to-day Management

Separate strategy and action plans as well as budgets and estimates have been prepared for the individual subsidiaries and activities. The plans and the budgets are checked against monthly reporting. Strategy and action plans as well as budgets are prepared annually on the basis of a detailed and standardised process. Material risks are identified during this process, and decisions are made about their handling.

North Media applies a number of systems across the Group regarding day-to-day management, including advertisement booking, invoicing, user payment, route planning, financial reporting and consolidation. The systems have been integrated to the extent possible in order to avoid duplication of data and to reduce the risk of errors as well as to enhance efficiency. Procedures for internal control and reconciliation have been introduced to ensure the consistency of data obtained from different sources. The control procedures consist of monthly reconciliations, among other processes, performed as part of financial reporting.

In recent years, the competencies of the entire finance organisation have been strengthened. The departments have been centralised into fewer but larger groups to ensure enhanced efficiency, a good control environment and an appropriate segregation of functions. In addition, the use of the subsidiaries' and segments' local finance systems has been upgraded and harmonised.

Based on the Board of Directors' instructions, including values for corporate governance, guidelines on corporate governance and in co-operation with the Audit Committee, Group Finance has developed systems for detailed financial reporting with integrated control procedures. The systems will not eliminate the risk of errors and do not guarantee detection and correction of all errors, but they help ensure identification and management of risk as well as correction of material errors and deficiencies. The key processes are as follows:

1. Reporting instructions and time schedules for monthly financial reporting by subsidiaries and for activities are circularised before the beginning of the financial year. Also, more detailed instructions are circularised in October as part of the preparation of the financial statements. The accounting and reporting instructions are supported by the Group's accounting policies, which for selected areas describe more detailed reporting requirements.
2. Significant accounting estimates, documentation thereof and any changes in accounting policies possibly resulting from changes in accounting rules are reviewed by Group Finance before reporting instructions are circularised.
3. Monthly reporting is carried out in the Group's reporting system by the subsidiaries and for the activities. The system, which is a standard reporting and consolidation system, ensures full transparency of reporting by the individual subsidiaries and the full, consolidated financial statements. Reporting by the individual companies corresponds to local bookkeeping, which in turn is fully consistent with the financial statements of the subsidiaries. All differences between local bookkeeping/accounting policies and the Group's IFRS financial statements are handled centrally by Group Finance to ensure full understanding and ownership of those adjustments.
4. In connection with each monthly closing of accounts, significant income statement and balance sheet items are reconciled by the individual subsidiaries. Reconciliations and controls are performed using checklists, and specifications and documentation thereof are saved. Reconciliations and controls comply with the guidelines to the effect that the risk of misstatements in each subsidiary's monthly financial statements are minimised and corrected.
5. A number of controls are performed centrally in Group Finance to ensure that the reported figures are correct. In addition, a number of points are checked to ensure that reporting is performed in accordance with the Group's accounting policies.
6. In connection with acquisitions/divestments of companies, all relevant entries are managed at central level. There is also a central model for the Group's allocation of purchase prices by type of asset. Any impairment of assets is also calculated at central level for all group units.
7. In addition, a management report is prepared on the basis of monthly financial reporting, comparing results with the action plan, estimates and the budget. Variances are explained, corrective action proposed, the competitive situation described, an action plan status given, etc. In connection with the presentation of interim management statements, an updated estimate is prepared for revenue and results for the year.
8. Financial reports for the subsidiaries' and the activities' financial reports are submitted to Group Finance, which prepares consolidated, segment, subsidiary and activity financial statements as well as analyses for the Executive Board and the Board of Directors.

The contents of the reports submitted to the Executive Board and the Board of Directors are evaluated continuously to ensure relevance in relation to focus areas and development of the Group. Further, constant efforts are made to improve reporting efficiency and increase reporting speed. In this way, the Board of Directors and the Executive Board will have quick access to correct and relevant information.

Corporate Governance

According to section 107b of the Danish Financial Statements Act and paragraph 4.3 of "Rules for Issuers of Shares – NASDAQ OMX Copenhagen", listed companies must draw up a report on corporate governance. The report must describe how the company deals with the recommendations regularly published by the Committee on Corporate Governance in Denmark. The Committee's recommendations are available from www.corporategovernance.dk.

When drawing up the report on corporate governance, the company must apply the "comply or explain" principle. Under this principle, the company must either comply with the corporate governance recommendations or explain why it has decided not to comply with them, or to just comply with some of them. This means that the company must state the recommendations that it does not comply with and the reasons for non-compliance and, where relevant, explain what measures it has taken instead.

According to the principle, the conditions of the company are what determine the extent to which the recommendations are complied with, or whether it would be inappropriate or undesirable for the company to do so, as the top priority is to ensure transparent corporate governance.

The Board of Directors and the Executive Board of North Media A/S regularly discuss and consider the Company's Corporate Governance policies and procedures. The recommendations together with applicable law and guidelines as established by the Board of Directors form the basis of such work.

The Group follows 42 of a total of 47 recommendations. Therefore, the Board of Directors is of the opinion that the Company generally follows the recommendations, and the Board of Directors is constantly considering how the recommendations may contribute to ensuring maximum value addition for the Company's shareholders. Accordingly, the Board of Directors also considers whether recommendations not previously complied with should be complied with.

A complete report thereof is available from the Company's homepage, **www.northmedia.dk/governance.cfm.**

The areas for which North Media A/S deviates from the recommendations are accounted for below.

Composition and organisation of the Board of Directors

Recommendation 3.1.4 concerning the age limit for becoming a member of the Board of Directors is not followed. The Company has not set an age limit for Board members as the Board of Directors believes that a member's experience and qualifications and not their age is the only thing that determines whether they can add value to the work of the Board of Directors.

Form and substance of the remuneration policy

Recommendation 4.1.2 concerning variable pay elements is followed in part. The recommendation is followed except that the Company cannot require repayment of variable pay elements paid to an employee based on information which later turns out to be incorrect. Following the recommendation is considered inappropriate taking into the account the limited number of variable pay elements paid.

Disclosure of the remuneration policy

The Company does not follow Recommendation 4.2.1 concerning disclosure of the remuneration policy in the Chairman's report to the general meeting. The Company does not follow Recommendation 4.2.2 concerning the shareholders' approval of proposed remuneration of the Board of Directors. Recommendation 4.2.3 concerning disclosure in the Annual Report of total remuneration of the individual members of the Board of Directors and the Executive Board is not followed.

Remuneration of the Board of Directors, the Executive Board and executive staff is disclosed in the Annual Report. The aim of the general remuneration policy of North Media A/S is to ensure that the Company offers competitive remuneration which is based on efforts and performance and which is on a par with remuneration offered by comparable listed companies. The remuneration policy, which is reproduced below, is intended to help attract and retain qualified members of the Company's Board of Directors, Executive Board and other executive staff. Total remuneration of the Executive Board is determined by the Board of Directors, serving as Remuneration Committee. The Board of Directors finds it more appropriate that it has the right to adjust the remuneration of management at any time without having to obtain the shareholders' prior approval.

Board members receive a fixed annual fee and do not take part in a share option programme, nor do they receive any bonus.

The members of the Company's Executive Board, other executives and deputy executives receive a fixed basic salary, and the Company makes competitive pension contributions. In addition, the Company offers a bonus plan, which is based on increase/decrease in revenue and increase/decrease in EBIT as well as on EBIT for the year concerned. This bonus is limited to a maximum of 100% of the annual basic salary. The bonus is paid upon approval of the financial statements by the Annual General Meeting.

Statutory report on corporate social responsibility

Policy

North Media's business units are managed and driven by strong core values forming the basis of the Company's policies, rules and business processes. The Group considers corporate social responsibility a natural element of the different business units' strategies and daily operations.

One of North Media's basic principles is to demonstrate accountability to society, customers and employees. We also aim to demonstrate fairness and loyalty in any decision we make.

North Media regularly focuses on CSR-related matters as much as it does on its constant efforts to strengthen working processes and products. Being accountable in all respects is an important element of the Group's values and therefore a key element of great relevance to the Group's vision, objectives and strategy.

This means that North Media constantly focuses on not just complying with Danish and international rules and conventions, but also on using responsible behaviour to increase its financial, social and environmental performance through regular control, optimisation, operationalisation and reporting.

Pay and working conditions for the Group's distributors of newspapers and printed matter

Policy

Thanks to its distribution business, North Media is one of Denmark's largest workplaces for young people. Working as a distributor is often the first source of money earned outside their home. This places heavy demands on North Media as a business and on the organisation, systems and procedures to ensure that each of our employees has a positive and favourable perception of their first job.

Action

The introduction to the job is always given in dialogue with the distributor and his or her parents. Thorough instructions and follow-up are provided, and comprehensive introduction material has been prepared, which – based on many years of experience – is aimed at introducing the young distributor to the job before, during and after having done the work.

To ensure that the employee always receives a pay reflecting the effort made on the individual route, various checks are carried out. Their purpose is to ensure that we comply with the working environment rules and that the distributors receive a fair pay reflecting the work they do. The distribution business has dedicated employees, who regularly give instructions and check that North Media meets the targets set.

Results

We believe that we help our young distributors develop basic skills such as organising one's time and planning an assignment by offering them a job as a distributor. Add to this attitudinal values such as reliability and a sense of responsibility. These are all skills that help develop them as individuals and citizens; specific skills that they will need to have when they begin their studies and later when they enter the job market as adults. The distributors' sense of responsibility is also underlined by the fact that they perform on the same level as our adult distributors.

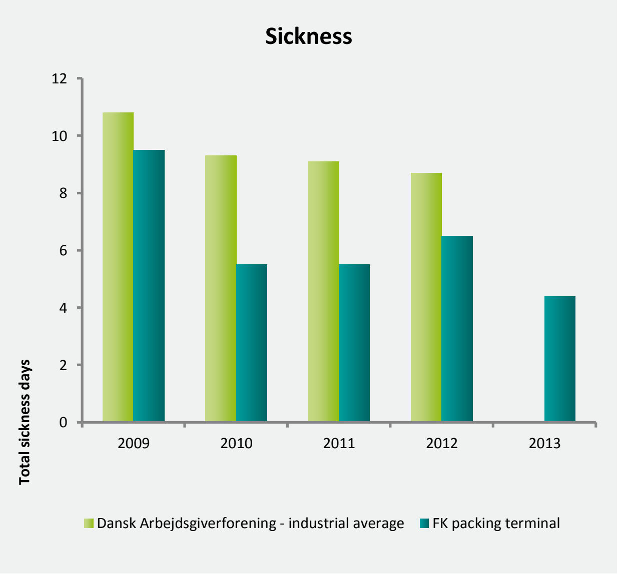
Sickness absence

Policy

The distribution business' policy is to put conditions in place for a good working environment. A low frequency of sickness absence for the packing terminals is a measure of success in that respect.

Action

The low frequency of sickness absence is to be maintained on the basis of continued, close staff involvement and visible management, but also by maintaining the systematic efforts to counter and prevent industrial accidents. Industrial injuries are always analysed by the health and safety organisation.



Focus is on sickness absence, and systematic follow-ups are made on the basis of sickness interviews. In that respect, the Company also focuses on long-term healthy employees who have not contracted any sickness over the past 12 months.

Results
In recent years, sickness absence in the packing terminals has been declining, totalling 4.4 days a year for 2013 including long-term illness. This corresponds to a sickness absence of 2.36% which is the lowest in the history of the packing terminals and far below the industry level. The employees have an average service record of 5.8 years and have developed a healthy and loyal attitude, according to which high attendance is a matter of course. Two thirds of the staff have not had one single sick day in 2013. The previous page outlines sickness absence in the period 2009 to 2013 compared to industry figures up to 2012. Industry figures for 2013 are not available yet.

The Company believes that the low frequency of sickness absence is important in terms of maintaining the efficiency of the packing department as a low frequency helps to ensure more smooth and effective production.

Integration of non-ethnic Danes

Policy
The Company's staff policy is based on its strong core values, which aim at providing equal opportunities to everybody, and which require that, as a rule, everybody must meet the same demands.

Action
A requirement for being employed is that the candidate is able to speak and understand Danish. Employees are also instructed to speak only in Danish at the workplace so that everyone can understand all conversations and no one feels left out.

Employees are treated equally in terms of gifts, parties, etc.

Results
For example, this has led to the successful integration of those approximately 70% of the Group's packaging staff who are non-ethnic Danes. As a result, the supervisory positions are increasingly held by non-ethnic Danes, which in itself has a cumulative effect on successful integration.

In practice, no conflicts seem to exist in the workplace despite the fact that people from different cultures work together at North Media A/S.

Sub-suppliers' consumption of newsprint

Policy
It is important for North Media A/S that the Group's newspapers are produced following sustainable methods. This is why the Søndagsvisen, Helsingør Dagblad and Lokalavisen Nordsjælland newspapers have been using only FSC certified newsprint since late 2011. The FSC Certificate is a global labelling system widely supported by a number of environmental organisations such as WWF, Greenpeace and Nepenthes.

Action
North Media co-operates with some of Denmark's largest and best printing houses for the printing of the Group's newspapers. Pressens Fællesindkøb, the procurement association of the Danish press, and the printing houses ensure that the requirements for the traceability of newsprint, among others, are met, which is an important element of FSC certification.

The wood used to produce newsprint is from FSC-certified forests, mainly Nordic forests, where trees are felled as new trees start to grow. In addition, the newsprint is produced from the residues from saw mills as well as recycled paper.

Results
Most of the newsprint already used is collected and recycled through municipal recycling systems and is thus included in the production of new newsprint. This helps reduce the environmental impact as much as possible.

Energy consumption

Policy
In 2010, North Media started the detailed process of mapping energy consumption at its domicile in Søborg. The purpose of this mapping was to explore the possibilities of reducing energy consumption for servers and lighting as well as heating, ventilation and cooling systems.

Action
The Group's buildings are generally new and fitted with low energy lighting, and the ventilation systems have been improved. In the past four years, the Group has focused on consolidating its considerable server farm. In doing so, it has decided to use low energy servers.

Technological developments have created new prospects, particularly within ventilation, cooling and lighting. Based on the careful mapping of energy consumption made in 2010, the Group set an ambitious goal to reduce by 2013 the total energy consumption for the Søborg premises by 30% of the 2009 consumption, equalling an annual reduction of 620 MwH in total.

Results
The calculations for 2013 show savings of approx 680 MwH on 2009. Thus, the Group has achieved the energy reduction planned. Efforts are made to reduce energy consumption even further, but expectations are that most of the energy reductions have been achieved.

Diversity and social inclusion policy
North Media's objective is to be an attractive workplace to persons with strong skills who can help develop the Group. The overall aim of the diversity and social inclusion policy is to ensure that all North Media employees are evaluated on

the same terms and conditions based on their competencies. Moreover, we consider diversity a precondition for maintaining a good and innovative working environment and strive to have a diversified composition of staff regardless of gender, ethnicity, religion, nationality, sexual orientation and age. We believe that diversity is a strength that helps the Group attract and maintain the best talent. This is why we are making dedicated social inclusion and diversity efforts.

To North Media, social inclusion means that different groups of employees are able to make a career for themselves without facing cultural or organisational barriers. We admit that ensuring this takes a special effort. For example, we would like to have even more women managers, and we make an active effort to achieve this objective.

At North Media, there is a balance of male employees and female employees. At present, the Board of Directors is made up of four members who are all men. At executive board level, the current members are all men. The current number of male and women managers is five and three, respectively.

The policy applies to the listed Parent company, North Media A/S. The subsidiaries will be drawing up their own policies in so far as they are subject to Danish Act no 1383 of 23 December 2012.

Increased diversity objectives and activities

North Media makes use of employee surveys and performance evaluations to identify manager potential among group employees to develop staff and encourage skilful employees to apply for a managerial position within the Group. A key element of the Group's staff development efforts is to ensure that both male and female candidates are considered and identified as part of internal and external recruitment of managers and that women and men form part of the North Media Group's pool of talents for managerial positions.

Further, North Media systematically uses employee surveys and performance evaluations to identify any barriers to men's and women's equal opportunities to pursue a managerial career.

Other measures include emphasis of equal pay for men and women and the drawing-up of job ads appealing to women managers.

North Media's Board of Directors is currently made up of four persons, who are elected for one year at a time. The current male Board members have been carefully selected based on their competence as well as the challenges and development potential faced by the Group.

When, at a given moment in time, North Media decides to add new skills to the Board of Directors, or if a Board member would like to resign, North Media will seek to have at least 25% of the candidates for the vacant seat(s) on the Board represent the underrepresented sex, meaning women at this point. Over the next four years, the objective is for women to make up at least 20% of the Board of Directors. This objective is considered ambitious but also realistic.

Human rights and corruption

Policy

North Media's staff policy is based on the Company's strong core values that underpin the very foundation of the Company's policies, rules and business procedures.

Based on the open corporate culture and the fact that, in practice, the Group operates only within Denmark's borders, it was not found relevant to prepare a policy for human rights and corruption.


FAMILIEN DANMARK

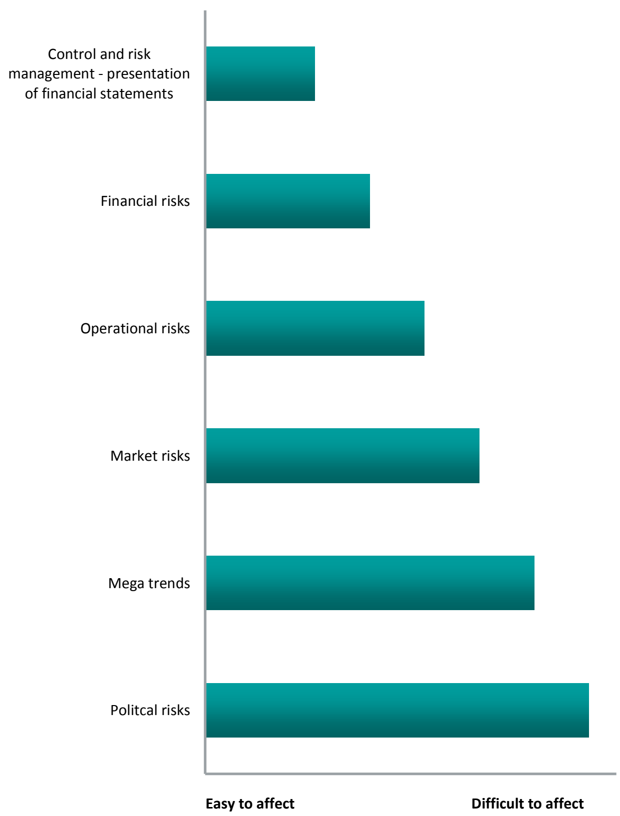
Risk and risk management

The Board of Directors annually reviews risk management systems, controls and policies

The main purpose of the review is to ensure that risks which may be critical to the Group's ability to achieve the set targets are identified and hedged.

