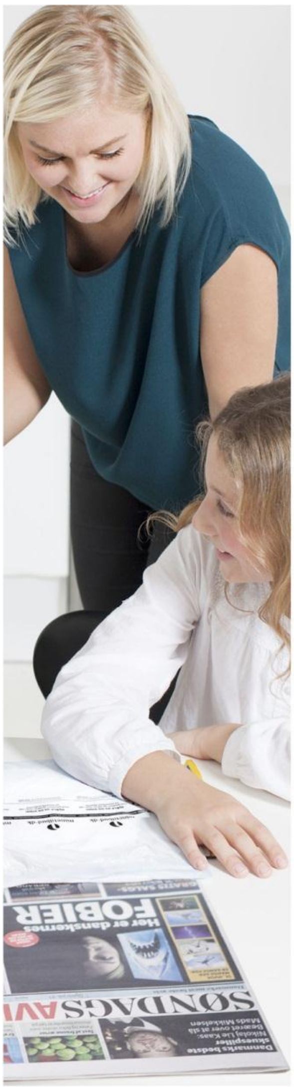
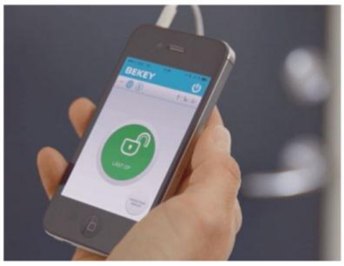
ANNUAL REPORT 2014





NORTH MEDIA A/S

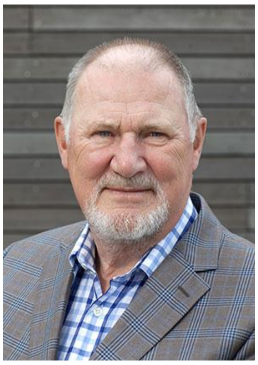
Contents

The Annual Report 2014 has been prepared in Danish and English.

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

FK
DISTRIBUTION
Bliv omdeler hos os!
– læs mere på blivomdeler.nu
MED NEJTAK+ KAN DU SELV BESTEMME, HVILKE REKLAMER DU FÅR I DIN POSTKASSE
minetilbud·dk
SØNDAGSAVISEN
Den perfekte grillmad



Preface

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

A successful No Ads+ is the Group's most important strategic result for many years and is seen as the beginning of a turning point in financial performance

The trend seen in recent years, in which traditional ad media such as TV, dailies and unaddressed printed matter lose consumers, seems to continue. Ordinary flow TV and dailies are no longer capable of efficiently reaching the wide population due to the growth of "TV on demand" and the generally large drop in dailies' circulation. The number of "no thanks" households is going up because consumers want to choose themselves what consumer leaflets they receive. Accordingly, the Danish consumer becomes more and more on-demand focused, and relies on more and more different types of media to access precisely the information and bargains he/she wants at a given time in a given situation.

That is why FK Distribution launched No Ads+, allowing consumers to choose the printed matter they want. That is why the Group acquired eight newspapers in the Copenhagen region in November 2013 to fortify its already formidable push-print media, which now reach 2.2 million households every day. And that is why the Group develops durable, solid online verticals within jobs, housing, building projects and retailing.

2014 was the year in which No Ads+ achieved its breakthrough. Being an innovative product, No Ads+ sets the tone in market developments. Both customers and consumers have received the new product warmly. Over 300,000 households have registered, and more than 100 shops and chains have signed up as customers. It is the greatest strategic breakthrough of the Group for many years and favourably exemplifies how North Media works to develop the Group's activities and uses new standards that contribute to setting the agenda of the market's developments.

The most important strategic goals were reached in 2014. New goals have been set for 2015

FK Distribution implemented the plans set for 2014. Revenue development of the newspaper activities proved weaker than expected, but the acquisition has resulted in the expected improvement of the Group's performance and strategic position in the market as regards newspaper activities. Online activities did not achieve the expected revenue growth, but the earnings improvement of DKK 17.9 million was accomplished as plan-ned from the beginning of the year. New, ambitious objectives that build on performance for 2014 have been set for 2015. Overall assessments are that the Group is well-founded at the onset of 2015.

The Online segment improved performance by DKK 18 million

Group EBIT before special items for 2014 amounts to DKK 55.2 million. In 2013, this figure stood at DKK 57.7 million. The earnings development reflects that performance for FK Distribution is adversely affected by the drop in prices and volume and the investments in No Ads+, whereas it improved for newspaper activities thanks to the acquisition of the eight Copenhagen mid-weeklies at the end of 2013. Online activities improved their performance by DKK 17.9 million from 2013 to 2014.

In 2014, the Group improved its financial resources by DKK 79.2 million. And at year-end, the net interest-bearing cash position stands at DKK 67.6 million compared to interest bearing debt of DKK 11.6 million in 2013.

Based on the continued need to invest in new products such as No Ads+, the Board will – at the Annual General Meeting of 27 March 2015 – recommend that no dividend be paid for the financial year 2014.

Lower results expected for 2015

For 2015, Group EBIT is expected to range from a negative DKK 20 million to a positive DKK 5 million. This is considerably lower than in 2014 and primarily attributable to major investments in No Ads+ and minetilbud.dk as well as in BoligPortal.dk. It is also attributable to revenue decline for FK Distribution as, in 2015, No Ads+ will still not be able to compensate for price and volume drops in the market for unaddressed distribution. The Online segment is expected to achieve break-even for day-to-day operations at year-end 2015. At year-end 2015, the Group's financial resources are expected to be on a par with those at year-end 2014.

Earnings improvement anticipated after 2016

Expectations are that 2016 too will be characterised by major investments in No Ads+, minetilbud.dk and BoligPortal.dk. So, performance for 2016 is also expected to be at an unsatisfactorily low level. During 2016, however, No Ads+ is expected to result in earnings improvement for FK Distribution, and also the Online segment is expected to turn profitable. Against this background, revenue growth and positive earnings from new and existing products stretching far into the future media markets are expected as of 2017.

Group financial highlights (DKKm)

Income statement:	2014	2013	2012	2011	2010
Revenue	1,073.7	1,077.1	1,104.6	1,211.6	1,138.7
Gross profit	533.4	487.7	530.4	579.7	535.7
EBITDA	103.4	93.6	133.8	199.5	156.4
Amortisation and depreciation	48.2	36.0	33.3	33.0	46.2
EBIT before special items	55.2	57.6	100.5	166.5	110.2
Special items. net	-7.5	-20.0	-7.0	0.0	-28.0
EBIT	47.7	37.6	93.5	166.5	82.2
Financials, net	-6.7	-8.4	5.1	-3.7	4.3
Profit/loss before tax, continuing operations	39.6	26.8	97.0	162.3	103.0
Tax. continuing operations	16.9	11.1	20.9	41.1	15.3
Net profit/loss, continuing operations	22.7	15.7	76.1	121.2	87.7
Disposals of subsidiaries	0.0	0.0	0.0	182.0	-0.3
Net profit/loss, discontinued operations	0.0	0.0	0.0	-1.6	-1.6
Net profit for the year	22.7	15.7	76.1	301.6	85.8
Comprehensive income	18.7	20.4	74.3	302.9	78.5
Balance sheet:					
Total assets	888.6	922.0	864.2	868.9	762.2
Shareholders' equity incl minorities	532.4	523.3	511.6	523.8	498.2
Net interest-bearing debt	67.6	-11.6	47.2	107.3	57.7
Net working capital (NWC)	-43.2	-37.1	-40.2	-40.3	-59.1
Invested capital	464.8	534.9	464.4	416.5	440.5
Investments in property, plant and equipment	25.0	25.4	25.3	13.5	8.8
Free cash flow	83.3	65.0	106.4	166.7	166.4
Cash flow statement					
Cash flows from operating activities	83.5	80.4	91.1	155.9	147.7
Cash flows from investing activities	-88.5	-42.6	-22.1	-178.9	-43.0
Cash flows from financing activities	-9.5	-17.2	-102.7	-204.4	-158.7
Changes in cash and cash equivalents	-14.5	20.6	-33.7	-227.4	-54.0
Other information:					
Average number of employees	633	606	637	602	627
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	1,485	444	582
Share price at year-end, DKK	18.2	16.0	17.1	22.8	36.0
Ratios:					
Gross margin (%)	49.7	45.3	48.0	47.8	47.0
Operating margin (EBIT) (%)	5.1	5.3	9.1	13.7	9.7
Equity ratio (%)	59.9	56.8	59.2	60.3	65.4
Return on equity (ROE) (%) (1) *)	4.3	3.0	14.7	59.0	16.0
Return on capital employed (ROIC) (%) *)	11.0	12.1	22.8	38.9	23.2
Earnings per share (EPS)	1.1	0.5	3.4	5.8	4.1
Earnings per share (EPS) - Total (1)	1.1	0.5	3.4	15.0	4.0
Price Earning (P/E) (1)	16.5	32.0	5.0	1.5	9.0
Price/Book Value (P/BV)	0.7	0.6	0.7	0.9	1.4
Cash flow per share (CFPS)	4.5	4.3	4.7	8.0	7.5
Dividend and cash remuneration per share, paid in the financial year	0.0	0.0	3.0	14.0	6.5

The consolidated highlights are shown for continued operations unless otherwise stated. The consolidated highlights are only adjusted for the changed accounting policies for joint ventures for 2013.
Note 1: The key figures also include discontinued operations.

Management commentary

More than 300,000 households have signed up for No Ads+ at year-end 2014

- Group revenue is DKK 1,074 million, and EBIT before special items is DKK 55.2 million in 2014. This is as anticipated.
- FK Distribution successfully expanded No Ads+ and intensifies development of digital services.
- Søndagsavisen and the eight Copenhagen mid-weeklies acquired in 2013 did not realise the growth expected.
- The Online segment improved performance by DKK 17.9 million to a negative DKK 8.2 million in 2014.
- In 2014, the Group's financial resources went up by DKK 79.2 million at 31 December 2014.
- For 2015, the Group expects EBIT before special items to range from a negative DKK 20 million to a positive DKK 5 million.

Overall, revenue fared as expected

For 2014, the Group's total revenue comes to DKK 1,073.7 million, which is on a par with revenue for 2013 and consistent with revenue expectations announced earlier.

From the onset of the year, expectations were that the Group's revenue in 2014 would range between DKK 1,060 million and DKK 1,110 million. In the Interim Management Statement for Q3 2014, these expectations were specified to range from DKK 1,060 million to DKK 1,080 million.

FK Distribution's revenue declined by 7% due to continued price reductions, an increase in "no thanks" households and continual uncertainty relating to the advertising tax, which has invoked reluctance among retailers. FK Distribution's new No Ads+ product compensates increasingly for this as the number of households signing up rises. The revenue decline in 2014 is smaller than expected at the beginning of the year.

Newspaper activities upped revenue by approx 25%, primarily thanks to the acquisition of the eight local newspapers in the Copenhagen region at 1 November 2013. Revenue development proved weaker than anticipated. Nonetheless, the acquisition has significantly improved the Group's newspaper performance and strategic position in the market and its possibility of emerging stronger from a possible future market consolidation.

Total revenue of the Print segment stands at DKK 976.3 million in 2014 compared to DKK 986.1 million in 2013.

At the beginning of the year, the Online segment's revenue was expected to go up by 20% in 2014. This growth target was not achieved. The four main activities of Online – Ofir.dk, Byggestart.dk, BoligPortal.dk and Bostadsportal.se – upped their revenue by 10% from 2013 to 2014.

Total revenue of the Online segment comes to DKK 97.3 million in 2014 compared to DKK 91.0 in 2013, equalling 7% growth.

2014 performance on a par with 2013

Group EBIT before special items for 2014 amounts to DKK 55.2 million. In 2013, this figure stood at DKK 57.6 million.

The 2014 EBIT performance includes DKK 12 million in amortisation of intangible assets related to the acquisition of the eight Copenhagen local newspapers. In 2013, this amortisation amounted to DKK 2 million.

The performance realised for 2014 matches expectations at the beginning of the year, when the earnings expectations announced ranged from DKK 50 million to DKK 75 million. In the Interim Management Statement for Q3 2014, these expectations were specified to range from DKK 55 million to DKK 65 million.

The Print segment's EBIT of DKK 61.2 million ended up in the lower end of expectations, which was primarily attributable to increased costs for product development of BEKEY and weaker revenue development in newspaper activities.

The Online segment's EBIT before special items comes to a negative DKK 8.2 million and represents an improvement of DKK 17.9 million compared to 2013. The progress is particularly attributable to the reduction of losses on Ofir.dk and Byggestart.dk.

Strategic goals and results for 2014

The No Ads+ success is the most important strategic breakthrough in 2014

As anticipated, the uncertainty surrounding FK Distribution's printed matter market remains in 2014. The market is still characterised by fierce price competition and uncertainty about when the new tax on printed matter will be enforced. The structural market development with an increasing number of ”no thanks” households piles on this uncertainty.

FK Distribution's successful roll-out of No Ads+ is an excellent example of how business development is carried on in the Group: Even during very challenging market conditions, the Group's core skills and solid financial foundations serve as a jumping-off platform for developing new markets and new attractive business opportunities.

For the majority of the Group's activities, the structural market development is fast-paced, and the changes are significant. Consequently, business development enjoys top priority. For the Group as a whole, the strategic measures all aim to:

1. maintain existing market positions and a high efficiency
2. maintain a high level in term of manoeuvrability and profitability in an unstable market
3. implement business development based on core skills
4. ensure high profitability and cash flows enabling investments as well as a high dividend yield for the shareholders.

Based on this, six focus areas were identified for 2014 across the Online and Print segments. These focus areas enjoy top priority in relation to financial performance for 2014 and long-term earnings level. The six focus areas relate to FK Distribution, BEKEY, Søndagsavisen, Ofir.dk, Byggestart.dk and BoligPortal.dk.

FK Distribution, goals for 2014

FK Distribution's traditional market for distribution of unaddressed printed matter is challenged by structural changes, legislative measures and, in the view of North Media, unlawful price competition on the part of Post Danmark. Refinement and implementation of No Ads+, addressed and segmented distribution as well as digital services are set to safeguard FK Distribution's market position and counter the negative earnings performance.

FK Distribution, performance for 2014

No Ads+ was massively rolled out in the spring of 2014, and successful campaigns were launched during the year. The inflow of No Ads+ households progresses as planned. And at year-end 2014, more than 300,000 households have signed up for the arrangement. A large number of retailers, exceeding 100 shops/chains, have already joined No Ads+, recognising the importance of being part of it. Based on the existing number of registered households, a No Ads+ retail customer can reach almost 20% more households than a non-No Ads+ customer. Moreover, a retail chain/shop will find considerable value in, specifically and actively, being selected by a given consumer.

> ” No Ads+ is quickly becoming a core product, and to FK Distribution a significant element in its shift from necessary provider to valued partner”

Activities at minetilbud.dk and the app versions are developed concurrently with new and unique services that supplement and support the traditional unaddressed distribution as well as the new segmented and addressed No Ads+ service. Offering these solutions, FK Distribution makes it easy for the consumer to find relevant bargains at FK Distribution's customers.

The tax on printed matter adopted in 2012 still has not been enforced. In the beginning of July 2014, the European Commission endorsed the tax, albeit with a number of changes. FK Distribution continues to provide factual data for political decision-makers. Expectations are that the tax will be enforced in Q3 2015 at the earliest.

Conclusion: Overall, FK Distribution has implemented and achieved the goals set for 2014.

BEKEY, goals for 2014

BEKEY must continue to win the majority of the municipal tenders with respect to electronic access control, and must also successfully roll out the product in the private sector.

BEKEY, performance for 2014

BEKEY successfully landed the majority of municipal tenders. The number of tenders, however, was smaller than expected at the beginning of the year. The implementation pace in the municipalities was also lower than expected. As a supplement to BEKEY, a number of contracts have been signed with partners providing supplementary products within welfare technology, such as emergency call systems. BEKEY's system is now also used in Sweden and Norway, and negotiations are underway with potential distributors in several other European countries.

> ” At year-end 2014, 21 municipalities have installed or are testing BEKEY. BEKEY's solution for stairway doors has now been installed in more than 17,000 locked stairways in Greater Copenhagen, or almost 40% of all stairways. BEKEY is used to open around 30,000 doors every day.”

The launch in the private sector was carried through as planned, but sales have not matched expectations. Goals for the private sector have thus been reduced. Instead, more resources have been allocated to the Danish municipal market and internationalisation, areas characterised by positive momentum and, consequently, greater potential.

Conclusion: Overall, BEKEY implemented the activities planned for 2014, whereas the revenue growth anticipated failed to materialise. Assessments are that this reflects timing differences in a market yet to mature.

Søndagsavisen, goals for 2014

Søndagsavisen and the eight mid-week newspapers acquired in the Copenhagen region must realise the planned operating and cost synergies and continue to improve the efficiency of and optimise sales. The Group's aggregate newspaper activities are expected to uphold the earnings improvements and achieve EBIT break-even in 2014.

Søndagsavisen, performance for 2014

Operating and cost synergies relating to the acquisition of the eight Copenhagen local newspapers as well as the improvement of efficiency and optimisation of sales have, as planned, contributed positively to the earnings improvement of the newspaper activities.

Thanks to the acquisition of the eight newspapers, revenue increased heavily within newspaper activities, and performance was improved substantially.

In most of 2014, the market proved weaker than expected at the beginning of the year. As a result, revenue growth was weaker than anticipated, entailing that earnings improvement also fell slightly short of expectations. Whereas Søndagsavisen has enjoyed revenue development in recent years exceeding that of the general market, revenue from the Group's newspaper activities dropped by approx 8%, corresponding to market developments for 2014.

Consequently, newspaper activities have not achieved the goal of EBIT breakeven in 2014. At group level, meaning that when FK Distribution's earnings from distribution of the newspapers are included, the newspaper activities still generate positive earnings.

> ” In Q4 2014, a plan was prepared to intensify the sales efforts towards large customers and to strengthen the ability to sell relying on the value parameter based on the scope and effect of the Group's 35 free newspapers distributed weekly to 1.6 million households.”

Moreover, changes are implemented in the editorial concepts in order to widen the reader target group and halt the decline in readership experienced by the entire industry.

Conclusion: The newspaper activities have seen the realisation of efficiency gains from acquiring the eight Copenhagen local newspapers. However, it did not prove possible to fully adapt the sales organisation to the new market conditions. Against this background, and as a result of the generally weak market, the objective of EBIT breakeven in 2014 was not achieved.

Ofir, goals for 2014

Ofir offers two strategic key products: Sale of ads for media in Ofir job universe using Ofir's media selection page and sale of the e-recruitment system Emply Hire. 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.

Ofir, performance for 2014

One of Ofir's strategic main products, the e-recruitment system Emply Hire, gained a solid grip on the Danish market in 2014 and achieved the objectives set. The customer portfolio was upped by almost 50%, and approx 120 municipalities and businesses now use the system.

The other strategic main product of Ofir, sale of ads for media in Ofir job universe, however, developed unsatisfactorily. The media selection page is now available to almost all customers. And later in 2015, Ofir's media selection page will be embedded in the Emply Hire e-recruitment system. This is expected to contribute positively to the sale of ads in Ofir job universe.

> ” The revenue increase experienced from selling the Emply Hire system together with the full-year effect of the cost reductions carried through in 2013 entail that Ofir's performance for 2014 is much better than last year.”

Conclusion: Ofir has not fully implemented the activities scheduled for 2014 as the development of new features was delayed. This is also the main reason for not achieving the revenue growth expected and for postponing the objective of EBIT breakeven by Q2 2015 to H2 2016.

Byggestart.dk, goals for 2014

Byggestart.dk must succeed with its revised concept in order to clarify whether this business model can generate satisfactory, positive earnings. Expectations are that EBIT break-even will be achieved by Q2 2015.

Byggestart.dk, performance for 2014

In H1 2014, Byggestart.dk developed slower than anticipated. As a consequence, a new strategy was drawn up, entailing that the cost base was reduced considerably by the end of Q2 2014.

In the Interim Report for 2014, goodwill relating to Byggestart.dk was thus written down to zero value, and the earn-out payable was reversed as it was no longer deemed achievable. In aggregate, this resulted in special items totalling DKK 7.5 million.

After its restructuring, Byggestart.dk returned a breakeven performance for Q3 2014, the same period in which a new business concept was introduced.

> " The new business model developed very positively in Q4 2014, and investments were made to increase the business volume"

Conclusion: Byggestart.dk established that the concept pursued at the beginning of the year was not viable. Byggestart.dk successfully implemented a new strategy, which, already in Q4 2014, displayed considerable positive development. Based on the favourable results, it was decided to invest further in increasing its business volumes, for which reason the objective of EBIT breakeven by Q2 2015 has been postponed by six months to year-end 2015.

BoligPortal.dk, goals for 2014

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 to make BoligPortal.dk one of Denmark's largest and most efficient housing market portals.

BoligPortal.dk, performance for 2014

BoligPortal.dk has upheld its market-leading position in the market for advertising of rental housing, and the goals set have been achieved. The planned development of new tools for private and professional lessors as well as for housing seekers has been implemented according to plan.

> " Mobile devices account for an increasing share of the services used on BoligPortal, relying on social media such as Facebook, Instagram and Twitter."

Consequently, BoligPortal has developed services for mobile phones and tablets and has also invested in upping its presence on social media and in familiarity marketing.

The new marketplace for self-sale of co-operative and owner-occupied dwellings, however, did not develop as expected, and the additional measures implemented in H2 2014 failed to achieve the desired result.

This is primarily attributable to the development of the still immature self-sale market having been slower than expected, and that individual players in the market are still trying to come up with the ideal business model for this market.

Conclusion: BoligPortal.dk upheld its market-leading position in the market for advertising rental housing, but was unsuccessful in generating the growth expected in the self-sale of co-operative and owner-occupied dwellings.

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. Sale of electronic key systems via BEKEY. 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 goals, activities and performance targets for 2015

In 2015, the transformation characterising most of the Group's activities in 2014 will proceed. The Group will continue to play an active role in laying the path for the media market's development and trends

Ambitious strategic goals for 2015

In 2015, general market developments are expected to be very similar to those seen in 2014. The supply of both physical and online platforms for the typical media consumer will go up, whereas user demands generally will shift to more on-demand and niche-oriented solutions.

The markets for distribution of printed matter and the ad market for newspapers will still be characterised by low predictability due to fierce price competition and structural changes in behaviour.

One change as compared to the market situation at the onset of 2014 is, however, that FK Distribution now offers a supplementary product in the form of No Ads+, which is less price sensitive than traditional unaddressed printed matter. On the other hand, newspaper activities have become more sensitive to market developments than was the case before.

The market developments constitute a significant parameter in the Group's future performance, but there are no signs that predictability will go up significantly in the years ahead. Consequently, the Group's future strength and success must be based on the existing market conditions.

Against this background, six strategic initiatives relying on the Group's strategic strengths have been defined, which are critical to the performance for 2015 and the future earnings level:

1. FK Distribution must continue to increase the number of households signed up for No Ads+. Moreover, minetilbud.dk must be the leading platform for online readings and locality-based bargain hunting and services. Massive investments are made in product development and marketing.

   The revenue decline for 2015 is expected to be on a par with 2014. The upped investments in No Ads+ and minetilbud.dk will exacerbate the decline in performance.

2. BEKEY must accelerate its momentum, and its leading position in the municipal market must be cemented. Combined with intensified sales efforts abroad, this must result in high revenue growth. Investments in product development must be maintained.

   Considerably higher revenue is expected for 2015, and performance on a par with 2014.

3. The newspaper activities must regain the setting when revenue and readership developments exceeded the general market. Sales efforts must increasingly focus on ROI and on the Group's newspaper titles being the country's largest push-medium and the best alternative to the surge in no thanks, the decline in dailies' circulation and TV's challenge with respect to delivering adequate effect (target rating points (TRP)).

   Revenue and performance for 2015 are expected to be on a par with those of 2014.

4. The most important target for Ofir is to increase the sale of job ads considerably. Moreover, revenue growth from the Emply e-recruitment system must maintain its high level from 2014.

   Significantly greater revenue is expected for 2015, and the earnings improvement must continue. Ofir.dk is expected to achieve EBIT breakeven in H2 2016.

5. Byggestart.dk changes its name to håndværker.dk in February 2015 and launches a new website. This new site will be supported through marketing to ensure that håndværker.dk offers the best alternative to the neighbour's recommendation for a trustworthy builder.

   Revenue for 2015 is expected to decline slightly due to the restructured business model, but improved performance is expected despite the massive marketing effort. håndværker.dk is expected to achieve EBIT breakeven by year-end 2015.

6. BoligPortal.dk must uphold its market leading position and expand its presence on mobile platforms and social media within mediation of rental housing. New products and services for both landlords and tenants must be introduced. BoligPortal.dk must also create a market for the self-sale of co-operative and owner-occupied dwellings.

   Revenue is expected to go up for 2015, whereas performance is expected to go down due to additional investments in product development and marketing compared to 2014.

Performance targets for 2015 reflect major investments in innovative products such as No Ads+

In 2015, FK Distribution's revenue is expected to decline due to the decrease in price and volume prompted by the awaited implementation of the advertising tax in H2 2015. The increase in No Ads+ partially compensates for this decline.

Revenue from the newspaper activities for 2015 is expected to be on a par with that for 2014. BEKEY's revenue is expected to increase heavily, but will still only represent a very minor share of the Print segment's total revenue.

Within the Online segment, revenue from håndværker.dk (formerly Byggestart.dk) is expected to be slightly lower for 2015 due to the restructuring of the business model. It is, however, expected to increase and go up significantly in H2 2015 compared to H2 2014. Thus, the revenue improvement of the Online segment is expected to be driven by growth realised by Ofir.dk, BoligPortal.dk and BostadsPortal.se.

Against this background, the Group's total revenue is expected to be approx 4% lower in 2015 compared to 2014. The Group's revenue is expected to range from DKK 1,010 million to DKK 1,050 million in 2015 compared to DKK 1,074 million in 2014.

Outlook for 2015

DKKm	**Revenue**	**EBIT**
Print	910 - 940	-10- +5
Online	100 – 110	-10 - 0
Group	1,010 – 1,050	-20 - +5

Despite a flat revenue curve, the Group's performance is expected to be considerably lower in 2015 than in 2014. For 2015, Group EBIT before special items is expected to range from a negative DKK 20 million to a positive DKK 5 million compared to DKK 55.2 million in 2014.

The drop in performance is primarily attributable to the decline on the part of FK Distribution. The development of No Ads+ and the new digital services places a heavy investment burden on marketing activities and on development resources. Investments are also made in BoligPortal.dk for services relating to rental, co-operative and owner-occupied housing.

For 2015, newspaper activities envisage performance on a par with 2014, whereas other activities are expected to improve their performance.

" Overall, 2015 will see investments of approx DKK 60 million in new products targeting the future media market."

Earnings improvement anticipated after 2016

2015 and 2016 are expected to be characterised by transformation, resulting in unsatisfactorily low earnings.

Expectations are that 2016 too will be characterised by major investments in No Ads+, minetilbud.dk and BoligPortal.dk. After the strategic breakthrough of No Ads+ in 2014 and the anticipation of continued improvement in 2015, No Ads+ is expected to generate increased progress in revenue for FK Distribution in 2016. The Online segment is also expected to achieve breakeven for day-to-day operations at year-end 2015 and become profitable in 2016.

Against this background, revenue growth and positive earnings from new and existing products stretching far into the future media markets are expected as of 2017.

