



## **Annual report 2010**

Nordea Markets, 3 March 2011

# Agenda

Annual Report 2010 – Nordea Markets, 3 March 2011

Highlights  
in 2010

Financial  
development  
in 2010

Segment  
performance

Outlook  
for 2011

## Presentation team

Lars Nymann Andersen CEO, North Media A/S

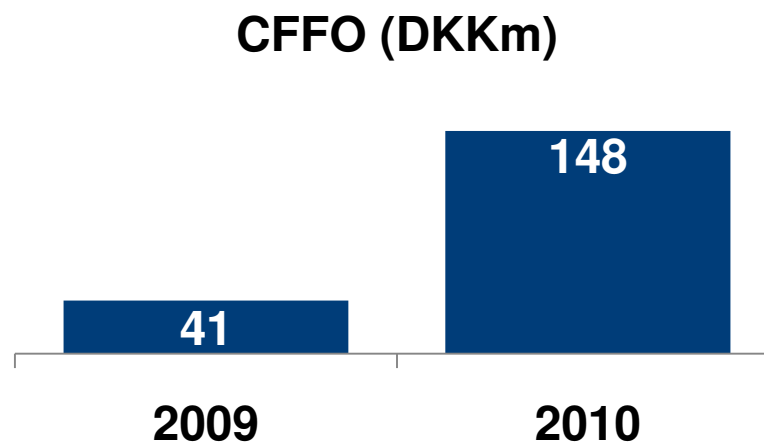
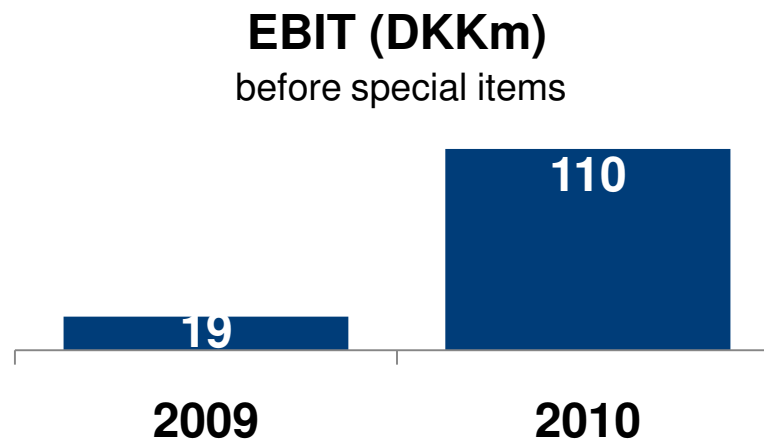
Mads Dahl Andersen CEO FK Distribution A/S

Arne Ullum Media director, North Media A/S

Kåre Wigh CFO, North Media A/S

# Substantial increase in earnings and cash flow in 2010 despite difficult markets

- **Group revenue up by 11% to DKK 1,139m**
- **Group EBIT reaches DKK 110m, up DKK 91m due to very strong performance in Print segment**
  - Very strong performance in FK Distribution
  - Søndagsavisen suffers from weak job-markets but gains market share within non-job
- **Cash flow from operations increased by DKK 107m**



# Other Group highlights in 2010

- **Holding company structure implemented by beginning of 2010 and company name changed to North Media A/S**
- **Strategic process regarding FK Distribution discontinued. North Media A/S will develop and capitalize on business' potential**
- **Lars Nymann Andersen appointed new CEO of North Media A/S in late 2010 and Mads Dahl Andersen takes on position as CEO of FK Distribution**
- **Total payments of DKK 6.5 per share distributed to shareholders in 2010 corresponding to DKK 129m**

# Profit improvement driven by strong underlying operational performance

<b>P&amp;L</b>	(DKKm)	<b>2010</b>	<b>2009</b>
<b>EBIT before special items</b>		<b>110.2</b>	<b>19.5</b>
Share of result in assoc. comp.		16.5	1.5
Special items		-28.0	-13.2
Net financials		4.3	-4.4
<b>EBT, continued activities</b>		<b>103.0</b>	<b>3.4</b>
Tax		-15.3	6.9
<b>Net result, continued activities</b>		<b>87.7</b>	<b>-3.5</b>
Profits from sale		-0.3	10.7
Net result, discontinued activities		-1.6	1.9
<b>Net result, total</b>		<b>85.8</b>	<b>9.1</b>