Like the rest of the Group, the general management of the risk area is based on the principles of the fundamental management structure, which is described in the section on corporate governance. Daily follow-up and management of risks are based on a structure of internal policies, concepts and procedures.

At North Media, risks are divided into six levels and illustrated as follows:



Political risks

In an open and well-developed society, private suppliers of goods and services compete against each other to provide the best and least expensive services to consumers for the benefit of the entire society.

This battle for consumer favour represents the very precondition for goods and services continuously being developed in accordance with the consumers' needs and wishes.

North Media does not consider a battle among businesses operating under the same competitive preconditions and terms as North Media to pose a risk that cannot be overcome with a positive result.

Political decisions and initiatives, on the other hand, are found to pose far larger risks than those North Media may face from private businesses in open, free and fair competition.

In three of North Media's business areas: namely distribution, publication of newspapers and job ads, the Danish State and the Danish Parliament pose the greatest challenges and involve the largest risks to the Company's future operations.

The Danish State subjects North Media's distribution business, FK Distribution, to unreasonable competition by imposing laws, provisions and regulations in several areas that favour Post Danmark, the Danish postal service, the principal shareholder of which is the Danish State, to the detriment of North Media and similar private competitors.

The Government has decided to introduce an advertising tax explicitly on door-to-door distributed printed matter, which is the primary activity of North Media. The adoption of such tax would inevitably affect North Media adversely. The advertising tax was adopted at 1 January 2013, but remains to enter into force. However, the adoption of the act, the uncertainty about when and how the tax will be introduced and the size of it lead to considerably negative developments in the unaddressed printed matter market.

The advertising tax was adopted despite factual evidence that a restriction of door-to-door distributed printed matter would seriously reduce competition for groceries. This may result in the households' expenses for groceries skyrocketing.

The advertising tax will be introduced in order to reduce the environmental impact. It should be noted that, for example, newspapers and advertising inserts in dailies are exempted from the advertising tax.

> Thanks to VAT exemption and government-backed media support for publishers of dailies and free newspapers, the North Media-published Søndagsavisen is subjected to unfair and extensive taxpayer-funded competition. Søndagsavisen is not exempted from VAT and does not receive media support."

Through the state-operated ”Jobnet.dk” site, the Danish State competes against the private job portals, including the North Media-owned Ofir.dk. The private job portals essentially have to be operated on commercial terms where the customers pay for the services rendered. The state-owned Jobnet.dk site is 100% taxpayer-funded and thus imposes unfair competition on the privately operated job portals. Competition which in every respect is quite superfluous as the private players are fully capable of servicing the Danish job market with an efficient and inexpensive model where jobseekers enjoy easy and free access to the supply of advertised vacancies.

North Media makes a targeted effort to ensure that politicians can make their decisions on a well-documented and informed basis and that the necessary insight into factors affecting and of interest to North Media's stakeholders is available.

Megatrends

Megatrends have a long incubation period and materialise gradually without any actual ending.

Megatrends in North Media's business areas include developments and trends which on a global and national scale determine the direction of how and in which media businesses choose to advertise and communicate with their existing and potential customers.

North Media's print media such as printed advertisements and newspapers are gradually supplemented and will perhaps be entirely replaced by digital media in the long run. The megatrend in advertising points towards more and more types of media meeting and serving their own needs and purposes. In the job ad market, the migration from the Print segment to the Online segment has largely already taken place. The job ad market has declined considerably in recent years. Printed job ads have increasingly developed into a niche product which is used when online advertising fails to produce the desired effect or when the recruitment is intended to reach passive jobseekers.

North Media wants to spearhead this development and therefore works actively with product development for the print and online activities and on linking up the two media in order to achieve increased utility value for both advertisers and consumers.

Market risks

Market risks affect all market participants in the markets in which North Media operates. North Media considers market risk to be relevant now and within the next one to two years.

Like other companies, North Media is affected by macroeconomic developments. Due to their attachment to the advertisement market in general and the recruitment market in particular, the elements of the Group related to the recruitment market are heavily affected by economic trends. This affects revenue from the printed newspaper as well as revenue from Ofir.dk and MatchWork.

The other elements of the business, including the distribution of unaddressed printed matter for retailers in particular, are only affected to a limited extent by economic trends. The distribution of unaddressed printed matter to non-retail customers is affected to some extent, though, by economic trends.

For several years, the newspaper market has been characterised by substantial excess capacity resulting from solid government grants to the publishers of dailies, to mention one factor. This has enabled them to exert considerable price pressure and reduce the average prices of ads in all of their publications. The price pressure is expected to continue, for which reason investments are made in the automation of work processes. North Media is financially prepared to operate in a difficult market and continue its product development efforts.

Newsprint is an important raw material in the production of newspapers. Thanks to the Group's membership of Pressens Fællesindkøb, it may buy newsprint at the same favourable prices as those offered to other dailies and free newspapers in Denmark. Therefore, the market risk involved in newsprint is limited.

North Media's newspapers are printed in a narrow time window in the period from Thursday afternoon to Friday morning. Attempts are made through long-term printing contracts to ensure that printing prices are always competitive, and that any changes in printing prices can be adjusted through advertisement prices.

The future business model remains uncertain within some areas of the online business. North Media works continuously on various models to ensure satisfactory earnings.

Operational risks

North Media defines operational risks as processes associated with day-to-day operations such as IT systems or fire in terminals or office buildings. The most material risks relate to the distribution activities which could have a significant impact on the Group's financial performance if they suffer lengthy breakdowns in the terminals. The newspaper activities would only to a lesser degree be affected by IT downtime as production can be moved swiftly to other servers. In the event of a breakdown in one printing house, the printing of the newspaper could swiftly be redirected to other printing houses as there is spare capacity in the printing market.

The quality of the Søndagsavisen newspaper is managed via internal control procedures in the editorial and pre-press-related processes, while the print quality is described in performance specifications for external printing facilities.

In the distribution market, high quality is an important competitive parameter. North Media's distribution terminals in Taastrup and Tilst are of great importance to continuous quality improvement. Sorting systems pack the printed matter in household sets with a very low number of errors per thousand, and the distribution quality is ensured through training and control calls. North Media co-operates closely with selected customers on an ongoing basis to continuously improve quality.

The IT facilities are consolidated at North Media's headquarters in Søborg and have their own emergency power system, which automatically cuts in, should the public power supply fail.

Emergency power systems have also been established in Taastrup and Tilst, making it possible to perform a controlled power down of their IT systems in the event of power failure.

In 2010, North Media decided to outsource the IT operations in Søborg to KMD Informatik (formerly known as Rambøll Informatik). The majority of severs and other IT equipment were then transferred to KMD Informatik, the staff of which are also responsible for performing backup procedures on all production servers every night in order to ensure the existence of two sets of identical data.

As part of the outsourcing of IT operations, North Media decided to update the Group's processes in this area, including to update the Group's IT security policy, IT risk analyses and IT security tests performed. North Media intends to regularly revise its IT security polity, IT risk analyses and IT security tests.

All systems are protected by access controls, which limit the access to functions needed by the individual employee. In addition, daily updates are performed of firewall, spam filters, anti-virus programs, and emails are scanned for high-risk contents.

In the insurance policy, the Board of Directors has drawn up guidelines for the protection of the Group's assets and earnings as well as for risk prevention work and provided an overview of imminent financial risks and consequences.

Thus, for daily management purposes, policies and manuals as well as backup procedures for the most important policy risks are in place. In addition, it is the Executive Board's and the Board of Directors' opinion that the Group is appropriately insured in terms of insurable risks and own risks.

Financial risks

North Media defines interest-rate, liquidity, credit and currency risks as financial risks.

North Media has implemented a finance policy, which regulates the general frameworks for managing the Group's exposure to, for example, currency and interest- rate movements. The policy lays down hedging guidelines. Where financial hedging or other instruments are used, hedging is done for the sole purpose of reducing future risks.

Interest rate risks

It is the Group's policy to hedge the interest rate risk on its long-term loans when interest payments are deemed hedgeable at a satisfactory level. For a detailed analysis of the Group's interest rate risks, please refer to Note 35.

Liquidity risks

The Group upholds liquidity management to ensure that adequate and flexible financial resources exist at all time. The risk of the liquidity situation suddenly and unexpectedly developing adversely and affecting the Group's investment and operational liquidity requirements is handled through a number of management tools. The planning of anticipated liquidity requirements is carried out in connection with the preparation of budgets and action plans. The liquidity requirements are monitored on a monthly and daily basis. Every month, a liquidity projection is made for a period of at least six months, and at least twice a year the projection is made for a minimum of twelve months.

It is the Group's objective to have sufficient cash resources to continuously make appropriate arrangements in case of unforeseen changes in the drain on liquidity.

The bank accounts of the Parent company and the Danish subsidiaries are included in the Group's cash pool, which is monitored daily in order to optimise interest received and interest paid on the Group's total cash flows.

It is group policy to be self-supporting to the extent possible. However, the Group's properties are financed by way of long-term loans.

Credit risks

North Media is exposed to credit risks from receivables and deposits with banks. The maximum credit risk equals the carrying amount.

North Media's policy is to do business only with banks enjoying high credit ratings. Loss on receivables is a business risk, and the risk of loss on a customer is weighted against the earnings potential on an ongoing basis. A portion of the Group's trade receivables were credit insured at 31 December 2013, see Notes 35. The Group's bad debt loss has historically been limited in size.

Currency risks

From 2008 to 2013, the Group reduced its presence outside Denmark, having reduced its total risk on transactions in foreign currencies to a quite immaterial level.

Capital management

The Group regularly considers whether or not to adjust the capital structure in order to weigh the increase in the required rate of return on equity against the increasing uncertainty associated with loan capital.

It is group policy to distribute dividend in so far as such distribution is considered reasonable, given the existing general capital structure, liquidity and estimated future earnings.

Control and risk management of financial reporting

Detailed internal control and risk management systems have been established in connection with the financial reporting process. The aim is to ensure that internal and external financial reports give a true and fair view free from material misstatements. Furthermore, the systems are to ensure that the external interim management statements, interim reports and annual reports of the Group are presented in accordance with IFRS as adopted by the EU as well as additional Danish disclosure requirements for the presentation of financial statements of listed companies.

In 2013, North Media started to review its risks and internal control procedures regarding the processes related to key financial statement items. During the review, the Group identified risks and mapped out processes in addition to considering internal control applying a maturity scale. In the next few years, the Group will continue to review, map out and optimise internal control with a view to reaching a higher maturity level.

For a specific description of control and risk management relating to the financial reporting, please refer to the section in the Annual Report on day-to-day management on page 47.


SØNDAGSAVISEN

Statement by Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the annual report of North Media A/S for the financial year 1 January to 31 December 2013.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU. The parent financial statements are presented in accordance with the Danish Financial Statements Act. Further, the annual report is prepared in accordance with Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2013 and of their financial performance and cash flows for the financial year 1 January to 31 December 2013.

We believe that the management commentary contains a fair review of the developments in the Group's and the Parent's activities and finances, performance for the year and the Parent's financial position, and of the financial position as a whole for the entities included in the consolidated financial statements as well as a description of the most material risks and uncertainties facing the Group and the Parent.

We recommend the Annual Report for adoption at the Annual General Meeting.

Søborg, 7 February 2014

Executive Board

Lars Nymann Andersen Chief Executive Officer	Kåre Stausø Wigh Chief Financial Officer	Arne Ullum Laursen Media Director

Board of Directors

Richard Bunck Chairman	Peter Rasztar Vice Chairman	Steen Gede

Ulrik Holsted-Sandgreen

Adoption
As presented and adopted at the Annual General Meeting of shareholders on 28 March 2014.

As chairman of the meeting:

Independent auditor's reports

To the shareholders of North Media A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of North Media A/S for the financial year 1 January to 31 December 2013, which comprise the balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent, and statement of comprehensive income and consolidated cash flow statement for the Group and in¬come statement for the Parent. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers in¬ternal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit proce-dures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2013 and of the results of its operations and cash flows for the financial year 1 January to 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Further, in our opinion, the parent financial statements give at true and fair view of the Parent's financial position at 31 December 2013, and of the results of its operations for the financial year 1 January to 31 December 2013 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements.

Copenhagen, 7 February 2014

Deloitte
Statsautoriseret Revisionspartnerselskab

Kim Mücke
State Authorised Public Accountant

Jens Baes
State Authorised Public Accountant

Consolidated statement of comprehensive income

Note		2013 DKKm	2012 DKKm
	Revenue	1,061.7	1,104.6
	Direct expenses	357.3	374.9
6	Direct staff costs	204.7	199.3
	Gross margin	**499.7**	**530.4**
6, 7	Staff costs	273.7	279.0
8	Other costs	136.0	124.6
16, 17	Amortisation and depreciation	36.0	33.3
	Other operating income	9.4	7.0
	EBIT before special items	**63.4**	**100.5**
11	Special items, net	-20.0	-7.0
	EBIT	**43.4**	**93.5**
9	Share of loss in associates	-8.1	-1.6
10	Financial income	3.2	15.9
10	Financial expenses	-11.7	-10.8
	Profit before tax	**26.8**	**97.0**
12	Tax for the year	11.1	20.9
	Net profit, continuing operations	**15.7**	**76.1**
	Financial statement items that may later be reclassified for the income statement		
	Translation adjustments, foreign companies	0.2	0.0
	Fair value adjustment of hedging instruments	6.0	-2.4
	Tax, other comprehensive income	-1.5	0.6
	Other comprehensive income	**4.7**	**-1.8**
	Comprehensive income	**20.4**	**74.3**
	Attributable, net profit		
	Shareholders in North Media A/S	8.7	64.7
	Minority interests	7.0	11.4
		15.7	**76.1**
	Attributable, comprehensive income		
	Shareholders in North Media A/S	13.4	62.9
	Minority interests	7.0	11.4
		20.4	**74.3**
13	**Earnings per share, in DKK**		
	Earnings per share (EPS) - total	0.5	3.4
	Diluted earnings per share (EPS-D) - total	0.5	3.4

Consolidated balance sheet at 31 December

Assets

Note		2013 DKKm	2012 DKKm
	Goodwill	99.1	64.2
	Other intangible assets	79.9	23.4
	Completed development projects, software	5.0	2.4
	Development projects in progress	0.3	3.8
16	**Intangible assets**	**184.3**	**93.8**
	Land and buildings	301.1	291.1
	Plant and machinery	57.2	51.1
	Operating equipment, fixtures and fittings	16.4	18.5
17	**Property, plant and equipment**	**374.7**	**360.7**
19	Investments in associates	11.9	22.1
	Other securities and investments	9.3	3.7
	Other receivables	2.0	1.4
	Other non-current assets	**23.2**	**27.2**
	Total non-current assets	**582.2**	**481.7**
20	Trade receivables	104.4	98.6
	Receivables from associates	1.1	0.8
	Income tax receivables	0.0	5.1
	Other receivables	9.2	3.5
	Prepayments	14.6	13.9
21	Securities	139.7	188.4
	Cash	64.6	47.2
	Total current assets	**333.6**	**357.5**
4	Assets held for sale	0.0	25.0
	Total current assets	**333.6**	**382.5**
	Total assets	**915.8**	**864.2**

Consolidated balance sheet at 31 December

Equity and liabilities

Note		2013 DKKm	2012 DKKm
	Share capital	100.3	100.3
	Treasury shares	-41.2	-41.2
	Hedging reserves	-10.5	-15.0
	Reserve, translation adjustments	-3.2	-3.4
	Retained earnings	462.2	452.0
	Parent Company's share of shareholders' equity	**507.6**	**492.7**
	Minority interests	15.7	18.9
23	**Total equity**	**523.3**	**511.6**
22	Deferred tax	16.2	7.2
24	Financial institutions	137.8	143.7
25	Fair value, interest-rate swap	14.0	20.0
26	Purchase price payable	39.6	19.1
	Total non-current liabilities	**207.6**	**190.0**
24	Financial institutions	5.7	5.6
	Trade payables	56.6	52.2
26	Purchase price payable	12.2	0.0
	Income tax payable	4.8	0.0
27	Other payables	88.5	80.8
	Deferred income	17.1	24.0
	Total current liabilities	**184.9**	**162.6**
	Total liabilities	**392.5**	**352.6**
	Total equity and liabilities	**915.8**	**864.2**

Consolidated statement of changes in equity

2013 DKKm	Share capital	Treasury shares	Hedging reserves	Reserve, translation adjustment	Retained earnings	Parent Company's total share	Minority interests	Total equity
Equity 1 January 2013	**100.3**	**-41.2**	**-15.0**	**-3.4**	**452.0**	**492.7**	**18.9**	**511.6**
Changes in equity 2013								
Net profit for the year	0.0	0.0	0.0	0.0	8.7	8.7	7.0	15.7
Translation adjustment, foreign companies	0.0	0.0	0.0	0.2	0.0	0.2	0.0	0.2
Fair value adjustment of hedging instruments	0.0	0.0	6.0	0.0	0.0	6.0	0.0	6.0
Tax, other comprehensive income	0.0	0.0	-1.5	0.0	0.0	-1.5	0.0	-1.5
Other comprehensive income after tax	**0.0**	**0.0**	**4.5**	**0.2**	**0.0**	**4.7**	**0.0**	**4.7**
Total comprehensive income	**0.0**	**0.0**	**4.5**	**0.2**	**8.7**	**13.4**	**7.0**	**20.4**
Sale of shares in group company	0.0	0.0	0.0	0.0	0.0	0.0	1.2	1.2
Dividend distributed	0.0	0.0	0.0	0.0	0.0	0.0	-11.4	-11.4
Share-based payment	0.0	0.0	0.0	0.0	1.5	1.5	0.0	1.5
Total changes in equity in 2013	**0.0**	**0.0**	**4.5**	**0.2**	**10.2**	**14.9**	**-3.2**	**11.7**
Equity at 31 December 2013	**100.3**	**-41.2**	**-10.5**	**-3.2**	**462.2**	**507.6**	**15.7**	**523.3**

2012 DKKm								
Equity 1 January 2012	**100.3**	**-18.7**	**-13.2**	**-3.4**	**445.5**	**510.5**	**23.6**	**534.1**
Changes in equity 2012								
Net profit for the year	0.0	0.0	0.0	0.0	64.7	64.7	11.4	76.1
Fair value adjustment of hedging instruments	0.0	0.0	-2.4	0.0	0.0	-2.4	0.0	-2.4
Tax, other comprehensive income	0.0	0.0	0.6	0.0	0.0	0.6	0.0	0.6
Other comprehensive income after tax	**0.0**	**0.0**	**-1.8**	**0.0**	**0.0**	**-1.8**	**0.0**	**-1.8**
Total comprehensive income	**0.0**	**0.0**	**-1.8**	**0.0**	**64.7**	**62.9**	**11.4**	**74.3**
Sale of treasury shares	0.0	-22.5	0.0	0.0	0.0	-22.5	0.0	-22.5
Dividend distributed	0.0	0.0	0.0	0.0	-60.2	-60.2	-16.1	-76.3
Dividend, treasury shares	0.0	0.0	0.0	0.0	1.3	1.3	0.0	1.3
Share-based payment	0.0	0.0	0.0	0.0	0.7	0.7	0.0	0.7
Total changes in equity in 2012	**0.0**	**-22.5**	**-1.8**	**0.0**	**6.5**	**-17.8**	**-4.7**	**-22.5**
Equity at 31 December 2012	**100.3**	**-41.2**	**-15.0**	**-3.4**	**452.0**	**492.7**	**18.9**	**511.6**

Consolidated cash flow statement

Note		2013 DKKm	2012 DKKm
	Net profit	**15.7**	**76.1**
28	Adjustment for non-cash operating items	84.5	57.9
29	Changes in working capital	-9.8	-2.5
	Cash flow from operating activities before net financials	**90.4**	**131.5**
	Interest received	1.6	1.1
	Interest paid	-8.8	-9.3
	Cash flow from ordinary activities before tax	**83.2**	**123.3**
12	Income tax paid	-2.1	-32.2
	Cash flow from operating activities, total	**81.1**	**91.1**
30	Investment in intangible assets and property, plant and equipment	-26.5	-27.7
	Disposals of intangible assets and property, plant and equipment	1.0	0.3
19	Dividend from associates	2.0	0.0
	Investment in securities, net	49.6	33.2
	Dividend from securities	0.7	0.5
	Investment in other non-current assets	-6.2	0.1
15	Acquisition of companies	-66.9	-17.0
19	Sale of shares in group company	1.2	0.0
19	Investment in associates	-1.4	-11.5
	Cash flow from investing activities, total	**-46.5**	**-22.1**
	Repayment of non-current liabilities	-5.8	-5.2
	Dividend to minority shareholders	-11.4	-16.1
23	Purchase of investment in treasury shares	0.0	-22.5
	Net dividend paid	0.0	-58.9
	Cash flow from financing activities, total	**-17.2**	**-102.7**
	Changes in cash and cash equivalents	**17.4**	**-33.7**
	Cash and cash equivalents at 1 January	**47.2**	**80.9**
	Cash and cash equivalents at 31 December	**64.6**	**47.2**

Notes to the consolidated financial statements

Notes to the consolidated financial statements

1 Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports for listed companies and the Danish Executive Order on Adoption of IFRSs issued in accordance with the Danish Financial Statements Act.

