

INTERIM REPORT 2013



August 7 2013

Company announcement no. 08-13

Group EBIT exceeded expectations for H1 2013 that was characterised by business development and product launches. Total earnings expectations for the year have been made more specific and adjusted upwards, although only moderately.

- Group EBIT stands at DKK 27.8 million for H1 2013, which is higher than expected
- FK Distribution launched its No Ads+ product, which has gone down well with the consumers
- At 30 June 2013, the Group's net interest-bearing cash position came to DKK 92.3 million
- Expectations for total EBIT for the year are higher, meaning EBIT in the range of DKK 0 to DKK 20 million.

The Group realised revenue of DKK 530 million for H1 2013, meaning DKK 30 million or 5% down on H1 2012. The decline is attributable to FK Distribution and relates to structural market developments and legislative measures, which have had a negative effect on printed matter.

Group EBIT for H1 2013 is DKK 27.8 million. EBIT for H1 2012 was DKK 63.1 million. The profit decline is due to the aforementioned decline in revenue realised by FK Distribution. The online activities helped EBIT to increase by DKK 4.2 million in the same period.

FK Distribution launched No Ads+ in May. Implementation is progressing as planned

The number of consumers declining advertisements is increasing. Today, 28% of all households decline advertisements. The principal reason for this increase is that some consumers find they receive too many printed advertisements.

So there has been a growing desire among many Danish consumers to be able to choose themselves what kind of printed matter they want to receive. Now FK Distribution caters for this.

FK Distribution has developed and launched No Ads+, which is a unique product where consumers themselves select the kind of printed matter they want to receive in future and deselect the kinds they do not want.

On 21 May 2013, the No Ads+ arrangement was offered to consumers with certain postal codes, and the first test distributions under this arrangement started on 21 June 2013. Enrolment for the No Ads+ arrangement and the distribution of consumer-selected printed matter are proceeding as planned and more than 100 customers take part in the test. The geographic area in which No Ads+ is offered is extended gradually, and expectations are that the arrangement will be available to all of Denmark by year-end 2013.

Because No Ads+ fulfils a widespread consumer demand that is also backed politically, expectations are that the No Ads+ arrangement will gain much currency.

The tax on printed matter adopted in 2012 still has not been enforced. Expectations are that it will be enforced in Q4 2013 at the earliest.

Bekey is a new, intelligent key granting safe and easy access to apartments or stairways

Bekey's electronic key system is now being tested and in operation in ten municipalities, and Bekey has submitted proposals with a large number of municipalities. Bekey is the only product in the market that is compatible with most mobile phones on the market, including iPhone and Blackberry.

Søndagsavisen did not meet the revenue growth rate estimated for H1 2013

The newspaper market remains affected by stagnation and recession. In H1 2013, Søndagsavisen was not able to continue to increase earnings in a declining market. Consequently, revenue growth for H1 2013 is zero compared to H1 2012.

Cost reductions by Ofir have helped to improve the financial results considerably

Ofir met the expectations for revenue growth for H1 2013. The primary reason for the improved financial results is lower costs resulting from gradual implementation of the business model.

Byggestart.dk/HentTilbud.dk has restructured product offers to builders

Based on an analysis of Byggestart.dk/HentTilbud.dk's business model, the model has been adjusted so that it now accommodates both private developers' and builders' demands and needs. The activity continues to be loss-making.

Improved positive net-interest bearing cash position secures a continued high level of financial manoeuvrability

At 31 December 2012, the Group's net interest-bearing cash position came to DKK 66.3 million. Following H1 2013, this has increased by DKK 26.0 million to DKK 92.3 million.

Higher expectations for EBIT for the year

Accordingly, group revenue for 2013 is expected to decrease by approx 8% to range between DKK 1,000 million and DKK 1,025 million. At an earlier stage, group revenue was expected to range from DKK 990 million to DKK 1,050 million.

Group EBIT for 2013 is now estimated to range from DKK 0 million to DKK 20 million. Earlier on, EBIT was expected to range from a loss of DKK 15 million to a profit of DKK 15 million.

Financial highlights and ratios (DKKm)

Income statement:	H1-13	2) H1-12	2012
	unaudited	unaudited	audited
Revenue	530.1	560.2	1,104.6
Gross profit	250.8	276.4	530.4
EBITDA	44.3	80.0	133.8
Amortisation and depreciation	16.5	16.9	33.3
EBIT	27.8	63.1	100.5
Financials, net	-16.7	0.5	5.1
Profit/loss before tax, continuing operations	5.6	63.3	104.0
Tax, continuing operations	3.3	16.0	22.7
Net profit/loss, continuing operations	2.3	47.3	81.3
Net profit/loss, discontinued operations	-5.2	0.0	-5.2
Net profit for the year	-2.9	47.3	76.1
Comprehensive income	0.3	46.5	74.3
Balance sheet:			
Total assets	862.3	863.8	864.2
Shareholders' equity incl. minorities	501.4	505.6	511.6
Net interest-bearing debt (1)	92.3	66.5	66.3
Net working capital (NWC) (1)	-53.5	-52.0	-35.1
Invested capital	409.1	439.1	445.3
Investments in property, plant and equipment	7.3	11.3	25.3
Free cash flow	71.7	53.3	106.4
Other information:			
Average number of employees	607	615	637
Numbers of shares at year-end, in thousand	20,055	20,055	20,055
Treasury shares, in thousand	1,485	444	1,485
Share price at year-end, DKK	12.4	24.4	17.1
Ratios:			
Gross margin (%)	47.3	49.3	48.0
Operating margin (EBIT) (%)	5.2	11.2	9.1
Equity ratio (%)	58.1	58.5	59.2
Return on equity (ROE) (%) (1) *	-1.2	18.6	14.7
Return on capital employed (ROIC) (%) *	13.1	28.5	23.3
Earnings per share (EPS) - continued operations	0.3	2.1	3.6
Earnings per share (EPS) - Total (1)	-0.3	2.1	3.4

The financial highlights and financial ratios have been compiled in accordance with "Anbefalinger & Nøgletal 2010" (Recommendations & Financial Ratios 2010) issued by the Danish Society of Financial Analysts. Ratios marked by *) are stated on an annual basis.