As expected, Group performance for 2014 was on a par with performance for 2013 and is satisfactory in light of the market conditions and high level of new activities such as No Ads+ and BEKEY

Loss of online activities for Q4 2014 was substantially less than in the same period last year

Revenue for the Print segment for Q4 2014 stands at DKK 267.9 million and was thus 5% down on revenue in the same quarter last year. The eight local newspapers in the Copenhagen region were acquired on 1 November 2013, thus affecting two months of Q4 2013. Revenue of the Print segment for Q4 2014 was 8% lower than for the same quarter of 2013 when disregarding the eight local papers acquired.

The decline is attributable to lower revenue for FK Distribution and Søndagsavisen.

EBIT for the Print segment before special items is DKK 23.3 million for Q4 2014, which is lower than EBIT for Q4 2013, which stood at DKK 34.8 million. The primary reason is a weaker performance by FK Distribution.

Revenue of the Online segment for Q4 2014 comes to DKK 22.3 million, which is on a par with that of Q4 2013. The absence of growth is attributable to declining revenue of Byggestart.dk due to the concept being restructured, whereas revenue went up equivalently for BoligPortal.dk and Ofir.dk.

The Online segment's EBIT before special items in Q4 2014 was a negative DKK 3.2 million compared to a negative DKK 8.8 million in the same quarter last year. The performance improvement reflects the general cost reduction within the Online segment and that losses in the online activities were generally cut significantly in 2014.

	Revenue									
	Year		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
DKKm	**2014**	**2013**	**2014**	**2014**	**2014**	**2014**	**2013**	**2013**	**2013**	**2013**
Print	976.3	986.1	267.9	223.1	251.8	233.5	281.3	214.4	247.7	242.7
Index cp. same period last year	*99.0*	*95.8*	*95.3*	*104.1*	*101.7*	*96.2*	*99.6*	*93.3*	*96.9*	*92.8*
Online	97.4	91.0	22.3	25.2	25.1	24.8	22.2	21.8	23.2	23.8
Index cp. same period last year	*107.0*	*104.5*	*100.5*	*115.6*	*108.2*	*104.2*	*101.8*	*99.1*	*103.1*	*114.4*
Group revenue	**1,073.7**	**1,077.1**	**290.2**	**248.3**	**276.9**	**258.3**	**303.5**	**236.2**	**270.9**	**266.5**
Index cp. same period last year	*99.7*	*96.5*	*95.7*	*105.1*	*102.2*	*96.9*	*99.8*	*93.8*	*97.4*	*94.4*

	EBIT before special items									
	Year		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
DKKm	**2014**	**2013**	**2014**	**2014**	**2014**	**2014**	**2013**	**2013**	**2013**	**2013**
Print	61.2	80.6	23.3	3.7	17.4	16.8	34.8	9.3	14.8	21.7
Profit margin	*6.3%*	*8.2%*	*8.7%*	*1.7%*	*6.9%*	*7.2%*	*12.4%*	*4.3%*	*6.0%*	*8.9%*
Online	-8.2	-26.1	-3.2	2.4	-3.2	-4.2	-8.8	-5.4	-5.1	-6.8
Profit margin	*-8.4%*	*-28.7%*	*-14.3%*	*9.5%*	*-12.7%*	*-16.9%*	*-39.6%*	*-24.8%*	*-22.0%*	*-28.6%*
Unallocated income/costs	2.2	3.1	1.0	1.3	0.8	-0.9	1.9	1.2	0.6	-0.6
Group EBIT	**55.2**	**57.6**	**21.1**	**7.4**	**15.0**	**11.7**	**27.9**	**5.1**	**10.3**	**14.3**
Profit margin	*5.1%*	*5.3%*	*7.3%*	*3.0%*	*5.4%*	*4.5%*	*9.2%*	*2.2%*	*3.8%*	*5.4%*

The Group's total revenue for Q4 2014 is DKK 290.2 million, or 4% down on Q4 2013. The Group's EBIT before special items in Q4 2014 is DKK 21.1 million compared to DKK 27.9 million in the same period last year. Thus, the decline recorded for FK Distribution outweighed the improvement of the online performance.

Group revenue for 2014 on a par with revenue for 2013

For FY 2014, the Group realised revenue of DKK 1,074 million, which corresponds to the revenue of DKK 1,077 million realised last year. As stated in the Group's Interim Management Statement for Q3 2014, the Group's revenue was expected to total DKK 1,060 to 1,080 million in 2014. The revenue realised was in line with expectations.

FK Distribution's revenue decline exceeded progress in the Print segment's newspaper activities

In 2014, revenue for the Print segment stands at DKK 976 million compared to DKK 986 million in 2013, equalling a decline of DKK 9.7 million, or 1%. These figures reflect, however, that FK Distribution's revenue dropped by 7%, which was compensated for to a substantial extent by the revenue increase in newspaper activities as a result of the acquisition of eight Copenhagen local papers.

Primary activities of the Online segment upped revenue by 10%

Within the online activities, revenue went up from DKK 91.0 million in 2013 to DKK 97.4 million in 2014, equalling a growth rate of 7%. The four main activities of the Online segment, Ofir.dk, Byggestart.dk, BoligPortal.dk and Bostadsportal.se upped their revenue by 10%.

Revenue growth for the Online segment for 2014 was expected to total 5 to 10% in the Interim Management Statement for Q3 2014. Earlier in the year, a growth rate of 20% was expected. The reduced expectations are attributable to lower growth for Ofir.dk and Byggestart.dk.

Contribution margin

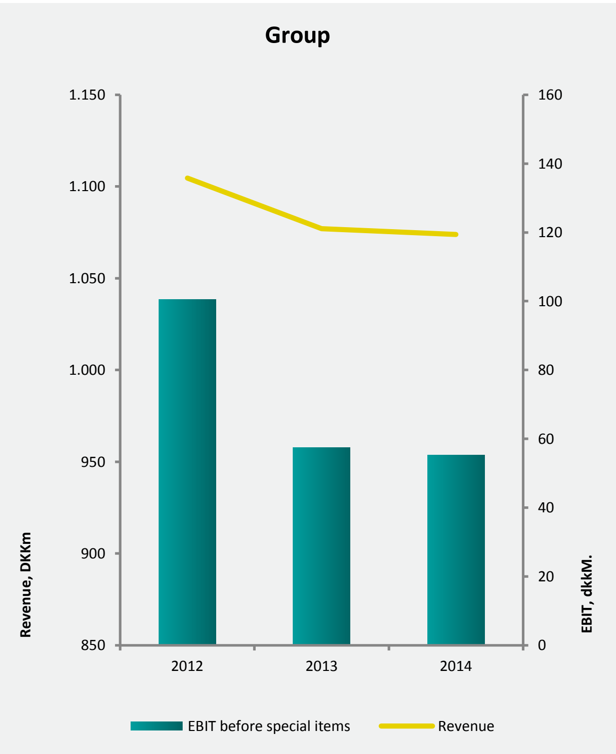
In 2014, the aggregate contribution margin of the Group amounted to DKK 533.4 million, equalling a contribution ratio of 49.7%. In 2013, the contribution margin came to DKK 487.7 million, and the contribution ratio to 45.3%. The 4.4% increase in the contribution ratio is attributable to changed recognition of the DDC activity as well as increased contribution margins from the midweek newspapers acquired.

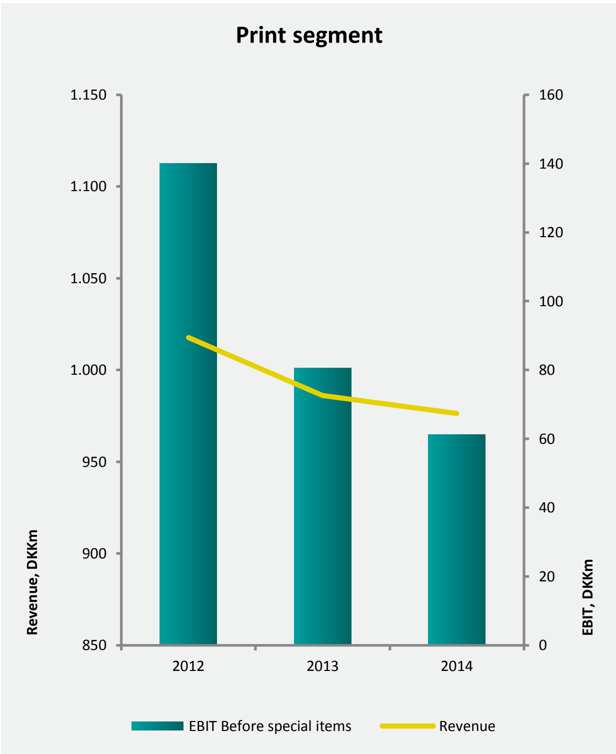
Staff costs

Staff costs come to DKK 278.9 million in 2014 compared to DKK 270.5 million in 2013. Staff costs have gone up by DKK 8.4 million, or 3%, from 2013 to 2014. The increase is attributable to the full-year effect of staff taken over from the eight local papers acquired. However, this figure will drop as a result of improvements of efficiency in the newspaper activities and in the online business. In 2014, the average headcount was 633, which is 27 more than in 2013. Please also refer to Notes 6 and 7.

Other expenses

Other expenses primarily include marketing costs, cost of premises, IT costs, fees and administrative expenses. Other expenses total DKK 157.3 million in 2014 compared to DKK 135.8 million in 2013. The total increase of DKK 21.5 million includes DKK 15 million attributable to increased marketing costs for No Ads+, whereas the remaining increase is attributable to additional expenses for IT development of





minetilbud.dk and product development of BEKEY.

The full-year effect of the extra costs related to the eight local papers acquired was absorbed by other improvements of efficiency.

Amortisation and depreciation went up by DKK 12 million in 2014

Amortisation and depreciation for the Group comes to DKK 48.2 million in 2014. In 2013, amortisation and depreciation stood at DKK 36.0 million. This increase is attributable to the acquisition of eight local Copenhagen newspapers at 1 November 2013. Intellectual property rights in this respect are amortised over five years and came to DKK 12 million in 2014 and DKK 2 million in 2013. Moreover, buildings are depreciated by DKK 8.9 million and plant by DKK 15.5 million in 2014. Please also refer to Notes 16 and 17.

2014 performance in line with expectations at beginning of year

In 2013, Group EBIT before special items came to DKK 57.6 million. In 2014, Group EBIT before special items stands at DKK 55.2 million and is thus consistent with that of last year. This unchanged performance includes DKK 10 million in increased depreciation due to the acquisition of the eight local Copenhagen newspapers.

The revenue decline of FK Distribution, however, caused FK Distribution's earnings to drop by over 20%, which was to some degree compensated for by improved earnings for newspaper activities and within the Online segment.

At the beginning of the year, EBIT for the year was expected to range from DKK 50 million to DKK 75 million, and was specified to range from DKK 55 million to DKK 65 million in the Interim Management Statement for Q3 2014. As EBIT before special items was realised at DKK 55.2 million, this figure is within the range expected at the onset of the year. This performance in the lower end of the range is attributable to revenue developments within the newspaper activities turning out weaker than expected, and that greater investments were made in the internationalisation of BEKEY.

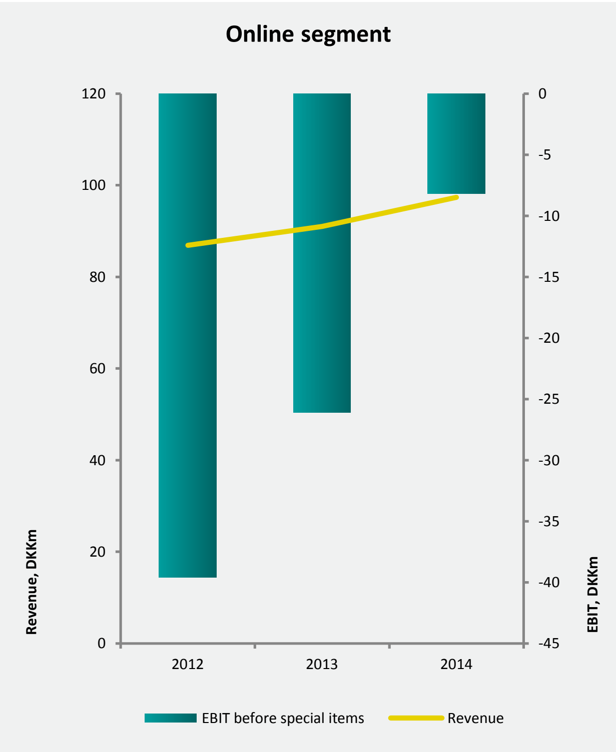
EBIT before special items for the Print segment is DKK 61.2 million for 2014, which is DKK 19.4 million down on 2013. This decline in performance is attributable to lower sales for FK Distribution, whereas the newspaper activities improved performance for 2014 thanks to the acquisition of the eight local Copenhagen newspapers.

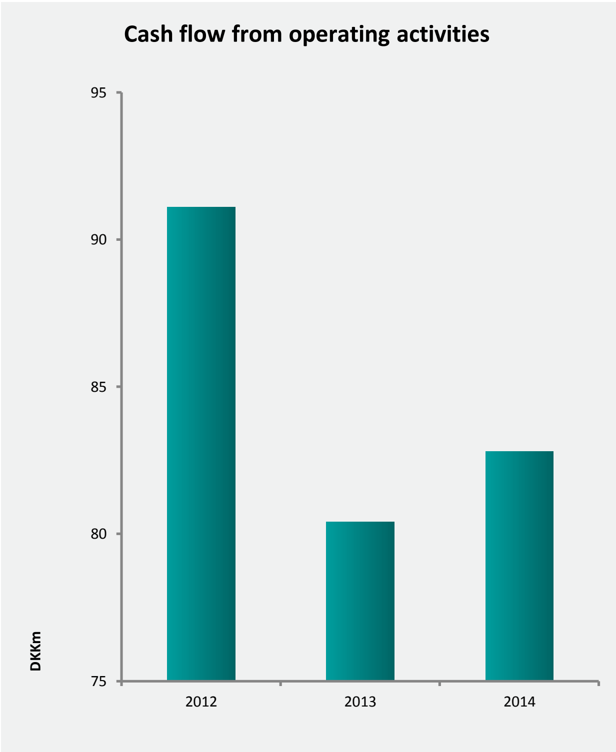
At the onset of the year, EBIT before special items for the Print segment was expected to range from DKK 55 million to DKK 85 million. The performance realised is thus in accordance with expectations.

EBIT for the Online segment remains in the negative, but the planned improvements were carried through

EBIT before special items for the Online segment is a negative DKK 8.2 million in 2014, which is an improvement by DKK 17.9 million compared to 2013, when the loss totalled DKK 26.1 million. Ofir.dk’s and Byggestart.dk’s performance was much better in 2014 compared to last year, albeit still negative.

At the onset of the year, EBIT before special items for the Online segment was expected to range from a negative DKK 5 million to a negative DKK 10 million. Accordingly, the





performance realised is consistent with expectations.

Since 2011, EBIT before special items for the Online segment has thus improved by DKK 42.4 million when it came to a negative DKK 50.6 million.

Special items

The Group's performance for 2014 includes a write-down of goodwill etc and reversal of an earn-out payable of a net DKK 5.9 million stemming from the acquisition of Byggestart.dk/HentTilbud.dk that are disclosed as "Special items". After the write-down in both 2013 and 2014, goodwill etc and the earn-out payable have been written down to DKK 0.

Special items for 2014 include DKK 1.6 million in severance pay to staff as the number of employees at Byggestart.dk/HentTilbud.dk was halved to 15 people.

Special items for 2014 also include a partial write-down of goodwill related to the acquisition of the local papers in 2013, and equivalent reduction of the acquisition price payable for the acquisition of the remaining 30% of the shares in Lokalaviserne Østerbro og Amager A/S.

In 2013, special items comprised the DKK 7 million write-down of the printing house and the DKK 13 million write-down of goodwill attributable to the acquisition of Byggestart.dk/HentTilbud.dk, where the write-down of the printing house was recognised in H1 2013. Please also refer to Note 11.

Share of profits/losses from associates

The Group's share of profits/losses after tax from associates comes to a negative DKK 1.4 million in 2014 compared to a negative DKK 2.4 million in 2013. The earnings improvement is primarily attributable to reduced losses on Shopbox ApS and eConscribi International ApS as compared to 2013, but also that the positive earnings in 2013 from DDC P/S are now recognised in the consolidated profit.

Performance of A/S Vestsjællandske Distriktsblade remains positive.

Financial income

In 2014, the Group had financial income of DKK 18.0 million, whereas income amounted to DKK 3.3 million in 2013. This income primarily originates from realised and unrealised capital gains from shares, bonds, interest income and dividend received.

At 31 December 2014, the Group's portfolio of securities totalled DKK 204.7 million, whereas the portfolio at the same date in 2013 came to DKK 139.7 million.

Financial expenses

Financial expenses come to DKK 24.7 million for 2014 and primarily relate to fair value adjustment of other investments of DKK 13.8 million, interest on long-term mortgage loans in the Group's properties and the discounting effect on the acquisition price payable. In 2013, financial expenses came to DKK 11.7 million, and also consisted of interest on long-term mortgage loans and the discounting effect on the acquisition price payable.

Fair value adjustment of other investments is primarily attributable to write-down of the investment in Emply ApS, totalling DKK 12 million. Please refer to Note 10 for further details.

Profit before tax

The Group's profit before tax amounts to DKK 39.6 million, which is DKK 12.8 million up on 2013. The improved performance is chiefly attributable to the total amount of special items being lower in 2014.

Tax

Tax on profit for the year stands at DKK 16.9 million and equals an effective tax rate of 42.7%. The high effective tax rate is primarily due to the write-down of goodwill and other investments that cannot be deducted from the taxable income, just as DKK 2.8 million was expensed in tax losses previously capitalised. In 2013, total tax amounted to DKK 11.1 million, corresponding to an effective tax rate of 41.4 %. In 2013 too, tax was affected by write-downs in goodwill.

Profit for the year

Profit for the year of the Group stands at DKK 22.7 million for 2014. This is DKK 7.0 million up on 2013 and is primarily attributable to lower special items and a slightly higher tax expense.

Goodwill and intangible assets

Goodwill and other intangible assets on the Group's balance sheet amount to DKK 140.3 million. This amount has been reduced by DKK 41.7 million in 2014 as a result of DKK 16.8 million in amortisation and DKK 29.1 million in write-downs.

Software experienced a minor increase, and the DDC activity was subject to reclassification of assets.

In aggregate, goodwill and intangible assets worth DKK 80.4 million may be attributed to the local newspaper activities, whereas the remaining assets relate to FK Distribution and BoligPortal.dk.

Investments in associates

Investments in associates were reduced considerably during the year as a result of the distribution of dividend by DDC P/S and the sale of the equity interest in Shopbox ApS, which was sold at 30 June 2014. In 2013, the Group sold its minority block in eConscribi International ApS.

Investments

Amortisation and depreciation for the year come to DKK 48.2 million for 2014, which is DKK 12.2 million up on last year. The increase may be attributed to the increased amortisation of identifiable intangible assets when acquiring the eight local newspapers at 1 November 2013.

For 2014, the Group's total investments excl. acquisitions come to DKK 26.9 million, of which the overwhelming majority has been invested in plant at FK Distribution's packing terminals. In 2013, the Group's investments excl acquisitions totalled DKK 26.5 million. In 2013 too, investments were primarily spent on FK Distribution's packing terminals.

Working capital

At 31 December 2014, the Group's trade receivables amount to DKK 91.7 million. This corresponds to a debtor days ratio of 25.4 days. Compared to the same period in 2013, the Group's receivables have gone down by DKK 12.7 million, and the debtor days ratio has gone down by 3.4 days from 28.8 days. The drop in debtor days ratio was anticipated as the Group saw a similar increase in 2013 as a direct consequence of the acquisition of the eight local newspapers in 2013, when the sale in November and December was not invoiced until December.

At year-end 2014, short-term trade payables stand at DKK 51.2 million compared to DKK 46.4 million at year-end 2013. In days payable outstanding, this is equivalent to 31.0 days in 2014 compared to 26.1 days in 2013.

At 31 December 2014, other payables amount to DKK 87.9 million, which is DKK 2.3 million up on the same date in 2013. Other payables are primarily composed of holiday pay payable and A tax.

The Group's net working capital (NWC) amounted to a negative DKK 43.2 million at year-end 2014, which is DKK 6.1 million up on the same period last year, when the Group's NWC was a negative DKK 37.1 million. The improved NWC is primarily attributable to the deferred invoicing of the new local newspapers, see the description above.

Group ROIC comes to 11.0% for 2014

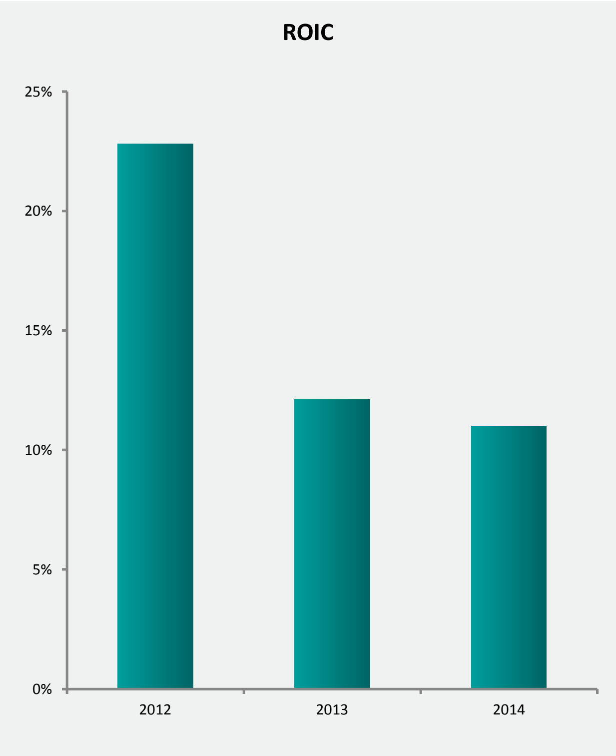
Group ROIC comes to 11.0% in 2014 compared to 12.1% in 2013. This reduction is primarily attributable to the average invested capital being higher in 2014 than in 2013 as a result of the acquisition of the eight local newspapers in November 2013.

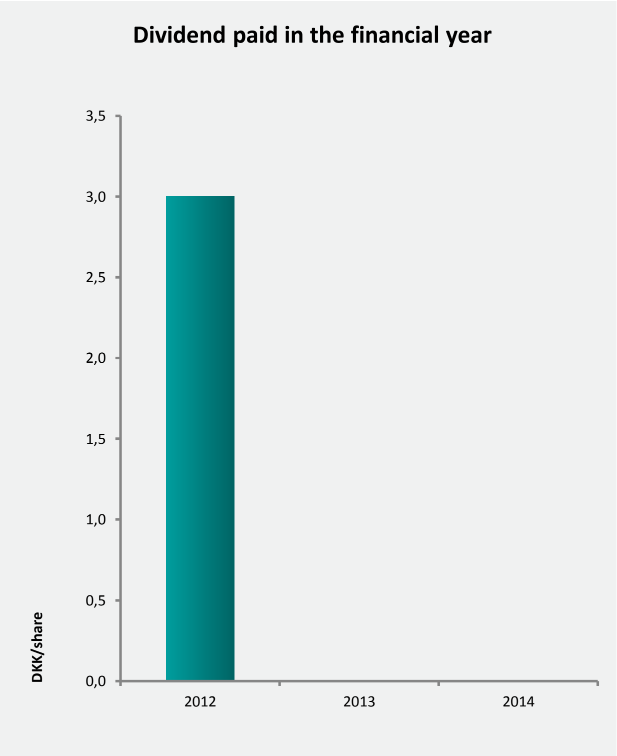
Cash flows for the year from operating activities stand at DKK 83.5 million

Cash flows from operating activities have increased slightly from DKK 80.4 million in 2013 to DKK 83.5 million in 2014. This progress, however, is primarily attributable to an improved working capital which is largely set off by an increased net tax payment.

Cash flows from investing activities are negative by DKK 88.5 million in 2014 compared to a negative DKK 42.6 million in 2013. Cash flows from investing activities are affected materially by the acquisition and divestment of securities, and were in 2013 also affected by the acquisition of the eight local newspapers, which came to DKK 66.9 million net.

In 2014, cash flows from financing activities were negative by DKK 9.5 million and are attributable to dividend paid to minority shareholders of DKK 3.8 million and instalments on mortgage loans. In 2013, cash flows from financing activities came to a negative DKK 17.2 million which was also attributable to payment of dividend to minority shareholders worth DKK 11.4 million and payment instalments.





Total cash flows for 2014 come to a negative DKK 14.5 million compared to DKK 20.6 million in 2013.

Solid financial resources constitute a key competitive parameter

In relation to customers and suppliers, it is important that North Media constitutes a strong and long-standing business partner. North Media must be able to partake actively in and exert its influence on the rapid development of the media market, for which reason solid capital resources are considered to be a key competitive parameter.

At 31 December 2014, the Group has cash and cash equivalents totalling DKK 43.5 million and a portfolio of securities worth DKK 204.7 million. Accordingly, cash resources stand at DKK 248.2 million at the end of 2014.

At 31 December 2014, the Group's holding of listed shares comes to DKK 70.7 million, consisting of investments in Danish and foreign ultra-liquid shares in the IT and health care sectors, as well as investments in a share-based investment fund.

At 31 December 2014, the Group's portfolio of listed bonds has a value of DKK 134.0 million. This portfolio includes corporate bonds and mortgage credit bonds.

The return generated on the securities was DKK 17.3 million, or 10.3%, for FY2014.

Moreover, the Group has mortgage loans inclusive of negative fair value of interest-rate swaps amounting to DKK 156.8 million. The Group also has an acquisition price payable relating to the acquisition of HentTilbud ApS and Lokalaviserne Østerbro og Amager A/S and the remaining investment in Emply totalling DKK 23.8 million. DKK 8.4 million of this acquisition price payable falls due in 2015, whereas the remaining amount falls due between 2016 and 2019.

At year-end 2014, net of the acquisition price payable, the Group's net interest-bearing cash position thus totals DKK 67.6 million.

At year-end 2013, the Group's net interest-bearing debt totalled DKK 11.6 million.

Low financial gearing is a key 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 shareholders 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 earnings expectations. 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 cash and cash equivalents, including easily negotiable securities, long-term mortgage debt 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 the 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 a net interest-bearing cash position of DKK 67.6 million after recognition of acquisition price payable totalling DKK 23.8 million, and thus low financial gearing.

The Board of Directors recommends that no dividend be paid for FY2014

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. Overall, the Group has achieved its performance goal for 2014 and a strategic breakthrough with No Ads+. However, the Board of Directors wants to see stronger evidence of progress in performance before a decision is made to distribute dividend. As in previous years, the Board of Directors' objective is to achieve business stability that establishes distribution of dividend as an annually recurring event.

Against this background, the Board of Directors recommends at the Annual General Meeting of 27 March 2015 that no dividend be paid for FY2014.

Equity and holding of treasury shares

At 31 December 2014, the Group's equity stands at DKK 532.4 million, which is DKK 9.1 million up on year-end 2013.

No treasury shares were purchased or sold in the year.

At 31 December 2014, the Group had 1,485,000 treasury shares, corresponding to 7.4% of share capital and votes of North Media A/S.