The income statement is presented classified by nature.

Accounting policies are unchanged compared to 2012.

New and revised Standards and Interpretations

No new or changed Standards and Interpretations have been implemented in the 2013 Annual Report as the new and changed Standards and Interpretations have no relevance to North Media A/S' consolidated financial statements.

Standards and Interpretations that have not yet become effective

At the time of publication of this Annual Report, a number of new or revised Standards and Interpretations exist that have not yet become effective, for which reason they have not been incorporated in this Annual Report.

When IFRS 11, Joint Arrangements, and the revised IAS 28, Investments in Associates and Joint Ventures, are implemented in 2014, it will no longer be possible to apply proportionate consolidation for investments in joint ventures. In 2014, the Group has no material joint ventures, for which reason these changes are not expected to affect the consolidated financial statements for 2014 and subsequent years aside from a change in the comparative figures for 2013. The monetary effect on the comparative figures correspond to the amounts disclosed in Note 18 for the Group's share of profit/loss etc in joint ventures.

Management believes that application of new or revised Standards and Interpretations which have not yet become effective will not impact significantly on the Annual Report for the financial years ahead.

Presentation currency

The Annual Report is presented in Danish kroner.

Changes in the presentation of net interest-bearing debt

The DKK 19.1 million purchase price payable for HentTilbud ApS and Shopbox ApS at 31 December 2012 was not set off in the key figures for the net interest-bearing cash position.

In 2013, purchase prices payable have been set off in the calculation of the net interest-bearing cash position. The comparative figure and "Financial highlights and ratios" has been adjusted.

2 Accounting policies

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, North Media A/S, and the subsidiaries in which North Media A/S has a controlling interest. Control exists where North Media A/S owns or holds, directly or indirectly, more than 50% of the voting rights or otherwise exercises control over the enterprise concerned. Enterprises, in which the Group holds between 20% and 50% of the voting rights and exercises a significant, but not controlling, influence, are considered associates. In assessing whether North Media A/S has control or significant influence, potential voting rights which may presently be exercised are taken into account.

The consolidated financial statements are prepared by consolidating the financial statements of the Parent Company and the relevant group enterprises, all of which are presented in accordance with the Group's accounting policies. All intra-group items, including revenue, expenses, interest, dividends, unrealised gains and losses on intragroup transactions, as well as balances and investments, are eliminated for the purpose of consolidation.

Investments in subsidiaries are offset against the proportionate share of the fair value of the subsidiary's identifiable net assets and recognised contingent liabilities at the time of acquisition.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the date of acquisition or establishment. Enterprises sold or discontinued are recognised in the consolidated income statement up to the time of sale or discon-tinuance. Comparatives are not restated for enterprises newly acquired, sold or discontinued, unless sold or discontinued enterprises quality under IFRS 5 as discon-tinued activities. Acquisitions of new enterprises which give the Parent Company control over the enterprise acquired are accounted for by applying the purchase method, according to which the identifiable assets, lia-bilities and contingent liabilities of the acquired enter-prises are measured at fair value at the time of acquisi-tion. Identifiable intangible assets are recognised if they can be separated from or arise from a contractual right. Deferred tax is recognised on the revaluations.
In respect of business combinations that have occured since 1 January 2004, positive differences (goodwill) be-

tween the cost of the acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities acquired are recognised as goodwill under intangible assets. Goodwill is not amortised but is tested for impairment. The first impairment test is carried out before the end of the year of acquisition. On acquisition, goodwill is allocated to the cash-generating units which subsequently provide the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional cur-rency different from the Group's presentation currency are treated as assets and liabilities of the foreign entity and are translated into the foreign entity's functional currency at the exchange rate ruling on the transaction date. Negative differences (negative goodwill) are recognised in the income statement at the time of acquisition.

Profits or losses from divestment or winding-up of subsidiaries and associates are calculated as the difference between selling price plus fair value of any equity inter-ests held or settlement price and the carrying amount of net assets, including goodwill, at the time of sale plus divestment or winding-up expenses.

Joint Ventures

Enterprises where joint management has been agreed with one or more other enterprises are regarded as Joint Ventures and are included by pro rata consolidation. This means that the proportionate share of the enterprise's income statement and balance sheet items is included in the corresponding items in the consolidated financial statements and that proportionate elimination of intragroup items is carried out.

Currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currency which have not been settled at the balance sheet date are translated at the closing rate. Differences between the closing rate and the exchange rate at the time when the receivable or payable has occurred or is recognised in the latest financial statements are recognised in the income statement under financial income and expenses.

On recognition of foreign subsidiaries and associates in the consolidated financial statements using a functional currency different from the presentation currency of the Group, the income statement is translated at the average exchange rate for each month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Exchange differences arising from the translation of the opening equity of foreign group enterprises at closing rates and exchange differences from the translation of income statements from average rates to closing rates are taken directly to other comprehensive income and are taken to a separate reserve in equity.

Exchange adjustments of accounts with foreign enterprises which are regarded as part of the total net investment in the enterprise concerned are taken directly to other comprehensive income.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and subsequently measured at fair value. Positive and negative fair values are recognised as other receivables and other payables, respectively.

Fair value adjustments of derivative financial instruments classified as hedges of expected future cash flows are recognised in other comprehensive income and are included in equity under a separate hedging reserve until the hedge transaction is carried through.

Statement of comprehensive income

Revenue
Revenue comprises income from Print and Online for services rendered less VAT, cash and quantity discounts.

Online income comprises job and banner ads, user charges, subscription income as well as sales of software for classified advertisement databases, including in particular Job & CV databases. Sales of job and banner ads are recognised when the ad is published on the Internet site. Software sales are recognised when delivery and risk have passed to the purchaser. Online income imposing future liabilities on the Group is recognised over the life of the liability.

Print income comprises newspaper ads, newspaper sales, including subscription income, sale of key systems and household-distributed newspapers and printed matter. Sales are recognised on the day of publication/distribution, whereas subscription income is recognised over the subscription income.

Direct expenses
Direct expenses include expenses incurred to generate revenue for the year. The expenses comprise printing, external distribution, distribution services, excluding direct staff costs and Google expenses that may be attributed directly to revenue-generating activities.

Direct staff costs
Direct staff costs include costs of staff in functions performed directly to generate the year's revenue, including distribution pay and costs of warehouse and other production functions.

Staff costs
Staff costs include wages and salaries as well as social security costs, pensions etc for the Company's staff in production management, sales and administrative functions.

Other costs
Other costs include costs of sale, advertising, administration, premises, bad debts etc. Costs relating to development projects which do not qualify for recognition in the balance sheet are recognised under other external expenses.

Amortisation and depreciation
Amortisation and depreciation comprise amortisation of intangible assets and depreciation of property, plant and machinery over the expected useful life of the individual asset. Profit from the sale of intangible assets and property, plant and equipment is calculated as the selling price less selling expenses and the carrying amount at the time of sale.

Other operating income
Other operating income includes items of a secondary nature relative to the activities of the enterprises. The item primarily includes invoicing of overhead costs for group enterprises consolidated on a pro rata basis, and whose shares thereof are not eliminated in the consolidated financial statements.

The item also includes public grants which the Group receives from the Danish Agency for Culture to cover distribution costs for Helsingør Dagblad. Grants are obtained by application and based on the number of grant-qualified newspapers that are distributed. In 2013, the Group received grants worth DKK 4.1 million. (2012: DKK 3.7 million). Public grants are recognised when there is reasonable certainty that the grant conditions will be fulfilled and the grant will be received.

Share option programme
The value of options granted in relation to the Group's share option programme is measured at the fair value of the options at the time of granting.

The Group's share option programme can solely be utilised by acquiring shares in North Media A/S, and is therefore classified as an equity capital programme, whereby the determined fair value of the granted share options is recognised in the income statement under staff costs over the period in which the final right to the options vests. The contra entry is carried directly to equity.

On initial recognition of the share options, an estimate is made of the number of options to which the employees are expected to acquire a right, see the granting conditions described in Note 7. Subsequently, adjustments are made for changes in the estimate of the number of vested options so that the total recognition is based on the actual number of vested options.

The fair value of the options granted is estimated by using the Black Scholes pricing model. In this estimate, allowance is made for the terms and conditions that apply to the share options granted.

Profits or losses from investments in associates
The proportionate shares of the net profits or losses of associates are included in the consolidated income statement after elimination of the proportionate shares of unrealised intra-group gains/losses.

Financial income and expenses
Financial income and expenses relate to interest rates, discount effect of purchase price payable, debt and transactions in foreign currency, and additions and allowances pursuant to the Danish tax prepayment scheme etc.
The item also contains value adjustment of the portfolio of securities.

Borrowing costs are amortised over the term of the loan.
Discontinued operations

Tax on profit or loss for the year
North Media A/S participates in a joint taxation arrangement. The current Danish income tax is allocated among the jointly taxed Danish companies in proportion to their taxable income (full allocation with refunds for losses). The jointly taxed companies are covered by the tax prepayment scheme.

Tax for the year, which consists of current tax and changes in the calculated deferred tax, is recognised in the income statement by the portion that relates to the net profit or loss for the year and directly in the statement of comprehensive income by the portion that relates to other comprehensive income.

Balance sheet

Intangible assets

Goodwill

Goodwill is initially recognised in the balance sheet at cost as described under 'Business combinations'. Subsequent measurements are at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the time of acquisition. The definition of cash-generating units follows the management structure and the internal financial management policy.

The carrying amount of goodwill is tested for impairment if there are any indications of impairment, but at least on a yearly basis. The impairment test is carried out for all operating assets taken together in the cash-generating unit to which goodwill is allocated. Goodwill is written down to the lower of the carrying amount and the recoverable amount of the cash-generating unit to which goodwill relates. Goodwill impairment is presented in the income statement under "Special items".

Development projects, software

Development costs comprise costs and salaries that are directly attributable to the Company's development activities, primarily development of software to the Group's online activities.

Development projects that are clearly defined and identifiable and in respect of which the technological feasibility, sufficient resources and a potential future market or development potential in the enterprise can be demonstrated and where the intention is to produce, market or use the project, are recognised as intangible assets provided that cost can be determined reliably and it is sufficiently certain that future earnings will be adequate to cover the production, sales and administrative expenses and actual development costs. Other development costs are expensed in the income statement as incurred.

Capitalised development projects are measured at the lower of cost less accumulated amortisation and impairment losses.

After completion of the development work, a development project is amortised on a straight-line basis over its estimated useful life. The period of amortisation is usually 3-5 years.

Completed development projects are tested for impairment if evidence of impairment exists. Development projects in progress are also tested for impairment once a year.

Other intangible assets

Other intangible assets include distribution rights and trademarks taken over in connection with acquisitions. For some of these assets, the Group cannot forecast a limit in the period in which the assets are expected to generate future economic benefits to the Group. In these cases, the lives of the assets are therefore deemed indefinite, for which reason they are not amortised. Other intangible assets the lives of which are deemed definite are amortised over their expected useful lives.

Other intangible assets are amortised on a straight line basis over their estimated useful lives of 3-10 years. The basis of amortisation is reduced by any impairment losses.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes cost and expenses directly related to the acquisition until the asset is ready for use. Where parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items of property, plant and equipment.

The cost of properties includes the cash cost of acquisition for land and buildings and the aggregate building and/or refurbishment expenses.

The assets are depreciated on a straight-line basis over the expected useful lives based on the following assessment of the expected useful lives of the assets:

Leasehold improvements	5 years
Owner-occupied property	50 years
Mixed land, property and buildings	20-35 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years

Land is not depreciated.

Depreciation is expensed in the income statement under "Amortisation and depreciation".

The basis of depreciation is calculated with due regard for the asset's scrap value and is reduced by any impairment losses. The scrap value is fixed at the time of acquisition and is reconsidered every year. If the scrap value exceeds the asset's carrying amount, no further depreciation will be made.

If the period of depreciation or the scrap value is changed, the impact on depreciation will be recognised prospectively as a change of accounting estimates.

Investments in associates and other investments

Investments in associates are measured according to the equity method.

The purchase method is used with respect to acquiring investments in associates, see the description of business combinations.

Investments in associates are measured in the balance sheet at the proportionate share of the equity value of the associates less or plus a proportionate share of unrealised intra-group profits and losses plus the carrying amount of goodwill.

Any receivables from associates are written down to the extent that the receivable is found to be irrecoverable.

Receivables

Receivables are measured at amortised cost which will in most cases be equivalent to nominal value net of impairment losses.

Prepayments

Prepayments include expenses related to subsequent reporting periods.

Securities

Shares and bonds which are monitored regularly are measured and reported at fair value in accordance with the Group's investment policy, recognised on the trading day at fair value under current assets and subsequently measured at fair value. Changes in fair value are recognised regularly in the income statement under financial income or financial expenses.

Impairment of assets

North Media tests goodwill for impairment if there are indications of impairment, but at least on a yearly basis. Any impairment loss is recognised in the income statement under "Special items".

Intangible assets with an indefinable useful life are tested for impairment if there are indications of impairment. The test is carried out on at least a yearly basis, the first time before the end of the year of acquisition. Development projects in progress are also tested for impairment on at least a yearly basis.

The carrying amount of intangible assets and property, plant and equipment with definite useful lives is reviewed on an annual basis to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the asset's fair value less expected selling costs and its value in use.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the assumptions and estimates that led to recognition of the impairment loss. An impairment loss is reversed only to the extent that the asset's new carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Equity

Dividend

Proposed dividend is recognised as a liability when a resolution approving the dividend has been adopted by the Annual General Meeting of shareholders (the time of declaration).

Treasury shares

Cost and selling prices related to treasury shares are recognised in a separate account under equity. A capital reduction through cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the investment. Dividend related to treasury shares is taken to the retained earnings account.

Income taxes and deferred taxes

Current tax payable and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on previous years' taxable income and for prepaid tax.

Deferred tax is measured according to the balance-sheet liability method on all temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, no deferred tax is recognised on temporary differences relating to goodwill not deductible for tax purposes, office properties, or other items where temporary differences – except in the case of acquisitions of companies – have arisen at the time of acquisition and affect neither the net profit for the year nor the taxable income. In those cases where the calculation of the tax base can be made under alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised under other non-current assets at the values at which they are expected to be realised, either by elimination against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is adjusted for eliminations of unrealised intra-group gains and losses.

The Company is jointly taxed with all foreign subsidiaries. Deferred tax relating to re-taxation of deducted losses in foreign subsidiaries is recognised based on a specific assessment of the purpose of each subsidiary.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force at the balance sheet date would be applicable in the respective countries when the deferred tax liability is expected to crystallise as current tax. Changes in deferred tax as a result of changed tax rates are recognised in the income statement.

Financial liabilities

Debt to credit institutions etc is recognised at the time of borrowing at the proceeds received after deduction of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost using 'the effective interest method' so that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the loan term.

Other financial liabilities are measured at amortised cost except for the Group's interest-rate swap and forward exchange contract, which are measured at fair value.

Deferred income

Deferred income comprises payments received for recognition in subsequent reporting periods.

Fair value hierarchy

Financial instruments measured at fair value in the balance sheet are classified using the following fair value hierarchy:

- Listed prices in active markets of identical assets or liabilities (Level 1).
- Listed prices in active markets of similar assets or liabilities, or other valuation methods where all material input is based on observable market data (Level 2).
- Valuation methods under which any material input is not based on observable market data (Level 3).

Cash flow statement

The cash flow statement shows the consolidated cash flows for the year, broken down by cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the cash and cash equivalents at the beginning and end of the year. The cash flow statement is presented by the indirect method.

Cash flows from enterprises acquired are recognsied from the date of acquisition.

Cash flows from operating activities
Cash flows from operating activities are calculated as the profit or loss before tax, adjusted for non-cash operating items, working capital changes, interest received and paid and income taxes paid.

Cash flows from investing activities
Cash flows from investing activities include payments in connection with purchases and sales of enterprises and activities, purchases and sales of intangible assets, property, plant and equipment, and other non-current assets, and purchases and sales of securities not recognised as cash and cash equivalents.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs, as well as the raising of loans, repayments on interest-bearing debt, purchases and sales of treasury shares, and payment of dividend to shareholders.

Cash and cash equivalents
Cash and cash equivalents include cash balances which are an integral part of the Company's financial resources.

Segment information

The Print segment includes the distributing activities of FK Distribution and Bekey as well as the newspapers of Søndagsavisen, Frederiksberg Mediecenter, Lokalaviserne Østerbro og Amager A/S, Helsingør Dagblad and Lokalavisen Nordsjælland.

The Group's Online segment consists of Ofir.dk, MatchWork.com, Søndagsavisen.dk, BoligPortal.dk, BostadsPortal.se and Byggestart.dk/HentTilbud.dk.