Unless otherwise indicated, the Group's key figures are stated for continuing operations.

(1): The key figures also include discontinued operations.

(2): The H1-12 comparative figures have been restated compared to the Interim Report for 2012 because of the change in consolidation of Tryksagsomdeling Fyn PS.

Management Commentary

The strategic measures and activities effected in H1 2013 progressed as planned.

The market developments prevailing in 2012 called for readjustment of the business model and the strategy worked out for various group activities. From the beginning 2013 was therefore characterised by business developments.

The strategic measures taken in this respect all aim to

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

Based on this, five focus areas were identified for 2013 across the Online and Print segments. The focus areas will be given the highest priority as regards financial performance for 2013 and long-term earnings level. Those five focus areas relate to FK Distribution, Bekey, Søndagsavisen, Ofir.dk and Bygges-tart.dk/HentTilbud.dk.

Some of the Group's activities are influenced by structural market developments. Consequently, business developments are given top priority, and activities relating thereto are on track. However, some of the projects take longer to implement than anticipated at first.

"We are being challenged by structural market developments and legislative measures, which is why business developments are placed at the top of our agenda. No Ads+ is a unique and innovative product that consumers have wanted, and it is a good example of how we work firmly towards developing solutions that will secure the long-term earnings capacity of North Media."



FK Distribution, objective: FK Distribution is to develop new and supplementing business models enabling North Media to accommodate structural market developments and legislative measures that have a negative effect on printed matter. Also, the level of profitability must be maintained, if possible, through conventional distribution of unaddressed printed matter.

Results: In May 2013, FK Distribution launched its No Ads+ product for selected postal codes. No Ads+ is an important element of FK Distribution's future strategy aiming to capture the core of the ad market and develop new solutions that fulfil consumers' wishes and provide retailers with an effective and relevant channel for submitting advertisements.

There has been a positive response to the launch of No Ads+. Expectations are that the arrangement can be offered nationwide by year-end 2013.

In addition, No Ads+ helps to improve FK Distribution's distribution competence enabling the company to offer the market distribution of addressed printed matter such as magazines and Direct Mail of high quality at highly competitive prices in addition to unaddressed printed matter. Expectations are that the range of products will be extended to also include distribution of addressed printed matter.

Post Danmark A/S filed a complaint with the Danish Consumer Ombudsman requesting access to FK Distribution's No Ads+ database. The Consumer Ombudsman decided not to honour the request.

Post Danmark A/S also lodged a complaint with the Danish Competition Authority about FK Distribution claiming that FK Distribution is abusing a dominant position. FK Distribution believes that it is Post Danmark A/S, which holds a dominant position that, since the company distributes letters, magazines, dailies and unaddressed printed matter through the same distribution network as FK Distribution, leads to Post Danmark being able to act on non-market terms. FK Distribution expects that the Competition Authority will find for FK Distribution in Post Danmark's complaint.

The tax on printed matter adopted in 2012 still has not been enforced. Expectations are that it will be enforced in Q4 2013 at the earliest. FK Distribution will continue to collect factual data for political decision-makers. Repeated analyses show that door-to-door distributed printed matter is the most effective advertising medium in terms of promoting competitiveness and so printed matter helps to promote lower consumer prices in general.

The very high level of operating efficiency and productivity of the packaging facilities, the delivery of the printed matter and the distribution segment has been maintained despite the revenue decline and the implementation of No Ads+.

Bekey, objective: Bekey is to market and start selling the products, the development of which was finished at year-end 2012.

Results: Several municipalities started using Bekey in H1 2013 for elderly care and this has helped to enhance the efficiency of home care and increased security for citizens. The system

consists of a thumb turn that opens and locks doors using Bluetooth and Netkey, the Bekey online administration system which municipality may use to generating electronic and safe keys for home care staff.

Bekey is also functional in stairways, and the system has now been put into operation in and is being tested in more than 14,000 stairways in Greater Copenhagen where it is possible online to grant access to builders, grocery distributors and distributors of advertising material.

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

Results: The objective of breaking even at group level was achieved through cost reduction. However, Søndagsavisen did not succeed in retaining the revenue growth rate of 13% for text advertisements realised in 2012, which is a precondition for increasing the newspaper activities' positive effect on group results.

In particular, growth has slowed down for major advertisers whose advertising material is distributed by media agencies. However, Søndagsavisen still outperforms its competitors in a declining market.

In H2 2013, Søndagsavisen will focus particularly on strengthening relations with major national customers and real estate agents and on increasing the profitability of local and regional sales through a more effective market strategy.

Despite a minor decline, Søndagsavisen has seen a considerable increase in the number of readers as opposed to its competitors, and Søndagsavisen's objective for H2 2013, being the only nationwide newspaper, is to stop the "slow bleeding" existing for a number of years.

Now, an advertiser must post an advertisement in seven national newspapers in order to have the same number of readers as Søndagsavisen.

Failing revenue growth for Søndagsavisen was the reason why the Group's aggregate newspaper activities, including Søndagsavisen, Helsingør Dagblad, Lokaltidningen Nordjylland and the equity interest in Vestsjællandske Distriktsblade, broke even for Q2 2013 at group level, and why expectations were not met in this respect.

Ofir, objective: Ofir is to increase revenue considerably and, in doing so, improve its financial performance.

Results: Ofir managed to increase revenue by 15% in H1 2013 compared to the same period last year. Growth in advertisement sales is up to expectations.

Based on cost reductions, Ofir produced far better results for H1 2013 as compared to H1 2012. EBIT, however, remains considerably negative.

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

Results: Contrary to expectations, Byggestart.dk/HentTilbud.dk did not manage to increase revenue enough to contribute positively to group results. The activity remains loss-making for H1 2013.

In order to increase revenue growth, the company has conducted extensive surveys, interviews and analyses of the respective business processes and requirements of various builders. As part of such efforts, changes were made to the concept, which are expected to fully feed through in H2 2013.

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

Indtast dit postnummer

Tilmeld dig her

The advertisement features a cartoon illustration of a mail carrier in a yellow uniform and cap, pushing a green mail cart with a yellow mailbox on top. The cart has 'Post Danmark' and 'FX' written on it. The mail carrier is standing on a grassy lawn next to a white picket fence. In the background, there are trees and a yellow building. A large white play button icon is overlaid on the scene.

