

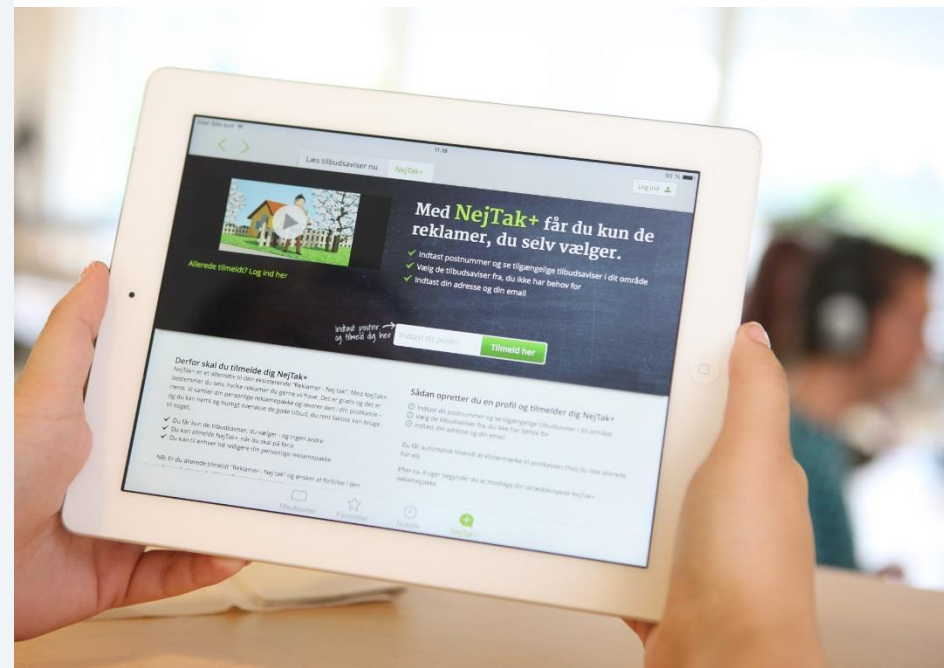
ANNUAL REPORT 2015



11 FEBRUARY 2016

Agenda

- 2015 in outline
- Focus and expectations 2016
- Financial development 2015
- Development of companies



Substantial strengthening of the NoAds+ concept and realisation of key targets for 2015

- Traditional advertising media are losing more and more customers to on-demand solutions.
- Decline in volume combined with distortion of competition lead to further price pressure.
- Change in group organisation and introduction of new solutions meeting the demands of tomorrow's advertising and media markets.



Heavy development of NoAds+ success. Revenue and earnings under pressure.



Revenue doubled in 2015 and position in municipal and international markets improved.



Decline in revenue, but performance maintained.



Increased market share of Employ, but disappointing sales of job ads cause poorer performance than expected.



BoligPortal

New pricing model and lower growth for self-sale feature. Large investments in platform and marketing.



håndværker.dk

New site welcomed well, number of customers up. Higher marketing costs lead to performance at the low end of expectations.

Revenue and performance down in 2015 as expected

- Lower revenue realised by FKD and newspapers and zero growth on Online cause expected decline in group revenue compared to 2014.
- Heavy decline in performance due to lower revenue, but EBITDA better than expected because of lower costs at FKD.
- EBIT before special items up to expectations.

DKKkm	Expected 2015*	Realised 2015
Revenue (Group)	1,000-1,020	1,012 (-6%)
Print	900-920	918 (-6%)
Online	90-100	95 (-3%)
EBITDA (Group)**	31-46	56
EBIT (Group)**	-15 to 0	-1
EBIT (Print)**	-5 to 0	13
EBIT (Online)**	-10 to 0	-13

* Latest announcement of 5 November 2015

** Before special items

Strong balance sheet necessary to maintain strategic focus and competitive power



- Decline in performance in 2016, partly because of general market developments, partly because of market shares lost to and continued unfair price competition by Post Danmark.
- In 2016, capital resources will be a key element in maintaining strategic focus on the development of more profitable business activities and on ensuring competitive power.
- Net interest-bearing cash position at year-end 2016 is expected to be DKK 105-145m (2015: DKK 114m).
- The Board of Directors recommends that no dividend be distributed for the financial year 2015. The Board intends to resume distribution of dividend once greater business stability has been achieved.