The segment of unallocated costs consists of group-related activities which are not allocated on the operating activities in the Print and Online segments.

Revenue in the operating segments comprises newspaper publishing, distribution sale of key systems and Internet services.

Segment income and expenses as well as segment assets and liabilities comprise the items that are directly attributable to the individual segment and the items that can be allocated to the individual segment on a reliable basis.

Unallocated items mainly comprise assets and liabilities as well as income and expenses relating to the Group's administrative functions, investment activities, income taxes, etc. Unallocated items also include the Group's owner-occupied property and the financing thereof.

Non-current assets in the segments include non-current assets used directly in the segment's operations, including intangible assets and property, plant and equipment, and investments in associates.

Current assets in the segments comprise current assets used directly in the segment's operations, including trade receivables, other receivables and prepayments.

Segment liabilities comprise liabilities derived from the segments' operations, including trade payables as well as other payables.

3 Ratio definitions

Gross margin	=	Gross profit x 100 Revenue
Operating profit before depreciation and amortisation	=	EBITDA
EBIT before special items		EBIT + Special items, net
Operating profit	=	EBIT
Profit margin	=	EBIT x 100 Revenue
Return on assets	=	EBIT x 100 Average total assets
Equity ratio	=	Equity at the end of the period incl minority interests x 100 Total assets
Return on equity (ROE)	=	Net profit after tax x 100 Average equity incl minority interests
Net interest-bearing debt /asset	=	Interest-bearing debt (inclusive purchase price payable) less interest-bearing assets and cash
Net working capital (NWC)	=	Receivables less current liabilities excl interest-bearing debt
Capital employed incl goodwill	=	Equity and minority interests plus net interest-bearing debt
Return om capital employed incl goodwill (ROIC)	=	EBITA x 100 Average capital employed incl goodwill
Free cashflow before tax (CFFO)	=	EBITDA minus investments and adjusted for changes in opera-tional balance sheet items excl tax
Earnings per share (EPS)	=	Parent company’s share of net profit for the year Average number of shares in circulation
Diluted earnings per share (EPS-D)	=	Parent company’s share of net profit for the year Average numbers of diluted shares in circulation
Price/Earnings (P/E)	=	Share price EPS
Price to book value (P/BV)	=	No of shares, 31 December x market price Parent company’s share of equity
Cash flows per share (CFPS)	=	Cash flow from operating activities Average number of diluted shares in circulation

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

Ratios have been prepared in accordance with the Danish Society of Financial Analysts’ “Reccomendations & Key Ratios 2010”, where defined with the exceptions of the follow:

- Invested capital is calculated inclusive of goodwill, see above.
- Free cash flow has been calculated before tax as the volume of prepaid tax may otherwise affect the ratio randomly.
- For ratios in which equity is included, all are calculated inclusive of minority interests as both the profit or loss and balance sheet figures include the minority inte-rests.

4 Significant accounting estimates and judgments

Determining the carrying amount of certain assets and liabilities requires an estimate of how future events will affect the value of those assets and liabilities at the balance sheet date. Estimates that are significant to the financial reporting are i.a. made by evaluating future cash flows.

The estimates used are based on assumptions found reasonable by North Media, but which are inherently uncertain and unpredictable as unexpected incidents or circumstances may arise. Furthermore, the Company is exposed to risk and uncertainties that may cause actual results to vary from those estimates. Risks related to North Media A/S are specified in the paragraph describing risks and risk management on pages 53-56.

Assumptions about the future and other estimation uncertainties at the balance sheet date are disclosed in the specific notes if they involve a material risk of changes that may lead to considerable adjustment of the carrying amounts of assets or liabilities within the next financial year.

North Media considers the following estimates and judgments and the relevant accounting policies material to the preparation of the consolidated financial statements.

Intangible assets and impairment test

The Group conducts an impairment test if indications of impairment arise. However, goodwill and intangible assets having indefinite useful lives are tested at least once a year. Management estimates the value in use as a reflection of the recoverable amount which is calculated by discounting the expected future cash flows that are estimated based on Management's estimates in this respect and Management's estimates of discount factor and growth rates. For HentTilbud ApS in particular, the calculations are affected by the expectations for future revenue development which has resulted in a DKK 13 million write-down in the financial year. For more information on write-downs for the year, please refer to Note 11 and Note 16.

Property, plant and equipment

Management makes accounting estimates relating to method of depreciation, useful lives and residual values, and reconsiders them on an annual basis. Particularly plant is exposed to technological developments, and changed estimates of useful life may thus affect depreciation for the year.

Recognition of Tryksagsomdelingen Fyn P/S

Enterprises, over which North Media has control, are recognised as subsidiaries of the Group. At 1 October 2013, the Group sold 10% of its stake in Tryksagsomdelingen Fyn P/S and the relating general partnership, after which the Group's ownership is reduced to 50%. At the same time, an ownership agreement was signed with the co-owner. After an overall evaluation of the ownership agreement, assessments are that, despite only holding 50% of the shares, North Media A/S still exercises control, for which reason profit or loss and balance sheet are fully consolidated, also for Q4 2013. The co-owner's share of profit or loss and equity is included in the minority interest's profit/loss and equity.

Acquisition of enterprises and activities, including determination of purchase price allocations, acquisition price payable and amortisation thereof

When acquiring enterprises and activities, fair value purchase price allocations are made in respect of identifiable assets, liabilities and contingent liabilities. The fair value calculation relies on management estimates that are based on the assets' expected future earnings and settlement of the liabilities, respectively. North Media also makes estimates of the useful life and amortisation profile which is based systematically on the expected allocation of the assets' future financial benefits.

When acquiring a 70% stake of Lokalaviserne Østerbro og Amager A/S (see Note 15), a put/call option was also entered into for the remaining 30%, which may be exercised in instalments after presenting the financial statements for 2015 and 2018. The signing of the put/call options entail that Management finds it probable that the North Media Group will achieve full ownership of Lokalaviserne Østerbro og Amager A/S. This has resulted in the calculation and recognition of an purchase price payable of DKK 32.5 million. This calculation is based on the estimated developments in future earnings which form the basis of the computation of the options' exercise price.

When acquiring HentTilbud ApS in 2012, a portion of the purchase price was made dependent on the future earnings development. It has not been found necessary to adjust the purchase price payable for 2013 in spite of the lower operating profit and the write-down performed. The reason is that the expectation for the purchase price payable, which is calculated based on revenue for 2015, remains unchanged. Purchase price payable with respect to acquisitions of businesses is re-evaluated annually by Management.

The property in Elsinore

The property in Elsinore has previously been classified as an asset held for sale. Despite energetic and lengthy sales efforts, the property remains unsold, for which reason Management has found that it no longer qualifies as being "held for sale". With effect from 31 December 2013, the property has been reclassified to "property, plant and equipment".

Defered tax asset

A tax asset worth DKK 2.8 million relating to an entity-specific pre-joint taxation loss of a subsidiary is recognised. Management estimates that this tax asset can be used within a three-year period, for which reason it is deemed reasonable to recognise the asset.

5 Segment information

2013 DKKm	Print	Online	Unallocated costs/elimi.*)	Total
Internal revenue	0.6	5.2	-5.8	0.0
Revenue	970.7	91.0	-	1,061.7
Gross profit	418.6	80.8	0.3	499.7
EBITDA	108.1	-21.3	12.6	99.4
Amortisation and depreciation	21.8	4.8	9.4	36.0
EBIT, before special items	86.3	-26.1	3.2	63.4
Special items	-7.0	-13.0	0.0	-20.0
EBIT	79.3	-39.1	3.2	43.4
Share of loss in associates	1.0	-9.1	0.0	-8.1
Net profit for the year	-	-	-	15.7
Minority interests' share of net profit	-	-	-	7.0
Shareholders' share of net profit	-	-	-	8.7
Non-current assets	246.0	60.7	275.5	582.2
Current assets, excl cash and cash equivalent	119.5	6.5	3.3	129.3
Segment assets	365.5	67.2	278.8	711.5
Cash, cash equivalent and securities	-	-	-	204.3
Goodwill	67.5	31.6	0.0	99.1
Intangible assets with an indefinite life	3.0	11.9	0.0	14.9
Non-current liabilities	28.8	10.8	168.0	207.6
Current liabilities	133.8	20.6	30.5	184.9
Segment liabilities	162.6	31.4	198.5	392.5
Investments in associates	8.0	3.9	-	11.9
Additions, intangible assets, property, plant and equipment	24.3	0.2	2.0	26.5
Cash flow from operating activities	89.7	-19.7	11.1	81.1
Cash flow from investing activities	-87.7	-7.1	48.3	-46.5
Cash flow from financing activities	0.0	0.0	-17.2	-17.2
Average number of employees	479	100	34	613
Profit margin (EBIT)	9 %	-29 %	-	6 %
EBITDA margin	11 %	-23 %	-	9 %
Return on assets	24 %	-39 %	-	9 %
Gross margin	43 %	89 %	-	47 %

Geographic information

North Media A/S mainly operates in the Danish market, and more than 97% of the consolidated revenue is invoiced in DKK to Danish customers.

No significant foreign assets or liabilities are recognised in the balance sheet. Non-current assets outside Denmark represent less than DKK 1 million.

* Internal revenue has been eliminated in other operating costs. Other items relate to unallocated costs, as well as assets and liabilities.

5 Segment information, continued

2012 DKKm	Print	Online	Unallocated costs/elimi. *)	Total
Internal revenue	1.0	8.0	-9.0	0.0
Revenue	1,017.7	86.9	-	1,104.6
Gross profit	451.8	77.7	0.9	530.4
EBITDA	159.2	-35.1	9.7	133.8
Amortisation and depreciation	19.1	4.5	9.7	33.3
EBIT, before special items	140.1	-39.6	0.0	100.5
Special items	-7.0	0.0	0.0	-7.0
EBIT	133.1	-39.6	0.0	93.5
Share of loss in associates	0.5	-2.1	-	-1.6
Net profit for the year	-	-	-	76.1
Minority interests' share of net profit	-	-	-	11.4
Shareholders' share of net profit	-	-	-	64.7
Non-current assets	116.8	55.2	309.7	481.7
Current assets, excl cash and cash equivalent	105.5	8.1	8.3	121.9
Segment assets	222.3	63.3	318.0	603.6
Cash, cash equivalent and securities	-	-	-	235.6
Goodwill	19.6	44.6	0.0	64.2
Intangible assets with an indefinite life	3.0	11.9	0.0	14.9
Non-current liabilities	0.2	0.0	189.8	190.0
Current liabilities	124.0	20.6	18.0	162.6
Segment liabilities	124.2	20.6	207.8	352.6
Investments in associates	9.0	13.1	-	22.1
Additions, intangible assets, property, plant and equipment	24.9	1.4	1.4	27.7
Cash flow from operating activities	146.8	-28.0	-27.7	91.1
Cash flow from investing activities	-24.7	-1.3	3.9	-22.1
Cash flow from financing activities	0.0	0.0	-102.7	-102.7
Average number of employees	495	108	34	637
Profit margin (EBIT)	14 %	-46 %	-	9 %
EBITDA margin	16 %	-40 %	-	12 %
Return on assets	63 %	-63 %	-	17 %
Gross margin	44 %	89 %	-	48 %

Geographic information

North Media A/S mainly operates in the Danish market, and more than 97% of the consolidated revenue is invoiced in DKK to Danish customers.

No significant foreign assets or liabilities are recognised in the balance sheet. Non-current assets outside Denmark represent less than DKK 1 million.

* Internal revenue has been eliminated in other operating costs. Other items relate to unallocated costs, as well as assets and liabilities.

6 Employees and staff costs

	2013 number	2012 number
Average number of employees	613	637
In addition a large number of part-time employees are working in distribution.		

	2013 DKKm	2012 DKKm
Total salaries and remuneration for the year		
Wages and salaries, including holiday pay	423.8	423.9
Defined contribution plans	20.1	20.7
Other social security costs	3.9	3.8
Remuneration of Parent Company's Board of Directors	1.2	1.2
Share-based payment	1.5	0.7
Other staff costs	27.9	28.0
Total staff costs	**478.4**	**478.3**
The total staff costs are included under the following items in the income statement:		
Direct staff costs	204.7	199.3
Staff costs	273.7	279.0
Total staff costs	**478.4**	**478.3**

Remuneration of the Board of Directors, Executive Board and managerial staff

2013, DKKm	Board of Directors of Parent Company	The Parent Company's Executive Board	Other managerial staff	Total
Wages and salaries	1.2	9.0	11.2	21.4
Pension (defined contribution plans)	0.0	0.5	0.7	1.2
Share-based payment	0.0	0.2	0.2	0.4
Remuneration of the Board of Dir., Exec. Board and man. staff	**1.2**	**9.7**	**12.1**	**23.0**
Number of members (average)	**4**	**3**	**6**	**13**
2012, DKKm				
Wages and salaries	1.2	8.6	11.3	21.1
Pension (defined contribution plans)	0.0	0.5	0.7	1.2
Share-based payment	0.0	0.2	0.2	0.4
Remuneration of the Board of Dir., Exec. Board and man. staff	**1.2**	**9.3**	**12.2**	**22.7**
Number of members (average)	**4**	**3**	**6**	**13**

The Board of Directors of the Parent Company in 2013 consisted of four members, which is unchanged compared to 2012. The Executive Board has had three members, which also is unchanged.

7 Share-based payment

Options granted for acquisition of shares in North Media A/S

In 2013 no share options has been granted.

In 2012, North Media has granted share options to a group of 22 persons, consisting of the Company's Executive Board and selected executives. The Company's Board of Directors has not been granted share options. Subsequently, three staff members have left and the options granted have been reversed/cancelled.

The share option programme comprises a total of 1,485,000 share options, of which 390,000 were granted to the Executive Board. The share options were granted in three tranches.

- Tranche 1 consisting of 390,000 options vest up until the publication of the Interim Report for 2014. Tranche 1 options may be exercised during the period of one week after the date of termination of the vesting period and until four weeks after the date of the Company's publication of the financial statements for 2015.
- Tranche 2 consisting of 495,000 options vest up until the publication of the Interim Report for 2015. Tranche 2 options may be exercised during the period of one week after the date of termination of the vesting period and until four weeks after the date of the Company's publication of the financial statements for 2016.
- Tranche 3 consisting of 600,000 options vest up until the publication of the Interim Report for 2016. Tranche 3 options may be exercised during the period of one week after the date of termination of the vesting period and until four weeks after the date of the Company's publication of the financial statements for 2017.

During the exercise period the options may only be exercised in the windows applicable at the exercise date pursuant to the internal rules laid down by the Company and in accordance with the rules of Nasdaq OMX and the Danish Securities Trading Act.

Each share option entitles the holder to acquire one existing share in North Media A/S denominated at DKK 5.00 at a price corresponding to the average closing price of the Company's shares in the period 8 August 2012 to 14 August 2012, both days included. On this basis, the exercise price was calculated at DKK 21.12 per share.

Share options are granted in accordance with the overall guidelines for incentive programmes that were adopted at the Annual General Meeting held by North Media A/S on 4 April 2008.

The options may only be settled by way of shares. North Media A/S has acquired a total of 1,485,000 treasury shares, 1,041,500 of which were acquired in 2012. These shares are reserved for settlement of the options granted.

The options granted equal 7.40% of the share capital. The theoretical market value (as assessed using the Black-Scholes pricing model) of the share options granted was DKK 5.8 million at the grant date.

The following assumptions were used to calculate the fair value of the options:

Option	First exercise date	Last exercise date	Lives of options	Riskfree interest	Expected volatility	NPV of dividend	Option value
Tranche 1	Aug-2014	Feb-2016	2 years	0.0000 %	39.5 %	2 DKK	3.27
Tranche 2	Aug-2015	Feb-2017	3 years	0.0004 %	39.1 %	3 DKK	3.60
Tranche 3	Aug-2016	Feb-2018	4 years	0.0712 %	45.3 %	4 DKK	4.62

The expected volatility has been calculated based on the historic volatility of the share price of North Media A/S's shares with a performance history corresponding to the term of the individual option. Expectations are that the option will be exercised one year after the first exercise opportunity.

At the balance sheet date, options corresponding to 1,372,500 shares remain outstanding, equalling 6.80 % of the share capital.

In 2013, DKK 1.3 million (2012: DKK 0.6 million) was expensed under staff costs in respect of the share option schemes, originating from equity-settled share option plans in North Media A/S. The expenses charged for the year are based on an estimated weighted average term of 4.1 years until the options are exercised.

The movements in outstanding share options are specified as follows:

	Number of options 2013 number	2012 number
Outstanding share options, 1 January	1,447,500	0
Granted in the financial year	0	1,485,000
Lost due to termination of employment	-75,000	-37,500
Outstanding share options, 31 December	**1,372,500**	**1,447,500**
Number of share options which can be exercised at the balance sheet date	**0**	**0**

The Executive Board's and other staff's share of issued options:

	Time of earliest exercise	Number of options granted	Number of employees who have been granted options	Number lapsed	Number exercised	Number of unexerci-sed at 31.12.2013	Exercise price	Accumu-lated costs recognised DKKm
Executive Board								
Granted 2012, tranche 1	2014	100,000	3	0	0	100,000	21.12	0.15
Granted 2012, tranche 2	2015	130,000	3	0	0	130,000	21.12	0.16
Granted 2012, tranche 3	2016	160,000	3	0	0	160,000	21.12	0.21
Other managerial staff								
Granted 2012, tranche 1	2014	130,000	6	0	0	130,000	21.12	0.20
Granted 2012, tranche 2	2015	165,000	6	0	0	165,000	21.12	0.21
Granted 2012, tranche 3	2016	200,000	6	0	0	200,000	21.12	0.26
Other staff								
Granted 2012, tranche 1	2014	160,000	13	30,000	0	130,000	21.12	0.20
Granted 2012, tranche 2	2015	200,000	13	37,500	0	162,500	21.12	0.20
Granted 2012, tranche 3	2016	240,000	13	45,000	0	195,000	21.12	0.25

The share option programmes were established to ensure performance-oriented and value-adding commitment. Also, the aim of the programme is to develop long-term loyalty and to constitute a competitive remuneration to employees under this programme.

The fair value of the share option programme is DKK 1.2 million at 31 December 2013, calculated under the Black & Scholes pricing model (2012: DKK 2.7).

The exercise of share options is conditional upon the holder not retiring from their position with the Group prior to the time of exercise.

Options granted for acquisition of shares in BEKEY A/S

Aside from the share option programme in North Media A/S, share options in the subsidiary, BEKEY A/S, were also granted at 1 July 2012 to two key members of staff. The share options entitle the two members of staff to acquire 12% of the total share capital in BEKEY A/S at a predetermined price. The option price will be increased by a share of future losses. The objective is to ensure incentive for a quick product and value development of the company while also ensuring a financial incentive to keep operating expenses and development costs down. The options may be exercised from the grant date and until 30 April 2016.