Group revenue decreased in H1 2013, but less than envisaged.

Group revenue for H1 2013 is DKK 530 million meaning 5% less than revenue for H1 2012, which came to DKK 560 million

The market developments seen in H1 2013 follow the trends prevailing in Q4 2012. Uncertainty still exists about when, whether and, if so, how the act imposing tax on printed matter adopted on 1 January 2013 will be enforced. However, the mere expectation of a new tax has reduced the volume of printed matter and the unit weight thereof, although the decline is not as high as expected. As a result, FK Distribution's revenue declined by 8% in H1 2013 compared to the same period last year.

The caution experienced by Søndagsavisen in Q4 2012 and Q1 2013 remains and intensified in Q2 2013. Accordingly, Søndagsavisen's revenue growth remained unchanged in H1 2013 compared to H1 2012.

Total revenue for the Print segment decreased from DKK 517 million in H1 2012 to DKK 483 million in H1 2013. This represents a 7% decline, which is attributable to the decline in FK Distribution's revenue referred to above.

Within the Online segment, BoligPortal.dk and Ofir met the revenue expectations, increasing revenue by two-digit growth rates from H1 2012 to H1 2013. The organic revenue of Byggestart.dk/HentTilbud.dk increased by more than 50%, but this performance is far below expectations. As expected, MatchWork realised lower revenue in H1 2013 than in H1 2012.

Total revenue for the Online segment went up from DKK 43.3 million in H1 2012 to DKK 47.0 million in H1 2013 equalling a growth rate of 9%.

DKKm	H1		Q2	Revenue					Year
	2013	2012	2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	
Print	483.1	516.9	243.9	239.2	271.1	229.7	255.5	261.4	1,017.7
<i>Index cp. same period last year</i>	93.5	92.1	95.5	91.5	82.8	88.9	86.2	98.7	88.7
Online	47.0	43.3	23.2	23.8	21.6	22.0	22.5	20.8	86.9
<i>Index cp. same period last year</i>	108.5	131.2	103.1	114.4	150.0	128.7	138.9	123.8	134.7
Group revenue	530.1	560.2	267.1	263.0	292.7	251.7	278.0	282.2	1,104.6
<i>Index cp. same period last year</i>	94.6	94.3	96.1	93.2	85.7	91.3	88.9	100.2	91.2

DKKm	H1		Q2	EBIT					Year
	2013	2012	2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	
Print	39.7	81.6	16.5	23.2	34.3	24.2	36.4	45.2	140.1
<i>Profit margin</i>	8.2%	15.8%	6.8%	9.7%	12.7%	10.5%	14.2%	17.3%	13.8%
Online	-11.9	-16.1	-5.1	-6.8	-12.4	-11.1	-8.3	-7.8	-39.6
<i>Profit margin</i>	-25.3%	-37.2%	-22.0%	-28.6%	-57.4%	-50.5%	-36.9%	-37.5%	-45.6%
Unallocated costs	0.0	-2.4	0.6	-0.6	1.8	0.6	0.0	-2.4	0.0
Group EBIT	27.8	63.1	12.0	15.8	23.7	13.7	28.1	35.0	100.5
<i>Profit margin</i>	5.2%	11.3%	4.5%	6.0%	8.1%	5.4%	10.1%	12.4%	9.1%

Group EBIT for H1 2013 is DKK 27.8 million. This performance is better than expected

Group EBIT comes to DKK 27.8 million, equalling a 5.2% profit margin for H1 2013. This performance is DKK 35.3 million lower than EBIT for H1 2012 and is due to the decline in revenue realised by FK Distribution.

EBIT for the Print segment is DKK 39.7 million, equivalent to an 8.2% profit margin

Lower revenue for FK Distribution was the main reason why the profit realised by the Print segment fell from DKK 81.6 million with a 15.8% profit margin for H1 2012 to DKK 39.7 million with a profit margin of 8.2% in H1 2013.

The failing revenue growth for Søndagsavisen was the reason why the Group's aggregate newspaper activities, including Søndagsavisen, Helsingør Dagblad, Lokaltidningen Nordsjælland and the equity interest in Vestsjællandske Distriktsblade, only broke even for Q2 2013 at group level, and it was also the reason why expectations were not met in this respect.

As expected, Bekey realised a considerable loss since all development costs are taken to the income statement as incurred.

EBIT for the Online segment is negative by DKK 11.9 million, which is consistent with expectations

EBIT for the Online segment remains negative, but the planned improvement was implemented. EBIT realised for H1 2012 by the Online segment was negative by DKK 16.1 million, which improved by DKK 4.2 million arriving at a negative DKK 11.9 million in H1 2013. This improvement is mainly attributable to Ofir, but BoligPortal.dk also helped improve EBIT. Bygges-

art.dk/HentTilbud.dk, however, realised a loss for H1 2013 higher than that realised for H1 2012.