FINN'S
VÆLG
Zucchini

FK Distribution

FK Distribution is the link between advertisement-loving, Danish consumers and retailers. The core business of FK Distribution is the door-to-door distributed retail leaflets, which is the most effective revenue driver of the retail trade. In a rapidly changing market, FK Distribution has been providing solutions to secure and strengthen its strong market position

Facts on FK Distribution

PRODUCTS
FK Distribution distributes unaddressed ads, No Ads+ and addressed products as well as free newspapers to all households in Denmark. This distribution is performed by 10,000 distributors servicing 16,000 routes. FK Distribution is also Denmark's largest distributor of electronic consumer leaflets for the Danish households via the consumer portal, minetilbud.dk.

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

FK Distribution is Denmark's largest private distributor of printed matter. It distributes retail leaflets and disseminates information and commercial offers on behalf of supermarket chains, DIY retailers, white goods and electronics dealers and other retailers to every household in Denmark – both in printed and electronic form.

Door-to-door distributed printed matter is both the consumers' and the retailers' preferred form of advertisement

Surveys show that retail leaflets are the consumers' preferred source of information when it comes to shopping. Despite the increasing level of digitalisation, nearly 60% of the Danes always or often read the retail leaflets, and more than half of the Danish consumers base their shopping on retail leaflets, one reason being that the leaflets allow for the consumers to decide on their own where and when to read the good bargains.

The consumers' heavy interest in the leaflets and their impact, which is markedly higher than other types of ads, make them the retail shops' preferred form of advertisement.

Door-to-door distributed ads drive a major flow of customers that can be measured directly through the shops' sales from week to week. This is why 70% of supermarkets' advertising budget is allocated to leaflets, and only 3% of this budget is earmarked for internet advertising.

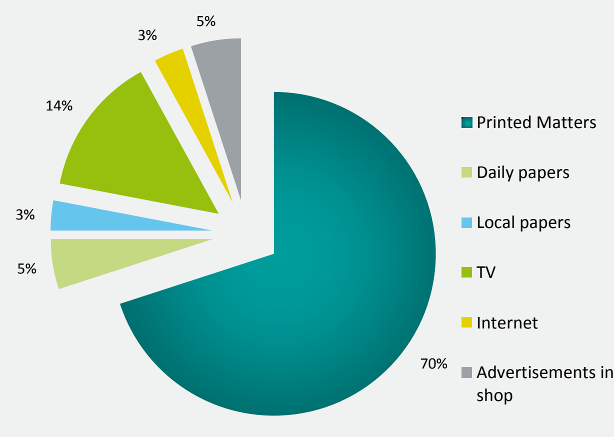
Against this background, FK Distribution believes that printed ads will remain the grocery sector's most important and most efficient advertising media in the future. Neither local newspapers, TV nor the Internet comes close to having the same level of impact or cost efficiency.

FK Distribution ensures access and efficiency for the retail trade

As the largest private distributor of several million retail leaflets every week, FK Distribution is a key collaborator to the retail trade.

However, FK Distribution is not only responsible for the link between consumers and retailers. In recent years, FK Distribution's activities, by demand of the customers, have been increasingly focused on consultancy, analysis and business intelligence. FK Distribution's consulting approach and in-depth market insight help it to maintain strong relations with large supermarket chains as well as small players. FK Distribution gives high priority to long-term relations with the customers,

Media selection at grocery stores (percentage of ad budget)



Source: Report from the Danish Competition and Consumer Authority: "Special offers with Danish retailers 2012 and Gallup Adfact 2012 and 2013"


24
FK
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2
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48

and the company is acknowledged by the market for its high-quality products, fairness, flexibility and unique customer service.

Stabilisation of market in flux

The volume of printed matter fell by 5% in 2013, and by 17% calculated in weight, as a direct response to the adoption of the advertising tax in 2012. This tax remains to be imposed.

According to estimates, the volume of door-to-door distributed advertisements is 2.2 billion leaflets for 2014, and so the volume fell by approx 8% following fierce price competition and decreasing volumes. FK Distribution expects the volume to decrease by approx 10% in 2015 and to continue to decrease in the years ahead, albeit at a slower pace.

Since the approval of the advertising tax by the EU in the summer of 2014, expectations are that it will be introduced from H2 2015 at the earliest. The retail trade has to some extent prepared itself for the advertising tax and already adapted its purchase patterns to it. Nevertheless, the drop in volume is expected to be higher in H2 compared to H1 2015. In the short run, the drop in volume is aggravated by the general stagnation of retail sales.

Also, the increasing number of “no thanks” households has impacted negatively on distributed volumes. At the onset of 2014, approx 5% growth was expected in “no thanks” households, but they grew by 9%. Among other factors, this increase reflects the No Ads+ arrangement really gaining acceptance in the market and being in high demand by Danish consumers. FK Distribution expects the increase in “no thanks” households to continue in 2015.

FK Distribution on the offensive through No Ads+

No Ads+ is a strong, commercial innovative scheme compensating for the general increase in the number of “no thanks” households. No Ads+ has become a strong and attractive alternative to unaddressed printed matter for both consumers and retailers. With No Ads+, FK Distribution expects to further strengthen its market position, one of the reasons being that the No Ads+ arrangement supports FK Distribution’s consulting role and constitutes a new tool that may help optimise the overall mix of marketing material for the customers.

Based on a high level of campaign activity and intensified communication with its customers, FK Distribution has stepped up its No Ads+ offensive. No Ads+ has already won wide backing among both consumers and retailers, and a continuation of this offensive strategy must seek to tap and capitalise on this momentum.

The consumers are enthusiastic about No Ads+

The consumers are enthusiastic about No Ads+ as they can avoid unnecessary paper waste, and the retail chains are happy about the arrangement too as they get more attention from their readers. Average No Ads+ households invest more time in reading the ads they have actively selected.

Also, No Ads+ is a more sustainable solution, which has drawn political recognition for its ability to minimise paper waste. At year-end 2014, the number of No Ads+ subscriptions stands at 300,000 households. The subscription level lives up to FK Distribution’s expectations for 2014 and underpins Management’s conviction that No Ads+ will become a future core product.

This offensive strategy will carry on into 2015, when FK Distribution will supplement its added focus on No Ads+ with a number of marketing and PR initiatives that are expected to activate large sectors of the Danish population.

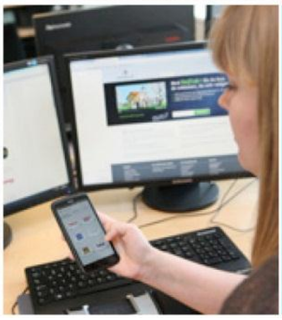
minetilbud.dk achieves digital breakthrough

Online readings are used increasingly in consumers' search for favourable grocery bargains, but only approx every third consumer actually reads the weekly digital consumer leaflets. FK Distribution wants to increase the online readings, while at the same time maintaining and developing its position within physical distribution.

In 2014, accordingly, FK Distribution relaunched its digital consumer platform, minetilbud.dk, which aside from letting consumers subscribe to No Ads+, also provides them with online retail leaflets, making it possible to search for daily offers via mobiles, tablets and PC.

Thanks to minetilbud.dk, FK Distribution responds to consumer desires of reading daily offers while being on the move. By exploiting the synergies between Print and Online we can further expand the effect of our customers’ marketing effort.

With more than 900,000 downloads of the minetilbud app, FK Distribution has already left a solid footprint in the market for online reading of consumer offers. The ambition is to be the leading platform for reading online bargains,



"Most households signed up for No Ads+ are well-to-do families with young children living in the cities"

enabling Danish consumers to easily read leaflets and find favourable bargains from retailers. Aside from the broad displays of offers, FK Distribution is also developing locally based services to enable consumers to find the best bargains in their proximity, as well as features making it possible to follow the local wine vendor, for example. FK Distribution expects these new features to create closer ties between shops and consumers, and that FK Distribution will have an even stronger digital pillar. This will enable the company to expand its range of services by advising customers and enhancing customer relationships.

Mutual complaints between FK Distribution and Post Danmark

At year-end 2013, FK Distribution filed a complaint against Post Danmark A/S with the Danish Competition and Consumer Authority, claiming that Post Danmark A/S was abusing its dominant position on the market for distributing unaddressed printed matter.

The reason for the complaint is that Post Danmark A/S has reduced its prices on distribution 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.

Conversely, Post Danmark A/S filed a complaint against FK Distribution with the Danish Competition and Consumer Authority claiming that FK Distribution abuses an alleged dominant position on the market. FK Distribution believes that Post Danmark A/S filed its complaint with a view to lowering its prices to below its cost level. FK Distribution denies holding a dominant position on the market and believes that Post Danmark A/S' current pricing represents unfair competition in the market for distributing unaddressed printed matter.

For reasons pertaining to resources, the Danish Competition and Consumer Authority has decided to halt the hearing of the complaints cases without having considered the substance of these cases.

In December 2014, FK Distribution and Søndagsavisen furthermore issued proceedings against the European Commission at the European Court of Justice as a result of the European Commission approving the Danish Advertising Tax Act in July 2014 on a flawed basis. FK Distribution and Søndagsavisen find this approval to be anti-competitive and in violation of the state subsidy rules.

The Advertising Tax Act creates unequal competitive conditions in the ad market, and in its approval of the Act, the European Commission fails to consider that Danish dailies

are exempted from the advertising tax regardless of how many ads they contain.

With these lawsuits, FK Distribution and Søndagsavisen seek to cancel the European Commission's approval of the Advertising Tax Act. Up to three years may pass before decisions are made in the cases.

Difficult market conditions reduce revenue and earnings

Irrespective of the difficult market conditions of 2014, FK Distribution managed to maintain and even improve its market position thanks to No Ads+. The market developments, price competition and an increased number of "no thanks" households entail, however, that FK Distribution's revenue has gone down by 7%, which is better than anticipated at the beginning of the year. The revenue decline affects FK Distribution's earnings adversely to a significant degree, but thanks to age-long and focused efforts, the company managed to achieve a high level of operating efficiency and productivity in all links of the value chain and uphold a reasonable margin of profitability.

2015: FK Distribution on the offensive

In 2015, the spotlight will be on developing and introducing new products and services within the Print and Online segments. FK Distribution will maximise the synergy effects existing across the media channels.

Together with its customers, FK Distribution will concentrate on further spreading 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. At the same time, retailers will achieve a higher return on their marketing costs.

FK Distribution expects that more retail leaflets will be read online in the years ahead. In 2015, focus will be on further

developing, refining and launching new functionalities at the consumer portal, minetilbud.dk, in the expectation of becoming the consumers' preferred digital consumer portal and thus establishing a new and efficient consumer leaflet channel for FK Distribution's customers and business partners.

Continued development of FK Distribution's business, products and services will enjoy the primary focus of Management in 2015 and is set to ensure a competitive position for FK Distribution with close interaction across products and media channels. By increasing and tapping on the value of the retail leaflet, the ambition is to enlarge the access path to consumers for FK Distribution's customers.

Overall, the market for door-to-door distributed ads is changing rapidly. FK Distribution responds to this change by adjusting its business models to the actual needs of consumers by focusing on No Ads+, addressed distribution and minetilbud.dk, etc. All in all, the object of this strategy is to secure FK Distribution a competitive position by close interaction across products and channels.

Based on the market developments in 2014, the expectations for 2015 are subject to some uncertainty. The precise date for when the advertising tax will be implemented is yet to be known, for which reason the scope of its impact on the market is, consequently, also unknown. It is also uncertain whether the increase in the number of "no thanks" households will continue or whether the No Ads+ development can secure a new, higher and stable level.

Thus, the speed at which the market changes is subject to uncertainty. Developments in 2014 confirm that the strategic course pursued by FK Distribution is correct and that it will ensure that FK Distribution will also in future be the provider of preferred marketing channels for consumers and retailers.

Expectations are that FK Distribution's revenue will drop in the range of 5 to 10% in 2015 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 raising awareness of No Ads+ and the digital consumer bargain platform, minetilbud.dk, will also affect earnings. So, expectations are that FK Distribution's performance for 2015 will be lower than that for 2014.

However, FK Distribution expects that the new offensive marketing strategy in 2015 involving increased focus on consultancy services, No Ads+ and minetilbud.dk will enable FK Distribution to expand its market position.

	Performance in 2014	**Strategy**	**Outlook for 2015**
Market development and position	Drop in volumes and pressure on prices continued, but less decline than originally expected due to advertising tax being postponed and the breakthrough of No Ads+	Secure new business contracts based on new product mix, high effect, flexibility, high quality and customer service	Consolidate market position and enhance productivity to reduce effect of negative market pressure
Product and business development	Increasing awareness of No Ads+ enabling consumers to choose the retail leaflets they want to receive, and increasing market value for advertisers	Further developing and refining No Ads+, minetilbud.dk and addressed products	Substantial increase in No Ads+ subscriptions. Development of supplementary online services
Finances	Drop in revenue and earnings below expectations at onset of year		Decline in revenue and substantial EBIT decrease in 2015 due to development of No Ads+ and minetilbud.dk

BEKEY

BEKEY maintains progress in 2014. The foundation is fortified and internationalisation commenced – substantial growth rates ahead

Facts on BEKEY A/S

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

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

MARKET POSITION
BEKEY leads the market with respect to stairways and municipalities. Competitors are primarily small start-up enterprises. No competitors have a product portfolio as complete and new as BEKEY.

The public sector market sees considerable growth

The electronic locks market is booming. The growth is driven by demand from the public sector and specifically the municipal elderly care assistants, wanting easier, cheaper and more secure access to citizens in need of care and nursing. The industrial and stairway markets as well as the private customer market are still in their infancy. BEKEY makes continual and targeted efforts to develop the markets, including to eliminate obstacles of an understanding and behavioural nature relating to culture and security that may delay the roll-out.

Investment in organisation and products

In 2014, BEKEY expanded its staff by 15 new employees to a total of 24. This enlargement primarily took place within sales, including the recruitment of sales managers in Sweden and Germany, for purposes of supporting and accelerating BEKEY's international expansion plans. The organisation also received development resources to develop both new and existing products to enable BEKEY to maintain and fully capitalise on its market-leading position and first-mover advantage.

New products for the private market

In the autumn of 2014, BEKEY launched a new product for the private market. In this process, the product has become more user-friendly and it also works faster than the previous version. The web shop has also been adjusted and adapted in compliance with customer needs and sales channels. With this new product, BEKEY has created a unique situation in which the customer is totally self-sufficient and independent. BEKEY expects that the new BEKEY app and door unit as well as the new website will strengthen BEKEY and further fortify its brand.

Market share in public tenders maintained

Since launching and commercialising its solutions, BEKEY has led the market and won most of the public and municipal tenders despite a hardening of competition in 2014. In 2014, 11 municipalities put out tenders, and BEKEY won 9 of them. The number of municipal tenders as well as the implementation pace have been lower than expected at the onset of the year, which has reduced growth. However, municipalities are still very interested in and satisfied with BEKEY's electronic key systems and the solutions offered by BEKEY.

Continued growth in stairways and industrial markets

At year-end 2014, BEKEY's keyless access solution had been installed in approx 17,000 stairways in Greater Copenhagen. In 2014, the solution was installed in 4,000 stairways, which, as expected, is fewer than in 2013 as a consequence of the focused roll-out strategy, which was implemented in the end of 2013. At year-end 2014, coverage in Copenhagen is close to 40% of all locked stairways, underlining BEKEY's leading market position. Based on experience gathered so far, and with the new sales force in place, the effort and roll-out will be intensified in the industrial and


Bra idéer gör livet lättare. Hemtjänsten i Fosie slipper krångla med nycklar och på Lindängelunds vårdboende testar brukarna stimulerande spel – och Facebookar.

Smart seniorteknik

Den personliga kontakten är nödvändig när det gäller säkerhet och lås.

Alla brukare tycker att det är kanon!

Sökes: Bra idéer för 65+

Source: Malmös medborgeravis "Vårt Malmö"

stairway market in 2015. The goal is to have approx 28,000 installations by the end of 2015.

First international customers

In 2014, BEKEY's enhanced internationalisation strategy landed its first contracts. In both Sweden and Norway, BEKEY has used its experience gained from the municipal market in Denmark to enter into contracts with local governments on similar solutions. Expectations are that the international expansion will be intensified further as the dialogue with potential distributors in several European countries most likely parlays into new business contracts in 2015.

High growth rates expected

Thanks to constructive sales activities in the municipal market in Denmark, Sweden and Norway, the launch of an updated solution for the private market and many installations in blocks of flats in Copenhagen, BEKEY realised massive revenue growth in 2014 compared to last year. The growth was below expectations due to the Danish municipalities' tender reluctance.

Costs of and investments in product development and marketing, however, continue to exceed earnings from sales, for which reason operating earnings have been negative in 2014 as well – in line with expectations. In 2015, focus is on accelerating the roll-out in all markets and achieving substantial growth, which also includes selling to private customers via the newly launched web shop. Accordingly, Management expects a significant increase in revenue and an unchanged major operating loss due to the continued investments in product development and international expansion.

	Performance in 2014	Strategy	Outlook for 2015
Market development and position	Maintained growth rates in the municipal market and remains dominant in this area in Denmark	Expand the municipal market and sell more products to existing customers. Focus on sales to B2B customers nationally and internationally	Massive growth in revenue, particularly as regards new products and within B2B and B2G
Product and business development	Commercialisation and internationalisation commenced, and developments are favourable. Customers are satisfied	Enhance specific products and improve service. Continued focus on cost control	Consolidate market position further based on complete product programme
Finances	Considerable growth in revenue, but from a relatively low level	Focus on costs. A number of minor projects to reduce costs have been launched	High revenue growth whilst retaining contribution margin

Søndagsavisen and other newspaper activities

Newspaper activities saw significant progress thanks to the full-year effect of the acquired local newspapers in the Copenhagen area despite difficult market conditions. With its total weekly circulation of 1.6 million newspapers, the newspaper activities of North Media make it one of Denmark's largest publishing houses measured by circulation

Facts on Søndagsavisen A/S

PRODUCTS
Søndagsavisen A/S publishes Søndagsavisen, 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 Distriktsblade, which publishes three mid-week 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 weeklies to be almost 4% in H1 2014.

In 2014 Søndagsavisen maintain its market positions in a declining market. Average readership of dailies and weeklies dropped by 11% and 8%, respectively, from June 2013 to June 2014, whereas Søndagsavisen's readership has dropped by 8% in the same period.
Source: Gallup

Every week, North Media's newspaper arm publishes 1.6 million door-to-door distributed newspapers including 36 free newspapers and one daily. The objective of this activity is to ensure that the Group obtains maximum economies of scale by exploiting its unique production setup, its extensive knowledge about advertisement sales and a relevant editorial content for door-to-door distributed free newspapers. The newspaper activities are gathered in under Søndagsavisen A/S, ensuring optimal use of cross-disciplinary functions such as pre-press, purchase of print, advertisement sales administration, IT and back-office functions.

Structural changes add potential to newspaper activities

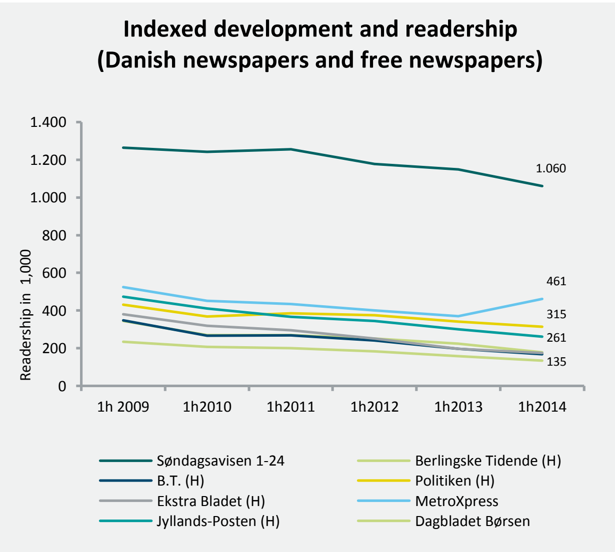
As a result of the emergence of TV-on-demand, viewers rejecting traditional TV stations and the spread of No Ads+, North Media's newspaper activities are expected to see a brighter future. This development hampers advertisers' access to the wider target groups via traditional electronic channels and non-free print media. Instead, free newspapers and strong brands such as Søndagsavisen and the Group's local weeklies will become more attractive media to advertisers, which, in the long run, is expected to result in higher prices of push marketing and volume growth.

Søndagsavisen is Denmark's largest newspaper

Whether measured by circulation numbers, readership or geographical coverage, Søndagsavisen is Denmark's largest newspaper. The free newspaper is funded by ads and has 1,147,000 readers every week (source: Gallup, H1 2014). It is published in 25 regional versions, whose ads are adjusted to the individual region based on analyses of the inhabitants' purchasing, traffic, movement 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.

An attractive alternative to the structural development

In 2014 as well, Søndagsavisen proved one of the best performing publications in a print market heavily hampered



Source: TNS Gallup: Index Denmark, H1 2014

by diminishing readership and declining ad sales. This entails that the newspaper's relative market position in the print ad market, estimated at DKK 3 billion, has been strengthened during the year, one of the reasons being that Søndagsavisen offers very competitive and attractive contact prices and segmentation options. Another reason is that, with its almost 1.2 million weekly readers, the newspaper poses one of only few options for advertisers to reach out to the wide population as advertisement-free on-demand TV services are becoming increasingly popular.

Revenue decline in 2014 replaced by growth during 2015

Søndagsavisen experienced its first revenue decline for many years in 2014. The drop was approx 8%, entailing that the newspaper followed the market's downward trend. Explanations can be found in both internal and external conditions. External conditions include the conversion from print to online, the adverse development in major players' advertisement usage and pricing pressure. Internal conditions include a too slow adjustment to the role as media consultants as well as value-based sales rather than just selling based on price, declining readership particularly in Q2 and Q3, and finally the improvement of efficiency and restructuring of sales, which indeed did reduce capacity costs, but also resulted in a loss of earnings, particularly from small advertisers.

In order to turn the development around, Søndagsavisen implemented a range of sales-promoting measures in H2 2014. One was to expand circulation on Funen and in Odder, and another was to enhance our efforts towards chains, which is expected to get Søndagsavisen back on the growth track in 2015.

Complaint against the new media subsidy law filed with the European Court of Justice

Despite its position as Denmark's largest newspaper, Søndagsavisen and the local mid-weeklies have been prevented from receiving the new media subsidy, which compensates the media for approx 25% of their editorial costs. The reasoning is based on a provision of the law which prevents media with an ad content above 50% from receiving the subsidy. Søndagsavisen interprets this as discriminatory treatment conflicting with the EU competition rules, for which reason the newspaper has brought the new law on media subsidy before the European Court of Justice.

North Media's circulation, households

Source: Dansk oplagskontrol, H2 2013 – H2 2014

Publication	Distributed to
Søndagsavisen, 24 reg. versions	*1,211,100
Amager Bladet	67,700
Uge Nyt	54,000
Nørrebro/Nordvest Bladet	49,800
Frederiksberg Bladet	45,100
Østerbro Avis	36,600
Lokalavisen Nordsjælland	33,100
Valby Bladet/Kgs. Enghave	30,800
City Avisen	20,300
Korsør Posten	21,100
Vanløse Bladet	15,000
Vesterbro Bladet	16,500
Helsingør Dagblad	5.400
I alt	**1.606.500**

**Measured before the expansion in Odder*

Decline for the acquired local newspapers

In November 2013, North Media acquired eight local newspapers in the Copenhagen region with a total circulation of 282,000 papers per week. This acquisition was a considerable fortification of North Media's newspaper activities in Copenhagen, entailing that North Media now is the undisputedly largest publishing house in the capital. The acquisition of this portfolio helped improve Søndagsavisen A/S' revenue significantly, but seen in isolation, the acquired local papers' revenue dropped by 14% in 2014. The decline was attributable to reduced advertising on the part of estate agents and national advertisers. Moreover, the level of activities was affected by the postponement of a number of development projects related to the selling process.

By formulating a clear and transparent editorial strategy and making a focused effort to strengthen local sales units, the papers successfully managed to turn the declining sales to retail customers around in H2 2014.

Despite the drop in revenue, the acquisition of these weeklies contributed positively to the Group's revenue and EBITDA. In 2015, these newspapers must maintain strong focus on the publication area and thus play a central role in the local debate and business doings. 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 North Zealand media centre fulfilled expectations in a declining market

In 2014, Helsingør Dagblad saw a minor drop in circulation of 2%, which was compensated for, however, by increased subscription prices. This daily's ad revenue for 2014 was on a par with 2013, which sharply contrasts the general trend of dailies.

When finally phased in by 2017, the conversion of the media subsidy will entail a reduced subsidy of DKK 1.5 million for Helsingør Dagblad. In order to maintain a positive bottom line for this daily, efforts are currently made to launch new ad products, which in 2014 alone generated additional revenue of DKK 1 million.

In 2014, ad revenue of Lokalavisen Nordsjælland dropped by 6% on 2013, which is slightly less than the decline generally seen by the weekly newspaper industry. In the autumn of 2014, Lokalavisen Nordsjælland managed to increase sales resources thanks to cost neutral restructuring.

Acquisition upped revenue and improved earnings considerably in 2014

Despite not realising the revenue growth anticipated for Søndagsavisen and the eight acquired local newspapers at the start of the year, the full-year effect of the acquisition significantly increased the newspaper activities' aggregate revenue by 25% compared to last year.

The operating and cost synergies relating to this acquisition as well as the effect of current optimisation and improvement of efficiency have improved the operating profit considerably. In line with the revised earnings expectations, the newspaper activities realised a minor EBITDA loss, whereas, in aggregate, they contributed to the Group's better revenue.

Perseverance, persistent efforts and strengthening of skills will characterise 2015

In 2015, market developments are expected to reduce the printed ads market by 7 to 8%, consistent with the 2014 level.

In order to respond to this development, 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 local/regional advertisers as well as national advertisers with large volumes. This also helps increase the volumes of FK Distribution.

2. **High-quality editorial products.** 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 ensure volume exploitation takes place without also increasing the sales-related and editorial resources. These efficiency improvements also extend to back-office functions, production and printing contracts.

In 2015 as well, efforts will be made to fortify Søndagsavisen's image and brand by developing the editorial content and innovative ad products. To an increasing degree, sales must rely on a value-based and needs-identifying approach. The spotlight will also be on improved joint utilisation of the mid-week and weekend publications through cross sales in the individual sales organisations. Revenue of the newspaper activities will be maintained in 2015.

	Performance in 2014	Strategy	Outlook for 2015
Market development and position	Declining markets and a massive drop in ad volumes - Søndagsavisen fortified its market positions thanks to its acquisitions	Added focus on volume-driven advertising customers to mitigate negative market growth	Fortification of market position despite declining markets
Product and business development	Integration of acquired activities and conversion to a value-based sales approach	Upped focus on retaining and expanding readership based on expanded editorial content 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 positive contribution to group earnings		Maintain revenue and earnings level

Ofir.dk

In 2014, Ofir accelerated the sale of the online recruitment system Emply Hire, whereas growth in ad revenue in Ofir job universe disappointed. Full platform integration and efficient cost management will bring Ofir closer to breakeven in 2015

Facts on Ofir A/S

PRODUCTS
Since 1996, Ofir has been the owner and operator of Denmark's first job site, Ofir.dk, facilitating daily communication between hundreds of employers and thousands of active and passive job seekers.

Ofir is also the sole distributor of Emply Hire – an advanced, online recruitment tool targeting large businesses.