The option price is determined as the difference between the strike price at the grant date and an estimated fair value of BEKEY A/S at the grant date. The option price was calculated at DKK 0.9 million and is recognised in the income statement over the term of the options, which has been estimated at 3.8 years. In 2013 DKK 0.3 million (2012: DKK 0.1 million) was charged to staff costs originating from equity-settled share option plans in BEKEY A/S.

North Media A/S has not committed itself to buying the shares back, but has preemptive rights to the shares if the option holders contemplate selling to a third party.

8 Fee to the auditors appointed by the General Meeting

	2013 DKKm	2012 Dkkm
Deloitte		
Statutory audit services	1.8	1.8
Other assurance engagements	0.1	0.0
Tax services	0.0	0.1
Other services	0.4	0.6
Total fee to the auditors appointed by the General Meeting	**2.3**	**2.5**

9 Share of loss of associates after tax

	2013 DKKm	2012 DKKm
Share of loss before tax	-1.3	-1.4
Share of tax	-0.6	-0.2
Impairment	-2.0	0.0
Loss on sales of investments	-4.2	0.0
Total share of loss of associates after tax	**-8.1**	**-1.6**

For a more detailed description of write-down of investments, please refer to Note 19.

10 Net financials

	2013 DKKm	2012 DKKm
Exchange differences	0.0	0.4
Interest income etc	0.7	1.1
Dividend	0.7	0.4
Interest and gain on bonds, net	1.8	7.7
Net capital gains on shares	0.0	6.3
Total financial income	**3.2**	**15.9**
Capital losses on shares, net	0.9	0.0
Interest expenses etc	8.7	9.3
Exchange differences	0.2	0.0
Discount effect of the purchase price payable	1.9	1.5
Total financial expenses	**11.7**	**10.8**

Interest income relates to securities and receivables, see Note 21. Financial expenses relate to financial liabilities measured at amortised cost, see Note 35. Interest expenses include the discount effect of the purchase price payable for HentTilbud ApS.

11 Special items

	2013 DKKm	2012 DKKm
Impairment of printinghouse, earlier shown as discontinued operations	7.0	7.0
Impairment of goodwill relating to Byggestart/HentTilbud ApS	13.0	0.0
Total special items	**20.0**	**7.0**

As part of the printing house at 31 December 2013 being reclassified out of ”assets held for sale” to ”property, plant and equipment”, the write-down of the property has been reclassified out of ”discontinued operations” to ”special items”. The comparative figure has been changed accordingly. The property has been up for sale since the shut-down of printing activities in 2009, but despite energetic and lengthy sales efforts, the property remains unsold, for which reason it has been decided to halt the formal sales activities.

Following the organisational and systemic combination of Byggestart and HentTilbud in 2012, expectations were that considerable growth in revenue and earnings was to be seen in 2013. This proved difficult, however, and the expected revenue and earnings growth failed to appear, meaning it was necessary to write down a portion of the goodwill amount related to the acquisition. After write-downs for the year, goodwill in the amount of DKK 12.1 million and other assets in the amount of DKK 3.8 million remain that will be amortised over the next 14 months.

12 Income tax

	2013 DKKm	2012 DKKm
Income tax paid for the year	**-2.1**	**-32.2**
Tax on profit for the year		
Current tax charges	10.5	18.5
Change in the deferred tax charge	0.5	3.3
Adjustment relating to prior years	0.0	-0.9
Change in tax rate	0.1	0.0
Total tax on profit for the year	**11.1**	**20.9**
Tax on profit for the year		
Calculated 25% tax on the profit before tax	6.7	24.2
Tax effect of:		
Adjustment relating to prior years	0.0	-0.9
Other non-deductible expenses/non-taxable income	0.6	-0.1
Share-based payment	0.4	0.2
Discount effect of the purchase price payable	0.5	0.0
Share of loss after tax of associates	-2.0	-0.4
Utilisation of capital loss carryforwards from shares	0.0	-1.5
Interest rate swap, shown in comprehensive income	1.5	-0.6
Change in tax rate	0.1	0.0
Impairment on goodwill	3.3	0.0
Total tax on profit for the year	**11.1**	**20.9**
Effective tax rate	**41.4%**	**21.5%**

North Media A/S is jointly taxed with Baunegård ApS. Baunegård ApS is the administration company which attends to payment of income tax, including tax prepayment. Income tax payable is settled with the administration company.

13 Earnings per share

	2013 DKKm	2012 DKKm
Net profit for the year - total	15.7	76.1
Minority interests' share of consolidated profit	-7.0	-11.4
The North Media A/S Group's share of the net profit for the year	**8.7**	**64.7**
Average number of shares (in millions)	20.1	20.1
Average number of treasury shares	1.5	0.9
Average number of shares in circulation (in millions)	**18.6**	**19.2**
Average dilution effect of outstanding share options	0.0	0.0
Average number of diluted shares in circulation (in millions)	**18.6**	**19.2**
Earnings per share (EPS) - total	0.5	3.4
Diluted earnings per share (EPS-D) - total	0.5	3.4

The calculation of diluted earnings per share does not include 1,372,500 share options (2012: 1,485,000), which have not been in-the-money, but which may potentially dilute earnings per share in future. The share options expire in the period 2016-2018, see details in Notes 7.

14 Dividend per share

At the Annual General Meeting on 28 March 2014, the Board recommends that no dividend be distributed for the financial year 2013 (2012: DKK 0,0 per share).

15 Acquired activities

Acquisitions in 2013

In 2013, the Group acquired the following companies and activities, subsequently recognising them as subsidiaries and activities, respectively. Financial performance and equity are recognised from the date of acquisition.

	Acquired at	Ownership interest
Frederiksberg Mediecenter, activity	1/11 2013	100 %
Lokalaviserne Østerbro og Amager A/S	1/11 2013	70 %

The two companies/activities operate within the same business segment, publication of mid-week newspapers, and were acquired collectively. Please refer to the management commentary for a detailed description of the two companies/activities.

15 Acquired activities, continued

As part of acquiring the above companies/activities, North Media A/S has calculated identifiable assets, liabilities and contingent liabilities at fair value. As a result of the companies/activities acquired operating within the same business segment and being acquired collectively, the two acquisitions are presented collectively.

2013, DKKm	Fair value at time of acquisition
Intangible assets	61.9
Receivables	1.3
Cash	5.3
Deferred tax, net	-8.4
Other payables	-3.3
Net assets acquired	**56.8**
Goodwill	47.9
Aquisition cost	104.7
Of which, deferred cost (see Note 26)	-32.5
Of which, cash	-5.3
Net cash acquisition cost	**66.9**

After recognising identifiable assets, liabilities and contingent liabilities at fair value, goodwill relating to the acquisition has been computed at DKK 47.9 million. Goodwill represents the value of existing staff, know-how, future earnings potential as well as synergies from the ownership of the two companies/activities.

Intangible assets identified include publishing and brand rights in connection with the purchase price allocation of the eight local newspapers.

The calculated acquisition price of DKK 104.6 million includes DKK 32.5 million in discounted value of the expected acquisition price and future dividend with respect to the remaining 30% block in Lokalaviserne Østerbro og Amager A/S. As part of the acquisition, a put/call option has been signed for the remaining 30% block in Lokalavisen Østerbro and Amager A/S, exercisable in instalments upon presentation of the financial statements for the period 2015 to 2018. The option is deemed as in fact representing a purchase obligation. At the acquisition date, the fair value was computed based on a number of assumptions of the future earnings development and the expectation for future payment of dividends. The expected future payments were discounted by 7%, equalling a risk-free interest of 1% plus a risk premium for the uncertainty related to the estimation of future payments. The total undiscounted payment for the 30% stake including both acquisition price and future dividends is expected to be in the range of DKK 35 to 45 million.

In the period up to the date when the variable portion is paid, a discounting effect will be expensed in interest expenses.

As the option schemes entered into are recognised as a liability in the consolidated financial statements, Lokalaviserne Østerbro og Amager A/S are consolidated in full from the acquisition date. As a result, minority interests have not been recognised as part of the acquisition, and a portion of the results of the enterprises acquired is not subsequently allocated to the minority interests. The liability relating to the put/call option is re-measured at subsequent balance sheet dates, and value adjustments are recognised in financial income and expenses in the income statement.

In 2013, the activities acquired have affected revenue by DKK 10.6 million and EBIT by a negative DKK 0.6 million. Of this, amortisation of intangible assets comes to DKK 2.0 million, acquisition costs stand at DKK 0.6 million, and integration costs total DKK 1.5 million. Had the mid-week newspapers been acquired at 1 January 2013, revenue would have been increased by approx DKK 55 million and EBIT improved by approx DKK 11 million.

15 Acquired activities, continued

Acquition in 2012

In 2012, the Group acquired the following companies and activities, subsequently recognising them as subsidiaries. Financial performance and equity are recognised from the date of acquisition.

	Acquired at	Ownership interest
Byggestart, activity	1/1 2012	100 %
HentTilbud ApS	9/3 2012	100 %

The two companies/activities operate within the same business segment. Please refer to the management commentary for a detailed description of the two companies/activities.

As part of acquiring the above companies/activities, North Media A/S has calculated identifiable assets, liabilities and contingent liabilities at fair value. As a result of the companies/activities acquired operating within the same business segment and being acquired at almost the same time, and as the acquisitions are individually considered insignificant, the two acquisitions are presented collectively.

2012, DKKm	Fair value at time of acquisition
Intangible assets	9.8
Receivables	0.9
Cash	0.7
Deferred tax, net	0.4
Trade payables	-2.4
Other payables	-2.8
Net assets acquired	**6.6**
Goodwill	25.1
Aquisition cost	31.7
Of which, deferred cost (see Note 26)	-14.0
Of which, cash	-0.7
Net cash acquisition cost	**17.0**

After recognising identifiable assets, liabilities and contingent liabilities at fair value, goodwill relating to the acquisition has been calculated at DKK 25.1 million. Goodwill represents the value of existing staff, know-how, future earnings potential as well as synergies from the ownership of the two companies/activities.

Of the purchase price of DKK 31.7 million, DKK 14 million falls due in the period 1 May 2014 to 1 March 2016. The purchase price is calculated as a fixed purchase price of DKK 26.9 million plus a variable portion recognised at DKK 4.8 million. The variable portion depends on developments in revenue in the period 2014 to 2015.

The variable purchase price was determined based on a number of assumptions about the development in future sales and has been discounted by the WACC rate on the investments which has been fixed at 24%. The high WACC rate reflects that the investment is subject to considerable uncertainty as Byggestart.dk / HentTilbud.dk operate in an immature market which the company has to partake in defining and developing themselves. If the assumptions for determining the variable amount change, subsequent adjustments will be recognised in the income statement.

In the period leading up to the date at which the variable portion is paid, a discount effect which in 2012 has been calculated at DKK 1.5 million will be recognised in interest expenses.

In 2012, the activities acquired have affected revenue by DKK 14.9 million and EBIT by a negative DKK 13.4 million. Of this, amortisation of intangible assets comes to DKK 2.8 million, acquisition costs stands at DKK 0.5 million, and integration costs total DKK 2.0 million. Had HentTilbud.dk been acquired at 1 January 2012, revenue would have increased by approx DKK 1.0 million, and EBIT reduced by approx DKK 1.0 million.

16 Intangible assets

2013, DKKm	Goodwill	Other intangible assets	Completed developme nt projects, software	Developme nt projects in progress	Total
Cost at 1 January	81.5	45.8	111.2	3.8	242.3
Additions, business combination	47.9	61.9	0.0	0.0	109.8
Additions for the year	0.0	0.0	4.7	0.0	4.7
Disposals in the year	0.2	0.0	0.0	3.5	3.7
Cost at 31 December	**129.2**	**107.7**	**115.9**	**0.3**	**353.1**
Amortisation and impairment losses at 1 January	17.3	22.4	108.8	0.0	148.5
Amortisation for the year	0.0	5.4	2.1	0.0	7.5
Impairment for the year	13.0	0.0	0.0	0.0	13.0
Amortisation of disposlas	0.2	0.0	0.0	0.0	0.2
Amortisation and impairment losses at 31 December	**30.1**	**27.8**	**110.9**	**0.0**	**168.8**
Carrying amount at 31 December	**99.1**	**79.9**	**5.0**	**0.3**	**184.3**
Amortised over (years)	**-**	**3-10**	**3-5**	**-**	**-**

Other intangible assets include assets worth DKK 14.9 million which are considered to have indefinitive lives, for which reason they are not amortised. The majority of other intangible assets are amortised over five years.

2012, DKKm					
Cost at 1 January	56.4	37.9	108.9	1.7	204.9
Additions, business combination	25.1	7.9	2.0	0.0	35.0
Additions for the year	0.0	0.0	0.3	2.1	2.4
Cost at 31 December	**81.5**	**45.8**	**111.2**	**3.8**	**242.3**
Amortisation and impairment losses at 1 January	17.3	19.2	106.7	0.0	143.2
Amortisation for the year	0.0	3.2	2.1	0.0	5.3
Amortisation and impairment losses at 31 December	**17.3**	**22.4**	**108.8**	**0.0**	**148.5**
Carrying amount at 31 December	**64.2**	**23.4**	**2.4**	**3.8**	**93.8**
Amortised over (years)	**-**	**3-10**	**3-5**	**-**	**-**

Other intangible assets include assets worth DKK 14.9 million which are considered to have indefinitive lives, for which reason they are not amortised.

16 intangible assets, continued

Assets with an indefinite life

Assets with an indefinite life are not amortised, but are instead subject to an annual impairment test. Goodwill is by definition an asset with an indefinite life.

Other intangible assets comprise distribution rights and trademarks acquired in connection with acquisitions. For some of these assets, the Group cannot foresee a limit to the period over which the assets may be expected to generate future economic benefits for the Group. In these cases, the lives of the assets are therefore deemed indefinite, for which reason they are not amortised. Other intangible assets the lives of which are deemed limited are subjected to amortisation.

Impairment test

Goodwill and other intangible assets were tested for impairment in connection with the preparation of the financial statements. This has in 2013 resulted in an impairment loss of goodwill of 13.0 million, relating to the purchase of Byggestart/HentTilbud (2012: no impairment).

The impairment test was performed by comparing the carrying amount of each Cash Generating Unit (CGU) to the discounted values of future cash flows. As part of the impairment test, different discount rates are used for the Print and Online businesses, see below. For HentTilbud.dk, an extraordinarily high discount rate was used for the purchase price allocation, see Note 15, as well as the subsequent impairment test as the market is characterised by being new and immature. As the market matures and the risk of the investment may be reduced, the discount rate for HentTilbud.dk will approximate the Group's general discount rate for the Online business:

Discount rate	Print	Online	HentTilbud
2013 after tax	7,0 %	9,0 %	24,0 %
2013 before tax	9,0 %	11,5 %	32,0 %
2012 after tax	7,0 %	9,0 %	24,0 %
2012 before tax	9,3 %	12,0 %	32,0 %

The following CGUs are tested separately for "Print": FK Distribution, BEKEY, Søndagsavisen, Frederiksberg Mediecenter, Lokalaviserne Østerbro og Amager and Helsingør Dagblad (including the free newspaper, Nordsjælland).

The following CGUs are tested separately for "Online": Ofir.dk, Boligportal.dk, Bostadsportal.se, Matchwork.com, Byggestart.dk/HentTilbud.dk and Søndagsavisen.dk.

Byggestart.dk/HentTilbud.dk are tested separately using a discount rate of 24% after tax.

The discount rate is composed of two elements - debt and equity. As, however, it would be difficult to obtain debt finance for the Online business that segment has only one element - equity. The equity share has been calculated on the basis of a risk-free interest rate plus a market risk premium weighted by an expected equity share. Similarly, the debt share is based on the interest rate on loan capital weighted by an expected debt share.

The impairment model builds on the 2014 budget which is projected four years based on estimates of future developments in the individual CGUs, after which the terminal value is determined as the value of an infinite row, in which EBIT increases by 2% annually (2012: 2%). In this model, tax is fixed at 24.5-22.0% (2012: 25%).

Software primarily relates to development activities in the distribution segment supporting operations within production or distribution.

The Group's aggregate goodwill of DKK 99.1 million includes DKK 19.6 million attributable to FK Distribution, DKK 47.9 million to the mid-week newspapers acquired, DKK 19.5 million to BoligPortal, and DKK 12.1 million to Byggestart.dk/HentTilbud.dk after goodwill of this CGU was written down by DKK 13.0 million in 2013, see the detailed description in Note 11.

Intangible assets with indefinite lives, in excess of goodwill, stand at DKK 14.9 million, DKK 3.0 million of which relates to FK Distribution and DKK 11.9 million to Boligportal.dk.

If the required discount rate for Print and Online is increased by 5%, or sales drop by 5%, no write-downs will be necessary.

17 Property, plant and equipment

2013, DKKm	Land and buildings	Plant and machinery	Fixtures and fittings	Property, plant and equipment in course of construction	Total
Cost at 1 January	373.6	144.1	170.7	0.0	688.4
Additions for the year	0.0	19.8	5.6	0.0	25.4
Disposals for the year	0.5	0.0	67.4	0.0	67.9
Reclassified from "assets held for sale"	62.5	0.0	0.0	0.0	62.5
Cost at 31 December	**435.6**	**163.9**	**108.9**	**0.0**	**708.4**
Depreciation and impairment losses at 1 January	82.5	93.0	152.2	0.0	327.7
Depreciation for the year	8.1	13.7	6.9	0.0	28.7
Impairment for the year	7.0	0.0	0.0	0.0	7.0
Disposals for the year	0.5	0.0	66.6	0.0	67.1
Reklassified from "assets held for sale"	37.4	0.0	0.0	0.0	37.4
Depreciation and impairment losses at 31 December	**134.5**	**106.7**	**92.5**	**0.0**	**333.7**
Carrying amount at 31 December	**301.1**	**57.2**	**16.4**	**0.0**	**374.7**
Depreciated over (years)	**35-50**	**5-10**	**3-5**	**-**	**-**

2012, DKKm					
Cost at 1 January	373.6	127.9	163.1	0.0	664.6
Additions for the year	0.0	16.2	9.1	0.0	25.3
Disposals for the year	0.0	0.0	1.5	0.0	1.5
Cost at 31 December	**373.6**	**144.1**	**170.7**	**0.0**	**688.4**
Depreciation and impairment losses at 1 January	73.6	80.0	147.3	0.0	300.9
Depreciation for the year	8.9	13.0	6.2	0.0	28.1
Disposals for the year	0.0	0.0	1.3	0.0	1.3
Depreciation and impairment losses at 31 December	**82.5**	**93.0**	**152.2**	**0.0**	**327.7**
Carrying amount at 31 December	**291.1**	**51.1**	**18.5**	**0.0**	**360.7**
Depreciated over (years)	**35-50**	**5-10**	**3-5**	**-**	**-**

18 Investments in joint Ventures

Dansk Distributions Center P/S and the related general partnership are recognised on a pro rata basis in the Group's statement of comprehensive income and balance sheet, taking account of an overall assessment of the contents of the ownership agreement. As part of the acquisition of the local newspapers from Berlingske, the business foundation of Dansk Distributions Center P/S has been eliminated, for which reason this activity is closed with effect from 1 January 2014. Assets and liabilities relating to this company are transferred to FK Distribution A/S.