Cash flows from operating activities positive by DKK 48.9 million in H1 2013

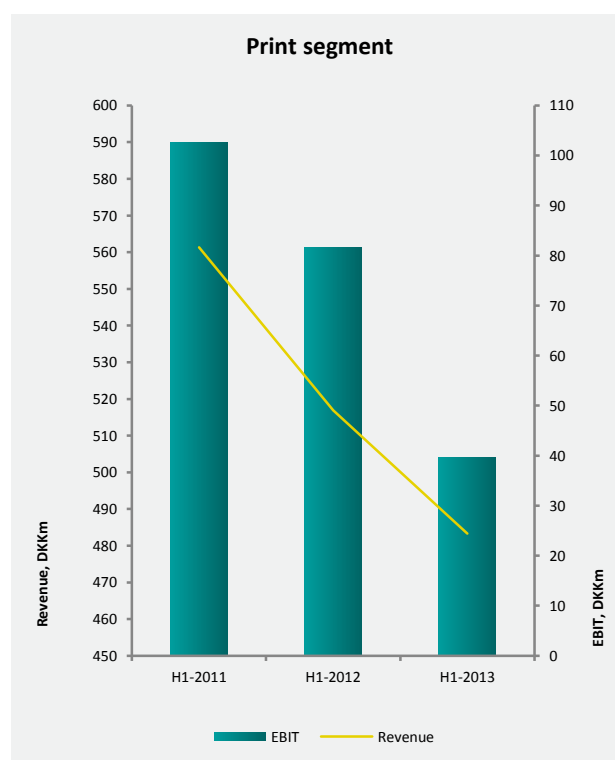
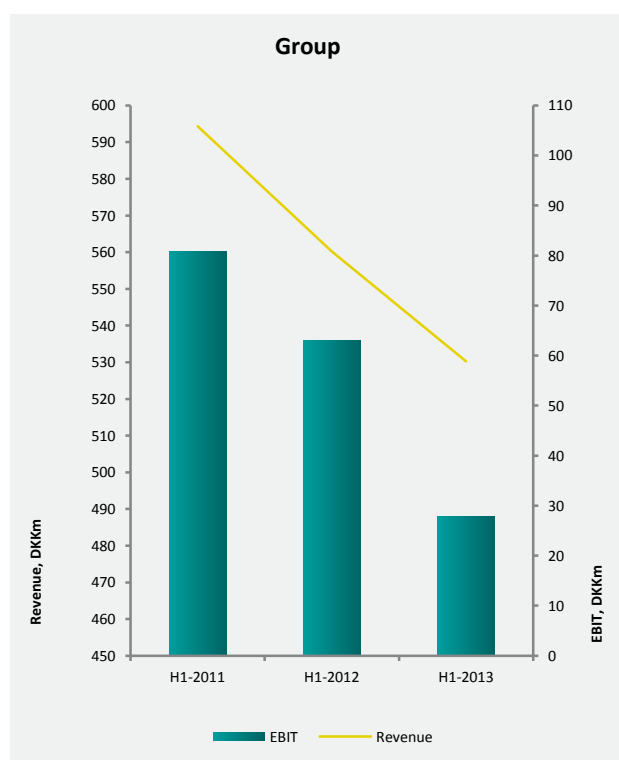
Cash flows from operating activities for H1 2013 total DKK 48.9 million, which is DKK 11.6 million less than those realised for H1 2012. The financial performance for H1 2013 is DKK 45.0 million lower than the results for H1 2012, but adjustments for non-cash operating items and increases in working capital compensated for this.

At 31 December 2012, the Group's net interest-bearing cash position came to DKK 66.3 million. Following H1 2013, this has increased by DKK 26.0 million to DKK 92.3 million. The net interest-bearing cash position comprises cash of DKK 68.2 million, securities worth DKK 186.4 million and debt to mortgage credit institutions and negative fair value of interest rate swaps totalling DKK 162.3 million.

Higher expectations for EBIT for the year

At the beginning of the year, revenue for the Print segment was expected to decline by approx 10% arriving at DKK 890 million to DKK 940 million. The tax on printed matter adopted in 2012 still has not come into force, and expectations are that it will not be implemented until Q4 2013 at the earliest. However, revenue growth for Søndagsavisen is expected to be lower. Based on this, revenue for 2013 for the Print segment is now expected to range from DKK 905 million to DKK 930 million.

Earlier on, the Online segment was expected to generate



revenue growth of approx 25%. Lower expectations for Byggestart.dk/HentTilbud.dk has reduced estimated revenue growth for the Online segment to approx 10%.

Accordingly, total group revenue for 2013 is now expected to decrease by approx 8% to range between DKK 1,000 million and DKK 1,025 million. At an earlier stage, group revenue was expected to range from DKK 990 million to DKK 1,050 million.

Previously, EBIT for the Print segment was expected to range from DKK 15 million to DKK 45 million. Based on the increase in revenue, EBIT for the Print segment is now expected to be in the range of DKK 30 million to DKK 50 million.

For the Online segment, Ofir's financial performance will improve substantially due to lower costs. Conversely, Byggestart.dk/HentTilbud.dk is expected to produce poorer results than first expected. Overall, EBIT for the Online segment is still expected to be negative by approx DKK 30 million compared to a loss of approx DKK 40 million in 2012.

Total group EBIT for 2013 is now estimated to range from DKK 0 million to DKK 20 million. Earlier on, EBIT was expected to range from a loss of DKK 15 million to a profit of DKK 15 million.

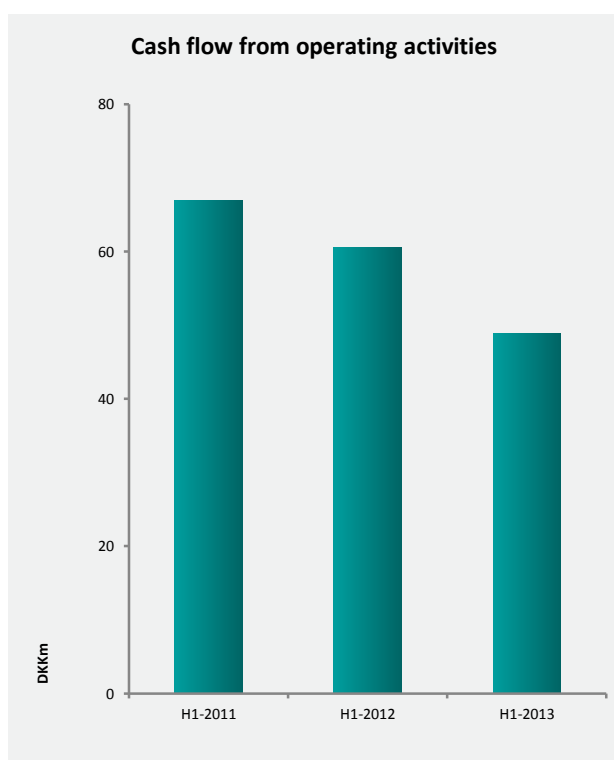
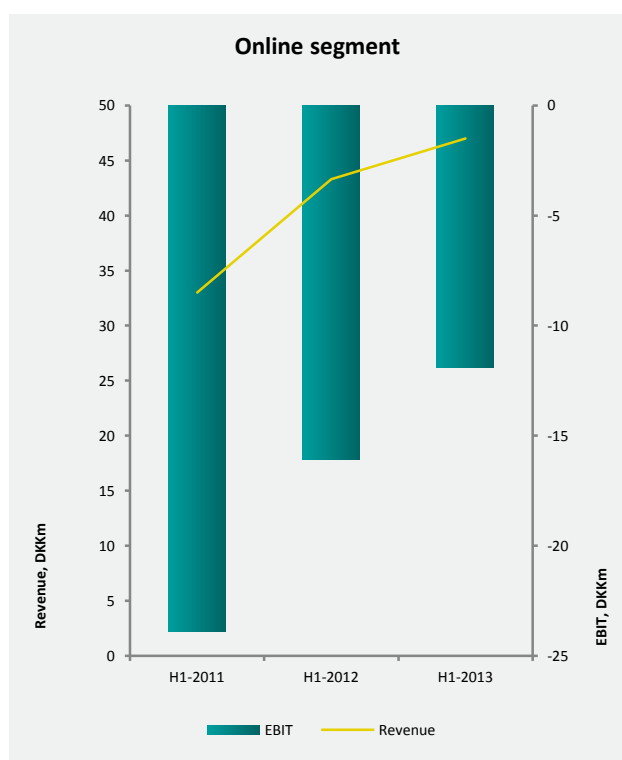
For 2013, the Group is expected to make investments of approx DKK 30 million, which is consistent with the level of annual, ordinary depreciation and amortisation.