CUSTOMERS
Ofir's customers are public and private sector employers that seek new employees and post job ads via Ofir.dk. More and more customers use the online recruitment system to support their efficient and focused recruitment processes.

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

Since 1996, Ofir.dk has been a significant player in the Danish job market and is today one of the largest ad jobsites in the country.

Ofir's vision is to offer employers a unique and competitive platform for posting ads for new staff. The activities are focused on two business areas:

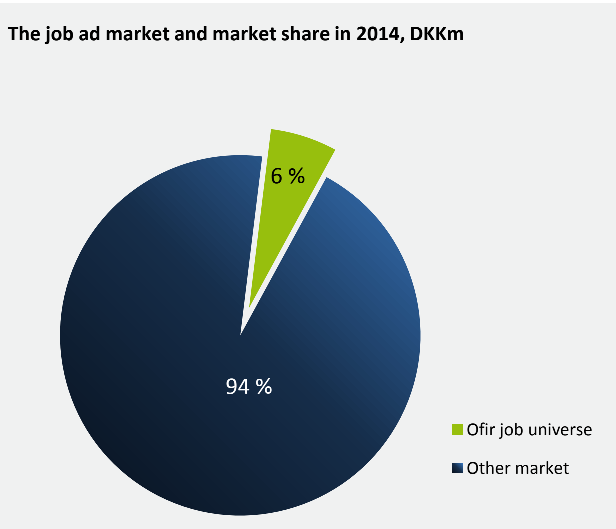
1. Selling job ads in Ofir job universe via both online and print media.
2. Selling, implementing and supporting the online recruitment system Emply Hire at large Danish private and public sector enterprises.

Emply Hire has been developed to provide users easy access to Ofir job universe, thus creating significant business synergies ensuring that Ofir adds unique value to its customers.

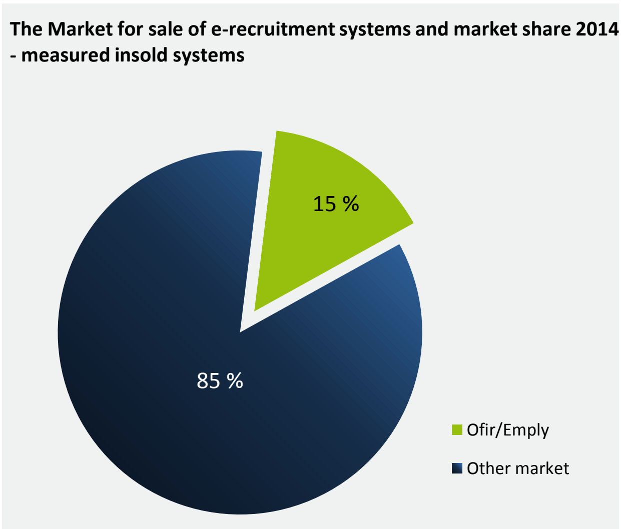
Gradual improvement of market conditions in 2014

The job ads market is highly cyclical, and the supply of vacant positions is traditionally highest during boom periods when it is difficult to attract labour. In such periods, employers' willingness to pay for advertising is high, and price sensitivity is low.

Following a lengthy period of slump and low advertiser activity, the market has stabilised since mid-2013 and has – as expected – gradually improved since 2014 thanks to generally more favourable prospects for the Danish business sector.



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



Source: In house statistics og number of sold systems in 2014

The job ads market is dominated completely by online advertising of an estimated value of approx DKK 265 million in 2014 compared to approx DKK 215 million last year, corresponding to 23% growth. In 2014, the online market was characterised by industrial consolidation, including Jobindex' acquisition of StepStone's Danish activities. However, Ofir managed to uphold its share of the total job ads market of approx 6% (measured in DKK) and approx 15% of the number of ads.

In 2014, the recruitment systems market has been stable with a trend towards increased investment appetite. The potential customer segment comprises the largest 1,300 private and public sector businesses in Denmark, and the share of them using a recruitment system has increased moderately. Thanks to Emply Hire, Ofir has upped its market share from 10% to 14% in 2014, and is today the second largest provider of recruitment systems in Denmark, which is considered a material strategic step for the activity after entering into the business relationship with Emply ApS in August 2013.

Delayed integration of media selection and Emply Hire affected ad sales adversely

In recent years, Ofir has developed a job universe solution, which breaks with traditional job portals' "one size fits all" principle. Instead, Ofir's solution offers the advertiser the choice between different media packages based on an assessment of job description, job category and place of work. The advertiser may then select the media package that offers the best fit based on the assessment of the relevant recruitment's level of complexity. This ensures efficiency and the best candidates at the right price.

Ofir job universe is the market's largest network of media for posting vacant positions, which in 2014 consisted of more than 200 local media, trade and industrial websites, niche job portals, micro job sites, online magazines and print media. After being advised by Ofir, employers are able to advertise in the exact media through which their target groups of both active and passive job seekers keep informed.

At the beginning of 2014, Ofir expected an increase in ad volumes as a result of the general market developments, but primarily as a consequence of a larger sell-in via Emply Hire. The technical integration of the ad sales and the Emply system, however, experienced considerable delay which entailed that ad sales to media in Ofir job universe via the media selection page – over the whole of 2014 – developed weaker than expected.

Considerable growth in the sale of Emply Hire

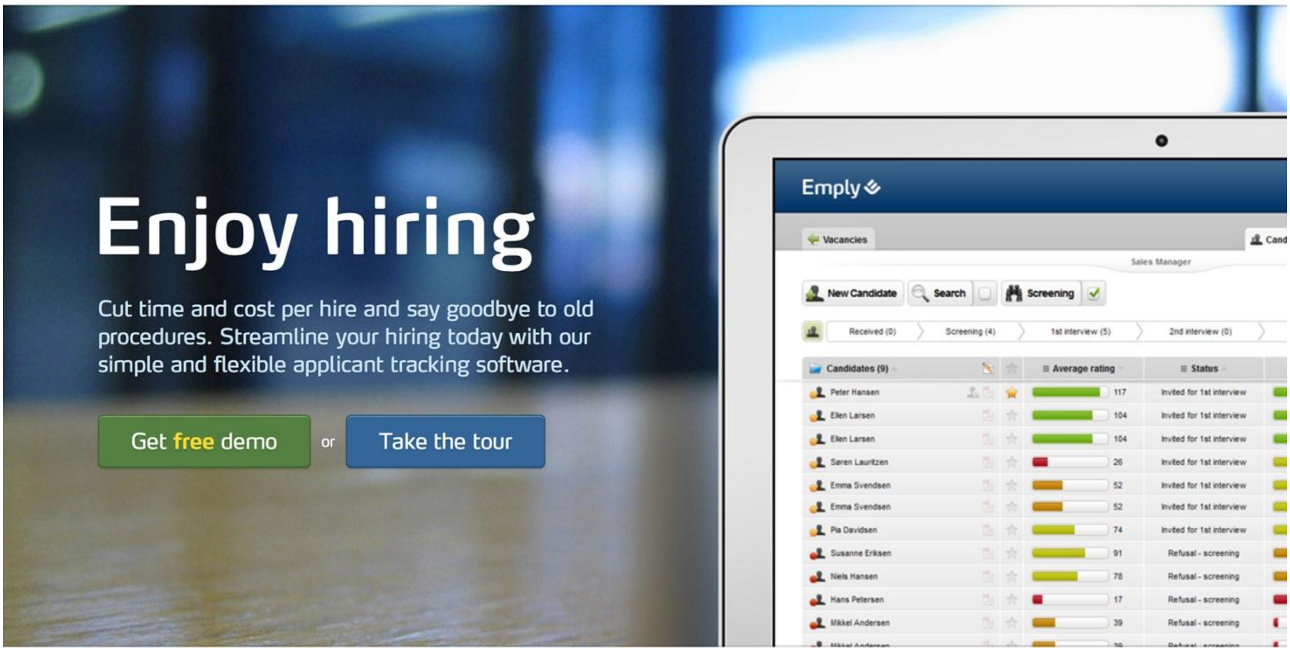
As sole distributor, Ofir is responsible for sales, implementation and support of Emply Hire in Denmark and in Sweden, whereas Emply ApS handles the technical operation and development of the system that simplifies the administrative tasks of recruitment based on a user-friendly, innovative and stable system architecture.

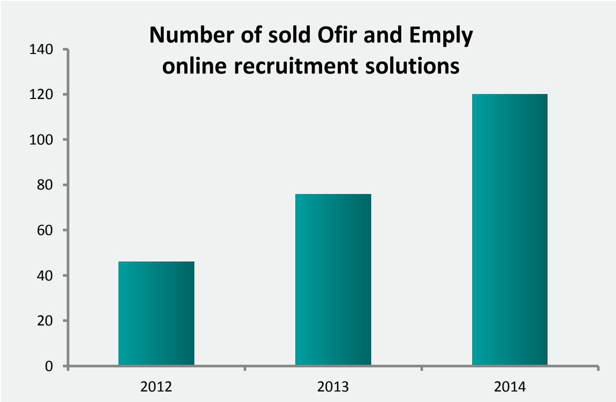
Revenue from Emply system solutions developed satisfactorily in 2014. This goes for new sales of licences, for which Ofir entered into agreements in 2014 with a range of the largest Danish private and public sector businesses. In aggregate, Ofir has signed agreements on sale, implementation and support of 44 new recruitment systems in 2014, which is on a par with expectations and brings the total number of solutions for licence agreements up to 120 at year-end 2014.

Handsome growth and cost reductions reduce loss considerably

In 2014, Ofir's revenue growth came to approx 20%, first and foremost thanks to a strong development in income from Emply licences and support. However, the sales synergies between Emply Hire and Ofir job universe could not be tapped until the last part of H2 2014 with the full effect expected in 2015. This entailed that ad revenues were disappointing, and that Management's original and ambitious objectives for revenue growth in 2014 were not realised.

In 2014, nonetheless, Ofir managed to improve its performance and reduce the EBIT level loss significantly. This is attributable to greater efficiency and full bleed-through of the cost reductions implemented in 2013.





Integration and pro-active approach set to drive growth in 2015

Ofir reached a number of strategic milestones in 2014. The sale of the Emply system licences has displayed very satisfactory growth rates, and the integration of the system and the ad sales at Ofir job universe has improved considerably.

Aside from creating an independent contribution to earnings through sales of user licences, this integration with Emply Hire paves the way for enhancing ad sales at Ofir.dk. And in a market characterised by fierce competition and low volumes despite beginning signs of growth, sales synergies and expansion of customer relations across platforms are extremely important to enable Ofir to gain market shares, boost revenue and ensure profitability.

Ofir expects that the ad volume at Ofir job universe will surge in 2015, partly as a consequence of the integration with Emply Hire, and partly as a result of Ofir's continued focus on improving the purchasing universe to make it easier to add media selections. It is moreover expected that the increased sales of the Emply Hire recruitment system will continue.

In aggregate, Management expects revenue to grow by more than 20%. A continually tight cost control will help reduce the operating loss further until EBIT breakeven is set to be achieved by H2 2016 at the earliest.

	Performance for 2014	Strategy	Outlook for 2015
Market development and position	Progress in licence fees and increased market shares in the market for sale of online recruitment systems. Status quo in ad sales from Ofir job universe	The integration of Ofir job universe into Emply Hire is set to boost sales of Emply Hire and sales of ads. Refinement of the partner media network in Ofir job universe	Conservative widespread optimism will prompt market growth on a par with 2014
Product and market development	Version 1.0 of Ofir job universe was integrated into Emply Hire in H2 2014. Enhancement of user experience thanks to improved flow and distribution agreement	Emply Hire with a built-in Ofir job universe will enhance the customers' positive experience. Continued optimisation of the site offering a self-service universe and optimisation of user experience	Refinement of Ofir job universe version 2.0 in Emply Hire. The transformation to a new Ofir.dk platform to be completed. Greater usage of Ofir media advisory among customers
Finances	Handsome revenue growth and massive improvement of performance thanks to reduced costs		Extensive growth driven by improvement in ad income and sale of Emply Hire. Further reduction of operating loss in 2015. EBIT breakeven by H2 2016 at the earliest

BoligPortal.dk

Denmark's largest housing advertising portal upholds its growth focus and enhances its development profile. 2015 will see investments in marketing and innovation to strengthen future growth and earnings

In 1999, BoligPortal.dk was launched as a site to advertise rental property. At the beginning of 2015, this portal also offers services to property buyers and sellers in the form of functionalities that bring the parties together and create foundations for sound and secure property transactions.

With more than 125,000 dwellings advertised annually and over two million visitors every month, BoligPortal.dk is one of Denmark's largest markets for dwellings, and the largest within rental property, through which dialogue between housing providers and housing seekers is enabled easily and swiftly at the market's most efficient housing advertising portal. The earnings basis primarily relies on ad packages for landlords, housing 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.

BoligPortal.dk maintained growth rates and market shares

The favourable developments in the housing market continued in 2014. In 2014, the rental property market saw increased demand and a decline in the supply of dwellings in the largest cities, whereas the supply of dwellings remained stable in the rest of the country. This development has helped to harden the competitive situation, and throughout the year both traditional ad portals and social media have launched new offers for the rental and owner-occupied housing market.

Facts on BoligPortal.dk

PRODUCTS
Market place for landlords, tenants and housing seekers and for buyers and sellers of co-operative and owner-occupied dwellings. The market place facilitates efficient advertising and easy 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 advertisements.

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

In 2014, the rental property market saw increased demand and a decline in the supply of dwellings in the largest cities, whereas the supply of dwellings remained stable in the rest of the country. The number of dwellings for sale at BoligPortal.dk has gone up by 33% compared to 2013.

Successful product development and differentiation emphasise market leadership

BoligPortal.dk remains the unrivalled leader in the market for advertising rental housing. This is a result of huge marketing efforts as well as increased resources being allocated to developing the business foundation. In 2014, one resulting feature was the launch of new offers for private and professional landlords, for which newly developed matching functions enable quicker identification of relevant tenants from a large group of applicants.

These new solutions have been warmly received by the market, and underline BoligPortal.dk's ability to continually differentiate and develop the product groups and offer segmented and specialised services and products that expand the customer base.

Sluggish development in sales of co-operative and owner-occupied dwellings

In 2013, BoligPortal.dk launched a market place for the sale of co-operative and owner-occupied dwellings. The self-sale market challenges the traditional sales platform involving a real estate agent, and the share of self-sale ads is on the rise, although it remains a limited share only of the overall market for selling co-operative and owner-occupied dwellings.

From the onset of the year, marketing of the self-sale platform has been a focus area for purposes of increasing awareness of and growth for this solution. However, fierce competition, particularly from social media, prevented sales targets from being achieved and kept them below budget during the year. As a result, resource allocation for marketing was intensified in H2 2014, and newly developed sales-optimising tools have been introduced for housing sellers, both of which are expected to provide a favourable growth effect from 2015.

Launch of new platforms characterised 2014

Aside from intensifying the marketing efforts in 2014, BoligPortal.dk has maintained a sharp focus on launching new mobile apps as well as a new communication platform, constituting the entire basis of the dialogue between housing seekers and housing providers via BoligPortal.dk.

The users have received the new platforms and the upgraded mobile solutions warmly, to which BoligPortal will dedicate additional focus on developing in future.

Growth and earnings improvement continues

In 2014, BoligPortal.dk realised revenue growth of 10%. Primarily thanks to increased sales on the rental property platforms. The self-sale solutions also contributed to growth, but at a smaller scale than originally anticipated. Enhancing awareness and fortifying market shares both constitute significant strategic priorities for BoligPortal.dk. As a result, costs for marketing and the continued development of new platforms and products to reinforce the market positions have been increased during the year as planned. Even so, BoligPortal.dk managed to realise a most satisfactory performance, which is stronger than in 2013.

Focus on mobile platforms and products

The continued intensification of competitive conditions in the housing advertisement market prompts BoligPortal.dk to maintain a strong focus on business and product development as well as value-adding and growth-generating key areas. This applies to the more recent initiatives in the market for co-operative and owner-occupied dwellings as well as to the traditional rental property market, for which the objective is to maintain BoligPortal.dk's solid market-leading position.

Mobile solutions constitute the major driver to which BoligPortal.dk dedicates its development efforts. Thus, 2015 will see investments to relaunch the mobile site, including increased focus on the matching solutions, which have enjoyed a warm welcome by the market. BoligPortal.dk will moreover intensify the awareness-building and tactical marketing efforts across the housing area in order to counter the increasing competition. Thus, 2015 is expected to be a year characterised by investments, in which increased allocations for marketing and development activities will temporarily reduce the operating profit in order to fortify long-term growth and earnings assumptions. Growth is expected to be on a par with 2014 and will rely on growth in the rental property market and considerable growth in the co-operative and owner-occupied dwellings market.

	Performance in 2014	Strategy	Outlook for 2015
Market development and position	Market position maintained, but competition intensified	Innovative development and segmenting to expand the market addressed	Intensified competition prompts increased need for awareness-building investments
Product and business development	Launch of a range of new products and features and focus on self-sale.	Awareness and market share of the self-sale platform must be increased and the product improved. Greater allocation of resources for marketing and innovation activities, including for matching	Relaunch of a new mobile site, investments in product development and upped sales of the self-sale product
Finances	Solid growth and high earnings maintained		Continued growth (above or on a par with the market), but lower earnings due to greater marketing and development activities

BostadsPortal.se

BostadsPortal.se continues to see progress

BostadsPortal.se was launched in 2010, relying on the same business areas and business models as BoligPortal.dk, however, with its main focus so far being on rental housing and home exchanges. As with BoligPortal.dk, revenue derives from the sale of subscriptions and virtual services for both housing seekers and advertisers.

The positive development from 2013 was upheld in 2014 as BostadsPortal.se expanded its business scope in several significant areas. One noteworthy example is that the ad portfolio grew from approx 35,000 in 2013 to approx 45,000 in 2014. However, growth and progress of the activities at Bostadsportal.se continue to take place in small steps.

In a market characterised by intense competition and multiple well-established players, BostadsPortal.se's future focus is on establishing a niche position with considerable impact in the rental property market and maintaining its momentum on the exchange platform at which the company enjoys considerable interest and holds a strong market position.

Allocation of property advertisements throughout Sweden

håndværker.dk – hire the ideal builder for your project

Denmark’s largest online platform for arranging qualified contact between private developers and builders

Facts on håndværker.dk

PRODUCTS
At håndværker.dk, private developers can see other developers’ reviews of the builders. This enables the developer to easily and safely choose the right builder, and makes it easier for the builder to land orders more often.

CUSTOMERS AND USERS
Private developers and more than 1,000 builders have joined the arrangement.

MARKET POSITION
Denmark’s largest online platform for matching private developers with builders.

Linking developers with builders

håndværker.dk is the new name of Byggestart.dk and the preliminary result of a new strategy to fortify North Media A/S´ position in the market for arranging contact between developers and builders. Having arranged more than 100,000 matches in 2014, this site already ranks as Denmark’s leading online market place for private developers and builders.

By changing the name and intensifying focus on helping developers identify the ideal builder, as well as helping the builder land the contract, the objective is for håndværker.dk to become a clear market leader and for this site to set new standards for how private developers find a builder. Private developers look for decisions offering peace of mind when finding the ideal builder.

The market is rather obscure, and everyone knows stories of own, neighbours’ or acquaintances’ building projects having gone wrong. Something that creates uncertainty when faced with future/imminent building projects.

håndværker.dk helps the developer in this process by offering pictures and descriptions of the builder’s previous projects and reviews by previous customers. Relying on other users’ reviews and pictures, the private developer can choose the ideal builder with peace of mind.

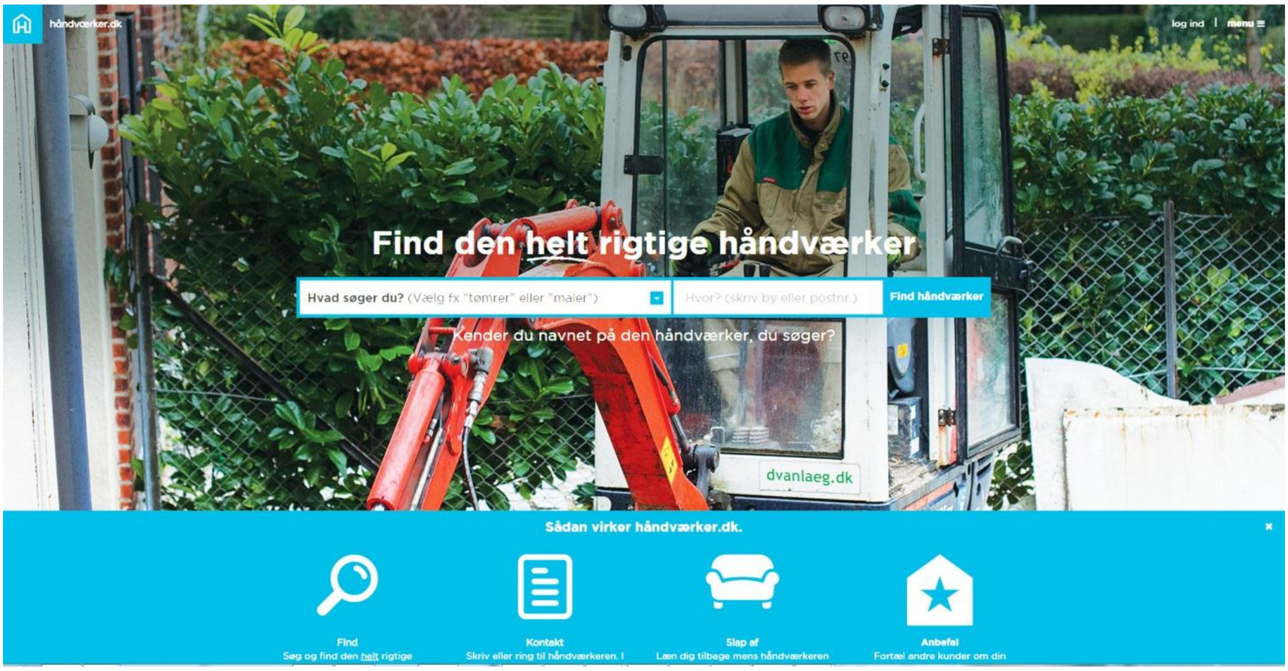
The new strategy

The strategy for Byggestart.dk was altered mid-2014, which also prompted extensive restructuring, in which a number of non-value-adding elements of the business was cut and the number of staff almost halved. The launch of håndværker.dk constitutes the first visible result of the ongoing implementation of the strategy, which has already increased the value of the product significantly.

The new strategic direction relies on the accumulated information about the builder’s skills, reviews and pictures to ensure that, on the one hand, the developer safely chooses the ideal builder, and, on the other hand, that the builder is selected and contacted by a developer, who already has knowledge and feels comfortable about this builder, and thus is much more inclined to place a specific order.

The new brand, håndværker.dk, will in future replace Byggestart.dk.

Performance for H2 2014 was satisfactory and has led to a decision to increase business volumes for 2015. Due to the latter, the breakeven date, which was expected to be at the end of Q2 2015, has been postponed by six months to year-end 2015.



håndværker.dk's new website set for launch in mid-February 2015

Focus on strategy roll-out and growth in 2015

The business is assessed as holding a sound potential in the market as it is clearly in demand with both developers and builders. Expectations are that the number of builders and related reviews and pictures will grow considerably at the site. The number of arranged contacts between developers and builders is also expected to grow heavily.

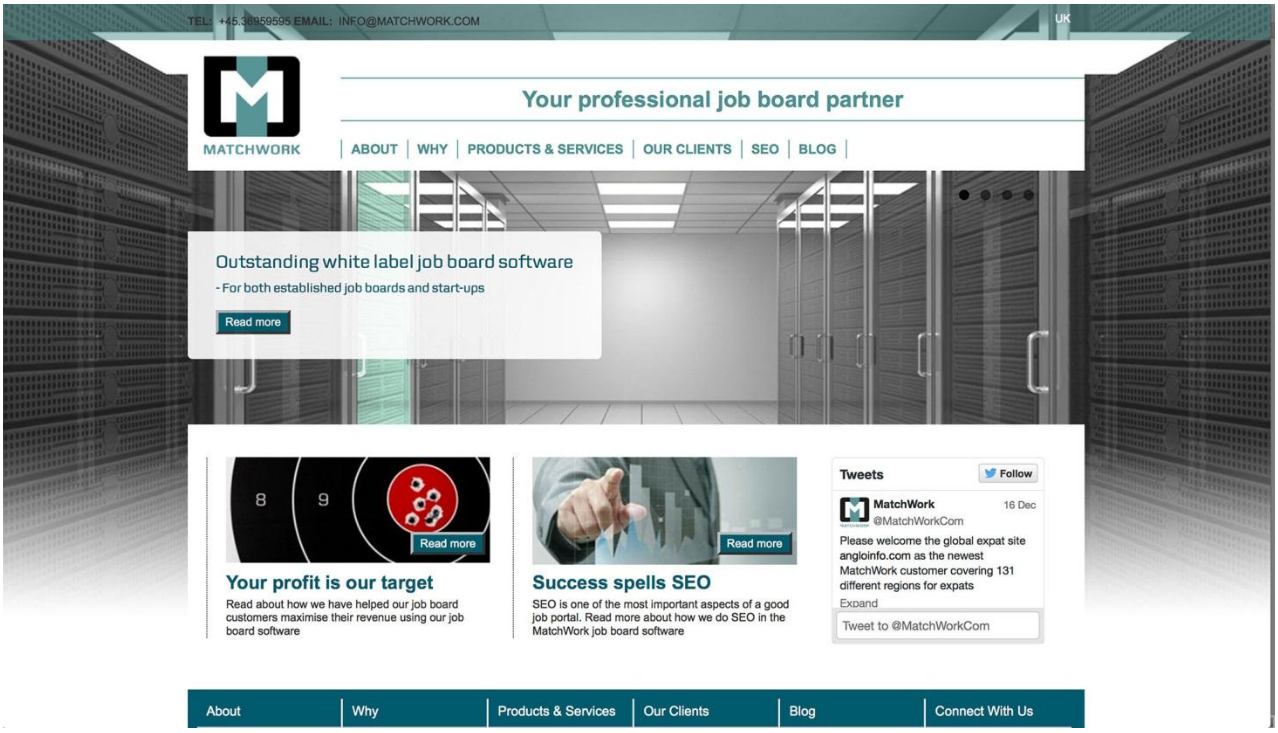
The new strategy must be integrated and will ensure scalability to enable the business to harvest the full potential. For 2015, revenue on a par with 2014 is expected as prices have been lowered significantly in connection with the change of strategy in the summer of 2014.

EBIT performance is still expected to be negative in 2015 due to increased marketing efforts, but up on 2014.

	Performance in 2014	**Strategy**	**Outlook for 2015**
Market development and position	HentTilbud.dk/Byggestart.dk upheld their position as the leading player. Focus is on creating the foundation for håndværker.dk	Execution of the strategy for håndværker.dk.	Expanding the market-leading position and setting a new standard for contact between developers and builders.
Product and business development	New strategy, including cutting non-value-adding processes and adjustments of the organisation, has restored the business potential	Upping the volume of self-generated content	Massive growth in the number of builders having joined the arrangement
Finances	Unsatisfactory performance for the year affected by conceptual adjustments. However, H2 performance improved considerably		Revenue in line with 2014 as prices were largely halved. Operating profit to be improved heavily. Expected EBIT break-even at year-end 2015

MatchWork

MatchWork delivers one of the market's most advanced solutions for job portals



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 offers highly advanced white label job portal software that can be adapted to match the design and functional requirements of any customer. MatchWork is renowned for its solid and scalable business model, innovative and user-friendly products, expertise, reliability and operational continuity.