FOCUS AND OUTLOOK 2016



New organisation to ensure agility, optimise development and boost earnings

- Market developments call for faster decision-making processes and focussed execution in areas with varying business opportunities and maturity levels.
- New structure from 1 January 2016 under which the Group is organised in four business segments with related subsidiaries and their own board of directors appointed by the Board of Directors of North Media A/S.
- The CEO of each business segment is a member of the Group Executive Board together with Group Executive Director & CFO Kåre Wigh.

FK DISTRIBUTION A/S



NORTH MEDIA AVISER A/S



NORTH MEDIA ONLINE A/S



BEKEY A/S



Intensified competition will affect FK Distribution and newspapers in 2016



- Fierce price competition and lost market shares put heavy pressure on FKD's earnings in 2016.
- Headway for NoAds+ and wider range of services at minetilbud.dk.
- Decline in revenue by approx 15% affect performance adversely despite costs cut.

- New sales promotion initiatives launched at the end of 2015 to respond to general market contraction.
- Utilisation of regional advantages, launching of new products and focus on new opportunities across media and platforms.
- Revenue and earnings for 2016 will be on a par with 2015.

“NoAds+, minetilbud.dk and new services and products help create closer relationships between consumers and shops.”

“Regional advantages and more products must be utilised to maintain revenue in a declining market.”

Growth in online activities and at BEKEY in 2016



- Ofir to up revenue from both job ads and Empty Hire.
- High growth rate in the number of paying builders at håndværker.dk and break-even at year-end 2016.
- BoligPortal's new pricing models and sales of new products for the matching of housing seekers and housing providers to boost revenue and earnings.

"The Group's online activities to be in the black in 2016 based on a growth rate of 10-20%."

- A newly developed thumb turn will continue to generate growth from the municipal market.
- Formation of international partnerships will have a positive effect on the private customer market.
- Focus of development activities on easier installation and efficient manufacturing.
- Revenue growth rate of 40-70% and ongoing investments in platform.

"Focus to remain the municipal and private customer market through own sales, distributors and partnership model."

Decline in revenue and performance in 2016 - improvement from 2017

Outlook for 2016

▪ Group revenue	DKK 880-930m (-10%)
▪ FK Distribution	DKK 550-575m (-15%)
▪ North Media Aviser	DKK 200-210m (0%)
▪ North Media Online	DKK 105-115m (10-20%)
▪ BEKEY	DKK 25-30m (40-70%)
▪ Group EBIT	DKK -60m to -30m
▪ FK Distribution	DKK -10m to DKK 5m
▪ North Media Aviser	DKK -30m to DKK -25m
▪ North Media Online	DKK -5m to DKK 0m
▪ BEKEY	DKK -15m to DKK -10m
▪ EBITDA from a negative DKK 23m to a positive DKK 7m (amortisation/depreciation of DKK 37m)	
▪ Investments of DKK 10m	