Special risks and elements of uncertainty in H2 2013

The number of households not accepting door-to-door distribution of printed matter is subject to some uncertainty, and it remains unclear how the retail chains will respond in the autumn with respect to the volume of circulation prior to the possible implementation of the tax on advertisements in Q4 2013.

Investments are made in the No Ads+ product, which will have a short-term negative effect on earnings. At present, uncertainty exists as to how and to what extent No Ads+ will affect revenue and results in the long term.

All of the Group's activities are distinct high-volume enterprises with high initial costs, followed by low unit costs, for which reason an increase in revenue would support a profit margin increase. Conversely, a decline in revenue would have a negative effect on the profit margin as it is only possible to slightly reduce costs in the short run.



Comments on the financial statements

Income statement

Revenue

Group revenue for H1 2013 is DKK 530.1 million, which is DKK 30.1 million, or 5%, down on H1 2012. The decline is mainly attributable to lower volumes of printed matter in the Print segment.

Contribution margin

The Group's contribution margin for H1 2013 is DKK 250.8 million, which is a decrease of DKK 25.6 million compared to the same period last year. The contribution margin for H1 2013 is 47.3%, representing a 2.0% decline compared to 2012 when the contribution margin was 49.3%.

Staff costs

Staff costs for salaried employees come to DKK 142.0 million for H1 2013, equalling an increase of DKK 3 million, or 2%, compared to H1 2012.

Other expenses

Other expenses for H1 2013 total DKK 68.6 million, meaning an increase of DKK 8.1 million, or 13%. The increase is mainly attributable to legal costs for the finalised competition proceedings involving North Media and PostDanmark and costs incurred for the development and implementation of the new No Ads+ arrangement.

Share of profits/losses from and investments in associates

The share of profits/losses from associates is the share of profits/losses from Vestsjællandske Distriktsblade, eConscribi International ApS and Shopbox ApS. Loss for H1 2013 is DKK 5.5 million, of which DKK 4.5 million represents write-down of goodwill and other intangible assets related to eConscribi International ApS. The operation of the company and the developments seen for it have not progressed as planned, for which reason capitalised goodwill was written down. Please also refer to Notes 1 and 4.

Financial income

Financial income comprises interest on the Group's excess liquidity and dividend from listed shares. Financial income for H1 2013 is DKK 1.1 million. In H1 2012, financial income was higher than that, arriving at DKK 5.0 million resulting from capital gains on securities. Please also refer to Note 2.

Financial expenses

Financial expenses comprise interest on the Group's mortgage debt as well as capital losses on securities. Financial expenses for H1 2013 total DKK 17.8 million, primarily resulting from unrealised capital losses on shares. Financial expenses for H1 2012 came to DKK 4.5 million. Please also refer to Note 2.

Profit before tax

Group profit before tax is DKK 5.6 million for H1 2013, representing a decline of DKK 57.7 million compared to H1 2012 when profit before tax came to DKK 63.3 million. This decrease is mainly due to lower revenue and, to some extent, unrealised capital losses on securities.

Income tax

Tax on profit for the period stands at DKK 3.3 million. The effective interest rate is 59%, which is due to the losses realised by the associates that cannot be deducted from the Group's taxable income.

Loss for the year from discontinued operations

The real estate agent involved in the property formerly housing the printing activities that were discontinued in 2009 was replaced in 2012, and the selling price of the property was reduced. In the financial statements for 2012, the property was written down to DKK 25 million, and in the interim financial statements at 30 June 2013 it was written down by another DKK 7 million. So, the property has now been recognised at DKK 18 million. The property is presented under Assets held for sale since an effort is being made to have it sold by the end of 2013.

Loss for the period

For H1 2013, the Group realised a loss of DKK 2.9 million. This loss is considerably lower than that realised for H1 2012, which came to DKK 47.3 million. This decline is mostly due to lower revenue, but also to unrealised capital losses on securities as well as the write-down of investments in eConscribi International ApS and the write-down of the value of the property for sale.

Balance sheet

Goodwill and intangible assets

The Group's balance sheet at 30 June 2013 includes goodwill of DKK 64.2 million, other intangible assets of DKK 21.8 million and software of DKK 5.7 million. In 2013, investments were made in software only. 2012 saw a relatively large addition of intangible assets related to the acquisition of Byggestart.dk/HentTilbud.dk.

Goodwill and other intangible assets worth approximately DKK 60 million are attributable to the distribution activities and the activities on Boligportal.dk. These items have been tested for any indication of impairment, and it has been concluded that no such indication exists.

Goodwill and other intangible assets worth DKK 30.6 million are attributable to Byggestart.dk/HentTilbud.dk. The activity has not developed as planned, but the adjustments made to the commercial measures taken in June are expected to

increase earnings considerably already from H2 2013. Accordingly, North Media finds no reason to write down goodwill or other intangible assets at 30 June 2013.