Joint Ventures:	Registered office	Ownership	
		2013	2012
Dansk Distributions Center P/S	Taastrup	50%	50%
Dansk Distributions Center Komplementar ApS	Søborg	50%	50%

Reference is made to the group chart on page 112.

	2013 DKKm	2012 DKKm
Summary of the Group's share of the profits etc. of Joint Ventures		
Revenue	41.0	43.5
Expenses	35.4	35.7
Other operating income	0.0	0.4
Profit before tax	**5.6**	**8.2**
Non-current assets	0.0	0.2
Current assets	16.7	14.0
Total assets	**16.7**	**14.2**
Current liabilities	6.0	4.9
Total liabilities	**6.0**	**4.9**
Contingent liabilities	**0.0**	**0.2**

19 Investment in associates

	2013 DKKm	2012 DKKm
Net asset value at 1 January	22.1	8.6
Additions for the year	1.0	15.1
Disposals for the year	-5.3	0.0
Share of loss before tax	-1.3	-1.4
Share of tax	-0.6	-0.2
Write down	-2.0	0.0
Dividend received	-2.0	0.0
Net asset value at 31 December	**11.9**	**22.1**

The year's addition of associates consists of a cash capital increase in Shopbox ApS which has upped North Media's interest by 10%. Concurrently, Shopbox has reacquired treasury shares, which has increased North Media’s interest by a total of 11.8 % In continuation thereof, the DKK 1.5 million purchase price payable which arose as part of the original acquisition in 2012 was cancelled (advertisement right in Søndagsavisen).

The investment in eConscribi International ApS was divested at DKK 0, which resulted in a loss of DKK 4.2 million aside from the operating loss for the period.

Associates	Registered office	Ownership 2013	Ownership 2012
A/S Vestsjællandske Distriktsblade	Slagelse	50.0%	50.0%
eConscribi International ApS	København	0.0%	34.0%
Shopbox ApS	København	34.6%	22.8%

Reference is made to the group chart on page 112.

Summary of the Group's share of losses etc of associates	2013 DKKm	2012 DKKm
Revenue	17.0	17.0
Loss after tax	-1.9	-1.6
Total assets	13.4	14.8
Total liabilities	3.2	2.4
Contingent liabilities	0.0	0.0

20 Trade receivables

	2013 DKKm	2012 DKKm
Trade receivables	107.6	102.2
Write-downs	-3.2	-3.6
Trade receivables, net	**104.4**	**98.6**

Write-downs included in the above receivables have developed as follows:

	2013 DKKm	2012 DKKm
Write-downs at 1 January	3.6	7.0
Expensed for the year, net	1.9	2.5
Recovered from previous year	0.7	0.4
Recorded losses	-3.0	-6.3
Write-downs at 31 December *)	**3.2**	**3.6**

*) In Note 37, the section on credit risk, the balance on receivables due is evident.

In the financial year under review, a total amount of DKK 0.5 million was recognised as interest income relating to receivables written down (2012: DKK 0.3 million).

21 Securities

	2013 DKKm	2012 DKKm
Bonds	87.9	117.5
Shares	51.8	70.9
Securities 31 December	**139.7**	**188.4**

The portfolio of securities, which is measured at fair value, comprises both Danish and foreign mortgage credit bonds and debentures as well as shares in listed Danish and foreign companies.

22 Deferred tax

	2013 DKKm	2012 DKKm
Deferred tax at 1 January, net	7.2	4.3
Addition, business combination	8.4	-0.4
Deferred tax included in the net profit for the year, continuing operations	0.5	3.3
Change in tax rate	0.1	0.0
Deferred tax at 31 December, net	**16.2**	**7.2**

22 Deferred tax, continued

DKKm	2013 Assets	2013 Liabilities	2013 Total	2012 Assets	2012 Liabilities	2012 Total
Specification of deferred tax						
Intangible assets	0.0	19.2	-19.2	0.0	9.9	-9.9
Property, plant and equipment	3.4	1.6	1.8	3.0	1.7	1.3
Current assets	0.4	1.2	-0.8	0.5	1.0	-0.5
Non-current liabilities	0.0	0.8	-0.8	0.0	0.9	-0.9
Tax loss carryforwards	2.8	0.0	2.8	2.8	0.0	2.8
Total	**6.6**	**22.8**	**-16.2**	**6.3**	**13.5**	**-7.2**
Set-off of deferred tax assets and deferred tax liabilities within the same legal tax entities and jurisdictions	6.6	6.6	0.0	6.3	6.3	0.0
Deferred tax liabilities at 31 December	**0.0**	**16.2**	**-16.2**	**0.0**	**7.2**	**-7.2**

23 Equity

Share capital	Number in thousands 2013	Number in thousands 2012	Nominal value DKK'000 2013	Nominal value DKK'000 2012
Number of shares at 1 January	20,055	20,055	100,275	100,275
Number of shares at 31 December	**20,055**	**20,055**	**100,275**	**100,275**

The share capital consists of 20,055,000 shares of DKK 5.00 nominal value each, fully paid in. No shares carry special rights.

Treasury shares	2013 Number in thousands	2013 Nominal value DKK'000	2013 % of share capital	2012 Number in thousands	2012 Nominal value DKK'000	2012 % of share capital
At 1 January	1,485	7,425	7.40%	444	2,215	2.21%
Additions for the year	0	0	0.00%	1,041	5,210	5.19%
At 31 December	**1,485**	**7,425**	**7.40%**	**1,485**	**7,425**	**7.40%**

North Media A/S is authorised by the company in general meeting to acquire a maximum nominal amount of DKK 15,041,000 of share capital. This authorisation runs until 23 April 2015.

In the financial year 2013, North Media A/S has not acquired treasury shares. In 2012 the group bought 1,040,500 treasury shares at an average purchase price of 21.60, corresponding to DKK 22.5 million. In the financial year 2013, the Company has not sold any treasury shares (2012: no sale).

The portfolio of treasury shares was acquired with a view to funding share options outstanding relating to the Group's share option programme, see details in Note 7.

Reserve for treasury shares, hedging reserve and reserve for foreign currency translation adjustments

The reserve for treasury shares includes the accumulated purchase price of the Company's portfolio of treasury shares. The reserve is dissolved for the portion of the portfolio of shares that is cancelled or sold.

The hedging reserve includes the accumulated net change in the fair value of hedging transactions which meet the criteria for hedging future cash flows, with the transaction hedged not having been carried out yet.

The reserve for foreign currency translation adjustments includes all exchange rate adjustments resulting from the translation of financial statements of entities using a functional currency other than DKK as well as exchange rate adjustments relating to assets and liabilities which represent part of the Group's net investments in such entities.

24 Debt to financial institutions etc

	2013 DKKm	2012 DKKm
Mortage debt	143.5	149.3
Carrying amount	**143.5**	**149.3**
Of which, floating rate (CIBOR 6 debt)	77.6	81.9
Of which, fixed rate	65.9	67.4
Debt to financial institutions is included under the following items in the balance sheet:		
Non-current liabilities	137.8	143.7
Current liabilities	5.7	5.6
Carrying amount	**143.5**	**149.3**
Nominal value	**146.8**	**152.8**
Fair value	**143.4**	**152.2**

Debt to financial institutions includes a capital loss relating to the raising of a loan of DKK 3.4 million (2012: DKK 3.5 million) which is amortised over the remaining time to maturity. Please refer to Note 35 for information on interest rate sensitivity and for Note 36 for information on fair value.

25 Fair value, interest-rate swap

	2013 DKKm	2012 DKKm
Fair value, interest-rate swap	14.0	20.0
Non-current	**14.0**	**20.0**
Fair value, interest-rate swap	**14.0**	**20.0**

The Group's CIBOR 6 loan carrying a floating interest rate is repaid as a 20-year annuity loan. In order to reduce interest rate uncertainty, the interest rate is fixed throughout the term of the loan via an interest-rate swap. The interest-rate swap is also repaid as a 20-year annuity loan based on a fixed interest rate, including contributions of 5.38% p.a.

The interest rate on the CIBOR 6 loan including the interest-rate payments under the swap agreement are recognised in financial expenses.

The interest-rate swap is measured at fair value at 31 December 2013. The value of the interest-rate swap (debt) is DKK 14.0 million (DKK 20.0 million in 2012), and revaluations are recognised through other comprehensive income.

The interest rate sensitivity of the interest-rate swap is described in further detail in Note 35 under the section Interest-rate risks and computation of fair value is described in Note 36.

26 Purchase price payable

	2013 DKKm	2012 DKKm
Purchase price payable, HentTilbud ApS see note 10 and 15	17.3	15.5
Purchase price payable, Shopbox ApS see note 19	2.0	3.6
Purchase price payable, Lokalaviserne LØA see note 10 og 15	32.5	0.0
Purchase price payable	**51.8**	**19.1**

DKK 12.2 million of the purchase price payable falls due in 2014, whereas the remaining purchase price falls due in 2015-2019.

27 Other payables

	2013 DKKm	2012 DKKm
A tax (PAYE) etc payable to public authorities	1.3	1.1
VAT liability	12.0	8.7
Holiday pay obligation	39.4	38.7
Other debt	35.8	32.3
Total other payables	**88.5**	**80.8**

28 Adjustments for non-cash operating items

	2013 DKKm	2012 DKKm
Share of profit in associates	8.1	1.6
Tax on profit for the year	11.1	20.9
Amortisation and depreciation of assets	36.2	33.4
Share based payment	1.5	0.7
Special items, non-cash effect	20.0	7.0
Gain on disposals for the year	-0.2	-0.1
Net financials	8.4	8.8
Value adjustments, securities	-0.6	-14.4
Total adjustments	**84.5**	**57.9**

29 Changes in working capital

	2013 DKKm	2012 DKKm
Changes in receivables	-12.5	1.5
Changes in current liabilities	2.7	-4.0
Changes in working capital	**-9.8**	**-2.5**

30 Investment in intangible assets and property, plant and equipment

	2013 DKKm	2012 DKKm
Investment in software	-1.1	-2.4
Investment in plant and machinery	-19.8	-16.2
Investment in operating equipment, fixtures and fittings	-5.6	-9.1
Total investments	**-26.5**	**-27.7**

31 Operating leases and rental obligations

	2013 DKKm	2012 DKKm
Operating leases:		
Future minimum expenses related to operating leases:		
Due within 1 year	0.1	0.7
Due within 1 and 5 years	0.0	0.1
Due after 5 years	0.0	0.0
Total	**0.1**	**0.8**

The Group has entered into operating leases relating to operating assets. The lease term is typically a period of between 2 and 8 years with extension as may be arranged after the end of the term. No lease contains conditional lease payments.

	2013 DKKm	2012 DKKm
For operating leases the following amounts have been recognised in the income statement	**1.2**	**1.2**
Rental obligations:		
Future minimum lease payments related to rental obligations:		
Due within 1 year	2.5	2.0
Due within 1 and 5 years	0.2	0.1
Due after 5 years	0.0	0.0
Total	**2.7**	**2.1**
For rent obligations the following amounts have been recognised in the income statement	**2.8**	**3.3**

32 Contingent assets and liabilities, and guarantee obligations

Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Baunegård ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

33 Security for loan

	2013 DKKm	2012 DKKm
Carrying amount for mortgaged properties provided as security for the Group's mortgage debt.	283.0	291.0

Bonds worth DKK 15.6 million (2012: DKK 15.4 million) have been deposited as security for payment of the remaining purchase price for HentTilbud ApS.

34 Related parties

As a majority shareholder in North Media A/S' Parent Company, Baunegård ApS, Richard Bunck is subject to the disclosure requirements for related parties. During the financial year, there were no transactions with Richard Bunck except for the payment of remuneration to the Board of Directors. (2012: no transactions except for the payment of remuneration to the Board of Directors, and acquisition of 133,984 shares as part of North Media A/S' acquisition of treasury shares to fund its share option programme for the Group's executives).

Baunegård ApS is wholly owned and controlled by Richard Bunck. This company is an administration company in the joint taxation arrangement with North Media A/S and guarantees the payment/receipt of Danish income tax on behalf of the North Media Group's Danish companies. Baunegård ApS (registered in the Municipality of: Fredensborg) prepares the consolidated financial statements, in which North Media A/S and subsidiaries are included.

The group company Good Media A/S has entered into co-operation on Internet sales of package holidays with the company Travelmarket controlled by Richard Bunck. Good Media A/S has in 2013 provided customers to Travelmarket for an agent fee of DKK 0.0 million (2012: DKK 0.0 million).

Board Member Ulrik Holsted-Sandgreen is an attorney-at-law and partner of Plesner (formerly of Bech-Bruun), the law firm providing professional advice to the Company. Therefore, Ulrik Holsted-Sandgreen may not be considered independent. Bech Bruun has submitted invoices for a total of DKK 1.5 million during the period Ulrik Holsted-Sandgreen was partner with this firm. After Ulrik Holsted-Sandgreen switched to Plesner, Plesner has invoiced the Group for a total of DKK 1.5 million for consultancy work. In 2012, Bech Bruun invoiced the Group for consultancy work worth DKK 3.8 million.

In the year under review no transactions were made with the Board of Directors, Executive Board, managerial staff, significant shareholders or other related parties, except for salaries and remuneration set out in Note 7.

North Media has transactions with associates and subsidiaries in the form of ordinary business activities such as buying and selling services. All related party transactions are conducted on an arm's length basis.

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the accounting policies.

	2013 DKKm	2012 DKKm
Transactions with associates		
eConscribi International ApS, expenses	-0.2	-0.2
A/S Vestsjællandske Distriktsblade, sale	7.1	7.5
Total transactions	**6.9**	**7.3**
A/S Vestsjællandske Distriktsblade	1.1	0.8
Total receivables	**1.1**	**0.8**

35 Financial risks

The Group's handling of risks and risk management are described in detail in a separate section in the management commentary. Supplementary information for understanding the Group's financial risks is given below.

Liquidity risk

The Group's cash reserves consist of cash funds in the total amount of DKK 64.6 million. (2012: DKK 47.2 million). In addition, the Group has readily negotiable securities of DKK 139.7 million. (2012: DKK 188.4 million). The Group has currently no credit facilities.

The Group financial liabilities are due as follows

2013, DKKm	Carrying amount	Contractual cash flow**	Within 3 months	Within 3-12 months	1-5 years	After 5 years
Financial instruments:						
Financial institutions incl interest-rate swap*	157.5	218.9	0.0	12.2	46.7	160.0
Trade payables	56.6	56.6	56.6	0.0	0.0	0.0
Discount effect of the purchase price payable, jf. note 15 og 26	51.8	64.8	0.0	12.2	35.8	16.8
Other payables	88.5	88.5	49.1	39.4	0.0	0.0
Liabilities at 31 December	**354.4**	**428.8**	**105.7**	**63.8**	**82.5**	**176.8**

2012, DKKm	Carrying amount	Contractual cash flow**	Within 3 months	Within 3-12 months	1-5 years	After 5 years
Financial instruments:						
Financial institutions and banks	169.3	231.3	0.0	12.5	47.6	171.2
Trade payables	52.2	52.2	52.2	0.0	0.0	0.0
Discount effect of the purchase price payable, jf. note 15 og 26	19.1	25.7	0.0	0.0	25.7	0.0
Other payables	80.8	80.8	42.1	38.7	0.0	0.0
Liabilities at 31 December	**321.4**	**390.0**	**94.3**	**51.2**	**73.3**	**171.2**

*) The contractual cash flow for the interest-rate swap has been included in figures for financial institutions as, in the Company's view, this provides the truest and fairest view of the total cash flows from the financing activity.
**) Incl known/determined interest payments.

Interest-rate risk

It is group policy to hedge the interest-rate risk of the Group's loans when the Group believes that the interest payments can be secured at a satisfactory level compared to the related costs. Hedging is usually made through interest-rate swaps, where floating-rate loans are changed into a fixed interest rate. However, a minor share of the mortgage borrowing may be raised as floating-rate loans if this if found appealing.

In 2012, the Group's fixed rate mortgage loans were converted. The Group's mortgage loans are computed as follows:

	2013 DKKm	2012 DKKm
CIBOR 6 loan, 20-year annuity loan falling due on 30 September 2031	77.6	81.9
3% bond debt, 30-year annuity loan falling due on 30 September 2041	65.9	67.4
Fair value of interest-rate swap	14.0	20.0
Total mortgage debt inclusive interest-rate swap	**157.5**	**169.3**

The main part of the CIBOR 6 loan is fixed through an interest-rate swap. A minor share of the loan totalling DKK 5.1 million (2012: DKK 5.8 million) is not fixed. The total carrying amount of mortage loans and the relating interest-rate swap amount to DKK 157.5 million (2012: DKK 169.3 million).

Fluctuations in the interest-rate level affect the Group's bond portfolio, bank deposits, mortgage debt and market value of interest-rate swaps. An increase in the interest-rate level by 1% per annum will have no significant effect on the fair values of the CIBOR 6 mortgage loans because their interest rates are determined every six months. The fair value (debt) of the interest-rate swap will, however, be increased by DKK 5.1 million in the event of a drop in the interest-rate level by 1% annually. Correspondingly, an increase in the interest-rate level would reduce the fair value of the interest-rate swap by DKK 4.6 million. The duration has been determined at 6.7. For 2012, the interest-rate sensitivity of the interest-rate swap was approx DKK 5.5 million in the event of an increase in the interest-rate level by 1% per annum (and a decline in the interest-rate level would increase the interest-rate swap by DKK 6.1 million), equivalent to a duration of 7.6.

The bond debt is recognised at amortised cost, and fluctuations in the fair value are therefore not recognized in the financial statements. A 1% increase per year in the interest-rate level would reduce the fair value of the debt by DKK 5.9 million. Conversely, a drop in the interest-rate level by 1% will only increase the fair value of the debt by DKK 3.2 million as a result of the translation risk. For 2012, an increase in the interest-rate level by 1% would have reduced the fair value of the debt by DKK 6,8 million, while a drop in the interest-rate by 1% would have increased the fair value of the debt by DKK 2.2 million.

An increase in the interest-rate level by 1% annually on the existing level for 2012 would have increased the interest income from the Group's deposits by DKK 0.6 million (2012: DKK 0.5 million). A drop in the interest-rate level by 1% in 2013 would have reduced the interest income by DKK 0.0 million (2012: DKK 0.1 million).