MatchWork has specialised in providing complete job portal software solutions and designs, develops, hosts, integrates, maintains and supports job portals operated by publishing houses, newspapers, associations, organisations, job portals, universities and newly formed businesses.

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

MatchWork's modules are standard solutions relying on a continually upgraded IT platform. This standard solution may be adapted to the business' brand and layout.

Other online activities

Good Media – GodMail.dk

Good Media A/S runs Godmail.dk, which is a webmail like Gmail and Outlook. In its basic form, the service is free and offers Danish customer support, which many customers appreciate.

GodMail.dk's three primary sources of income are as follows:

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

GodMail.dk was divested 1 February 2015 without any noteworthy impact on the income statement or balance sheet.


uge nyt
VDonline.dk
Korsør. Madlavning er mere end bare mad
Korsør. Ny skulptur budt velkommen
Korsør posten
Avisdrenge i mediekamp på scenen
Helsingør Dagblad
Trafiklegeplads. Fortsat uafklaret skæbne
Lokaludvalg. Uenighed om modellen
Østerbro Avis
Østerbros helt egen Mozart
minby.dk
Skælskør. DF-formand på Harboebesøg
Fuglebjerg. Stor tilslutning til Hansson aften
Skælskør Avis
Mærket som gør mange børn glade
Ris. Vesterbro Lokaludvalg får hård kritik
Møde. Få indflydelse på Værnedamsvej
Vesterbro Bladet
På besøg i Mongoliet blandt blinde
Skybrud. Grønne og blå løsningsforslag
Nat. Nye natteravne skal øge trygheden
Vanløse Bladet
Valg til lokaludvalget – så er det nu
NORDSJÆLLAND
Lokaludvalg. Engagerede borgere søges
Politi. Indsats mod gaderøverier
Nørrebro NordVest Bladet
Brug for hjælp? – ring til Daniel
Besøgshunde. Mød Mutti og Hjalmer
Hjemløse. Et møde om skæve boliger
Frederiksberg Bladet
Faldt på halen i pokalfinalen
Skolereform. Fremtidsværksted i Dragør
Nærdemokrati. Valg til lokaludvalg.
Amager Bladet
Kultur. Rå barndom skildres i ny bog.
Lokaludvalg. Nedtælling til valghandling
Eurovision. København overtager stafet
CityAvisen
Indre By & Christianshavn
Kikkasser med genbrugstrylleri
Gadekær. Dårlig chance for fotografier
Lokalt valg. Jagten på de unge kvinder
Valby Bladet
Erling Jepsen om de grove løjer
Scenarier. Unge studerende giver bud på fremtiden
Sikrer din læge dig rabat?
Test af oliven
Topkvalitet til spotpris
Vi glemmer at tjekke ud
SØNDAGSAVISEN
Danmarks mest læste avis
DANSK ØKOLOGI
Flere printer falske pengesedler

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
Auditors:	Deloitte Statsautoriseret Revisionspartnerselskab
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 2014, the Company's 34th financial year.

General Meeting

The Annual General Meeting will be held on 27 March 2015 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 2014 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 27 March 2015 recommend that ordinary dividend not be distributed.

The Parent's income statement shows a profit of DKK 32.1 million. The Board of Directors recommends the following appropriation of profit:

Appropriation of profit, DKK'm.	
Retained earnings at 1 January 2014	361.1
Profit for the year	32.1
Share-based payment	1.5
Adjustments investments in subsidiaries and associates	-2.6
Other equity items	-0.2
Available for distribution	**391.9**
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 2014	391.9

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 2014:

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	10,000
Total	**40,000**

Management

At year-end 2014, the Company's Board of Directors and Executive Board, excluding Richard Bunck, controlled 41,170 shares, or 0.21% of the share capital.

Arne Ullum has sold 10,000 shares, see Company announcement of 15 August 2014. The Company has not had any other transactions with the Board of Directors and Executive Board.

Share price

At 31 December 2014, the market capitalisation of the Company's shares was DKK 365.0 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.

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
Telefax: (+45) 39 66 74 15
E-mail: investor@northmedia.dk

Company Announcements 2014	
14 January 2014:	Group EBIT expectations before special items are adjusted upwards, arriving at approx DKK 60 million for 2013
7 February 2014:	2013 Annual Report: Results-oriented development and execution fortified North Media's business foundation
24 February 2014:	This is to convene the Annual General Meeting of North Media A/S, Central Business Registration no 66590119
28 March 2014:	Annual General Meeting of North Media A/S, Friday 28 March 2014 - Summary
8 May 2014:	Interim management statement for Q1 2014
7 August 2014:	Interim report 2014
15 August 2014:	Statement of executive management's trade in North Media A/S shares
6 November 2014	Interim management statement for Q3 2014
18 December 2014	Financial Calendar 2015 for North Media A/S

Financial Calendar for 2015	
5 February 2015:	Annual Report 2014 for North Media A/S
23 February 2015:	Term for submission of items for the agenda of the Annual General Meeting
27 March 2015:	Annual General Meeting
7 May 2015:	Interim Management Statement for Q1 2015
6 August 2015:	Interim Report 2015
5 November 2015:	Interim Management Statement for Q3 2015

Board of Directors meeting calendar for 2015
Monday 26 January 2015
Wednesday 4 February/Thursday 5 February 2015
Friday 27 March 2015
Wednesday 6 May/Thursday 7 May 2015
Wednesday 5 August/Thursday 6 August 2015
Monday 14 September 2015
Wednesday 4 November 2015/Thursday 5 November 2015
Wednesday 2 December 2015

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, can we 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 2014, the Board of Directors held nine meetings against eight in 2013. The Board of Directors evaluates the work and competence of the Board of Directors and the Executive Board. The results of the 2014 evaluation showed good cooperation on both the boards and between them as well as satisfactory individual efforts, results and competencies.

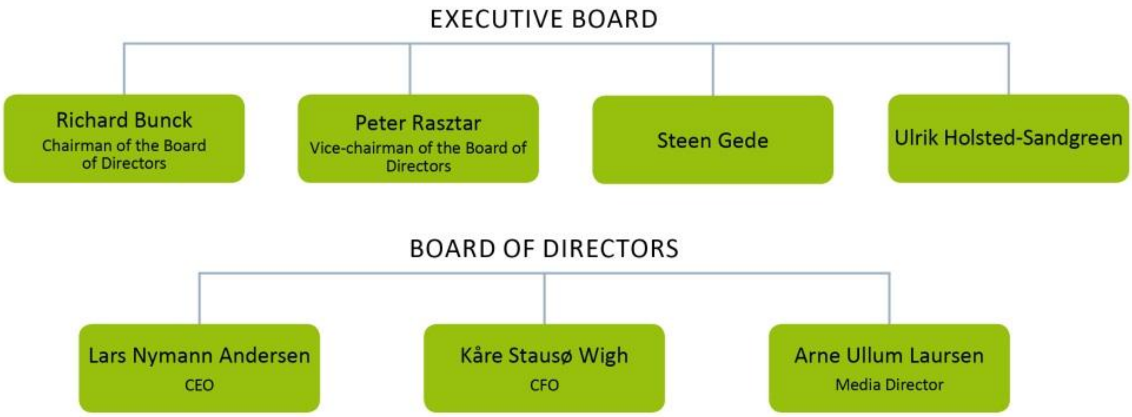
Audit Committee

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 applica-



ble 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 2014, the Committee held three meetings, and three meetings were held in 2013.

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 two large groups to ensure enhanced efficiency, an efficient control environment and an appropriate segregation of duties. In addition, the use of the subsidiaries' and activities' local finance systems has been upgraded and aligned.

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 the bookkeeping, which in turn is fully consistent with the financial statements of the subsidiaries. Any differences between 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. As part of each month-end closing, all subsidiaries' key income statement and balance sheet items are reconciled. 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 affairs and 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 creation 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 and tables are available from the Company's homepage, **www.northmedia.dk/governance.cfm.**

Areas in which North Media A/S deviates from the recommendations:

Composition and organisation of the Board of Directors

Recommendation 3.1.4 regarding the retirement age for members of the board of directors is not followed. The Company has not set a retirement age for board members as the Board of Directors believes that a member's experience and qualifications alone shall determine whether he/she 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 components is followed in part. The recommendation is followed except that the Company cannot require repayment of variable pay components paid to an employee based on information, which later on turns out to be incorrect. Following the recommendation is considered inappropriate taking into the account the limited number of variable pay components 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

Core values and basic principles

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.

The distributors are involved in the planning of their work. From their personal page at www.blivomdeler.nu they can easily plan the delivery sequence they find optimal for visiting the individual households. Then we pack the products in the sequence requested.

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.

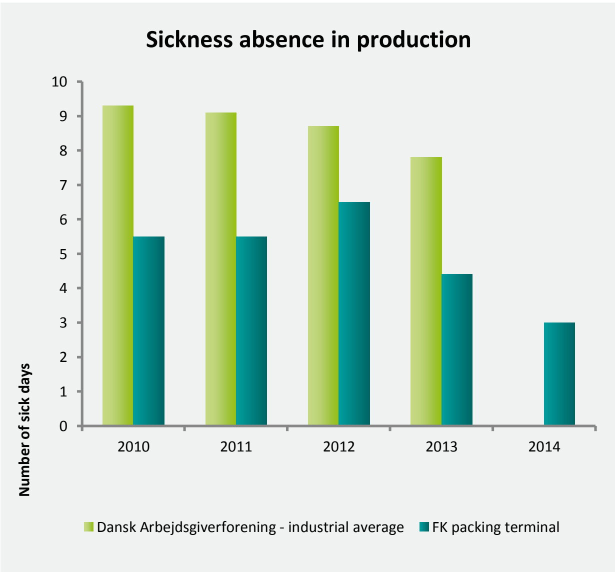
Health and safety in the production

Policy

The distribution business' policy is to put conditions in place for a good working environment. A low frequency of industrial injuries and 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 2014, five minor industrial injuries occurred in production. In 2014 too, sickness absence at the packing terminal has declined and totals 3.0 days a year inclusive of long-term illness. This corresponds to a sickness absence rate of 1.61%, which is the lowest in the history of the packing terminals and far below the industry level. The table above shows sickness absence for the period 2010 to 2014 compared to industry figures up to 2013. Industry figures for 2014 are not available yet.

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.

In 2014, all production staff were tested for Danish proficiency with a view to completing targeted Danish classes.

Results

This has led to the successful integration of those approximately 75% 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 Søndagsavisen, 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.

Eco-friendly distribution

Policy

North Media regularly explores avenues of more eco-friendly distribution arrangements, and would in this context particularly underline No Ads+, which holds the potential for revolutionising physical distribution in Denmark and for creating a much greener and sustainable distribution arrangement.

Action

North Media's subsidiary, FK Distribution, has developed No Ads+, allowing recipients of retail leaflets to choose exactly what printed matter they want to receive and what not to receive. This has enabled the average No Ads+ household to reduce its consumption of retail leaflets from 25 to an average of seven a week. Thus, it is possible to reduce paper consumption by approx 70% per household.

FK Distribution has also refined its digital platform, minetilbud.dk. Via iOS and Android apps, users can look for bargains while on the road and read the latest retail leaflets whether on a train or on their couch at home. minetilbud.dk is seeing substantial growth and will in the long run also contribute to a greener distribution of retail leaflets.

Results

Danes have embraced the new solutions. Consumers still want to read retail leaflets, but the modern consumer also wants to shield the environment against unnecessary waste burdens, and thusly takes a positive view on No Ads+ and minetilbud.dk.

Compared to No Ads+, 70% of consumers today accepting all advertisements are interested in the solution, which also receives positive response from an impressive 40% of current "no thanks" households. Consequently, No Ads+ has every possibility of becoming a green game changer in the Danish distribution industry.

No Ads+ has in a very short time gained wide backing from the retail trade. This is because No Ads+ consumers spend more time reading the individual leaflet opted for, but also that No Ads+ enables retailers to enhance their CSR profile vis-à-vis customers, business partners and political stakeholders.

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, 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 four-year period from 2013 to 2017, the objective is also for women to make up at least 20% of the Board of Directors. This objective is considered ambitious, but also realistic.

At the Annual General Meeting held on 28 March 2014, the present Board of Directors was re-elected, and the number of Board members was not expanded. Thus, no seats on the Board were up for refilling.

So, the objective of at least 25% women candidates for vacant seats on the Board and at least 20% women on the Board has not been fulfilled yet.

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.


BostadsPortal.se

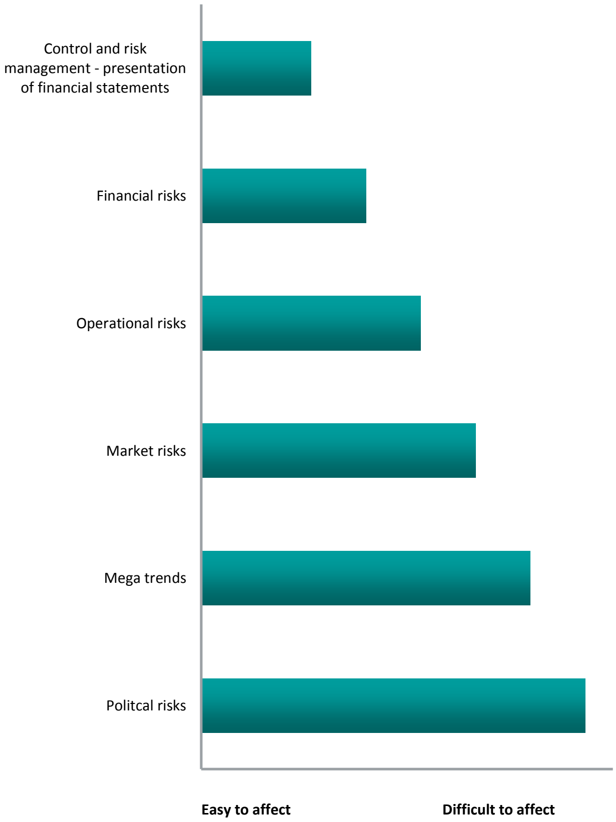
Risks and risk management

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

The main purpose of the review is to ensure that risks potentially 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.

This competition for consumers 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 competitive setting with businesses operating under the same competitive preconditions and terms to pose a risk that cannot be overcome with a positive result.

North Media considers political decisions and initiatives to pose risks that are greater than any risk private businesses may inflict on the Group.

With its laws, provisions and regulations, the Danish State imposes competition on North Media's distribution business, FK Distribution, in a large number of areas, by, in the eyes of North Media A/S, giving preferential treatment to the Danish postal service, the main shareholder of which is the State.

In 2012, the Government decided to introduce an advertising tax on door-to-door distributed printed matter, which is the primary activity of North Media. This tax remains to be implemented, but has still had an adverse effect on the volume of the market for door-to-door distributed printed matter. The EU approved the advertising tax in the summer of 2014, and expectations are that it will be introduced from H2 2015 at the earliest.

The advertising tax was adopted despite factual evidence that a restriction of door-to-door distributed printed matter would seriously reduce competition for groceries. The advertising tax will be introduced in order to reduce the environmental impact. It should be noted that, for example, weeklies 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, Søndagsavisen is subjected to 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 Ofir.dk. The state-owned Jobnet.dk site is 100% taxpayer-funded and thus imposes unfair competition on the privately operated job portals.

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 replaced by digital media in the long run. The megatrends in advertising point towards more and more types of media, each serving their own needs and purposes. In the job ad market, however, the migration from the Print segment to the Online segment has largely already taken place.

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.

The launch and implementation of the No Ads+ arrangement and minetilbud.dk is one of the latest examples thereof.

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 private companies, North Media is affected by macroeconomic developments.

The market for distributing unaddressed printed matter for retailers in particular is only affected to a limited extent by the economic cycles. The distribution of unaddressed printed matter to non-retail customers is affected to some degree though by economic trends. Assessments are that FK Distribution's latest product, No Ads+, is even less sensitive to economic cycles than the traditional unaddressed advertisement.

Both FK Distribution and the newspaper activities are high-volume businesses subject to high marginal contribution margins. This entails that, in the short run, earnings are sensitive to fluctuations in volume as the production capacity cannot be adjusted at short notice.

FK Distribution's contract portfolio is composed of one- and two-year agreements, which as a main rule follow the calendar year. Compared to previous years, a major share of FK Distribution's customers is scheduled to renew their contracts at 31 December 2015. This increases uncertainty of earnings for 2016. In recent years, FK Distribution has held a relatively stable market share.

The advertisement tax adopted in 2012 is expected to be implemented in H2 2015. Even though the anticipation of the tax has affected the market adversely since 2012, expectations are that its implementation will enhance this negative impact.

For many years, the newspaper market has been characterised by considerable excess capacity. This has enabled advertisers in the market to exert considerable price pressure and reduce the average prices of ads in all publications. The price pressure is expected to continue, for which reason investments are made in the automation of work processes. To counter this, 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 prints its newspapers in a narrow time window. Through long-term printing contracts, attempts are made to ensure that printing prices are always competitive, and that any changes in printing prices can be adjusted through advertisement prices.

The durability of 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 risks 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 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 by route with a very low number of errors per thousand, and the distribution quality is ensured through training and test calls. North Media co-operates closely with selected customers on an ongoing basis to continuously improve quality.

The new school reform became effective after the summer holiday of 2014. One of the effects is longer school days for the pupils. This prompted FK Distribution to adjust elements of the daily operations to ensure that youths of compulsory school age were still able to undertake an after-school job with FK Distribution.

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 houses.
In 2010, North Media decided to outsource IT operations of the newspaper and online activities in Søborg. The majority

of servers 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.

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 and anti-virus programs, and emails are scanned for high-risk contents. North Media regularly updates the Group's procedures for this area, including the Group's IT security policy, IT risk analysis and IT security test.

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. 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 commercial risks.

Interest-rate risk

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 risk, 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 daily and monthly basis.

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 Group's cash pool 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. Losses on receivables will always constitute a risk, but the risk of loss on a customer is weighted against the earnings potential on an ongoing basis. The Group's bad debt loss has historically been limited in size. Credit insurance has been taken out against a portion of the Group's trade receivables at 31 December 2014, see Note 35.

Exchange-rate risks

Newspaper is purchased via Pressens Fællesindkøb, whose prices depend on fluctuations in SEK and NOK. Consequently, the Group has an indirect exchange-rate risk towards Swedish and Norwegian kroner. In addition, the Group is subject to an exchange-rate risk in relation to investment in foreign shares and bonds, see Note 35.

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. As the next step in this development, the Group will begin implementing an IT system in 2015 set to manage and monitor the Group's risks and internal controls.

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 2014.

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 2014 and of their financial performance and cash flows for the financial year 1 January to 31 December 2014.

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, 5 February 2015

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 27 March 2015.

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 2014, 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 income 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 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 that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies as well as the preparation of 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 internal 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 procedures 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 2014 and of the results of its operations and cash flows for the financial year 1 January to 31 December 2014 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 a true and fair view of the Parent’s financial position at 31 December 2014, and of the results of its operations for the financial year 1 January to 31 December 2014 in accorance 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, 5 February 2015

Deloitte
Statsautoriseret Revisionspartnerselskab

Kim Mücke
State Authorised Public Accountant

Jens Baes
State Authorised Public Accountant

Consolidated statement of comprehensive income

Note		2014 DKKm	2013 DKKm
	Revenue	1,073.7	1,077.1
	Direct expenses	333.7	393.6
6	Direct staff costs	206.6	195.8
	Gross margin	**533.4**	**487.7**
6, 7	Staff costs	278.9	270.5
8	Other costs	157.3	135.8
16, 17	Amortisation and depreciation	48.2	36.0
	Other operating income	6.2	12.2
	EBIT before special items	**55.2**	**57.6**
11	Special items, net	-7.5	-20.0
	EBIT	**47.7**	**37.6**
9	Share of loss in associates	-1.4	-2.4
10	Financial income	18.0	3.3
10	Financial expenses	-24.7	-11.7
	Profit before tax	**39.6**	**26.8**
12	Tax for the year	16.9	11.1
	Net profit	**22.7**	**15.7**
	Financial statement items that may later be reclassified for the income statement		
	Translation adjustments, foreign companies	-0.2	0.2
	Fair value adjustment of hedging instruments	-5.1	6.0
	Tax. other comprehensive income	1.3	-1.5
	Other comprehensive income	**-4.0**	**4.7**
	Comprehensive income	**18.7**	**20.4**
	Attributable. net profit		
	Shareholders in North Media A/S	20.6	8.7
	Minority interests	2.1	7.0
		22.7	**15.7**
	Attributable. comprehensive income		
	Shareholders in North Media A/S	16.6	13.4
	Minority interests	2.1	7.0
		18.7	**20.4**
13	**Earnings per share. in DKK**		
	Earnings per share (EPS) - total	1.1	0.5
	Diluted earnings per share (EPS-D) - total	1.1	0.5

Consolidated balance sheet

Assets

Note		31.12.2014 DKKm	31.12.2013 DKKm	1.1.2013 DKKm
	Goodwill	72.0	98.1	63.3
	Other intangible assets	63.9	78.6	22.1
	Completed development projects, software	3.8	5.0	2.4
	Development projects in progress	0.6	0.3	3.8
16	**Intangible assets**	**140.3**	**182.0**	**91.6**
	Land and buildings	292.2	301.1	291.1
	Plant and machinery	62.2	57.2	51.1
	Operating equipment, fixtures and fittings	12.9	16.4	18.5
17	**Property, plant and equipment**	**367.3**	**374.7**	**360.7**
19	Investments in associates	11.0	25.0	33.5
	Other securities and investments	4.7	9.3	3.7
	Other receivables	2.3	2.0	1.4
	Other non-current assets	**18.0**	**36.3**	**38.6**
	Total non-current assets	**525.6**	**593.0**	**490.9**
20	Trade receivables	91.7	104.4	98.6
	Receivables from associates	0.6	5.3	4.3
	Income tax receivables	0.0	0.0	5.1
	Other receivables	1.3	7.0	1.7
	Prepayments	21.2	14.6	13.9
21	Securities	204.7	139.7	188.4
	Cash	43.5	58.0	37.4
	Total current assets	**363.0**	**329.0**	**349.4**
4	Assets held for sale	0.0	0.0	25.0
	Total current assets	**363.0**	**329.0**	**374.4**
	Total assets	**888.6**	**922.0**	**865.3**

Consolidated balance sheet

Equity and liabilities

Note		31.12.2014 DKKm	31.12.2013 DKKm	1.1.2013 DKKm
	Share capital	100.3	100.3	100.3
	Treasury shares	-41.2	-41.2	-41.2
	Hedging reserves	-14.3	-10.5	-15.0
	Reserve, translation adjustments	-3.4	-3.2	-3.4
	Retained earnings	485.8	462.2	452.0
	Parent's share of shareholders' equity	**527.2**	**507.6**	**492.7**
	Minority interests	5.2	15.7	18.9
23	**Total equity**	**532.4**	**523.3**	**511.6**
22	Deferred tax	16.1	16.2	7.2
24	Financial institutions	131.9	137.8	143.7
25	Fair value, interest-rate swap	19.0	14.0	20.0
26	Purchase price payable	15.4	39.6	19.1
	Total non-current liabilities	**182.4**	**207.6**	**190.0**
24	Financial institutions	5.9	5.7	5.6
	Trade payables	51.2	46.4	47.9
	Payables to associates	0.0	19.3	7.5
26	Purchase price payable	8.4	12.2	0.0
	Income tax payable	1.5	4.8	0.0
27	Other payables	87.9	85.6	78.7
	Deferred income	18.9	17.1	24.0
	Total current liabilities	**173.8**	**191.1**	**163.7**
	Total liabilities	**356.2**	**398.7**	**353.7**
	Total equity and liabilities	**888.6**	**922.0**	**865.3**

Consolidated statement of changes in equity

2014 DKKm	Share capital	Treasury shares	Hedging reserves	Reserve, translation adjustment	Retained earnings	Parent's total share	Minority interests	Total equity
Equity 1 January 2014	**100.3**	**-41.2**	**-10.5**	**-3.2**	**462.2**	**507.6**	**15.7**	**523.3**
Changes in equity 2014								
Net profit for the year	0.0	0.0	0.0	0.0	20.6	20.6	2.1	22.7
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	-5.1	0.0	0.0	-5.1	0.0	-5.1
Tax, other comprehensive income	0.0	0.0	1.3	0.0	0.0	1.3	0.0	1.3
Other comprehensive income after tax	**0.0**	**0.0**	**-3.8**	**-0.2**	**0.0**	**-4.0**	**0.0**	**-4.0**
Total comprehensive income	**0.0**	**0.0**	**-3.8**	**-0.2**	**20.6**	**16.6**	**2.1**	**18.7**
Purchase of minority shares	0.0	0.0	0.0	0.0	0.0	0.0	-7.6	-7.6
Altered recognition of minority interests	0.0	0.0	0.0	0.0	1.2	1.2	-1.2	0.0
Dividend distributed	0.0	0.0	0.0	0.0	0.0	0.0	-3.8	-3.8
Share-based payment	0.0	0.0	0.0	0.0	1.8	1.8	0.0	1.8
Total changes in equity in 2014	**0.0**	**0.0**	**-3.8**	**-0.2**	**23.6**	**19.6**	**-10.5**	**9.1**
Equity at 31 December 2014	**100.3**	**-41.2**	**-14.3**	**-3.4**	**485.8**	**527.2**	**5.2**	**532.4**

2013 DKKm	Share capital	Treasury shares	Hedging reserves	Reserve, translation adjustment	Retained earnings	Parent'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**

Consolidated cash flow statement

Note		2014 DKKm	2013 DKKm
	Net profit	**22.7**	**15.7**
28	Adjustment for non-cash operating items	79.9	78.8
29	Changes in working capital	7.4	-5.0
	Cash flow from operating activities before net financials	**110.0**	**89.5**
	Interest received	0.3	1.6
	Interest paid	-7.8	-8.8
	Cash flow from ordinary activities before tax	**102.5**	**82.3**
	Income tax paid	-19.0	-1.9
	Cash flow from operating activities, total	**83.5**	**80.4**
30	Investment in intangible assets and property, plant and equipment	-26.9	-26.5
	Disposals of intangible assets and property, plant and equipment	1.0	1.0
19	Dividend from associates	13.6	6.0
	Investment in securities, net	-48.8	49.6
	Dividend from securities	1.0	0.7
	Investment in other non-current assets	-4.8	-6.3
15, 26	Acquisition of companies	-11.5	-66.9
19	Purchase of minority shares	-7.6	1.2
19	Investment in associates	-4.5	-1.4
	Cash flow from investing activities, total	**-88.5**	**-42.6**
	Repayment of non-current liabilities	-5.7	-5.8
18	Dividend to minority shareholders	-3.8	-11.4
	Cash flow from financing activities, total	**-9.5**	**-17.2**
	Changes in cash and cash equivalents	**-14.5**	**20.6**
	Cash and cash equivalents at 1 January	**58.0**	**47.2**
	Effect of altered recognition of DDC P/S and the relating general partnership at beginning of year	0.0	-9.8
	Cash and cash equivalents at 31 December	**43.5**	**58.0**

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 2013.