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

Property, plant and equipment

The Group's property, plant and equipment mainly include three owner-occupied properties as well as plant at the Group's two distribution terminals. The properties are rented to the Group's operating companies on market terms.

Investments

In H1 2013, DKK 7.7 million was invested in intangible assets and property, plant and equipment. In H1 2012, investments stood at DKK 12.1 million. Software development is expensed regularly for loss-making activities, for which reason such development is not classified as an investment.

Cash flows and interest-bearing cash position

Cash flows from operating activities for H1 2013 total DKK 48.9 million, which is DKK 11.6 million less than those realised for H1 2012. The financial performance for H1 2013 is DKK 45.0 million lower than the results for H1 2012, but adjustments for non-cash operating items and increases in working capital compensated for this.

At 31 December 2012, the Group's net interest-bearing cash position came to DKK 66.3 million. Following H1 2013, this has increased by DKK 26.0 million to DKK 92.3 million. The net interest-bearing cash position comprises cash of DKK 68.2 million, securities in the form of shares and bonds worth DKK 186.4 million and debt to mortgage credit institutions and negative fair value of interest rate swaps totalling DKK 162.3 million.

At 30 June 2013, the Group's holding of shares comes to DKK 68.9 million, consisting of investments in Danish and foreign listed ultra-liquid shares in the IT, health care and industry sectors.

The Group's bond portfolio came to DKK 117.4 million at 30 June 2013, consisting of mortgage credit and corporate bonds.

In H1 2013, no funds were spent on acquisitions of enterprises. In H1 2012, DKK 24.5 million in total was spent on such acquisitions.

Equity and treasury shares

At 30 June 2013, the Group's equity stood at DKK 501.4 million, representing a decline of DKK 10.2 million compared to equity at 31 December 2012. This decline is mainly attributable to the distribution to minority shareholders of a dividend amount higher than the profit realised for the period which took place when dividend from subsidiaries with minority shareholders was distributed. The Parent's share of equity

remains largely unchanged compared to its share at 31 December 2012.

The Company holds a total of 1,485,000 treasury shares, which remains unchanged on 31 December 2012. The average buying price was DKK 27.7 per share.

Related parties

Besides ordinary remuneration of Management, no transactions were carried out with the Executive Board or the Board of Directors.

By virtue of his holding company, Baunegård ApS, Richard Bunck is the Company's principal shareholder and is thus subject to the disclosure requirement applicable to related parties. No transactions were carried out with Richard Bunck in the period under review except for the directors' remuneration.

Trading with associates only involved ordinary sales transactions and amount to a maximum of DKK 2 million for H1 2013.

Contingent liabilities and assets

The Annual Report for 2012 states that the Group holds a contingent asset in the form of possible damages from Post Danmark A/S. As stated in Company announcement no 06-13 of 16 April 2013, the Group decided to discontinue the action for damages brought against Post Danmark A/S.

Apart from this, no significant changes occurred in H1 2013 regarding the Group's contingent liabilities and assets.

Events after the balance sheet date

The Board of Directors and the Executive Board are not aware of any significant events having occurred since 30 June 2013 which would have a material impact on the financial position of the Group.

Basis of accounting

The Interim Report includes a summary of the consolidated financial statements of North Media A/S for the period 1 January to 30 June 2013. The Interim Report is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and additional Danish disclosure requirements governing interim reports of listed companies. The accounting policies applied to this Interim Report are consistent with those applied to the Annual Report for 2012.

No new standards of accounting or interpretations are expected to have a significant effect on the Annual Report for 2013.

As compared to H1 2012, the Group changed its recognition method in the 2012 Annual Report concerning Tryksagsomdelingen Fyn P/S and the related general partner company from pro rata consolidation to full consolidation. The comparative figures for H1 2012 have been restated accordingly.

In the Interim Report, income tax on profit or loss before tax is charged at a rate of 25%. Income tax is charged separately for each tax jurisdiction.

Managerial changes

None.

Statement by management on the interim report

The Board of Directors and the Executive Board have today examined and adopted the unaudited Interim Report of the North Media A/S Group for the period 1 January to 30 June 2013.

The Interim Report has been prepared in accordance with IAS 34 as adopted by the EU and additional Danish disclosure requirements governing interim reports of listed companies.

We consider the applied accounting policies appropriate and the accounting estimates reasonable. In our opinion,

the Interim Report gives a true and fair view of the Group's financial position at 30 June 2012 and of its financial performance and its cash flows for the period 1 January to 30 June 2013.

We also believe that the management commentary contains a fair review of the developments in the Group's business and of its financial position as a whole together with a description of the principal risks and uncertainties that it faces.

Søborg, 7 August 2013

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

Consolidated statement of comprehensive income

Note		H1-13 DKKm unaudited	H1-12 DKKm unaudited	2012 DKKm audited
	Revenue	530.1	560.2	1,104.6
	Direct expenses	178.1	185.5	374.9
	Direct staff costs	101.2	98.3	199.3
	Gross margin	250.8	276.4	530.4
	Staff costs	142.0	139.0	279.0
	Other costs	68.6	60.5	124.6
	Amortisation and depreciation	16.5	16.9	33.3
	Other operating income	4.1	3.1	7.0
	EBIT	27.8	63.1	100.5
1	Share of profit/loss in associates	-5.5	-0.3	-1.6
2	Financial income	1.1	5.0	15.9
2	Financial expenses	-17.8	-4.5	-10.8
	Profit before tax, continuing operations	5.6	63.3	104.0
	Tax, continuing operations	3.3	16.0	22.7
	Net profit, continuing operations	2.3	47.3	81.3
	Profit of disposal of subsidiaries	0.0	0.0	0.0
3	Net profit, discontinued operations	-5.2	0.0	-5.2
	Net profit for the year	-2.9	47.3	76.1
	Translation adjustments, foreign companies	0.1	-0.1	0.0
	Fair value adjustment of hedging instruments	4.2	-0.9	-2.4
	Tax, other comprehensive income	-1.1	0.2	0.6
	Other comprehensive income	3.2	-0.8	-1.8
	Comprehensive income	0.3	46.5	74.3
	Attributable, net profit			
	Shareholders in North Media A/S	-6.0	41.6	64.7
	Minority interests	3.1	5.7	11.4
		-2.9	47.3	76.1
	Attributable, comprehensive income			
	Shareholders in North Media A/S	-2.8	40.8	62.9
	Minority interests	3.1	5.7	11.4
		0.3	46.5	74.3
	Earnings per share, in DKK			
	Earnings per share - total - continuing and discontinued operations	-0.3	2.1	3.4
	Diluted earnings per share - total - continuing and discontinued operations	-0.3	2.1	3.4
	Earnings per share - continuing operations	0.3	2.1	3.6
	Diluted earnings per share - continuing operations	0.3	2.1	3.6