# Strong financial position – also after a total of DKK 129m in payments to shareholders in 2010

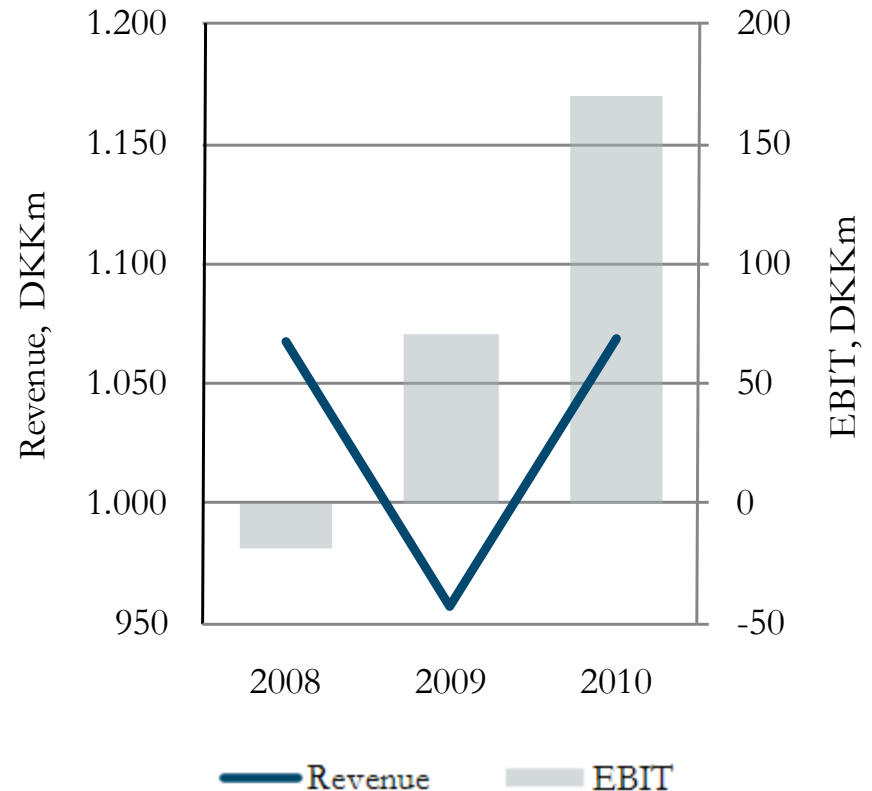
<b>BALANCE SHEET</b> (DKKm)	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
Non-current assets	452.7	524.5
Current assets, total	309.5	278.4
Stocks and securities	48.8	0.0
Cash	99.4	155.3
<b>Equity and liabilities</b>		
Equity	498.2	573.4
Long term debt	86.3	91.1
Current liabilities	177.7	138.4
 Net debt	 -57.1	 -62.9
Net Working Capital	-62.4	-44.2
Equity ratio	65.4%	71.4%

# Cash flow from operations up by DKK 107m as a result of strong operational performance

<b>CASH FLOW</b>	(DKKm)	<b>2010</b>	<b>2009</b>
<b>Net result, continued activities</b>		<b>87.7</b>	<b>-3.5</b>
Adj. non-cash op.		69.1	81.8
Change in working capital		18.2	-28.5
<b>CFFO before net financials</b>		<b>175.0</b>	<b>49.8</b>
Net financials		-4.2	-4.9
Paid taxes		-23.1	-3.9
<b>CFFO, continued activities</b>		<b>147.7</b>	<b>41.0</b>
CFFO, discontinued activities		-1.6	34.1
<b>CFFO, total</b>		<b>146.1</b>	<b>75.1</b>

# Print Segment: Solid performance and profit improvement despite tough market conditions

- Revenue +12% to DKK 1.069m
- EBIT increased by DKK 99m to DKK 170m
- Very satisfactory EBIT margin of 15.9% compared to 7.4% in 2009
- Development mainly driven by growth and strong operational execution in FK Distribution
- Growth on non-job related activities and cost reductions have partially offset losses from job-advertisement decline in Søndagsavisen





# Continued focus on increasing sales, improving efficiency and boosting quality

## FK Distribution

- Market shares have been regained and revenue has increased
- Full impact from 2009 cost reductions and new efficiency gain improvements implemented
- Further development of BeKey to improve quality of distribution

## Søndagsavisen

- Circulation and number of readers maintained – most read DK newspaper
- Adding rev. generating resources and strengthening editorial content
- Implementation of automated advertisement systems