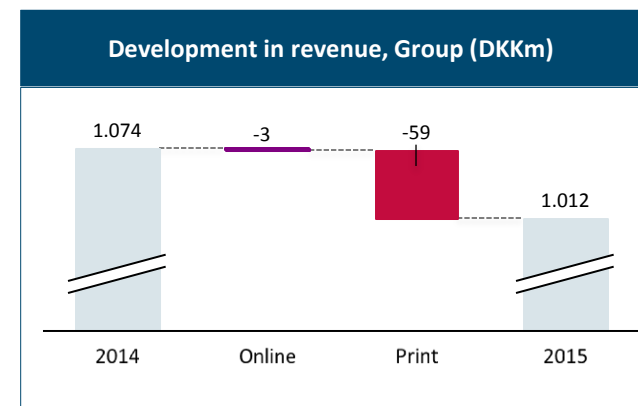
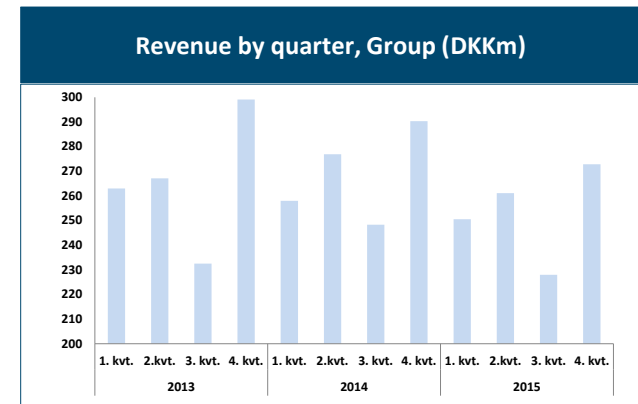
- As already foreseen, 2016 will be a year of transformation in terms of performance – aggravated by FKD's loss of market shares.
- Increased product development costs in all business segments in order to generate future growth.
- Better performance expected from 2017.

FINANCIAL DEVELOPMENT 2015



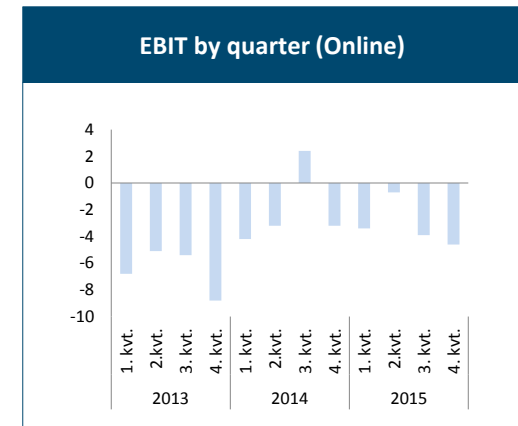
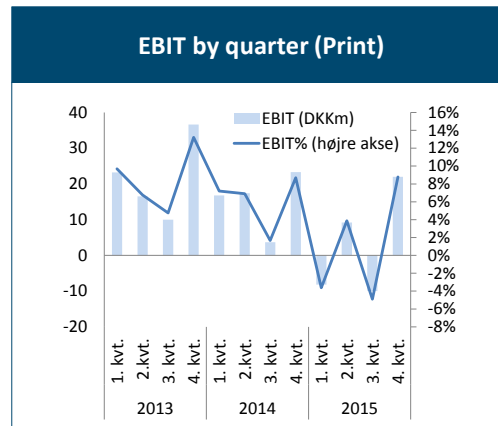
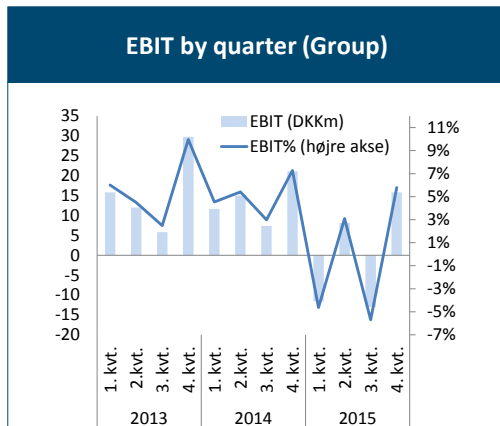
As expected, North Media's revenue went down by approx 6% in 2015 due to lower print activities

- Revenue down 6% in Q4 2015 due to lower activities at FKD and Søndagsavisen.
- In Q4 2015, revenue from online activities was a little lower than in the same period last year.
- Group revenue of DKK 1,012m in 2015, or down 6%.
- Print segment revenue dropped by 6% and Online segment revenue by 3%.