Consolidated balance sheet at 30 June

Assets

Note		H1-13 DKKm unaudited	H1-12 DKKm unaudited	2012 DKKm audited
	Goodwill	64.2	60.1	64.2
	Other intangible assets	21.8	25.7	23.4
	Completed development projects, software	2.4	3.2	2.4
	Development projects in progress	3.3	2.0	3.8
	Intangible assets	91.7	91.0	93.8
	Land and buildings	287.1	295.5	291.1
	Plant and machinery	50.2	49.2	51.1
	Operating equipment, fixtures and fittings	16.3	15.7	18.5
	Property, plant and equipment	353.6	360.4	360.7
4	Investments in associates	14.6	15.8	22.1
	Other securities and investments	3.7	3.8	3.7
	Other receivables	1.5	1.8	1.4
	Other non-current assets	19.8	21.4	27.2
	Total non-current assets	465.1	472.8	481.7
	Trade receivables	96.7	101.3	98.6
	Receivables from associates	1.1	2.1	0.8
	Income tax receivables	7.1	0.0	5.1
	Other receivables	2.1	6.3	3.5
	Prepayments	17.6	12.3	13.9
	Securities	186.4	157.1	188.4
	Cash	68.2	79.9	47.2
	Total current assets	379.2	359.0	357.5
	Assets held for sale	18.0	32.0	25.0
	Total current assets	397.2	391.0	382.5
	Total assets	862.3	863.8	864.2

Consolidated balance sheet at 30 June

Equity and liabilities

Note	H1-13 DKKm unaudited	H1-12 DKKm unaudited	2012 DKKm audited
Share capital	100.3	100.3	100.3
Treasury shares	-41.2	-18.7	-41.2
Hedging reserves	-11.9	-13.9	-15.0
Reserve, translation adjustments	-3.3	-3.5	-3.4
Retained earnings	446.8	428.2	452.0
Parent Company's share of shareholders' equity	490.7	492.4	492.7
Minority interests	10.7	13.2	18.9
Total equity	501.4	505.6	511.6
Deferred tax	8.3	3.7	7.2
Financial institutions	140.8	146.6	143.7
Fair value, interest-rate swap	15.8	18.5	20.0
Purchase price payable	12.2	10.0	19.1
Total non-current liabilities	177.1	178.8	190.0
Financial institutions	5.7	5.4	5.6
Trade payables	58.6	40.9	52.2
Purchase price payable	7.8	0.0	0.0
Income tax payable	0.0	26.1	0.0
Other payables	90.8	86.9	80.8
Deferred income	20.9	20.1	24.0
Total current liabilities	183.8	179.4	162.6
Total liabilities	360.9	358.2	352.6
Total equity and liabilities	862.3	863.8	864.2

Consolidated statement of changes in equity

Half year – unaudited

H1-13 DKKm	Share capital	Treasury shares	Hedging reserves	Reserve, translation adjustment	Retained earnings	Parent Company's total share	Minority interests	Total equity
Equity 1 January 2013	100.3	-41.2	-15.0	-3.4	452.0	492.7	18.9	511.6
Changes in equity in H1-13								
Net profit for the year	0.0	0.0	0.0	0.0	-6.0	-6.0	3.1	-2.9
Translation adjustment, foreign companies	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Fair value adjustment of hedging instruments	0.0	0.0	4.2	0.0	0.0	4.2	0.0	4.2
Tax, other comprehensive income	0.0	0.0	-1.1	0.0	0.0	-1.1	0.0	-1.1
Other comprehensive income after tax	0.0	0.0	3.1	0.1	0.0	3.2	0.0	3.2
Total comprehensive income	0.0	0.0	3.1	0.1	-6.0	-2.8	3.1	0.3
Dividend distributed	0.0	0.0	0.0	0.0	0.0	0.0	-11.3	-11.3
Share-based payment	0.0	0.0	0.0	0.0	0.8	0.8	0.0	0.8
Total changes in equity in H1-13	0.0	0.0	3.1	0.1	-5.2	-2.0	-8.2	-10.2
Equity at 30 June 2013	100.3	-41.2	-11.9	-3.3	446.8	490.7	10.7	501.4
H1-12 DKKm	Share capital	Treasury shares	Hedging reserves	Reserve, translation adjustment	Retained earnings	Parent Company's total share	Minority interests	Total equity
Equity 1 January 2012	100.3	-18.7	-13.2	-3.4	445.5	510.5	13.3	523.8
Change of recognition of Tryksagsomdeling Fyn P/S and the relating general partner company	0.0	0.0	0.0	0.0	0.0	0.0	10.3	10.3
Changes in equity in H1-12								
Net profit for the year	0.0	0.0	0.0	0.0	41.6	41.6	5.7	47.3
Translation adjustment, foreign companies	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0	-0.1
Fair value adjustment of hedging instruments	0.0	0.0	-0.9	0.0	0.0	-0.9	0.0	-0.9
Tax, other comprehensive income	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.2
Other comprehensive income after tax	0.0	0.0	-0.7	-0.1	0.0	-0.8	0.0	-0.8
Total comprehensive income	0.0	0.0	-0.7	-0.1	41.6	40.8	5.7	46.5
Dividend distributed	0.0	0.0	0.0	0.0	-60.2	-60.2	-16.1	-76.3
Dividend, treasury shares	0.0	0.0	0.0	0.0	1.3	1.3	0.0	1.3
Total changes in equity in H1-12	0.0	0.0	-0.7	-0.1	-17.3	-18.1	-10.4	-28.5
Equity at 30 June 2012	100.3	-18.7	-13.9	-3.5	428.2	492.4	13.2	505.6