The calculation of the Group's interestrate sensitivity is based on the following assumptions:

- The sensitivity rates specified for the fixed-rate debt have been calculated on the basis of recognised financial assets and liabilities at 31 December 2013. No adjustments of the mortgage debt were made in 2012 in respect of instalments, borrowings and the like.
- For the cash pool and other deposits, the interest rate sensitivity has been calculated based on the actual deposits on a daily basis. It is assumed that the interest rate cannot be negative.
- It is assumed that the CIBOR 6 loans are repaid in accordance with the ordinary repayment method used for a 20-year annuity loan, based on a fixed interest rate including a contribution rate of 5.38% for a mortgage loan. For the bond loan, an ordinary settlement has been assumed, corresponding to a 30-year annuity loan.
- The interest rate swap entered into mainly hedges interest rate risk on floating rate loans.

The Group's cash and cash equivalents are mainly placed in its cash pool account.

Part of the Group's cash reserves is placed in securities, including bonds which are also exposed to interest-rate risks. An increase in interest rates by 1% annually would reduce the value of the bond portfolio by DKK 2.0 million (2012: DKK 4.2 million), whereas a corresponding drop in interest rates would increase the value of the bond portfolio by DKK 2.0 million. (2012: DKK 3.5 million).

As to the Group's financial assets and liabilities, the carrying amount may be allocated on the following contractual dates of interest-rate adjustment or expiry, depending on which date comes first, and how large a portion of the interest-carrying assets and liabilities carry fixed interest. Loans carrying floating interest are considered as having interest-rate adjustment dates falling within a year. Interest-rate swaps are included in the table by the underlying debt and not fair value.

2013, DKKm	Within 1 year	Between 2 - 5 years	After 5 years	Total	Average duration
Bonds	8.4	31.2	48.3	87.9	3
Bank deposits	64.6	0.0	0.0	64.6	1
Mortgage debt, fixed rate	-1.5	-6.5	-57.9	-65.9	5
Mortgage debt, floating rate	-4.2	-16.9	-56.5	-77.6	1
Interest-rate swap	3.7	16.7	52.1	72.5	7
31 December	**71.0**	**24.5**	**-14.0**	**81.5**	**-**

2012, DKKm					
Bonds	4.0	62.6	50.9	117.5	4
Bank deposits	47.2	0.0	0.0	47.2	1
Mortgage debt, fixed rate	-1.5	-6.3	-59.6	-67.4	5
Mortgage debt, floating rate	-4.2	-16.9	-60.8	-81.9	1
Interest-rate swap	3.4	15.9	56.6	75.9	8
31 December	**48.9**	**55.3**	**-12.9**	**91.3**	**-**

Purchase price payable is not included in the Group's determination of interest-rate risks as the discount rate is not affected directly by market-oriented interest-rate risks.

Share price risk

Part of the Group's excess liquidity is placed in Danish and foreign shares. A 10% change in the share price would influence pre-tax profit or loss and equity for the year by DKK 5.2 million (2012: DKK 7.1 million). A 10% change in the USD exchange rate compared to the exchange rate at 31 December 2013 would influence profit or loss and equity for the year by DKK 2.9 million (2012: DKK 3.9 million).

Currency risks

More than 97% of the Group's activities are in Denmark. There are minor activities in England, Sweden and Germany.

No noteworthy trading takes place between business entities in different countries, and North Media is only insignificantly exposed to currency risks with respect to cash flows from financial transactions and dividend flows with the exception of share price exposure, see above. An insignificant translation risk exists with respect to consolidating and translating foreign subsidiaries' financial statements to Danish kroner, and in connection with the Group's net investments in these companies. The maximum aggregate currency risk is estimated to be DKK 1.0 million and is therefore not hedged.

When acquiring or divesting enterprises, any currency risk is always evaluated individually by the Board of Directors.

The Group has no noteworthy currency risks with respect to receivables and debt denominated in foreign currencies at 31 December 2013 and 2012.

Credit risks

The Group is exposed to credit risks vis-à-vis receivables, deposits with banks and credit risks related to the securities portfolio. The maximum credit risk equals the carrying amount. The Group's credit risk policy ensures that the Group's cash resources are spread across various asset types. The object of the policy is to ensure that the financial resources are spread on multiple assets types and counterparties.

No noteworthy credit risks are considered to be associated with cash and cash equivalents as the counterparty consists of banks holding a high credit rating, and the cash and cash equivalents are sought divided between several banks. Outstanding receivables are regularly followed up on in accordance with the Group's receivables policy. If uncertainty arises as to a customer's ability or willingness to pay an amount receivable, and estimations are that the claim is subject to risk, write-down is made to hedge this risk.

The Group has no significant risks relating to a single customer or business partner. In accordance with the Group's credit risk assumption policy, all major customers and other business partners are subject to continuous credit assessment. At 31 December 2013, total receivables of DKK 47.7 million are credit-insured with a maximum credit risk of DKK 4.8 milion (2012: DKK 54.3 million, and a maximum credit risk of DKK 5.4 million).

In the past three years the Group's bad debts have been at the level of 1.0‰ to 5.0‰ of revenue.

The balance overdue on trade receivables is composed as follows:

2013, DKKm	0-30 days	31-60 days	61-90 days	>90 days	Total
Overdue trade receivables, not impaired	22.0	1.2	0.3	0.0	23.5
Overdue trade receivables, impaired	0.0	0.4	0.3	3.3	4.0
					27.5
Write-down					-3.2
Trade receivables, net value at 31 December					**24.3**

2012, DKKm					
Overdue trade receivables, not impaired	28.7	1.8	0.7	0.0	31.2
Overdue trade receivables, impaired	0.0	0.6	0.7	3.2	4.5
					35.7
Write-down					-3.6
Trade receivables, net value at 31 December					**32.1**

36 Carrying amount, financial assets and liabilities:

DKKm

	Carrying amount	Fair value	Carrying amount	Fair value
	2013		2012	
Trade receivables	104.4	104.4	98.6	98.6
Receivables from associates	1.1	1.1	0.8	0.8
Income tax receivables	0.0	0.0	5.1	5.1
Other receivables	11.2	11.2	4.9	4.9
Cash	64.6	64.6	47.2	47.2
Financial assets, measured at amortised cost	**181.3**	**181.3**	**156.6**	**156.6**
Securities	139.7	139.7	188.4	188.4
Financial assets, measured at fair value	**139.7**	**139.7**	**188.4**	**188.4**
Financial institutions	143.5	143.4	149.3	152.2
Trade payables	56.6	56.6	52.2	52.2
Income tax payable	4.8	4.8	0.0	0.0
Other payables	88.5	88.5	80.8	80.8
Financial liabilities, measured at amortised cost	**293.4**	**293.3**	**282.3**	**285.2**
Purchase price payable	51.8	51.8	19.1	19.1
Financial liabilities, measured at fair value via resultatet	**51.8**	**51.8**	**19.1**	**19.1**
Interest-rate swap	14.0	14.0	20.0	20.0
Financial liabilities, measured at fair value	**14.0**	**14.0**	**20.0**	**20.0**

The fair value of securities has been calculated at the market price at 31 December 2013 and 31 December 2012, respectively, for the individual securities (level 1).

The fair value for credit institutions has been calculated based on the market price at 31 December 2013 and 31 December 2012, respectively, based on the loans' underlying bonds (level 1).

Interest-rate swaps are measured using an income method where expected cash flows are based on relevant observable swap curves and discounted using a discount rate that reflects the credit risk of relevant counterparties (level 2).

The fair value of the purchase price payable was computed in accordance with the fair falue model – level 3. For further information, please refer to Note 4 and Note 15.

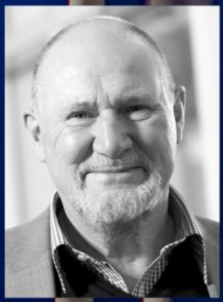
For other assets and liabilities, book value is considered to equal fair value.

37 Subsequent events

After financial year-end, North Media A/S has acquired the minority interests from Distribution Syd A/S, HA Grafisk Reklame A/S and UA/FK Distribution. Expectations are that the companies will be merged into FK Distribution A/S with effect from 1 January 2014. The total purchase price is DKK 6.7 million and has been paid in January 2014.

No further events other than those mentioned in the Annual Report have occurred up to the presentation of the Annual Report on 7 February 2014 which would influence the financial statement users evaluation of the Annual Report.

North Media A/S
Board of Directors and Executive Board



Richard Bunck
Chairman

Peter Raszter
Vice Chairman

Steen Gede
Member of Board
of Directors

Ulrik Holsted-Sandgreen
Member of Board of
Directors

Lars Nymann Andersen
Chief Executive Officer

Kåre Stausø Wigh
Chief Financial Officer

Arne Ullum Laursen
Media Director

Board of Directors North Media A/S

Richard Bunck
Year of birth: 1940
Principal shareholder in North Media A/S

POSITION IN NORTH MEDIA A/S
Member of the Company's Board of Directors since 2 April 2004. His term of office expires in 2014.

Not in compliance with the independence recommendations by the Danish Committee on Corporate Governance as Richard Bunck is the Company's principal shareholder. He has also the following other executive functions in the following North Media A/S subsidiaries:

EXECUTIVE BOARD
- Ofir A/S

Chairman of the Board of Directors:
- Forbruger-Kontakt A/S
- Væksthuset ApS (bostadsportal.se)

Member of the Board of Directors
- BEKEY A/S
- BoligPortal ApS (Vice Chairman)
- MatchWork World Wide A/S (Vice Chairman)
- MinReklame ApS
- Ofir A/S
- Ofir Services A/S (Søndagsavisen.dk) (Vice Chairman)
- Søndagsavisen A/S (Vice Chairman)

The Board of Directors of North Media A/S has asked Richard Bunck to temporarily assume the role of CEO of the subsidiary, Ofir A/S.

SPECIAL COMPETENCIES
Trained in shipping at EAC (ØK). At the age of 23 he took up employment with the Thule Airbase in Greenland performing administrative and managerial tasks. On returning to Denmark in 1965, Richard Bunck (RB) acquired 50% of the business Reklame Distribution in Copenhagen, which later changed its name to Forbruger-Kontakt. In 1978, RB published the first edition of Søndagsavisen. In 1996, the first Internet activities were begun, and the Company went public on the Stock Exchange. Accordingly, RB is a model entrepreneur who sees new business opportunities as society and the market undergo changes and developments. The activities are founded on strong principles reflecting the Group's values in respect of customer focus, accountability, quality, fairness and positive aggressiveness.

OTHER DIRECTORSHIPS/EXECUTIVE POSITIONS
Member of the Board of Directors in:
- Baunegård ApS
- Bunck Invest 1 ApS
- Bunck Invest 2 ApS
- Invest 88 A/S
- Riol Invest ApS
- RMJ Finansiel Group ApS
- Fluimedix ApS
- LeanLinking ApS

Peter Rasztar
Year of birth: 1945
Executive Officer

POSITION IN NORTH MEDIA A/S
Vice-chairman of the Company's Board of Directors since 29 April 2005. His term of office expires in 2014. Has been appointed as chairman of the Audit Committee by the Board of Directors.

Meets the independence recommendations of the Danish Committee on Corporate Governance, and he has the following executive functions in the following North Media A/S subsidiaries:

VICE CHAIRMAN OF THE BOARD OF DIRECTORS
- Forbruger-Kontakt A/S

COMPETENCIES
Education

1972	HD Diploma in Accounting and Finance Management

PREVIOUS EMPLOYMENT

2007-2008	CEO of Danpo/the Kronfågel Group, Denmark and Sweden
2001-2005	CEO and Group Managing Director of Swedish Meats ek. för., Sweden
1997-2001	CEO of TULIP International Ltd., UK
1991-1997	CEO of companies in the Danish slaughtering and refinement sector
1988-1991	CEO and Group Managing Director of ESS-FOOD UK Group, UK

SPECIAL COMPETENCIES
Has the following special competencies that are specifically material to the Board work in North Media A/S: In-depth knowledge of strategic management of broad-based enterprises as well as accounting, economics and other financial areas.

OTHER DIRECTORSHIPS/EXECUTIVE POSITIONS
Member of the Board of Directors in:
- Bosarp A/S, Bosarp – Sverige

Board of Directors North Media A/S

Steen Gede
Year of birth: 1953
CEO, Forenede Service A/S

POSITION IN NORTH MEDIA A/S
Member of the Company's Board of Directors since 25 April 2003. His term of office expires in 2014. Has been appointed as member of the Audit Committee by the Board of Directors.

Meets the independence recommendations of Danish Committe on Corporate Governance, and he has the following other executive functions in the following North Media A/S subsidiaries:

MEMBER OF BOARD OF DIRECTORS
- Forbruger-Kontakt A/S

COMPETENCIES
Education

1978	MSc (strategic planning and accounting description methodology)

PREVIOUS EMPLOYMENT

2005-2012	Wholesale Dealer – Owner of Unicare Nordic A/S
2000-2005	CEO, Gatetrade.net
1999	CEO and Group Managing Director, FDB
1997-1998	Group Managing Director of Det Berlingske Officin
1990-1997	Group Managing Director, Dagrofa
1987-1990	CEO at Dagrofa Friskvarer A/S
1984-1987	Group Purchasing Director, Dagrofa A/S

SPECIAL COMPETENCIES
Has the following special competencies that are specifically material to the Board work in North Media A/S: In-depth knowledge of strategic management of enterprises in the groceries trade and media business as well as accounting, economics and other financial areas.

OTHER DIRECTORSHIPS/EXECUTIVE POSITIONS
Chairman of the Board of Directors
- Benedicte holding ApS, including two subsidiaries: Panel Institute ApS og Honnet.net ApS
- Brandhouse A/S, including one subsidiary: Brandhouse A/S
- Unicare Solar Energy ApS
- Sgups Ejendomme A/S

Member of the Board of Directors
- Forenede Service A/S
- Continental Confectionery Company Ltd. including one subsidiary: Gumlink Confectionary Company A/S
- Holdingselskabet af 17. december 2004 A/S including two subsidiaries: F.A. Thiele A/S og Thiele Partner A/S
- SBA Servicebranchens Arbejdsgiverforening

Ulrik Holsted-Sandgreen
Year of birth: 1970
Attorney-at-Law and Partner of Plesner

POSITION IN NORTH MEDIA A/S
Member of the Company's Board of Directors since 4 April 2008. His term of office expires in 2014.

Not in compliance with the independence recommendations of the Danish Committee on Corporate Governance as Ulrik Holsted-Sandgreen is Attorney-at-Law and Partner of Plesner, which renders professional advisory services to Richard Bunck and the Group.

He has also the following other executive functions in the following North Media A/S subsidiaries:

MEMBER OF BOARD OF DIRECTORS
- Forbruger-Kontakt A/S

COMPETENCIES
Education

2005	Entitled to appear before the Danish Supreme Court
1998	Licence to practice law

SPECIAL COMPETENCIES
Has the following special competencies that are specifically material to the Board work in North Media A/S: In-depth knowledge of international and national legal matters, including company law and stock market law.

OTHER DIRECTORSHIPS/EXECUTIVE POSITIONS
Member of the Board of Directors
- Estatum Finans A/S

Executive Officer
- EMD Holding ApS
- Estatum Finans A/S

Honorary offices
- Member of Foreningen Højesteretsskranken, a Danish association of Supreme Court attorneys and attorneys entitled to appear before the Danish Supreme Court.

Executive Board North Media A/S

Lars Nymann Andersen
Year of birth: 1972

POSITION IN NORTH MEDIA A/S
CEO of North Media A/S since 1 January 2011 and joined the Executive Board on 1 January 2011.

He has also the following other executive functions in the following North Media A/S subsidiaries:

EXECUTIVE BOARD
- North Media A/S
- Væksthuset ApS (Bostadsportal.se)

CHAIRMAN OF BOARD OF DIRECTORS
- Helsingør Dagblad A/S
- HentTilbud ApS
- Ofir A/S
- Ofir Services A/S (Søndagsavisen.dk)
- MatchWork Danmark A/S
- MatchWork World Wide A/S
- Søndagsavisen A/S

MEMBER OF BOARD OF DIRECTORS
- BEKEY A/S
- BoligPortal ApS
- MinReklame ApS
- North Media Ejendomme ApS
- Shopbox ApS
- Væksthuset ApS (Bostadsportal.se)

COMPETENCIES
Education

2001	Master of Law from University of Copenhagen
1999	Master of Laws, LL.M, University of Essex

PREVIOUS EMPLOYMENT

2008-2011	CEO, Helsingør Dagblad A/S
2006-2008	Chief Legal Officer, Søndagsavisen a-s
2001-2006	Legal advisor, Søndagsavisen a-s
2001-2002	Legal advisor, Ofir A/S

Kåre Stausø Wigh
Year of birth: 1969

POSITION IN NORTH MEDIA A/S
CFO of North Media A/S since 1 October 2005 and joined the Executive Board on 1 September 2006.

He has also the following other executive functions in the following North Media A/S subsidiaries:

EXECUTIVE BOARD
- North Media A/S
- North Media Ejendomme ApS

MEMBER OF BOARD OF DIRECTORS
- Helsingør Dagblad A/S (Vice Chairman)
- HentTilbud ApS
- MatchWork Danmark A/S
- MatchWork World Wide A/S
- North Media Ejendomme ApS
- Ofir A/S
- Ofir Services A/S (Søndagsavisen.dk)
- Søndagsavisen A/S
- Væksthuset ApS (Bostadsportal.se)

COMPETENCIES
Education

2011	Executive MBA – CBS-SIMI, Copenhagen Business School (Copenhagen)
2005	Advanced Development Program - Cranfield School of Management (London, England)
2000	Program for Executive Development – IMD (Lausanne, Switzerland)
1994	HD Diploma in Accounting and Finance Management - Copenhagen Business School

PREVIOUS EMPLOYMENT

2001-2005	Senior Financial Controller, The East Asiatic Company Ltd. A/S (Singapore)
1997-2001	Assistant to CEO Plumrose Latinoamericana C.A. (Caracas, Venezuela)
1995-1997	Administration Manager Plumrose Latinoamericana C.A. (Cagua, Venezuela)
1991-1995	Manager Accounts, ØK/EAC Shipping A/S (Copenhagen)

Executive Board North Media A/S

Arne Ullum Laursen
Year of birth: 1963

POSITION IN NORTH MEDIA A/S
Media Director of Søndagsavisen A/S since 1 May 2008 and joined the Executive Board on 1 August 2009.