New and revised Standards and Interpretations

Changes in accounting policies

As part of the coming into effect of IFRS 11, *Joint Arrangements* and IAS 28, *Investments in Associates and Joint Ventures* it is no longer possible to apply proportionate consolidation of investments in joint ventures. In 2014, the Group had no significant joint ventures, but the comparative figures have been restated to reflect the new accounting policies, under which jointly-controlled enterprises are recognised using the equity method. This change has been accounted for in accordance with the transitional provisions of IFRS 11. The change affects most financial statement items, most of them, however, only immaterially. The change does not impact on performance or equity for the year. The effect of the changes is evident from Note 37.

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.

IFRS 15, *Revenue from Contracts with Customers* was issued in May 2014 and enters into force on 1 January 2017. The Company will need to use a five-step model to determine when, how and by what amount revenue has to be recognised, depending on whether certain criteria have been met. The North Media Group intends to analyse whether IFRS 15, *Revenue from Contracts with Customers* will impact on major existing and future contracts. The new Standard is not expected to have significant effect on future consolidated financial statements.

IFRS 9, *Financial Instruments* was issued in July 2014 and enters into force on 1 January 2018. IFRS 9 relates to the accounting treatment of financial assets and liabilities in relation to classification and measurement. This Standard also contains revised regulations with respect to hedge accounting and impairment. The North Media Group intends to analyse the impact of this new Standard, but does not expect it to have significant effect on future consolidated financial statements.

Presentation currency

The Annual Report is presented in Danish kroner.

2 Accounting policies

Consolidated financial statements

The consolidated financial statements comprise the Parent, 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 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 intra-group 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 discontinuance. Comparatives are not restated for enterprises newly acquired, sold or discontinued, unless sold or discontinued enterprises qualify under IFRS 5 as discontinued activities. Acquisitions of new enterprises which give the Parent control over the enterprise acquired are accounted for by applying the purchase method, according to which the identifiable assets, liabilities and contingent liabilities of the acquired enterprises are measured at fair value at the time of acquisition. 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 occurred since 1 January 2004, positive differences (goodwill) between 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. 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 interests held or settlement price and the carrying amount of net assets, including goodwill, at the time of sale plus divestment or winding-up expenses.

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.

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 also includes public grants which the Group receives from the Danish Agency for Culture to cover distribution costs for Helsingør Dagblad. In 2013, the grant covered distribution costs of Helsingør Dagblad, and in 2014 the grant will cover editorial costs. Grants are obtained by application. In 2014, the Group received grants worth DKK 3.4 million. (2013: DKK 4.1 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 and fair value adjustment of other investments.

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

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.

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 recognised 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 (incl acquisition 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 operational balance sheet items excl tax
Earnings per share (EPS)	=	Parent's share of net profit for the year / Average number of shares in circulation
Diluted earnings per share (EPS-D)	=	Parent'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'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' "Recommendations & Key Ratios 2010" with the following exceptions:

- 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 interests.

4 Significant accounting estimates and judgements

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 55-57.

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 the discount factor and growth rates.

For HentTilbud ApS, these estimates have prompted a write-down of DKK 14.1 million (2013: DKK 13 million) in the financial year as the operating profit as well as the development in the number of registered builders has not progressed as planned.

Compared to the original plans, the declining revenue and the resultant reduced earnings of the local newspapers acquired in 2013 have prompted a write-down of the goodwill amount by DKK 15.0 million. The amount was calculated based on adjusted assumptions for the future revenue and earnings development. For a detailed description of the write-down 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 for 2013 and 2014. The co-owner's share of profit or loss and equity is included in the minority interest's profit/loss and equity.

Acquisition price payable, Lokalaviserne Østerbro og Amager A/S

When acquiring a 70% stake in Lokalaviserne Østerbro og Amager A/S in 2013 (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 entailed that Management found it probable that the North Media Group would achieve full ownership of Lokalaviserne Østerbro og Amager A/S. This resulted in the calculation and recognition of an acquisition price payable of DKK 32.5 million at yearend 2013. When presenting the financial statements for 2014, the estimated liability has been reduced by DKK 15.0 million due to a lower 2014 performance and expectations of a lower profit in the future. This calculation is based on the estimated developments in future earnings, which form the basis of the computation of the options' exercise price. This income is included in special items, see Note 11.

Acquisition price payable, HentTilbud ApS

When acquiring HentTilbud ApS in 2012, a portion of the acquisition price was made dependent on the future earnings development. The variable acquisition price payable of DKK 8.2 million was reversed at 30 June 2014 as it was no longer deemed reachable. The variable portion of the acquisition price is linked to a revenue target for 2015, the achievement of which is not considered possible.

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, at 31 December 2013, Management 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". At 31 December 2014, the value stands at DKK 17.1 million, and assessments are that the property has not been impaired.

Deferred tax asset

A tax asset worth DKK 2.8 million relating to an entity-specific pre-joint taxation loss of a subsidiary has previously been recognised. In 2014, Management assessed that it is no longer possible to use this tax asset within a period of three years, for which reason the tax asset was written down.

5 Segment information

2014 DKKm	Print	Online	Unallocated costs/elimi. *)	Total
Internal revenue	0.8	4.8	-5.6	0.0
Revenue	976.4	97.3	-	1,073.7
Gross profit	446.1	86.8	0.5	533.4
EBITDA	96.7	-5.1	11.8	103.4
Amortisation and depreciation	35.5	3.1	9.6	48.2
EBIT, before special items	61.2	-8.2	2.2	55.2
Special items	0.0	-7.5	0.0	-7.5
EBIT	61.2	-15.7	2.2	47.7
Share of loss in associates	0.7	-2.1	0.0	-1.4
Net financials	-	-	-6.7	-6.7
Profit/loss before tax	61.9	-17.8	-4.5	39.6
Net profit for the year	-	-	-	22.7
Minority interests' share of net profit	-	-	-	2.1
Shareholders' share of net profit	-	-	-	20.6
Non-current assets	216.0	42.2	267.4	525.6
Current assets, excl cash and cash equivalent	102.0	6.5	6.3	114.8
Segment assets	318.0	48.7	273.7	640.4
Cash, cash equivalent and securities	-	-	-	248.2
Goodwill	52.5	19.5	0.0	72.0
Intangible assets with an indefinite life	3.0	11.9	0.0	14.9
Non-current liabilities	30.4	1.4	150.6	182.4
Current liabilities	127.1	25.5	21.2	173.8
Segment liabilities	157.5	26.9	171.8	356.2
Investments in associates	6.0	5.0	-	11.0
Additions, intangible assets, property, plant and equipment	25.4	0.3	1.2	26.9
Cash flow from operating activities	103.3	-0.2	-19.6	83.5
Cash flow from investing activities	-21.6	-17.1	-49.8	-88.5
Cash flow from financing activities	0.0	0.0	-9.5	-9.5
Average number of employees	514	86	33	633
Profit margin (EBIT)	6%	-8%	-	5%
EBITDA margin	10%	-5%	-	10%
Return on assets	19%	-17%	-	9%
Gross margin	46%	89%	-	50%

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

2013 DKKm	Print	Online	Un-allocated costs/elimi. *)	Total
Internal revenue	0.6	5.2	-5.8	0.0
Revenue	986.1	91.0	-	1,077.1
Gross profit	406.6	80.8	0.3	487.7
EBITDA	102.2	-21.3	12.7	93.6
Amortisation and depreciation	21.7	4.8	9.5	36.0
EBIT, before special items	80.5	-26.1	3.2	57.6
Special items	-7.0	-13.0	0.0	-20.0
EBIT	73.5	-39.1	3.2	37.6
Share of loss in associates	6.7	-9.1	-	-2.4
Net financials	-	-	-8.4	-8.4
Profit/loss before tax	80.2	-48.2	-5.2	26.8
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	256.8	60.7	275.5	593.0
Current assets, excl cash and cash equivalents	121.5	6.5	3.3	131.3
Segment assets	378.3	67.2	278.8	724.3
Cash, cash equivalents and securities	-	-	-	197.7
Goodwill	66.5	31.6	0.0	98.1
Intangible assets with an indefinite life	2.0	11.9	0.0	13.9
Non-current liabilities	28.8	10.8	168.0	207.6
Current liabilities	140.0	20.6	30.5	191.1
Segment liabilities	168.8	31.4	198.5	398.7
Investments in associates	21.1	3.9	-	25.0
Additions, intangible assets, property, plant and equipment	24.3	0.2	2.0	26.5
Cash flow from operating activities	89.0	-19.7	11.1	80.4
Cash flow from investing activities	-83.8	-7.1	48.3	-42.6
Cash flow from financing activities	0.0	0.0	-17.2	-17.2
Average number of employees	472	100	34	606
Profit margin (EBIT)	8%	-29%	-	5%
EBITDA margin	10%	-23%	-	9%
Return on assets	21%	-39%	-	8%
Gross margin	41%	89%	-	45%

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

	2014 number	2013 number
Average number of employees	633	606
In addition a large number of part-time employees are working in distribution.		

	2014 DKKm	2013 DKKm
Total salaries and remuneration for the year		
Wages and salaries, including holiday pay	433.7	412.5
Defined contribution plans	20.9	19.9
Other social security costs	4.2	3.8
Remuneration of the Parent's Board of Directors	1.2	1.2
Share-based payment	1.8	1.5
Other staff costs	25.3	27.4
Total staff costs	**487.1**	**466.3**
The total staff costs are included under the following items in the income statement:		
Direct staff costs	206.6	195.8
Staff costs	278.9	270.5
Special items	1.6	0.0
Total staff costs	**487.1**	**466.3**

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

2014, DKKm	Board of Directors of the Parent	The Parent's Executive Board	Other managerial staff	Total
Wages and salaries	1.2	8.3	10.8	20.3
Pension (defined contribution plans)	0.0	0.4	0.8	1.2
Share-based payment	0.0	0.4	0.5	0.9
Remuneration of the Board of Dir., Exec. Board and man. staff	**1.2**	**9.1**	**12.1**	**22.4**
Number of members (average)	**4**	**3**	**6**	**13**

2013, DKKm	Board of Directors of the Parent	The Parent'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**

The Board of Directors of the Parent in 2014 consisted of four members, which is unchanged compared to 2013. The Executive Board had three members, which also is unchanged.

7 Share-based payment

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

In 2014 no share options have 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, four staff members have left and one have entered the options programme.

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. 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	Risk-free interest	Expected volatility	NVP of dividend	Option value
Tranche 1	Aug 2014	Feb 2016	2 years	0.0000 %	39.5 %	DKK 2	3.27
Tranche 2	Aug 2015	Feb 2017	3 years	0.0004 %	39.1 %	DKK 3	3.60
Tranche 3	Aug 2016	Feb 2018	4 years	0.0712 %	45.3 %	DKK 4	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 1,335,000 shares remain outstanding, equalling 6.66 % of the share capital.

In 2014, DKK 1.6 million (2013: DKK 1.3 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 2014 number	2013 number
Outstanding share options, 1 January	1,372,500	1,447,500
Changes in 2012 share option programme	-37,500	-75,000
Outstanding share options, 31 December	**1,335,000**	**1,372,500**
Number of share options which can be exercised at the balance sheet date	**360,000**	**0**
Share options programme, total	**1,485,000**	**1,485,000**
Of this, allocated to a possible subsequent granting of options	**150,000**	**112,500**

Options forfeited at the termination of an employee's employment may be granted to other employees on the same terms and conditions.

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	Allocated for a possible subsequent granting, no	Number exercised	Number of un-exercised at 31.12.2014	Exercise price	Accumulated costs recognised
								DKKm
Executive Board								
Granted 2012, tranche 1	2014	100,000	3	0	0	100,000	21.12	0.26
Granted 2012, tranche 2	2015	130,000	3	0	0	130,000	21.12	0.28
Granted 2012, tranche 3	2016	160,000	3	0	0	160,000	21.12	0.35
Other managerial staff								
Granted 2012, tranche 1	2014	130,000	6	0	0	130,000	21.12	0.33
Granted 2012, tranche 2	2015	165,000	6	0	0	165,000	21.12	0.35
Granted 2012, tranche 3	2016	200,000	6	0	0	200,000	21.12	0.44
Other staff								
Granted 2012, tranche 1	2014	160,000	13	40,000	0	120,000	21.12	0.41
Granted 2012, tranche 2	2015	200,000	13	50,000	0	150,000	21.12	0.43
Granted 2012, tranche 3	2016	240,000	13	60,000	0	180,000	21.12	0.53

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 1.4 million at 31 December 2014, calculated under the Black & Scholes pricing model (2013: DKK 1.2). 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 2014 DKK 0.2 million (2013: DKK 0.3 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 pre-emptive rights to the shares if the option holders contemplate selling to a third party.

8 Fee to the auditors appointed by the General Meeting

	2014 DKKm	2013 Dkkm
Deloitte		
Statutory audit services	1.8	1.8
Other assurance engagements	0.0	0.1
Tax services	0.2	0.0
Other services	0.7	0.4
Total fee to the auditors appointed by the General Meeting	**2.7**	**2.3**

9 Share of loss of associates after tax

	2014 DKKm	2013 DKKm
Share of loss before tax	0.5	4.4
Share of tax	-0.6	-0.6
Impairment	0.0	-2.0
Loss on sales of investments	-1.3	-4.2
Total share of loss of associates after tax	**-1.4**	**-2.4**

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

10 Net financials

	2014 DKKm	2013 DKKm
Exchange differences	0.4	0.0
Interest income etc	0.3	0.8
Dividend	1.0	0.7
Interest and gain on bonds, net	4.1	1.8
Net capital gains on shares	12.2	0.0
Total financial income	**18.0**	**3.3**
Interest and losses on bonds, net	0.0	0.9
Interest expenses etc	7.5	8.7
Exchange differences	0.3	0.2
Fair value adjustment of other investments	13.8	0.0
Discount effect of the purchase price payable	3.1	1.9
Total financial expenses	**24.7**	**11.7**

Interest income relates to securities, see Note 21, and receivables, see Note 20. Financial expenses relate to financial liabilities measured at amortised cost, see Note 35. Interest expenses include the discount effect of the acquisition price payable for HentTilbud ApS, up to 30 June 2014, at which date the acquisition price was reversed. The discount effect of the acquisition price payable/future dividends for the acquisition of the remaining 30% of the shares in Lokalaviserne Østerbro og Amager A/S is also included.

Fair value adjustment of other investments relates to a DKK 12.0 million write-down of the investment in Emply ApS. As part of the 5.5% investment in Emply ApS in 2013, Ofir A/S was granted sole distribution rights to the Emply Hire system in Denmark and Sweden. The Emply Hire system constitutes an important element of Ofir's strategy of strengthening ties between advertisement customers and the business. When sealing the investment, it was agreed that Emply ApS was to develop a range of Ofir-specific features. In step with the sub-deliverables and the accomplishment of a number of sales targets, it was agreed that Ofir was to invest further in Emply ApS. In 2014, an additional DKK 4.8 million was invested for an additional equity interest of 4.8%. Ofir is obliged to invest another DKK 4.8 million in 2015 provided that a number of IT deliverables are made before the end of May 2015, which will bring Ofir's equity interest to a total of 15%. Assessments are that it is highly probable that the IT deliverables will be made. As a result, DKK 4.8 million was allocated to cover the capital commitment at 31 December 2014, see Note 26.

The Group has determined the fair value of Ofir's equity interest in Emply ApS, including the expected capital commitment, and has on that basis written it down by a total of DKK 12.0 million, to the effect that the investment is recognised at DKK 3 million at 31 December 2014. If the ongoing international roll-out of the Emply Hire system proves successful, it will affect the value of the investment positively.

Aside from the fair value adjustment of Emply ApS, the investment in Pressens Fællesindkøb was written down by DKK 1.8 million. At 31 December, the investment is measured at DKK 1.5 million, equalling the value in use of the company.

11 Special items

	2014 DKKm	2013 DKKm
Impairment of printing house, earlier shown as discontinued operations	0.0	7.0
Impairment of goodwill relating to Byggestart/HentTilbud ApS	14.1	13.0
Reversal of deferred consideration related to the acquisition of HentTilbud ApS	-8.2	0.0
Redundancy costs on organisational change in HentTilbud ApS	1.6	0.0
Write-down of goodwill related to midweek newspapers	15.0	0.0
Reversal of acquisition price payable related to the acquisition of Lokalaviserne Østerbro og Amager A/S	-15.0	0.0
Total special items	**7.5**	**20.0**

Due to the continued uncertainty surrounding Byggestart.dk's future profitability, the remaining goodwill amount was written down by DKK 14.1 million to DKK 0 at 30 June 2014. In this connection, the earn-out payable was reversed as it is no longer deemed to be realisable within the deadline set for it. It also includes DKK 1.6 million in severance pay to staff as around half of the organisation was dismissed.

The acquisition price payable of DKK 15 million relating to the acquisition of the remaining 30% of the shares in Lokalaviserne Østerbro og Amager A/S has been reversed. The performance of these newspapers is not developing as positively as expected, for which reason the earn-out amount anticipated has been reduced. Goodwill relating to the acquisition of the eight local newspapers was also written down by DKK 15 million based on the lower performance. This write-down is based on estimated future earnings from these newspapers, which are now estimated to be lower due to intensified competition and declining ad sales.

In 2013, special items comprised the DKK 7 million write-down of the printing house and the DKK 13 million write-down of goodwill attributable to the acquisition of Byggestart.dk/HentTilbud.dk.

As regards the assumptions underlying the impairment test, please refer to Note 16.

12 Income tax

	2014 DKKm	2013 DKKm
Tax on profit for the year		
Current tax charges	17.0	10.5
Change in the deferred tax charge	-0.8	0.5
Change in tax rate	0.7	0.1
Total tax on profit for the year	**16.9**	**11.1**

	2014 DKKm	2013 DKKm
Tax on profit for the year		
Calculated tax on the profit before tax 24,5% (2013: 25%)	9.7	6.7
Tax effect of:		
Effect of tax transparent companies	-1.6	-0.4
Reversal of deferred tax previously capitalised	2.8	0.0
Reversal of acquisition price payable	-2.0	0.0
Net other non-deductible expenses/non-taxable income	0.3	0.2
Share-based payment	0.4	0.4
Discount effect of the purchase price payable	0.7	0.5
Share of loss after tax of associates	0.4	0.6
Fair value adjustment of other investments	3.4	0.0
Change in tax rate	-0.7	-0.2
Impairment on goodwill	3.5	3.3
Total tax on profit for the year	**16.9**	**11.1**
Effective tax rate	**42.7%**	**41.4%**

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

	2014 DKKm	2013 DKKm
Net profit for the year - total	22.7	15.7
Minority interests' share of consolidated profit	-2.1	-7.0
The North Media A/S Group's share of the net profit for the year	**20.6**	**8.7**
Average number of shares (in millions)	20.1	20.1
Average number of treasury shares	1.5	1.5
Average number of shares in circulation (in millions)	**18.6**	**18.6**
Average dilution effect of outstanding share options	0.0	0.0
Average number of diluted shares in circulation (in millions)	**18.6**	**18.6**
Earnings per share (EPS) - total	1.1	0.5
Diluted earnings per share (EPS-D) - total	1.1	0.5

The calculation of diluted earnings per share does not include 1,335,000 share options (2013: 1,372,500), 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 Note 7.

14 Dividend per share

At the Annual General Meeting on 27 March 2015, the Board recommends that no dividend be distributed for the financial year 2014 (2013: DKK 0,0 per share).

15 Acquired activities

Acquisitions in 2014

No companies or activities were acquired in 2014.

In January 2014, FK Distribution acquired all minority interests in Distribution Syd A/S, HA Grafisk Reklame A/S and UA/FK Distribution A/S for a total of DKK 7.6 million.

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 2014, 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.

16 Intangible assets

2014, DKKm	Goodwill	Other intangible assets	Completed develop-ment projects, software	Develop-ment projects in progress	Total
Cost at 1 January	128.2	106.4	115.9	0.3	350.8
Addition upon transfer of assets from DDC P/S	2.0	2.8	0.0	0.0	4.8
Additions for the year	0.0	0.0	1.6	0.3	1.9
Cost at 31 December	**130.2**	**109.2**	**117.5**	**0.6**	**357.5**
Amortisation and impairment losses at 1 January	30.1	27.8	110.9	0.0	168.8
Amortisation for the year	0.0	14.4	2.4	0.0	16.8
Impairment for the year	27.1	1.6	0.4	0.0	29.1
Addition upon transfer of assets from DDC P/S	1.0	1.5	0.0	0.0	2.5
Amortisation and impairment losses at 31 December	**58.2**	**45.3**	**113.7**	**0.0**	**217.2**
Carrying amount at 31 December	**72.0**	**63.9**	**3.8**	**0.6**	**140.3**
Amortised over (years)	**-**	**3-10**	**3-5**	**-**	**-**

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

2013, DKKm					
Cost at 1 January	81.5	45.8	111.2	3.8	242.3
Altered recognition of DDC P/S and the relating general partnership	-0.9	-1.3	0.0	0.0	-2.2
Additions, business combination	47.8	61.9	0.0	0.0	109.7
Additions for the year	0.0	0.0	4.7	0.0	4.7
Disposals for the year	0.2	0.0	0.0	3.5	3.7
Cost at 31 December	**128.2**	**106.4**	**115.9**	**0.3**	**350.8**
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
Disposals for the year	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	**98.1**	**78.6**	**5.0**	**0.3**	**182.0**
Amortised over (years)	**-**	**3-10**	**3-5**	**-**	**-**

Other intangible assets include assets worth DKK 14.9 million which are considered to have indefinite 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.

The Group's total goodwill of DKK 72.0 million includes DKK 19.6 million attributable to FK Distribution, DKK 32.9 million attributable to Lokalaviserne and DKK 19.5 million attributable to BoligPortal. Goodwill relating to Byggestart/HentTilbud was written off.

Intangible assets with indefinite lives, other than 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.

Impairment test

When preparing the financial statements, goodwill and intangible assets were tested for impairment. In 2014, this resulted in write-down of goodwill etc by DKK 14.1 million on Byggestart.dk/HentTilbud.dk (2013: DKK 13.0 million) and by DKK 15.0 million on Lokalaviserne (2013: no write-down).

Goodwill of Byggestart.dk/HentTilbud.dk was written down at 30 June 2014 due to the continued uncertainty of future revenue and earnings development. The combination of yet another shift in strategy and the prospects of continued operating losses for at least 18 months prompted the write-down of goodwill to DKK 0.

For Lokalaviserne, the write-down of goodwill was motivated by a considerable reduction in earnings expectations compared to the situation when acquiring them in 2013. The lower earnings expectations are attributable to the unforeseen drop in revenue realised for 2014.

Thus, the uncertainty surrounding the future earnings development is significant. At present, it is impossible to predict whether the decline in revenue is a temporary problem or a permanent predicament, or whether revenue will continue its decline. In recent years, the industry has seen annual revenue declines of 5 to 8%, which have been a consequence of the shift of ads from Print to Online. But the great increase in TV-on-demand and the resultant drop in flow TV have also made it much more difficult today for advertisers to reach the population at large. Combined with the progress of No Ads+, this gives grounds to new hope that the revenue decline in 2014 will be an isolated event, and the print ads, particularly in free newspapers, will regain their momentum.

The sensitivity characterising revenue development is also considerable. Even minor changes in assumptions (for instance, a 1% increase in revenue for 2017) may change the indication of impairment by up to DKK 4 million, entailing that the uncertainty relating to the need for and the amount of a possible write-down of the related goodwill amount is considerable.

The impairment model builds on the 2015 budget, which is projected for four years based on estimates of future developments in the individual CGUs. For the subsequent terminal period, a growth factor of a negative 4% is used in 2014 (2013: +2% for all CGUs in the Print segment. This decline is slightly smaller than the market decline expected for both the newspaper ad market and the distribution market, and is attributable to the Group believing that its products will fare much better than the general print ad market.

If revenue from Lokalaviserne follow the expectations for the general ad market, which is expected to continue its annual drop of 5 to 8% in the years ahead, rather than the development budgeted, the bulk of the goodwill amount and other intangible assets would have to be written down. The reason is that revenue decline would affect earnings significantly as a result of the limited possibility of adjusting the overheads.

Thanks to the extensive advertiser awareness they enjoy in the Copenhagen market, assessments are that Lokalaviserne will fare better than the general market development. Depending on revenue development in the years ahead, it may prove necessary to write down goodwill and other intangible assets relating to Lokalaviserne by DKK 0 to 30 million. Based on the existing business plan and the sales initiatives implemented, assessments are that, in 2015, revenue may stabilise at a level slightly above that realised for 2014, implying that the current earnings may be upheld and increased. Overall, this will result in write-down of goodwill by DKK 15 million.

For CGUs in the Online segment, a growth factor of 2% is still used in the terminal period (2013: 2%).

In this model, the tax rate goes down from 23.5% in 2015 to 22.0% in 2017 and forward-looking (2013: 24.5 to 22.0%).

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

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

The impairment test was performed for each cash-generating unit (CGU) by comparing the carrying amount of intangible assets and property, plant and equipment with 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. An extraordinarily high discount rate was used for Byggestart.dk/HentTilbud.dk as this market is new and immature. As the market matures and the risk of the investment may be reduced, the discount rate for Byggestart.dk/HentTilbud.dk will approximate the Group’s general discount rate for the Online business.

Discount rate	**Print**	**Online**	**Byggestart/ HentTilbud**
2014 after tax	8.6%	11.1%	25.6%
2014 before tax	11.2%	14.5%	33.5%
2013 after tax	7.0%	9.0%	24.0%
2013 before tax	9.3%	12.0%	32.0%

The discount rate is composed of a debt and an equity element. For the Online segment, however, only an equity element as assessments are it would be difficult to obtain debt financing for the online business. The equity element has been determined on the basis of a risk-free interest rate plus a market risk premium weighted by an expected equity element. Similarly, the debt element is based on the interest rate on loan capital weighted by an expected debt element.

The increase in discount rate was triggered by the increased risk in the print business in particular, due to the declining market and the uncertainty surrounding the transformation from print to online.

The impairment model is generally not sensitive to an increase in the discount rate. However, Lokalaviserne would have to be written down by another DKK 15 million if the discount rate went up by, for instance, 3%.

17 Property, plant and equipment

2014, DKKm	Land and buildings	Plant and machinery	Fixtures and fittings	Total
Cost at 1 January	435.6	163.9	108.9	708.4
Addition upon transfer of assets from DDC P/S	0.5	0.0	0.0	0.5
Additions for the year	0.0	20.5	4.5	25.0
Disposals for the year	0.2	0.0	2.9	3.1
Cost at 31 December	**435.9**	**184.4**	**110.5**	**730.8**
Depreciation and impairment losses at 1 January	134.5	106.7	92.5	333.7
Depreciation for the year	8.9	15.5	7.3	31.7
Addition upon transfer of assets from DDC P/S	0.5	0.0	0.0	0.5
Disposals for the year	0.2	0.0	2.2	2.4
Depreciation and impairment losses at 31 December	**143.7**	**122.2**	**97.6**	**363.5**
Carrying amount at 31 December	**292.2**	**62.2**	**12.9**	**367.3**
Depreciated over (years)	**35-50**	**5-10**	**3-5**	**-**

2013, DKKm	Land and buildings	Plant and machinery	Fixtures and fittings	Total
Cost at 1 January	373.6	144.1	170.7	688.4
Altered recognition of DDC P/S and the relating general partnership	0.0	0.0	-0.5	-0.5
Additions for the year	0.0	19.8	5.6	25.4
Disposals for the year	0.5	0.0	66.9	67.4
Reclassified from "assets held for sale"	62.5	0.0	0.0	62.5
Cost at 31 December	**435.6**	**163.9**	**108.9**	**708.4**
Depreciation and impairment losses at 1 January	82.5	93.0	152.2	327.7
Altered recognition of DDC P/S and the relating general partnership	0.0	0.0	-0.5	-0.5
Depreciation for the year	8.1	13.7	6.9	28.7
Impairment for the year	7.0	0.0	0.0	7.0
Disposals for the year	0.5	0.0	66.1	66.6
Reclassified to "assets held for sale"	37.4	0.0	0.0	37.4
Depreciation and impairment losses at 31 December	**134.5**	**106.7**	**92.5**	**333.7**
Carrying amount at 31 December	**301.1**	**57.2**	**16.4**	**374.7**
Depreciated over (years)	**35-50**	**5-10**	**3-5**	**-**

18 Subsidiaries

The Group' subsidiaries are evident from the group structure on page 116. There is no difference between ownership interest and share of voting rights in any of the Group's companies. Subsidiaries holding minority interests are listed below.