Decline in revenue waters down group earnings

- EBITDA realised at DKK 56m against DKK 103m in 2014.
- EBIT before special items negative by DKK 1m – down DKK 56m on last year.
 - Print: EBIT of DKK 13m (EBIT margin 1.4 %) against DKK 61m last year (EBIT margin 6.3%) – decline in revenue at FKD feeds directly through to bottom line.
 - Online: EBIT negative by DKK 13m – loss of DKK 5m increased compared to last year due to disappointing developments in sales at Ofir and BoligPortal.



Non-recurring costs adversely affect performance, while returns on securities contribute positively

DKKm	2015	2014
EBIT (before special items)	-0.7	55.2
Special items (net)	-19.4	-7.5
EBIT	-20.1	47.7
Return on securities	12.9	17.3
Net financials	-7.8	-24.0
Associates	-0.2	-1.4
Profit/loss before tax	-15.2	39.6
Tax	3.3	-16.9
Profit/loss for the year	-11.9	22.7

- In Q4 2015, special items of DKK 19m relate to write-down of goodwill and reduction in acquisition price payable, impairment loss on property and resignation of CEO.
- Return on portfolio of securities positive by DKK 13m – at year-end 2015, the portfolio primarily consists of shares.
- Effective tax rate of 21.7%.

Capital resources strengthened to develop group activities

DKKm	2015	2014
Assets		
Non-current, total	458	526
Current, total	393	363
Trade receivables	78	92
Securities	196	205
Cash	92	44
Equity and liabilities		
Equity	522	532
Non-current liabilities	166	179
Current liabilities	162	177
Net working capital	-38	-43
Equity ratio	61.4%	59.9%

- Goodwill reduced by DKK 25m because of amortisation of DKK 15m and write-down of DKK 10m.
- Investments for the year total DKK 11m against DKK 27m last year – most of them were in plant at FK Distribution.
- Net interest-bearing cash position improved by DKK 46m to DKK 114m – cash resources total DKK 314m inclusive of undrawn overdraft facilities.
- Cash flow from operating activities of DKK 35m against DKK 84m last year because of lower performance.

BACKGROUND – DEVELOPMENT OF COMPANIES



FK Distribution's revenue and performance adversely affected by unfair competition

- 8% decline in revenue because of lower volumes in the market (approx 6%), more No Ads, Please households approaching 50% and continued unfair price competition by Post Danmark.
- Contract with Dansk Supermarked renewed until the end of 2017, distribution contract with Coop terminated effective from 1 January 2016.
- Successful promotion of NoAds+ continues – more than 250,000 sign-ups in 2015 and with the total number of households being +550,000 at year-end 2015.
- Declining revenue and market share and the many resources allocated to the development of NoAds+/minetilbud.dk affected performance adversely.



Goals for 2015

Up number of households signing up for NoAds+ and make minetilbud.dk the leading platform. Massive investments in promotion and product development.

Decline in revenue and performance of newspapers primarily because of declining trends in the housing ads market



Goals for 2015

Develop revenue and up readership above market level. Focus of sales efforts on ROI and making use of the advantage of being Denmark's largest push medium.

- Revenue from newspapers down 5% due to a slow start to the year – especially on regional customers and real estate agents.
- Sales organisation strengthened in H2 2015 by the appointment of dedicated online sales persons and the launching of new print and online products.
- Relaunch of sondagsavisen.dk boosted growth by 231% in unique users and 36,000 new newsletter recipients.
- Readership of Copenhagen newspapers on the rise, sales to retail customers increased and operations and efficiency optimised.
- Lower revenue, but unchanged results compared to 2014.

BEKEY boosted revenue and launched new products

- Fewer municipal tenders than anticipated. However, BEKEY maintained its market-leading position and won 9 out of 14 tenders in Denmark. System in operation at 22 municipalities.
- International sales efforts intensified – partnerships formed in the Netherlands, Norway, Sweden, Finland and the USA.
- System for blocks of flats now installed in 22,000 stairway doors.
- New product for private customer market introduced in 2015.
- Revenue in 2015 doubled from 2014. As expected, operating results were negative because of high development and marketing costs.