He has also the following other executive functions in the following North Media A/S subsidiaries:

EXECUTIVE BOARD
- Helsingør Dagblad A/S
- North Media A/S
- Good Media A/S (Søndagsavisen.dk)
- Søndagsavisen A/S

MEMBER OF BOARD OF DIRECTORS
- Helsingør Dagblad A/S
- A/S Vestsjællandske Distriktsblade

COMPETENCIES
Education

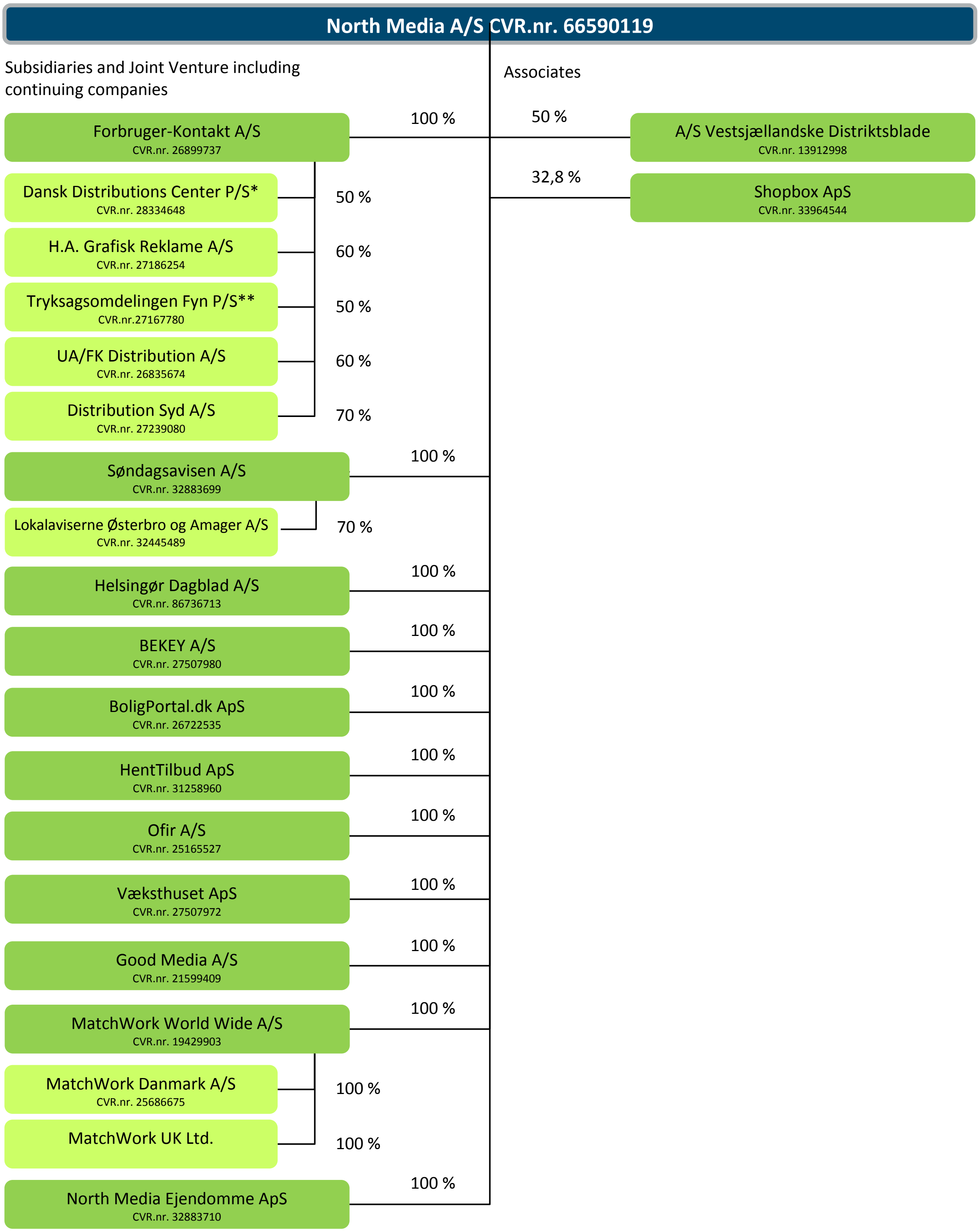
1991	Master of Art (American University, Washington D.C., USA)
1987	Journalist (Danish School of Media and Journalism)

PREVIOUS EMPLOYMENT

2003-2008	Editor responsible under press law, CEO, B.T.
2001-2003	Head of Organisational Development, Programme Director staff, Danmarks Radio
1998-2001	Head of DR-Dokumentar (documentaries), Danmarks Radio
1995-1997	Chief sub-editor, Børsens Nyhedsmagasin

Group Structure

At 31. December 2013



* Joint venture (pro rata-konsolidering)
** Subsidiary according to the ownership agreement

FINANCIAL STATEMENTS PARENT COMPANY 2013

Financial statements
Parent Company 2013

Financial statements 1 January – 31 December 2013

Parent company income statement

Note		2013 DKKm	2012 DKKm
	Revenue	**55.9**	**54.7**
40	Staff costs	31.6	31.2
42	Other costs	32.3	36.0
41	Amortisation and depreciation	1.6	1.0
	EBIT	**-9.6**	**-13.5**
46	Share of profit/loss in subsidiaries	13.3	54.8
47	Share of profit/loss in associates	-2.8	0.2
	Financial income	1.6	14.6
	Financial expenses	2.2	1.8
	Profit before tax	**0.3**	**54.3**
43	Tax for the year, income	-1.9	-4.3
	Net profit for the year	**2.2**	**58.6**
	Attributable, net profit		
	Available for distribution	2.2	58.6
		2.2	**58.6**

For distribution of profit, please see page 42 in the Annual Report.

Parent company balance sheet at 31 December

Assets

Note		2013 DKKm	2012 DKKm
	Software	0.3	0.2
44	**Intangible assets**	**0.3**	**0.2**
	Operating equipment, fixtures and fittings	2.5	2.2
45	**Property, plant and equipment**	**2.5**	**2.2**
46	Investments in subsidiaries	448.0	442.4
47	Investments in associates	11.2	16.4
	Securities	0.1	0.0
48	Deferred tax asset	0.3	0.3
	Other receivables	3.5	4.5
	Fixed asset investments	**463.1**	**463.6**
	Total non-current assets	**465.9**	**466.0**
	Receivables from subsidiaries	41.8	51.9
49	Income tax receivable	0.0	5.2
	Other receivables	0.2	0.1
	Prepayments	1.9	1.8
	Total receivables	**43.9**	**59.0**
	Securities	140.3	188.4
	Cash	53.1	36.7
	Total current assets	**237.3**	**284.1**
	Total assets	**703.2**	**750.1**

Parent company balance sheet at 31 December

Equity and liabilities

Note		2013 DKKm	2012 DKKm
	Share capital	100.3	100.3
	Retained earnings	361.1	352.8
	Shareholders' equity	**461.4**	**453.1**
50	Purchase price payable	19.3	19.1
	Total non-current liabilities	**19.3**	**19.1**
	Trade payables	3.3	4.0
	Payables to subsidiaries	206.2	266.0
49	Income tax payable	4.8	0.0
51	Other payables	8.2	7.9
	Total current liabilities	**222.6**	**277.9**
	Total liabilities	**241.8**	**297.0**
	Total equity and liabilities	**703.2**	**750.1**

52 Rent obligations
53 Contingent assets and liabilities, and guarantee obligations
54 Related parties

Parent company statement of equity changes

DKKm	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2013	**100.3**	**352.8**	**0.0**	**453.1**
Changes in equity in 2013				
Foreign currency translation adjustments, foreign subsidiaries	0.0	0.1	0.0	**0.1**
Adjustments of investments in subsidiaries and associates	0.0	4.8	0.0	**4.8**
Net profit for the year	0.0	2.2	0.0	**2.2**
Share-based payment	0.0	1.3	0.0	**1.3**
Total changes in equity in 2013	**0.0**	**8.3**	**0.0**	**8.3**
Equity at 31 December 2013	**100.3**	**361.1**	**0.0**	**461.4**

DKKm	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2012	**100.3**	**316.5**	**60.2**	**477.0**
Changes in equity in 2012				
Foreign currency translation adjustments, foreign subsidiaries	0.0	-0.1	0.0	-0.1
Adjustments of investments in subsidiaries and associates	0.0	-1.6	0.0	-1.6
Net profit for the year	0.0	58.6	0.0	58.6
Sale of treasury shares	0.0	-22.5	0.0	-22.5
Dividend distributed	0.0	0.0	-60.2	-60.2
Dividend, treasury shares	0.0	1.3	0.0	1.3
Share-based payment	0.0	0.6	0.0	0.6
Total changes in equity in 2012	**0.0**	**36.3**	**-60.2**	**-23.9**
Equity at 31 December 2012	**100.3**	**352.8**	**0.0**	**453.1**

Development in share capital	2013	2012	2011	2010	2009
Share capital at 1 January	**100.3**	**100.3**	**100.3**	**100.3**	**111.4**
Capital reduction, cancellation of treasury shares	0.0	0.0	0.0	0.0	-11.1
Share capital at 31 December	**100.3**	**100.3**	**100.3**	**100.3**	**100.3**

Notes to the parent company financial statements

38 Basis of accounting

The Parent company's financial statements have been prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class D companies and the financial reporting requirements of NASDAQ OMX Copenhagen for listed companies.

The Annual Report is presented in Danish kroner.

Accounting policies are unchanged compared to 2012.

39 Accounting policies

The Parent company's recognition and measurement criteria are identical to the Group's accounting policies except in the following areas:

Income statement

Profits or losses from investments in subsidiaries

The Parent Company's profit or loss includes the proportionate share of the net profits or losses of the individual group enterprises after full elimination of intra-group gains or losses.

Balance sheet

Investments

Investments in group enterprises are measured according to the equity method. Investments are measured in the balance sheet at the proportionate share of net asset value plus goodwill regarding such group enterprises.

Both in the consolidated financial statements and in the parent company financial statements, investments in associates are determined using the equity method, inclusive of a share of goodwill. In the Parent company financial statements, goodwill is amortised based on the principles below:

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over its estimated economic life which is determined based on Management's experience of the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period which is not more than ten years and longest for strategically acquired companies with a strong market position and a long-term earnings profile. Amortisation of goodwill is recognised in the income statement under investments in subsidiaries.

The value of group enterprises and associates inclusive of goodwill is tested for impairment in the event of any indication of impairment. The value of group enterprises and associates is written down to the higher of value in use and net selling price of the individual group enterprise or associate.

Only goodwill acquired after 1 January 2002 is included in the value of group enterprises and associates.

Subsidiaries and associates with a negative net asset value are measured at DKK 0, and any amount due from these companies is written down by the Parent Company's share of the negative net asset value to the extent that it is found to be uncollectible. Should the negative net asset value exceed the amount due, the remaining amount will be recognised under provisions to the extent that the Parent Company has a legal or constructive obligation to cover the liabilities of the company concerned.

Dividend

Dividend expected to be paid for the year is presented as a separate item under equity.

40 Employees and staff costs

	2013 number	2012 number
Average number of employees	34	34

Total amount of wages, salaries and remuneration for the year:	2013 DKKm	2012 DKKm
Wages and salaries including holiday pay	25.2	24.6
Defined contribution plans	1.7	1.7
Other social security costs	0.1	0.1
Fee to the Board of Directors	1.1	1.1
Other staff costs	3.5	3.6
Total staff costs	**31.6**	**31.2**

Remuneration of the Board of Directors, Executive Board and managerial staff

2013 DKKm	Board of Directors	Executive Board	Other managerial staff	Total
Wages and salaries	1.2	9.0	0.0	**10.2**
Defined contribution plans	0.0	0.5	0.0	**0.5**
Share-based payment	0.0	0.2	0.0	**0.2**
Total remuneration	**1.2**	**9.7**	**0.0**	**10.9**
Number of members (average)	**4**	**3**	**0**	**7**

2012 DKKm	Board of Directors	Executive Board	Other managerial staff	Total
Wages and salaries	1.2	8.6	0.0	**9.8**
Defined contribution plans	0.0	0.5	0.0	**0.5**
Share-based payment	0.0	0.2	0.0	**0.2**
Total remuneration	**1.2**	**9.3**	**0.0**	**10.5**
Number of members (average)	**4**	**3**	**0**	**7**

41 Amortisation and depreciation

	2013 DKKm	2012 DKKm
Intangible assets	0.1	0.1
Property, plant and equipment	1.5	0.9
Total amortisation and depreciation	**1.6**	**1.0**

42 Fee to the auditors appointed by the General Meeting

	2013 DKKm	2012 DKKm
Statutory audit services	0.4	0.3
Other assurance engagements	0.0	0.0
Tax services	0.0	0.1
Other advisory services	0.5	0.4
Total fee to auditors appointed by the General Meeting	**0.9**	**0.8**

43 Income tax

	2013 DKKm	2012 DKKm
Income tax in the income statement		
Current tax charges, incl financing charges	-1.9	-1.8
Changes in the deferred tax charge	0.0	0.3
Adjustment relating to prior years	0.0	-2.8
Total tax on profit for the year, income	**-1.9**	**-4.3**
Analysis of tax for the year:		
25% tax calculated on the profit before tax	0.1	13.6
Tax effect of:		
Share of profit/loss in subsidiaries	-3.3	-13.7
Share of profit/loss in associates	0.7	-0.1
Addition of operating equipment, increased balance of operating equipment	-0.1	0.0
Utilised of capital loss carryforwards from shares	0.0	-1.5
Loss foreign subsidiaries	-0.1	0.0
Gain/loss, divestment of subsidiaries	0.5	0.0
Share-based payment	0.3	0.1
Adjustment relating to prior years	0.0	-2.7
Total tax on profit for the year, income	**-1.9**	**-4.3**

44 Intagible assets

2013 DKKm	Acquired rights	Software	Total
Cost at 1 January	8.0	4.0	**12.0**
Additions for the year	0.0	0.2	**0.2**
Cost at 31 December	**8.0**	**4.2**	**12.2**
Amortisation and impairment losses at 1 January	8.0	3.8	**11.8**
Amortisation for the year	0.0	0.1	**0.1**
Amortisation and impairment losses at 31 December	**8.0**	**3.9**	**11.9**
Carrying amount at 31 December	**0.0**	**0.3**	**0.3**
Amortised over	**5-10 years**	**3-5 years**	**-**

2012 DKKm	Acquired rights	Software	Total
Cost at 1 January	8.0	3.7	**11.7**
Additions in the year	0.0	0.3	**0.3**
Cost at 31 December	**8.0**	**4.0**	**12.0**
Amortisation and impairment losses at 1 January	8.0	3.7	**11.7**
Amortisations for the year	0.0	0.1	**0.1**
Amortisation and impairment losses at 31 December	**8.0**	**3.8**	**11.8**
Carrying amount at 31 December	**0.0**	**0.2**	**0.2**
Amortised over	**5-10 years**	**3-5 years**	**-**

45 Property, plant and equipment

2013 DKKm	Operating equipment, fixtures and fittings	Total
Cost at 1 January	5.2	**5.2**
Additions for the year	1.7	**1.7**
Disposals in the year	0.2	**0.2**
Cost at 31 December	**6.7**	**6.7**
Depreciation and impairment losses at 1 January	3.0	**3.0**
Depreciation for the year	1.5	**1.5**
Disposals in the year	0.2	**0.2**
Depreciation and impairment losses at 31 December	**4.2**	**4.2**
Carrying amout at 31 December	**2.5**	**2.5**
Depreciated over	**3-5 years**	**-**

2012 DKKm	Operating equipment, fixtures and fittings	Total
Cost at 1 January	4.1	**4.1**
Additions for the year	1.2	**1.2**
Cost at 31 December	**5.2**	**5.2**
Depreciation and impairment losses at 1 January	2.1	**2.1**
Depreciation for the year	0.9	**0.9**
Depreciation and impairment losses at 31 December	**3.0**	**3.0**
Carrying amount at 31 December	**2.2**	**2.2**
Depreciated over	**3-5 years**	**-**

46 Investments in subsidiaries

	2013 DKKm	2012 DKKm
Cost		
Cost at 1 January	923.3	758.3
Additions for the year	144.4	165.0
Cost at 31 December	**1.067.7**	**923.3**
Net revaluation according to the equity method at 1 January	-480.9	-323.8
Translation adjustments	0.1	-0.1
Share of profit/loss for the year	34.3	61.9
Amortisation and impairment losses, goodwill	-21.0	-7.1
Dividend received	-156.9	-190.0
Other adjustments	4.8	-1.6
Transfered to receivables from subsidiaries	0.0	-20.2
Net revaluation according to the equity method at 31 December	**-619.7**	**-480.9**
Carrying amount at 31 December	**448.0**	**442.4**
Of which, goodwill	**13.2**	**34.2**

Reference is made to the group chart on page 118.

47 Investment in associates

	2013 DKKm	2012 DKKm
Cost		
Cost at 1 January	16.7	9.2
Additions for the year	1.0	7.5
Disposals for the year	-3.3	0.0
Cost at 31 December	**14.4**	**16.7**
Net revaluation according to the equity method at 1 January	-0.4	-0.6
Share of profit/loss for the year	-0.2	0.3
Amortisation, goodwill	-0.5	0.0
Dividend received	-2.0	0.0
Net revaluation according to the equity method at 31 December	**-3.1**	**-0.3**
Carrying amount at 31 December	**11.2**	**16.4**
Of which, goodwill	**1.5**	**5.4**

Reference is made to the group chart on page 118.

48 Deferred tax

	2013 DKKm	2012 DKKm
Deferred tax at 1 January	-0.3	-0.6
Deferred tax for the year included in the net profit/loss for the year	0.0	0.3
Deferred tax at 31 December, net	**-0.3**	**-0.3**

Deferred tax DKKm	Assets	Liabilities	Total 2013	Assets	Liabilities	Total 2012
The deferred tax assets and liabilities are broken down by balance sheet item as follows:						
Intangible assets	0.0	0.1	**0.1**	0.0	0.0	**0.0**
Property, plant and equipment	0.8	0.0	**-0.8**	0.8	0.0	**-0.8**
Receivables	0.0	0.4	**0.4**	0.0	0.5	**0.5**
Total	**0.8**	**0.5**	**-0.3**	**0.8**	**0.5**	**-0.3**

49 Income tax payable

	2013 DKKm	2012 DKKm
Income tax payable at 1 January	-5.2	10.0
Current tax for the year recognised in profit/loss	-1.9	-1.8
Adjustment relating to prior years	0.0	-2.8
Tax settled via the management company	11.9	-10.6
Income tax payable at 31 December	**4.8**	**-5.2**

50 Purchase price payable

Reference is made to Note 26 to the consolidated financial statements for a specification of the purchase price payable.

51 Other payables

	2013 DKKm	2012 DKKm
VAT liability	0.5	0.4
Holiday pay obligation	4.2	4.1
Other payables	3.5	3.4
Total other payables	**8.2**	**7.9**

52 Rental obligations

Future total expenses related to rental obligations	2013 DKKm	2012 DKKm
Due within 1 year	7.0	8.5
Due within 1 and 5 years	30.0	36.6
Due after 5 years	8.0	20.0
Total	**45.0**	**65.1**
With respect to rental obligations, the following amounts have been recognised in the income statement:	**7.0**	**8.2**

53 Contingent assets and liabilities, and guarantee obligations

Reference is made to Note 32 to the consolidated financial statements concerning contingent assets and liabilities, and guarantee obligations.

54 Related parties

Reference is made to Note 34 to the consolidated financial statements for a description of related party transactions.

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Distribution Syd A/S
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BEKEY ApS
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Subsidiaries/ONLINE

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www.ofir.dk

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MatchWork World Wide A/S
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