Subsidiaries	Registered office	Ownership	
		2014	2013
Tryksagsomdelingen Fyn P/S (TOF)	Svendborg	50%	50%
Tryksagsomdelingen Fyn Komplementar ApS (TOF)	Svendborg	50%	50%

Reference is made to the group structure on page 116.

Principal items in subsidiaries holding minority interests

	2014				2013			
DKKm	TOF	Other minorities	Eliminations	Total	TOF	Other minorities	Eliminations	Total
Revenue	74.4				75.3			
Net profit	3.8				7.6			
Comprehensive income	3.8				7.6			
Parent's share of profit for the year	1.9				4.3			
Minority interests share of profit for the year	**1.9**	**0.0**	**0.2**	**2.1**	**3.3**	**3.7**	**0.0**	**7.0**
Balance								
Non-current assets	4.3				0.3			
Current assets	15.2				24.0			
Current liabilities	-9.6				-10.5			
Parent's share of equity	5.0				6.9			
Minority interests' share of equity	**5.0**	**0.0**	**0.2**	**5.2**	**6.9**	**7.5**	**1.3**	**15.7**
Contingent liabilities	0.0				0.0			
Cash flow statement								
Cash flows from operating activities	17.6				-3.5			
Cash flows from investing activities	-4.4				0.0			
Cash flows from financing activities	-7.6				-13.7			
Changes in cash and cash equivalents	**5.6**	**0.0**	**3.9**	**9.5**	**-17.2**	**-13.1**	**0.0**	**-30.3**
Transactions with minorities								
Dividend to minority shareholders	3.8	0.0	0.0	3.8	5.5	5.9	0.0	11.4
Purchase of shares in Group Company	0.0	7.6	0.0	7.6	0.0	0.0	0.0	0.0
Sale of shares in Group Company	0.0	0.0	0.0	0.0	0.0	1.2	0.0	1.2

Change in the Group's ownership of subsidiaries

At 1 January 2014, FK Distribution A/S acquired the minority interests in H.A. Grafisk Reklame A/S, UA/FK Distribution A/S and Distribution Syd A/S, after which the activities were transferred to FK Distribution A/S. In 2013 and before, the companies were production company/sub-suppliers only of FK Distribution and have only generated internal revenue. Based on an overall assessment of materiality and information value to financial statement users, the companies have been aggregated and disclosed in Other minority interests. Tryksagsomdeling Fyn P/S still has a minority owner, and the company is disclosed separately.

Significant restrictions in the Group's access to transacting with the Group's assets.

The Group is not subject to restrictions on access to transacting with the Group's assets or repaying the Group's liabilities. The only exception is that cash and cash equivalents of Tryksagsomdeling Fyn P/S and the relating general partnership are recognised at DKK 9.4 million in the consolidated financial statements whereas the Group's actual ownership share of these cash and cash equivalents stands at DKK 4.7 million.

19 Investment in associates

	Registered office	Ownership 2014	Ownership 2013
Significant associates			
A/S Vestsjællandske Distriktsblade (VD)	Slagelse	50.0%	50.0%
Dansk Distributions Center ApS and the relating general partnership (DDC)	Taastrup	50.0%	50.0%
Shopbox ApS	København	0.0%	34.6%

Reference is made to the group structure on page 116.

	2014 DKKm	2013 DKKm
Net asset value at 1 January, before change in accounting policies for joint ventures		22.1
Effect of IFRS 11 change at 1. January 2013		11.4
Net asset value at 1 January	25.0	33.5
Additions for the year	5.0	1.0
Disposals for the year	-5.3	-5.3
Share of loss before tax	0.5	4.4
Share of tax	-0.6	-0.6
Write-down	0.0	-2.0
Dividend received/reduction of capital	-13.6	-6.0
Net asset value at 31 December	**11.0**	**25.0**

The investment in Shopbox ApS was sold at the end of June 2014, and a loss of DKK 1.3 million taken to profit or loss, see Note 9.

Goodwill and other intangible assets related to the investment in eConscribi International ApS were fully written down at 30 June 2013 and subsequently divested for DKK 1.

The value of Dansk Distributions Center P/S and the relating general partnership was recognised in equity value at the beginning of 2013 in accordance with the changed accounting policy for joint ventures, see the description thereof in Note 37.

19 Investment in associates, continued

Key figures for individual, significant associates:

	VD	DDC	Immaterial	2014 total	VD	DDC	Immaterial	2013 total
Ownership	50%	50%	-	-	50%	50%	-	-
Revenue	35.3	0.0	-	-	37.6	82.0	-	-
Profit for the year	3.4	-0.2	-	-	3.6	11.2	-	-
Comprehensive income	**3.4**	**-0.2**	**-**	**-**	**3.6**	**11.2**	**-**	**-**
Parent's share of profit for the year	**0.8**	**-0.1**	**-0.8**	**-0.1**	**1.0**	**5.6**	**-2.8**	**3.8**
Balance								
Non-current assets	8.0	0.0	-	-	10.7	0.1	-	-
Current assets	14.2	0.0	-	-	14.0	33.4	-	-
Non-current liabilities	-0.1	0.0	-	-	-0.1	0.0	-	-
Current liabilities	-6.1	0.0	-	-	-5.5	-11.9	-	-
Net assets (equity)	**16.0**	**0.0**	**-**	**-**	**19.1**	**21.6**	**-**	**-**
Parent's share of equity in associated companies (booked value)	**5.6**	**0.4**	**5.0**	**11.0**	**8.0**	**13.1**	**3.9**	**25.0**
Transactions with associated companies								
Dividend received from associates	3.3	9.6	0.0	12.9	2.0	4.0	0.0	6.0
Capital increases/acquisition of investments	0.0	0.0	5.3	5.3	0.0	0.0	1.0	1.0
Capital reduction	0.0	0.7	0.0	0.7	0.0	0.0	0.0	0.0
Contingent liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The Group has no non-recognised shares of losses in associates, either in 2014 or in previous years.

None of the associates are subject to limitations with respect to distribution of cash dividends aside from the general requirements for propriety of dividends under Danish company law.

20 Trade receivables

	2014 DKKm	2013 DKKm
Trade receivables	94.0	107.6
Write-downs	-2.3	-3.2
Trade receivables, net	**91.7**	**104.4**

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

	2014	2013
Write-downs at 1 January	3.2	3.6
Expensed for the year, net	1.5	1.9
Recovered from previous year	0.1	0.7
Recorded losses	-2.5	-3.0
Write-downs at 31 December *)	**2.3**	**3.2**

*) In Note 35, the section on credit risk, the balance on receivables due is evident.

A write-down account is used to reduce the carrying amount of trade receivables, the value of which is impaired due to risk of loss.

Based on historical experience, amounts are recognised in the write-down account beginning from when receivables have been overdue for more than 30 days. When receivables have been overdue for more than 90 days, the amount is fully provided for. If a costumer suspends payments or goes bankrupt, an individual assessment is made that may result in a further indication of impairment. Neither 2014 nor 2013 saw indications of material impairment aside from the general write-downs.

In the financial year under review, interest income totalling DKK 0.1 million was recognised with respect to receivables written down (2013: 0.5 million).

21 Securities

	2014 DKKm	2013 DKKm
Mortgage bonds	61.6	38.6
Corporate bonds	72.4	49.3
Shares	70.7	51.8
Securities 31 December	**204.7**	**139.7**

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

	2014 DKKm	2013 DKKm
Deferred tax at 1 January, net	16.2	7.2
Addition, business combination	0.0	8.4
Deferred tax included in the net profit for the year, continuing operations	-0.8	0.5
Change in tax rate	0.7	0.1
Deferred tax at 31 December, net	**16.1**	**16.2**

22 Deferred tax, continued

DKKm

	2014			2013		
	Assets	Liabilities	Total	Assets	Liabilities	Total
Specification of deferred tax						
Intangible assets	1.4	16.1	-14.7	0.0	19.2	-19.2
Property, plant and equipment	2.5	1.9	0.6	3.4	1.6	1.8
Current assets	0.3	1.5	-1.2	0.4	1.2	-0.8
Non-current liabilities	0.0	0.8	-0.8	0.0	0.8	-0.8
Tax loss carryforwards	0.0	0.0	0.0	2.8	0.0	2.8
Total	**4.2**	**20.3**	**-16.1**	**6.6**	**22.8**	**-16.2**
Set-off of deferred tax assets and deferred tax liabilities within the same legal tax entities and jurisdictions	4.2	4.2	0.0	6.6	6.6	0.0
Deferred tax liabilities at 31 December	**0.0**	**16.1**	**-16.1**	**0.0**	**16.2**	**-16.2**

23 Equity

	Number in thousands		Nominal value DKK'000	
Share capital	**2014**	**2013**	**2014**	**2013**
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.

	2014			2013		
Treasury shares	Number in thousands	Nominal value DKK'000	% of share capital	Number in thousands	Nominal value DKK'000	% of share capital
At 1 January	1,485	7,425	7.40%	1,485	7,425	7.40%
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 years 2014 and 2013, North Media A/S has not acquired treasury shares.

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

	2014 DKKm	2013 DKKm
Mortgage debt	137.8	143.5
Carrying amount	**137.8**	**143.5**
Of which, floating rate (CIBOR-6 debt)	73.4	77.6
Of which, fixed rate	64.4	65.9
Debt to financial institutions is included under the following items in the balance sheet		
Non-current liabilities	131.9	137.8
Current liabilities	5.9	5.7
Carrying amount	**137.8**	**143.5**
Nominal value	**141.0**	**146.8**
Fair value	**141.0**	**143.4**

Debt to financial institutions includes a capital loss relating to the raising of a loan of DKK 3.2 million (2013: DKK 3.4 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 (liability), interest-rate swap

	2014 DKKm	2013 DKKm
Fair value, interest-rate swap	19.0	14.0
Non-current	**19.0**	**14.0**
Fair value (liability), interest-rate swap	**19.0**	**14.0**

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 2014. The value of the interest-rate swap (debt) is DKK 19.0 million (DKK 14.0 million in 2013), 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

	2014 DKKm	2013 DKKm
Net liability value at 1 January	51.8	19.1
Additional	4.8	32.5
Payments	-11.5	0.0
Value adjustments	-24.4	-1.6
Discount effect of the purchase price payable	3.1	1.8
Total purchase price payable	**23.8**	**51.8**
Non-current part	15.4	39.6
Current part	8.4	12.2
Total purchase price payable	**23.8**	**51.8**
Specified as follows		
Purchase price payable, Lokalaviserne Østerbro og Amager A/S, see Notes 10 and 15	16.9	32.5
Purchase price payable, HentTilbud ApS, see Note 10	2.1	17.3
Purchase price payable, Emply ApS, see Note 10 and 36	4.8	0.0
Purchase price payable, Shopbox ApS, see Note 19	0.0	2.0
Purchase price payable	**23.8**	**51.8**

DKK 8.4 million of the purchase price payable falls due in 2015, whereas the remaining purchase price falls due in 2016-2019.

27 Other payables

	2014 DKKm	2013 DKKm
A tax (PAYE) etc payable to public authorities	1.6	1.3
VAT liability	14.5	10.6
Holiday pay obligation	38.6	39.1
Other debt	33.2	34.6
Total other payables	**87.9**	**85.6**

28 Adjustments for non-cash operating items

	2014 DKKm	2013 DKKm
Share of profit in associates	1.4	2.4
Tax on profit for the year	16.9	11.1
Amortisation and depreciation of assets	48.4	36.2
Share-based payment	1.8	1.5
Special items, non-cash effect	5.9	20.0
Gain on disposals for the year	-0.2	-0.2
Net financials	-11.7	8.4
Value adjustments, securities	17.4	-0.6
Total adjustments	**79.9**	**78.8**

29 Changes in working capital

Changes in receivables	16.5	-12.8
Changes in current liabilities	-9.1	7.8
Changes in working capital	**7.4**	**-5.0**

30 Investment in intangible assets and property, plant and equipment

Investment in software	-1.9	-1.1
Investment in plant and machinery	-20.5	-19.8
Investment in operating equipment, fixtures and fittings	-4.5	-5.6
Total investments	**-26.9**	**-26.5**

31 Operating leases and rental obligations

	2014 DKKm	2013 DKKm
Operating leases:		
Future minimum expenses related to operating leases:		
Due within 1 year	0.0	0.1
Due within 1 and 5 years	0.0	0.0
Due after 5 years	0.0	0.0
Total	**0.0**	**0.1**

The Group has entered into operating leases relating to operating assets.

For operating leases the following amounts have been recognised in the income statement	**1.2**	**1.2**

	2014 DKKm	2013 DKKm
Rental obligations		
Future minimum lease payments related to rental obligations:		
Due within 1 year	2.1	2.0
Due within 1 and 5 years	0.3	0.1
Total	**2.4**	**2.1**

For rent obligations the following amounts have been recognised in the income statement	**4.1**	**2.8**

32 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

	2014 DKKm	2013 DKKm
Carrying amount for mortgaged properties provided as security for the Group's mortgage debt.	272.1	283.0
Bonds have been deposited as security for payment of the remaining purchase price for HentTilbud ApS, value	15.7	15.6

34 Related parties

As a majority shareholder in North Media A/S' Parent, 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.

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 its 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 2014 provided customers to Travelmarket for an agent fee of DKK 0.0 million (2013: 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. Plesner has invoiced the Group for a total of DKK 0.9 million. In 2013, Plesner invoiced the Group for a total of DKK 1.5 million for consultancy services, whereas Bech Bruun invoiced for a total of DKK 1.5 million when Ulrik Holsted-Sandgreen was a partner with this firm.

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 and internal rental agreements. 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.

	2014 DKKm	2013 DKKm
Transactions with associates		
eConscribi International ApS, purchase	0.0	-0.2
Dansk Distributions Center P/S, purchase	0.0	41.0
A/S Vestsjællandske Distriktsblade, sale	6.6	7.1
Dansk Distributions Center P/S	0.2	4.4
A/S Vestsjællandske Distriktsblade	0.4	0.9
Total receivables	**0.6**	**5.3**
Dansk Distributions Center P/S	0.0	19.3
Total liabilities	**0.0**	**19.3**

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 43.5 million. (2013: DKK 58.0 million). In addition, the Group has readily negotiable securities of DKK 204.7 million. (2013: DKK 139.7 million). The Group has currently no credit facilities.

The Group financial liabilities are due as follows

2014, 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*	156.8	218.8	0.0	12.2	46.8	159.8
Trade payables	51.2	51.2	51.2	0.0	0.0	0.0
Purchase price payable, notes 15 and 26	23.8	27.1	0.0	8.4	18.7	0.0
Other payables	87.9	87.9	49.3	38.6	0.0	0.0
Liabilities at 31 December	**319.7**	**385.0**	**100.5**	**59.2**	**65.5**	**159.8**

2013, DKKm						
Financial instruments						
Financial institutions incl interest-rate swap*	157.5	231.3	0.0	12.5	47.8	171.0
Trade payables	46.4	46.4	46.4	0.0	0.0	0.0
Purchase price payable, notes 15 and 26	51.8	64.8	0.0	12.2	35.8	16.8
Other payables	85.6	85.6	46.5	39.1	0.0	0.0
Liabilities at 31 December	**341.3**	**428.1**	**92.9**	**63.8**	**83.6**	**187.8**

*) 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.
**) Inclusive of 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:

	2014 DKKm	2013 DKKm
CIBOR 6 loan, 20-year annuity loan falling due on 30 September 2031	73.4	77.6
3% bond debt, 30-year annuity loan falling due on 30 September 2041, convertible	64.4	65.9
Fair value of interest-rate swap	19.0	14.0
Total mortgage debt incl. interest-rate swap	**156.8**	**157.5**

The main part of the CIBOR 6 loan is fixed through an interest-rate swap. A minor share of the loan totalling DKK 4.6 million (2013: DKK 5.1 million) is not fixed.

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 4.6 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 4.2 million. The duration has been determined at 6.5. For 2013, the interest-rate sensitivity of the interest-rate swap was approx DKK 4.6 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 5.1 million), equivalent to a duration of 6.7.

The bond debt is recognised at amortised cost, and fluctuations in the fair value are therefore not recognised in the financial statements. A 1% increase per year in the interest-rate level would reduce the fair value of the debt by DKK 0.5 million. Conversely, a drop in the interest-rate level by 1% will only increase the fair value of the debt by DKK 0.0 million as a result of the debt is callable at par. For 2013, an increase in the interest-rate level by 1% would have reduced the fair value of the debt by DKK 5.9 million, while a drop in the interest-rate by 1% would have increased the fair value of the debt by DKK 3.2 million.

An increase in the interest-rate level by 1% annually on the existing level for 2014 would have increased the interest income from the Group's deposits by DKK 0.5 million (2013: DKK 0.6 million). A drop in the interest-rate level by 1% in 2014 would have reduced the interest income by DKK 0.0 million (2013: DKK 0.0 million).

The calculation of the Group's interest rate 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 2014. No adjustments of the mortgage debt were made in 2014 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 3.1 million (2013: DKK 2.0 million), whereas a corresponding drop in interest rates would increase the value of the bond portfolio by DKK 2.8 million. (2013: DKK 2.0 million). A 10% change in the USD exchange rate compared to the exchange rate at 31 December 2014 would influence profit or loss and equity for the year by DKK 2.0 million (2013: DKK 0.0 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.

2014, DKKm	Within 1 year	Between 2 - 5 years	After 5 years	Total	Average duration
Bonds	4.5	32.6	96.9	134.0	2
Bank deposits	43.5	0.0	0.0	43.5	1
Mortgage debt, fixed rate	-1.6	-6.8	-56.1	-64.5	5
Mortgage debt, floating rate	-4.2	-17.1	-52.0	-73.3	1
Interest-rate swap	3.9	17.5	47.4	68.8	7
31 December	**46.1**	**26.2**	**36.2**	**108.5**	**-**

2013, DKKm					
Bonds	8.4	31.2	48.3	87.9	3
Bank deposits	58.0	0.0	0.0	58.0	1
Mortgage debt, fixed rate	-1.5	-6.5	-57.9	-65.9	5
Mortgage debt, floating rate	-4.2	-17.0	-56.3	-77.5	1
Interest-rate swap	3.7	16.7	52.1	72.5	7
31 December	**64.4**	**24.4**	**-13.8**	**75.0**	**-**

Acquisition 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 7.1 million (2013: DKK 5.2 million). A 10% change in the USD exchange rate compared to the exchange rate at 31 December 2014 would influence profit or loss and equity for the year by DKK 1.6 million (2013: DKK 2.9 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 direct 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 of the direct trading between business entities is estimated to be DKK 1.0 million and is therefore not hedged.

The Group purchases paper for its newspaper activities. The price of paper is in DKK, but the underlying purchase price is tied up to SEK and NOK. A 10% increase in SEK and NOK on DKK would inevitably result in an increase in paper prices of approx DKK 3 million.

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 2014 and 2013.

Credit risks
The Group is particularly exposed to credit risks vis-à-vis receivables, deposits with banks and credit risks related to the securities portfolio, particularly the portion that is attributable to corporate bonds. 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.

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 2014, total receivables of DKK 50.5 million are credit-insured with a maximum credit risk of DKK 6.7 milion (2013: DKK 47.7 million, and a maximum credit risk of DKK 4.8 million).

In the past three years the Group's bad debts have been at the level of 1.0‰ to 2.0‰ of revenue.

The balance overdue on trade receivables is composed as follows

2014, DKKm	0-30 days	31-60 days	61-90 days	>90 days	Total
Overdue trade receivables, not impaired	25.0	1.6	0.3	0.0	26.9
Overdue trade receivables, impaired	0.0	0.5	0.3	2.1	2.9
					29.8
Write-down					-2.3
Trade receivables, net value at 31 December 2014					**27.5**

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 2013					**24.3**

36 Carrying amount, financial assets and liabilities:

DKKm

	Carrying amount	Fair value	Carrying amount	Fair value
	2014		2013	
Trade receivables	91.7	91.7	104.4	104.4
Receivables from associates	0.6	0.6	5.3	5.3
Other receivables	3.6	3.6	9.0	9.0
Cash	43.5	43.5	58.0	58.0
Financial assets, measured at amortised cost	**139.4**	**139.4**	**176.7**	**176.7**
Other securities and investments	4.7	4.7	9.3	9.3
Securities	204.7	204.7	139.7	139.7
Financial assets, measured at fair value	**209.4**	**209.4**	**149.0**	**149.0**
Financial institutions	137.8	141.0	143.5	143.4
Trade payables	51.2	51.2	46.4	46.4
Income tax payable	1.5	1.5	4.8	4.8
Other payables	87.9	87.9	85.6	85.6
Financial liabilities, measured at amortised cost	**278.4**	**281.6**	**280.3**	**280.2**
Acquisition price payable	23.8	23.8	51.8	51.8
Financial liabilities, measured at fair value through the income statement	**23.8**	**23.8**	**51.8**	**51.8**
Interest-rate swap	19.0	19.0	14.0	14.0
Financial liabilities, measured at fair value	**19.0**	**19.0**	**14.0**	**14.0**

The fair value of securities has been calculated at the market price at 31 December 2014 and 31 December 2013, respectively, for the individual securities (level 1).

The fair value for credit institutions has been calculated based on the market price at 31 December 2014 and 31 December 2013, 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).

Fair value and fair value adjustment of other investments are described in detail in Note 10 (level 3).

Fair value of acquisition price payable has been calculated pursuant to fair value model – (level 3). For more details, including the fair value adjustment for the year, please refer to Notes 4, 10, 15 and 26.

For other assets and liabilities, carrying amount is considered to equal fair value.

37 Effect of the changed accounting policies for joint ventures

IFRS 11, *Joint Arrangements* replaces IAS 31, *Interests in Joint Ventures*. Contrary to IAS 31, IFRS 11 does not allow investments in joint ventures to be consolidated on a proportionate basis, but must be recognised only by using the equity method.

This change affects the Group's participation in Dansk Distributions Center P/S and the relating general partnership.

The change results in a changed presentation of financial statement items in the statement of comprehensive income, balance sheet and cash flow statement, but does not affect the Group’s financial performance and equity for 2014 or earlier years.

Pursuant to the commencement provisions for IFRS 11, the change from proportionate consolidation to the equity method has been incorporated with retrospective effect. Changes in selected accounting figures may for the balance sheet at 31 December 2013 and at 1 January 2013 for the statement of comprehensive income and cash flow statement for 2013, respectively, be summarised as follows:

DKKm	Under former accounting policies	Effect of IFRS 11	Under new accounting policies	Under former accounting policies	Effect of IFRS 11	Under new accounting policies
Consolidated balance sheet at			**1.1.2013**			**31.12.2013**
Intangible assets	93.8	-2.2	91.6	184.3	-2.3	182.0
Property, plant and equipment	360.7	0.0	360.7	374.7	0.0	374.7
Investments in associates	22.1	11.4	33.5	11.9	13.1	25.0
Other non-current assets	5.1	0.0	5.1	11.3	0.0	11.3
Total non-current assets	**481.7**	**9.2**	**490.9**	**582.2**	**10.8**	**593.0**
Cash	47.2	-9.8	37.4	64.6	-6.6	58.0
Current assets	335.3	1.7	337.0	269.0	2.0	271.0
Total assets	**864.2**	**1.1**	**865.3**	**915.8**	**6.2**	**922.0**
Total equity	**511.6**	**0.0**	**511.6**	**523.3**	**0.0**	**523.3**
Non-current liabilities	190.0	0.0	190.0	207.6	0.0	207.6
Current liabilities	162.6	1.1	163.7	184.9	6.2	191.1
Total liabilities	**352.6**	**1.1**	**353.7**	**392.5**	**6.2**	**398.7**
Total equity and liabilities	**864.2**	**1.1**	**865.3**	**915.8**	**6.2**	**922.0**

Customers are invoiced by FK Distribution A/S, which is the reason why trade receivables included in other current assets are not affected by the transition to the equity method. This also has the consequence that revenue and direct costs go up as a result of the partial elimination not being performed on sales from Dansk Distributions Center P/S. In prior years, intercompany sales were eliminated on a proportionate basis.

Being a limited liability partnership, Dansk Distributions Center P/S is not considered an independent taxpayer, and the transition from proportionate consolidation to the equity method has no bearing on the computation of tax. The tax effects for Dansk Distributions Center Komplementar ApS do not appear due to rounding to the nearest million (DKK).

37, Consolidated statement of comprehensive income 2013

	Under former accounting policies	Effect of IFRS 11	Under new accounting policies
Comprehensive income 2013			
Revenue	1,061.7	15.4	1,077.1
Direct expenses	357.3	36.3	393.6
Direct staff costs	204.7	-8.9	195.8
Gross margin	**499.7**	**-12.0**	**487.7**
Staff costs	273.7	-3.2	270.5
Other costs	136.0	-0.2	135.8
Amortisation and depreciation	36.0	0.0	36.0
Other operating income	9.4	2.8	12.2
EBIT before special items	**63.4**	**-5.8**	**57.6**
Special items, net	-20.0	0.0	-20.0
EBIT	**43.4**	**-5.8**	**37.6**
Share of loss in associates	-8.1	5.7	-2.4
Financial income	3.2	0.1	3.3
Financial expenses	-11.7	0.0	-11.7
Profit before tax	**26.8**	**0.0**	**26.8**
Tax for the year	11.1	0.0	11.1
Net profit for the year	**15.7**	**0.0**	**15.7**
Other comprehensive income	**4.7**	**0.0**	**4.7**
Comprehensive income	**20.4**	**0.0**	**20.4**
Consolidated cash flow statement 2013			
Cash flow from operating activities	81.1	-0.7	80.4
Cash flow from investing activities	-46.5	3.9	-42.6
Cash flow from financing activities	-17.2	0.0	-17.2
Change in cash and cash equivalents	**17.4**	**3.2**	**20.6**
Cash and cash equivalents at 1 January	47.2	0.0	47.2
Cash and cash equivalents at 31 December	64.6	-6.6	58.0

38 Subsequent events

Good Media A/S and the relating activity, GodMail.dk, were divested at 1 February 2015 without any noteworthy bearing on the income statement or balance sheet. No further events other than those mentioned in the Annual Report have occurred up to the presentation of the Annual Report on 5 February 2015 which would influence the financial statement users evaluation of the Annual Report.

North Media A/S' Board of Directors and Executive Board

Board of Directors, North Media A/S

Richard Bunck
Born: 1940
Principal shareholder of North Media A/S

EXECUTIVE POSITIONS AT NORTH MEDIA A/S
Chairman of the Board of Directors of North Media A/S since 2 April 2004. Term of office expires in 2015.