Goals for 2015

Accelerate momentum, build market-leading position in the municipal market and intensify international sales efforts.

New pricing models and higher development and marketing costs affected BoligPortal i 2015



- Great demand for housing curbs the need to advertise rental property in cities. Number of ads down by approx 9% in 2015.
- New strategy centring on a better matching functionality and on optimising user-friendliness on all platforms.
- Pricing models changed in H2 2015 – causing shift in revenue, but more users and higher conversion rate.
- Revenue for 2015 on a par with last year. Higher marketing and development costs led to lower operating results compared to 2014.

Goals for 2015

Keep market-leading position and strengthen mobile platform and presence on social media as regards rental property. Also, to create a market for self-sale of co-operative and owner-occupied dwellings.

Market share up for Emply Hire, but disappointing advertisement revenue growth at Ofir

- Reasonable underlying market conditions turned into sale, implementation and support of 36 new systems in 2015 – a total licence portfolio of 156 systems and a rising market share at year-end 2015.
- Disappointing development in advertisement revenue that was on a par with 2014, leading to a reduction in market share from approx 5% to 4%.
- The revenue growth rate of 13% fell short of the goal. Operating loss for 2015 on a par with 2014 – restructuring carried out to lower costs.



Find din nye
drømmemedarbejder

Goals for 2015

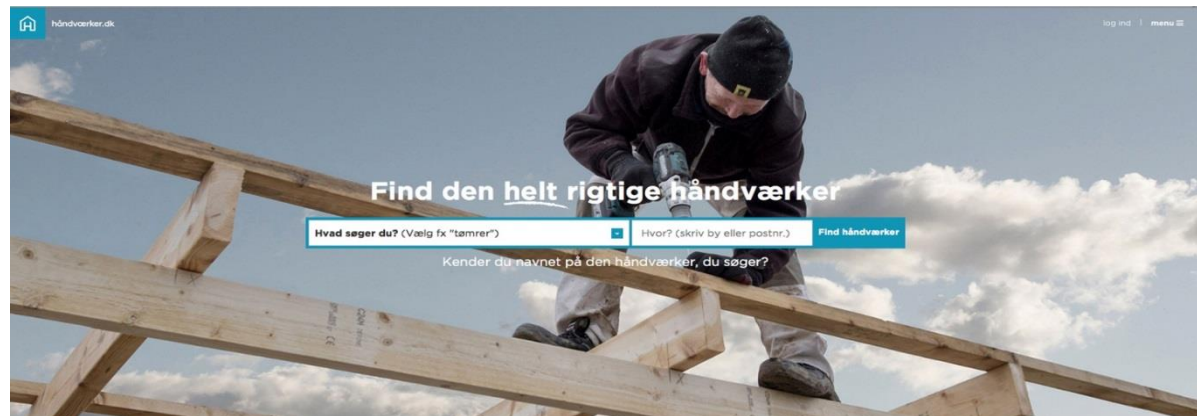
Significantly increase job ads sales and growth of Emply Hire to continue. Boost revenue and improve performance.

Successful launching of new online platform for arranging contact between consumers and builders

- Launching of new name and site – håndværker.dk – 1 February 2015.
- Considerable marketing activities accelerated further in H2 2015 to improve awareness and market position – number of signed-up builders up by 40% from 2014 to 2015.
- New business model has resulted in a slight reduction in revenue – operating loss reduced, however, due to increased marketing costs, break-even is not expected until at the end of 2016.

Goals for 2015

New site and name in February 2015 to ensure that håndværker.dk will be the best way of finding the right builder. Revenue a little lower than last year, but break-even by year-end 2015.



WWW.NORTHMEDIA.DK

Financial calendar for 2016

8 April 2016	Annual General Meeting
4 May 2016	Interim Management Statement for Q1 2016
18 August 2016	Interim Report for 2016
3 November 2016	Interim Management Statement for Q3 2016