## Helsingør Dagblad & Lokavisen Nordsjælland

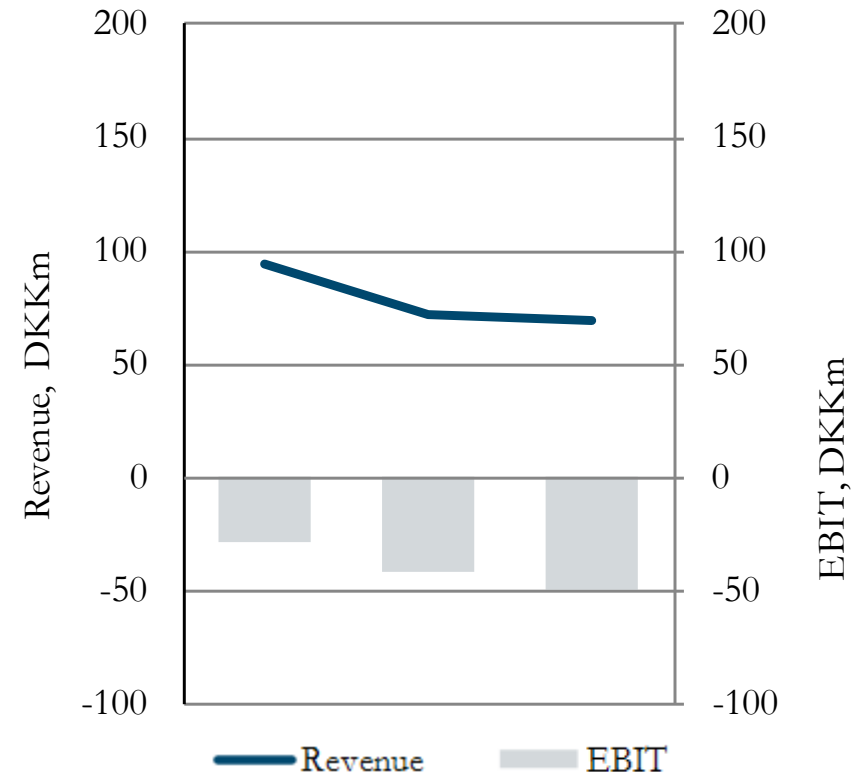
- Further cost and efficiency streamlining introduced
- Implementation of sales generating and editorial initiatives has increased subscriptions and advertisement revenue
- Printing machines divested

# Print - expectations for 2011: No market improvement, but distribution efficiency and non-job market share gains continue

- **Distribution market still characterized by intense price competition**
  - New market potential will be addressed
  - Market share expected to be maintained at current levels
  - Continued focus on tight cost control and further efficiency gains
- **No change in very weak job-advertisement market expected**
  - Focus on gaining additional market share within non-job market
  - Strengthening sales via increased cooperation with Ofir (synergies)
  - Implementation of “Søndagsavisen & Ofir – two medias, one job market”

# Online Segment: Focus on cost reductions and business development as markets are hit severely

- Revenue for 2010 at DKK 69m vs. DKK 71m in 2009 (-3%)
- EBIT for 2010 at DKK -50m
- Adverse market conditions on job-market led to unsatisfactory development in online activities
- Heavy investments in business development throughout 2010 are part of losses
- Søndagsavisen.dk break-even due to considerable cost reductions



# Strong performance in BoligPortal and new strategy in Ofir

## Ofir.dk

- 'Two medias – one job market' strategy planned – focus on synergies between online and print job-advertisements activities
- Development of online 'self-service' portal with free basic online advertisement and link to print advertisement

## MinReklame.dk

- New and improved IT-platform / backend systems automated
- Business model adjusted and sharpened

## BoligPortal.dk

- Continued strong growth in revenues and earnings throughout the year as market share is increased
- Growth within rental as well as owner markets

# Online - expectations for 2011: Resources and focus allocated towards sales generating activities and profitable business models

- **No signs of recovery in underlying job-related markets**
- **To increase business activity and improve profitability Ofir management will focus on platform and sales activities**
  - Focus on developing platforms and user interface for employer and employee
  - Implement new strategy: Søndagsavisen & Ofir, two medias, one job market
- **During H1-2011, other online activities will undergo review of business models and market perspectives.**
  - Focus on synergies and profitable activities

# **Group – expectations for 2011: Overall positive development in profits and focus on profitable online business models**

- **Price-competition in distribution will continue and growth in non-job advertisement market is expected to remain**
- **Online activities will remain loss making – managements' focus will be on securing a platform for profitable business models**
- **Product initiatives and marketing activities expected to lay foundation for long-term revenue growth and further increase in earnings**
- **BoD propose no dividend payment for 2010. However following divestment of remaining GISAB shares, a DKK 12-14 per share dividend is planned (total amount DKK 240-280m). This will take place in May 2011 pending a resolution on payment.**

# Strategic direction



- Maintain and develop market share and earnings potential
- Implement new strategy: Søndagsavisen & Ofir – two medias, one job market.
- Continue aggressive volume strategy for Søndagsavisen
- Business units to be examined with a view to define more profitable business models

# Continued growth and higher profitability in 2011

## GUIDANCE (DKKm)

	2011E	2010R
Revenue, continued activities	1,175-1,225	1,139
EBIT, continued activities*	120-150	110
Cost associated with discontinued activities	3	2
CAPEX	20	10
Depreciations	35	46

\*Not including proceeds of est. SEK 250m from divestment of 33.3% of GISAB shares



# **NORTH MEDIA** A/S

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**[WWW.NORTHMEDIA.DK](http://WWW.NORTHMEDIA.DK)**

## **Financial calendar 2011**

25 March 2011	Annual General Meeting
5 May 2011	Interim Management Statement Q1 2011
3 August 2011	Interim Report 2011
4 November 2011	Interim Management Statement Q3 2011