Does not comply with the corporate governance recommendations on independence as Richard Bunck is the principal shareholder of the Company.

EXECUTIVE POSITIONS AT SUBSIDIARIES
- CEO of Ofir A/S

The Board of Directors of North Media A/S has asked Richard Bunck to undertake the role as chief executive officer of the subsidiary, Ofir A/S, until further notice.

OTHER DIRECTORSHIPS AT SUBSIDIARIES
- Chairman, Forbruger-Kontakt A/S
- Chairman, North Media Ejendomme ApS
- BEKEY A/S
- Onlineselskabet af 25.07.1988 A/S
- Ofir A/S

OTHER EXECUTIVE POSITIONS
Member of the Board of Directors/Executive Officer of:
- 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

SPECIAL SKILLS
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, Richard Bunck published the first edition of Søndagsavisen. In 1996, the first Internet activities began, and the Company went public on the Stock Exchange.

So, Richard Bunck is a model entrepreneur who sees new business opportunities as society and the market change and develop. The activities are founded on strong principles reflecting the Group's values in respect of customer focus, accountability, quality, fairness and positive aggressiveness.

Peter Rasztar
Born: 1944
Executive Officer

EXECUTIVE POSITIONS AT NORTH MEDIA A/S
Vice-Chairman of the Board of Directors of North Media A/S since 29 April 2005. Term of office expires in 2015. Appointed Chairman of the Audit Committee by the Board of Directors.

Complies with the corporate governance recommendations on independence.

OTHER DIRECTORSHIPS AT SUBSIDIARIES
- Forbruger-Kontakt A/S

SKILLS/TRAINING

1972	HD graduate in accounting and financial management

PREVIOUS EMPLOYMENT

2007-2008	CEO of Danpo/Kronfågel koncernen, 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 SKILLS
Has the following special skills that are specifically relevant to the work on the Board of North Media A/S:
In-depth knowledge about strategic management of broadly founded businesses as well as accounting, finances and other financial matters.

Board of Directors, North Media A/S

Steen Gede
Born: 1953
Chief Executive Officer of Forenede Service A/S

EXECUTIVE POSITIONS AT NORTH MEDIA A/S
Member of the Board of Directors of North Media A/S since 25 April 2003. Term of office expires in 2015. Appointed member of the Audit Committee by the Board of Directors. After 25 April 2015, Steen Gede no longer complies with the corporate governance recommendations on independence as, from this date, he has been on the Board of Directors for more than 12 years.

OTHER DIRECTORSHIPS AT SUBSIDIARIES
- Forbruger-Kontakt A/S

SKILLS/TRAINING

1978	MSc (strategic planning and accounting description methodology)

PREVIOUS EMPLOYMENT

2005-2012	Wholesaler – Owner of Unicare Nordic A/S
2000-2005	CEO of Gatetrade.net
1999	CEO and Group Managing Director of FDB
1997-1998	Group Managing Director of Det Berlingske Officin
1990-1997	Group Managing Director of Dagrofa
1987-1990	CEO of Dagrofa Friskvarer A/S
1984-1987	Group Purchasing Manager of Dagrofa A/S

SPECIAL SKILLS
Has the following special skills that are specifically relevant to the work on the Board of North Media A/S:
Detailed knowledge about strategic management of businesses with many employees within service, the grocery sector and media as well as accounting, finances and other financial matters.

OTHER EXECUTIVE POSITIONS
Chairman of the Board of Directors:
- Benedicte Holding ApS and two wholly-owned subsidiaries: Panel Institute ApS and Honnet.net ApS
- Brandhouse Holding A/S and a wholly-owned subsidiary: Brandhouse A/S
- Unicare Solar Energy ApS
- Sgups Ejendomme A/S.

Directorships
- Forenede Service A/S
- Continental Confectionery Company Ltd. with a wholly-owned subsidiary: Gumlink Confectionary Company A/S
- Holdingselskabet af 17. december 2004 A/S with two wholly-owned subsidiaries: F.A. Thiele A/S and Thiele Partner A/S
- SBA Servicebranchens Arbejdsgiverforening

Ulrik Holsted-Sandgreen
Born: 1970
Attorney and partner at Plesner Law Firm

EXECUTIVE POSITIONS AT NORTH MEDIA A/S
Member of the Board of Directors of North Media A/S since 4 April 2008. Term of office expires in 2015.

Does not comply with the corporate governance recommendations on independence as Ulrik Holsted-Sandgreen is an attorney and partner at Plesner Law Firm, which renders professional advisory services to Richard Bunck and the Group.

OTHER DIRECTORSHIPS AT SUBSIDIARIES
- Forbruger-Kontakt A/S

SKILLS/TRAINING

2005	Entitled to appear before the Danish Supreme Court
1998	Licensed to practice law

SPECIAL SKILLS
Has the following special skills that are specifically relevant to the work on the Board of North Media A/S:
In-depth knowledge about legal matters, international as well as national, including company and stock market law.

OTHER EXECUTIVE POSITIONS
Directorships:
- Estatum Finans A/S

Executive positions
- EMD Holding ApS
- Estatum Finans A/S

HONORARY OFFICES
- Member of the Højesteretsskranken association

Executive Board, North Media A/S

Lars Nymann Andersen

Born: 1972

EXECUTIVE POSITIONS AT NORTH MEDIA A/S
Chief Executive Officer of North Media A/S since 1 January 2011 and joined the Executive Board at 1 January 2011.

OTHER EXECUTIVE POSITIONS AT SUBSIDIARIES
- CEO, Newcosa1 ApS

OTHER DIRECTORSHIPS AT SUBSIDIARIES
- Chairman, Good Media A/S
- Chairman, HentTilbud ApS
- Chairman, MatchWork Danmark A/S
- Chairman, MatchWork World Wide A/S
- Chairman, Newcosa2 A/S
- Chairman, Ofir A/S
- Chairman, Onlineselskabet af 25.07.1988 A/S
- Chairman, Spirebox ApS
- BEKEY A/S
- BoligPortal ApS
- BostadsPortal ApS
- North Media Ejendomme ApS

SKILLS/TRAINING

2001	Master of Law, University of Copenhagen
1999	Master of Laws, LL.M, University of Essex

PREVIOUS EMPLOYMENT

2008-2011	CEO, Helsingør Dagblad A/S
2010-2011	CEO, MinReklame ApS
2006-2008	Head of legal department, Søndagsavisen a-s
2001-2006	Legal advisor, Søndagsavisen a-s
2001-2002	Legal advisor, Ofir A/S

Kåre Stausø Wigh

Born: 1969

EXECUTIVE POSITIONS AT NORTH MEDIA A/S
Chief Financial Officer of North Media A/S since 1 January 2005 and joined the Executive Board at 1 January 2006.

OTHER EXECUTIVE POSITIONS AT SUBSIDIARIES
- CEO, Newcosa2 A/S
- North Media Ejendomme ApS

OTHER DIRECTORSHIPS AT SUBSIDIARIES
- Chairman, Helsingør Dagblad A/S
- Chairman, Søndagsavisen A/S
- Vice-Chairman, BoligPortal ApS
- Vice-Chairman, Lokalaviserne Østerbro og Amager A/S
- Vice-Chairman, MatchWork World Wide A/S
- Vice-Chairman, Spirebox ApS
- Bostadsportal ApS
- Good Media A/S
- HentTilbud ApS
- MatchWork Danmark A/S
- Newcosa2 A/S
- North Media Ejendomme ApS
- Ofir A/S
- Onlineselskabet af 25.07.1988 A/S

SKILLS/TRAINING

2011	Executive MBA – CBS-SIMI, Copenhagen Business School
2005	Advanced Development Program - Cranfield School of Management, London, England
2000	Program for Executive Development – IMD, Lausanne, Switzerland
1994	HD graduate in accounting and financial 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
Born: 1963

EXECUTIVE POSITIONS AT NORTH MEDIA A/S
Media Director at Søndagsavisen A/S since 1 May 2008 and joined the Executive Board at 1 August 2009.

OTHER EXECUTIVE POSITIONS AT SUBSIDIARIES
- CEO, Helsingør Dagblad A/S
- CEO, Onlineselskabet af 25.07.1988 A/S
- CEO, Søndagsavisen A/S

OTHER DIRECTORSHIPS AT SUBSIDIARIES AND ASSOCIATED COMPANIES
- Chairman, Lokalaviserne Østerbro og Amager A/S
- Vice-Chairman, A/S Vestsjællandske Distriktsblade
- BostadsPortal ApS
- Good Media A/S
- Helsingør Dagblad A/S
- MatchWork Danmark A/S
- MatchWork World Wide A/S
- Newcosa2 A/S
- Søndagsavisen A/S

SKILLS/TRAINING

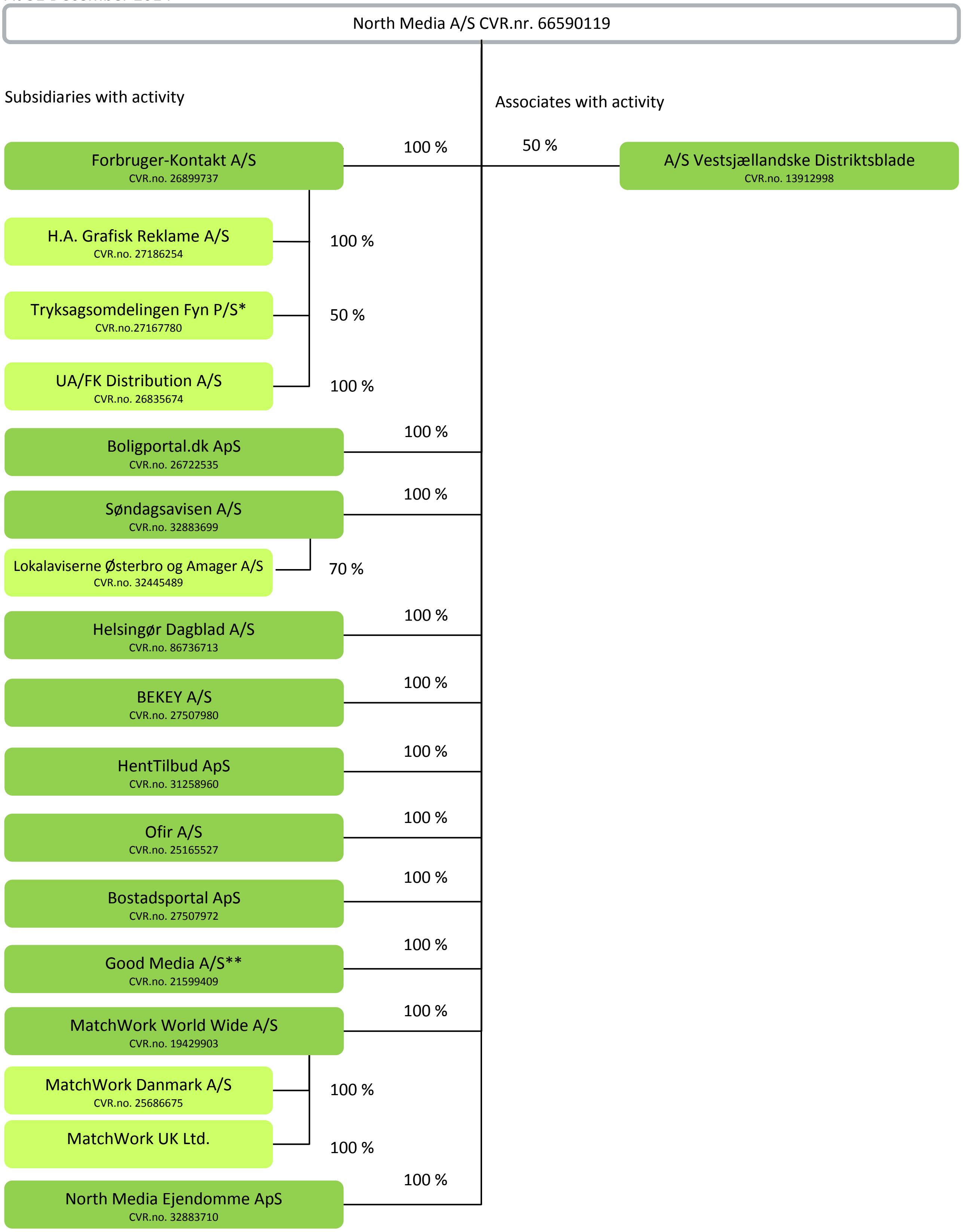
1991	Master of Art, American University, Washington D.C., USA
1987	Journalist, Danmarks Journalisthøjskole

PREVIOUS EMPLOYMENT

2003-2008	Editor-in-chief, CEO, BT
2001-2003	Head of organisational development, Programme Manager's staff, Danmarks Radio
1998-2001	Head of DR-Dokumentar, Danmarks Radio
1995-1997	Chief sub-editor, Børsens Nyhedsmagasin

Group Structure

At 31 December 2014



* See Note 4, subsidiary pursuant to ownership agreement
** Sold 1 February 2015

PARENT FINANCIAL STATEMENTS 2014

Parent financial statements 2014

Financial statements 1 January – 31 December 2014

Parent income statement

Note		2014 DKKm	2013 DKKm
	Revenue	**55.2**	**55.9**
41	Staff costs	31.0	31.6
42	Other costs	34.0	32.3
	Amortisation and depreciation	1.7	1.6
	EBIT	**-11.5**	**-9.6**
47	Share of profit/loss in subsidiaries	21.6	13.3
48	Share of profit/loss in associates	-0.7	-2.8
43	Financial income	17.3	1.6
	Financial expenses	1.1	2.2
	Reversal of acquisition price payable	8.2	0.0
	Profit before tax	**33.8**	**0.3**
44	Tax for the year, income	1.7	-1.9
	Net profit for the year	**32.1**	**2.2**
	Attributable, net profit		
	Available for distribution	32.1	2.2
		32.1	**2.2**

For distribution of profit, please see page 44 in the Annual Report.

Parent balance sheet at 31 December

Assets

Note		2014 DKKm	2013 DKKm
	Software	0.3	0.3
45	**Intangible assets**	**0.3**	**0.3**
	Operating equipment, fixtures and fittings	2.1	2.5
46	**Property, plant and equipment**	**2.1**	**2.5**
47	Investments in subsidiaries	422.6	448.0
48	Investments in associates	5.6	11.2
	Securities	0.1	0.1
49	Deferred tax asset	0.2	0.3
	Other receivables	3.6	3.5
	Fixed asset investments	**432.1**	**463.1**
	Total non-current assets	**434.5**	**466.0**
	Receivables from subsidiaries	30.6	41.8
	Other receivables	0.8	0.2
	Prepayments	4.5	1.9
	Total receivables	**35.9**	**43.9**
	Securities	204.7	139.7
	Cash	30.3	53.7
	Total current assets	**270.9**	**237.3**
	Total assets	**705.3**	**703.2**

Parent balance sheet at 31 December

Equity and liabilities

Note		2014 DKKm	2013 DKKm
	Share capital	100.3	100.3
	Retained earnings	391.8	361.1
	Shareholders' equity	**492.1**	**461.4**
	Purchase price payable	0.0	19.3
	Total non-current liabilities	**0.0**	**19.3**
	Trade payables	2.5	3.3
	Payables to subsidiaries	199.3	206.2
50	Income tax payable	1.5	4.8
	Purchase price payable	2.1	0.0
51	Other payables	7.8	8.2
	Total current liabilities	**213.2**	**222.5**
	Total liabilities	**213.2**	**241.8**
	Total equity and liabilities	**705.3**	**703.2**

52 Rent obligations
53 Contingent liabilities
54 Related parties

Parent statement of changes in equity

DKKm	Share capital	Retained earnings	Total
Equity at 1 January 2014	**100.3**	**361.1**	**461.4**
Changes in equity in 2014			
Foreign currency translation adjustments, foreign subsidiaries and associates	0.0	-0.2	**-0.2**
Adjustments of investments in subsidiaries and associates	0.0	-2.6	**-2.6**
Net profit for the year	0.0	32.1	**32.1**
Share-based payment	0.0	1.5	**1.5**
Total changes in equity in 2014	**0.0**	**30.8**	**30.8**
Equity at 31 December 2014	**100.3**	**391.9**	**492.2**

DKKm	Share capital	Retained earnings	Total
Equity at 1 January 2013	**100.3**	**352.8**	**453.1**
Changes in equity in 2013			
Foreign currency translation adjustments, foreign subsidiaries and associates	0.0	0.1	0.1
Adjustments of investments in subsidiaries and associates	0.0	4.8	4.8
Net profit for the year	0.0	2.2	2.2
Share-based payment	0.0	1.2	1.2
Total changes in equity in 2013	**0.0**	**8.3**	**8.3**
Equity at 31 December 2013	**100.3**	**361.1**	**461.4**

Development in share capital	**2014**	**2013**	**2012**	**2011**	**2010**
Share capital at 1 January	**100.3**	**100.3**	**100.3**	**100.3**	**100.3**
Share capital at 31 December	**100.3**	**100.3**	**100.3**	**100.3**	**100.3**

Notes to the parent financial statements

39 Basis of accounting

The parent 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 2013.

40 Accounting policies

The Parent'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'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 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 financial statements, investments in associates are determined using the equity method inclusive of a share of goodwill. In the parent 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'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 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.

41 Employees and staff costs

	2014 number	2013 number
Average number of employees	33	34

Total amount of wages, salaries and remuneration for the year was:	**2014 DKKm**	**2013 DKKm**
Wages and salaries including holiday pay	24.6	25.2
Defined contribution plans	1.7	1.7
Other social security costs	0.0	0.1
Fee to the Board of Directors	1.1	1.1
Other staff costs	3.6	3.5
Total staff costs	**31.0**	**31.6**

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

2014 DKKm	Board of Directors	Executive Board	Total
Wages and salaries	1.2	8.3	**9.5**
Defined contribution plans	0.0	0.4	**0.4**
Share-based payment	0.0	0.4	**0.4**
Total remuneration	**1.2**	**9.1**	**10.3**
Number of members (average)	**4**	**3**	**7**

2013 DKKm	Board of Directors	Executive Board	Total
Wages and salaries	1.2	9.0	**10.2**
Defined contribution plans	0.0	0.5	**0.5**
Share-based payment	0.0	0.2	**0.2**
Total remuneration	**1.2**	**9.7**	**10.9**
Number of members (average)	**4**	**3**	**7**

42 Fee to the auditors appointed by the Company in General Meeting

	2014 DKKm	2013 DKKm
Statutory audit services	0.4	0.4
Tax services	0.2	0.0
Other advisory services	0.6	0.5
Total fee to auditors appointed by the Company in General Meeting	**1.2**	**0.9**

43 Financial income

	2014 DKKm	2013 DKKm
Dividend	0.7	0.7
Interest and gain on bonds, net	4.1	1.8
Net capital gains on shares	12.5	0.0
Total financial income	**17.3**	**2.5**

44 Income tax

	2014 DKKm	2013 DKKm
Income tax in the income statement		
Current tax charges, incl financing charges	1.6	-1.9
Changes in the deferred tax charge	0.1	0.0
Total tax on profit for the year, income	**1.7**	**-1.9**

45 Intangible assets

2014 DKKm	Acquired rights	Software	Total
Cost at 1 January	8.0	4.2	**12.2**
Additions for the year	0.0	0.2	**0.2**
Cost at 31 December	**8.0**	**4.4**	**12.4**
Amortisation and impairment losses at 1 January	8.0	3.9	**11.9**
Amortisation for the year	0.0	0.2	**0.2**
Amortisation and impairment losses at 31 December	**8.0**	**4.1**	**12.1**
Carrying amount at 31 December	**0.0**	**0.3**	**0.3**
Amortised over	**5-10 years**	**3-5 years**	

2013 DKKm	Acquired rights	Software	Total
Cost at 1 January	8.0	4.0	**12.0**
Additions in the year	0.0	0.2	**0.3**
Cost at 31 December	**8.0**	**4.2**	**12.2**
Amortisation and impairment losses at 1 January	8.0	3.8	**11.8**
Amortisations 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**	

46 Property, plant and equipment

2014 DKKm	Operating equipment, fixtures and fittings	Total
Cost at 1 January	6.7	**6.7**
Additions for the year	1.0	**1.0**
Cost at 31 December	**7.8**	**7.8**
Depreciation and impairment losses at 1 January	4.2	**4.2**
Depreciation for the year	1.5	**1.5**
Depreciation and impairment losses at 31 December	**5.7**	**5.7**
Carrying amount at 31 December	**2.1**	**2.1**
Depreciated over	**3-5 years**	

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 for 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	1.4	**1.4**
Disposals for the year	0.2	**0.2**
Depreciation and impairment losses at 31 December	**4.2**	**4.2**
Carrying amount at 31 December	**2.5**	**2.5**
Depreciated over	**3-5 years**	

47 Investments in subsidiaries

	2014 DKKm	2013 DKKm
Cost		
Cost at 1 January	1,067.7	923.3
Additions for the year	68.6	144.4
Cost at 31 December	**1,136.3**	**1,067.7**
Net revaluation according to the equity method at 1 January	-619.7	-480.9
Translation adjustments	-0.2	0.1
Share of profit/loss for the year	28.3	34.3
Amortisation, goodwill	-6.6	-21.0
Dividend received	-112.7	-156.9
Other adjustments	-2.8	4.8
Net revaluation according to the equity method at 31 December	**-713.7**	**-619.7**
Carrying amount at 31 December	**422.6**	**448.0**
Of which, goodwill	**6.6**	**13.2**

Reference is made to the group structure on page 116.

48 Investment in associates

	2014 DKKm	2013 DKKm
Cost		
Cost at 1 January	14.4	16.7
Additions for the year	0.0	1.0
Disposals for the year	-5.2	-3.3
Cost at 31 December	**9.2**	**14.4**
Net revaluation according to the equity method at 1 January	-3.1	-0.3
Share of profit/loss for the year	-0.1	-0.2
Amortisation, goodwill	0.0	-0.6
Dividend	-3.3	-2.0
Disposals for the year	2.9	0.0
Net revaluation according to the equity method at 31 December	**-3.6**	**-3.1**
Carrying amount at 31 December	**5.6**	**11.2**
Of which, goodwill	**0.0**	**1.5**

Investments in Shopbox ApS were sold at the end of June 2014, and a loss of DKK 0.6 million expensed in ”Profit/loss from investments in associates”.

Reference is made to the group structure on page 116.

49 Deferred tax

	2014 DKKm	2013 DKKm
Deferred tax at 1 January	-0.3	-0.3
Deferred tax for the year included in the net profit/loss for the year	0.1	0.0
Deferred tax at 31 December, net	**-0.2**	**-0.3**

Deferred tax

DKKm

	Assets	Liabilities	Total 2014	Assets	Liabilities	Total 2013
Intangible assets	0.0	0.1	**0.1**	0.0	0.1	**0.1**
Property, plant and equipment	0.8	0.0	**-0.8**	0.8	0.0	**-0.8**
Receivables	0.0	0.5	**0.5**	0.0	0.4	**0.4**
Total	**0.8**	**0.6**	**-0.2**	**0.8**	**0.5**	**-0.3**

50 Income tax payable

	2014 DKKm	2013 DKKm
Income tax payable at 1 January	4.8	-5.2
Current tax for the year recognised in profit/loss	1.6	-1.9
Tax payable under the joint taxation arrangement	14.2	13.9
Income tax paid for the year	-19.1	-2.0
Income tax payable at 31 December	**1.5**	**4.8**

51 Other payables

	2014 DKKm	2013 DKKm
VAT liability	0.0	0.5
Holiday pay obligation	4.2	4.2
Other payables	3.6	3.5
Total other payables	**7.8**	**8.2**

52 Rental obligations

Future total expenses related to rental obligations:	2014 DKKm	2013 DKKm
Due within 1 year	7.2	7.0
Due within 1 and 5 years	30.9	30.0
Due after 5 years	0.0	8.1
Total	**38.1**	**45.1**
With respect to rental obligations, the following amounts have been recognised in the income statement:	**7.7**	**7.0**

53 Contingent liabilities

Reference is made to Note 32 to the consolidated financial statements concerning contingent liabilities.

54 Related parties

Reference is made to Note 34 to the consolidated financial statements for a description of related party transactions.

Group addresses

Parent

North Media A/S
Gladsaxe Møllevej 28
DK-2860 Søborg
CVR.no. 66 59 01 19
Telephone.: +45 39 57 70 00
www.northmedia.dk

Subsidiaries/PRINT

Søndagsavisen A/S
Gladsaxe Møllevej 28
DK-2860 Søborg
CVR.no. 32 88 36 99
Telephone.: +45 39 57 75 00
www.sondagsavisen.dk

Helsingør Dagblad A/S
Klostermosevej 101
DK-3000 Helsingør
CVR.no. 86 73 67 13
Telephone: +45 49 22 21 10
www.helsingordagblad.dk
www.nsnet.dk

Forbruger-Kontakt A/S
FK Distribution A/S
Bredebjergvej 6
DK-2630 Taastrup
CVR.no. 26 89 97 37
Telephone: +45 43 43 99 00
www.fk.dk

Lokalaviserne Østerbro og Amager A/S
Ebertsgade 2. 1. sal
DK-2300 København S
CVR.no. 32 44 54 89
Telephone: +45 35 42 25 15

Tryksagsomdelingen Fyn P/S
FK Distribution Fyn P/S
Ryttermarken 17 B
DK-5700 Svendborg
CVR.no. 27 16 77 80
Telephone: +45 62 22 22 22
www.fk.dk

BEKEY A/S
Bredebjergvej 6
DK-2630 Taastrup
CVR.no. 27 50 79 80
Telephone: +45 43 43 99 00
www.bekey.dk

Subsidiaries/ONLINE

Ofir A/S
Gladsaxe Møllevej 26
DK-2860 Søborg
CVR.no. 25 16 55 27
Telephone: +45 39 57 77 66
www.ofir.dk

håndværker.dk ApS
Gladsaxe Møllevej 28
DK-2860 Søborg
CVR.no. 31 25 89 60
Telephone: +45 88 82 09 00
www.håndværker.dk
www.henttilbud.dk

MatchWork World Wide A/S
Gladsaxe Møllevej 26
DK-2860 Søborg
CVR.no. 19 42 99 03
Telephone: +45 36 95 95 95
www.matchwork.com

MatchWork Danmark A/S
Gladsaxe Møllevej 26
DK-2860 Søborg
CVR.no. 25 68 66 75
Telephone: +45 36 95 95 95
www.matchwork.com

MatchWork UK Ltd.
8-14 Vine Hill
London
EC1R 5DX
United Kingdom
Telephone: +44 (0)20 7520 1600
www.matchwork.com

BoligPortal.dk ApS
P. Hjort Lorenzens Vej 2A. 3. sal
DK-8000 Aarhus C
CVR.no. 26 72 25 35
Telephone: +45 70 20 80 82
www.boligportal.dk

Bostadsportal ApS
Gladsaxe Møllevej 28
DK-2860 Søborg
CVR.no. 27 50 79 72
Telephone: +45 39 57 70 00
www.bostadsportal.se

Other

North Media Ejendomme ApS
Gladsaxe Møllevej 28
DK-2860 Søborg
CVR.no. 32 88 37 10
Telephone.: +45 39 57 70 00

Associates

A/S Vestsjællandske Distriktsblade
Nytorv 10. 1.
DK-4200 Slagelse
CVR.no. 13 91 29 98
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NORTH MEDIA A/S

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