Consolidated statement of changes in equity

Full year – audited

2012 DKKm	Share capital	Treasury shares	Hedging reserves	Reserve, translation adjustment	Retained earnings	Parent Company's total share	Minority interests	Total equity
Equity 1 January 2012	100.3	-18.7	-13.2	-3.4	445.5	510.5	13.3	523.8
Change of recognition of Tryksagsomdeling Fyn P/S and the relating general partner company	0.0	0.0	0.0	0.0	0.0	0.0	10.3	10.3
Changes in equity 2012								
Net profit for the year	0.0	0.0	0.0	0.0	64.7	64.7	11.4	76.1
Fair value adjustment of hedging instruments	0.0	0.0	-2.4	0.0	0.0	-2.4	0.0	-2.4
Tax, other comprehensive income	0.0	0.0	0.6	0.0	0.0	0.6	0.0	0.6
Other comprehensive income after tax	0.0	0.0	-1.8	0.0	0.0	-1.8	0.0	-1.8
Total comprehensive income	0.0	0.0	-1.8	0.0	64.7	62.9	11.4	74.3
Purchase of treasury shares	0.0	-22.5	0.0	0.0	0.0	-22.5	0.0	-22.5
Dividend distributed	0.0	0.0	0.0	0.0	-60.2	-60.2	-16.1	-76.3
Dividend, treasury shares	0.0	0.0	0.0	0.0	1.3	1.3	0.0	1.3
Share-based payment	0.0	0.0	0.0	0.0	0.7	0.7	0.0	0.7
Total changes in equity in 2012	0.0	-22.5	-1.8	0.0	6.5	-17.8	-4.7	-22.5
Equity at 31 December 2012	100.3	-41.2	-15.0	-3.4	452.0	492.7	18.9	511.6

Consolidated cash flow statement

Note	H1-13 DKKm unaudited	H1-12 DKKm unaudited	2012 DKKm audited
Net profit, continuing operations	2.3	47.3	81.3
Adjustment for non-cash operating items	42.8	32.7	52.7
Changes in working capital	10.7	-17.3	-2.5
Cash flow from operating activities before net financials	55.8	62.7	131.5
Interest received	1.1	2.3	1.1
Interest paid	-4.5	-4.5	-9.3
Cash flow from ordinary activities before tax	52.4	60.5	123.3
Income tax paid	-3.5	0.0	-32.2
Cash flow from operating activities, continuing operations	48.9	60.5	91.1
Cash flow from operating activities, discontinued operations	0.0	0.0	0.0
Cash flow from operating activities, total	48.9	60.5	91.1
Investment in intangible assets and property, plant and equipment	-7.7	-12.1	-27.7
Disposals of intangible assets and property, plant and equipment	0.1	0.1	0.3
4 Dividend from associates	2.0	0.0	0.0
Investment in securities, net	-8.1	52.7	33.2
Dividend from securities	0.0	0.2	0.5
Investment in other non-current assets	-0.1	-0.4	0.1
5 Acquisition of companies	0.0	-17.0	-17.0
Investment in associates	0.0	-7.5	-11.5
Cash flow from investing activities, continuing operations	-13.8	16.0	-22.1
Cash flow from investing activities, discontinued operations (GISAB)	0.0	0.0	0.0
Cash flow from investing activities, total	-13.8	16.0	-22.1
Repayment of non-current liabilities	-2.8	-2.5	-5.2
Dividend to minority shareholders	-11.3	-16.1	-16.1
Sales of investment in treasury shares	0.0	0.0	-22.5
Net dividend paid	0.0	-58.9	-58.9
Cash flow from financing activities, continuing operations	-14.1	-77.5	-102.7
Cash flow from financing activities, discontinued operations	0.0	0.0	0.0
Cash flow from financing activities, total	-14.1	-77.5	-102.7
Changes in cash and cash equivalents	21.0	-1.0	-33.7
Cash and cash equivalents at 1 January	47.2	71.8	71.8
Effect of changed recognition of Tryksasgsomdeling Fyn P/S and the relating general partner company, 1 January	0.0	9.1	9.1
Cash and cash equivalents at 30 June / 31 December	68.2	79.9	47.2

Notes to the interim report 2013

1 Share of loss of associates after tax	H1-13 DKKm unaudited	H1-12 DKKm unaudited	2012 DKKm audited
Share of loss before tax	-1.0	-0.3	-1.4
Share of tax	0.0	0.0	0.0
Impairment of investment	-4.5	0.0	-0.2
Total share of loss of associates after tax	-5.5	-0.3	-1.6

2 Net financials	H1-13 DKKm	H1-12 DKKm	2012 DKKm
Exchange differences	0.0	0.3	0.4
Interest income etc	0.4	0.6	1.1
Dividend	0.7	0.3	0.4
Interest and gain on bonds, net	0.0	1.7	7.7
Net capital gains on shares	0.0	2.1	6.3
Total financial income	1.1	5.0	15.9

Capital losses on shares, net	11.5	0.0	0.0
Interest and losses on bonds, net	0.6	0.0	0.0
Interest expenses etc	4.5	4.5	9.3
Exchange differences	0.3	0.0	0.0
Discount effect of the purchase price payable	0.9	0.0	1.5
Total financial expenses	17.8	4.5	10.8

3 Net profit, discontinued operations	H1-13 DKKm	H1-12 DKKm	2012 DKKm
Impairment loss, assets held for sale	-7.0	0.0	-7.0
Tax	1.8	0.0	1.8
Net profit, discontinued operations	-5.2	0.0	-5.2

4 Investment in associates

	H1-13 DKKm	H1-12 DKKm	2012 DKKm
Net asset value at 1 January	22.1	8.6	8.6
Additions for the year	0.0	7.5	15.1
Share of loss before tax	-1.0	-0.3	-1.4
Share of tax	0.0	0.0	-0.2
Impairments	-4.5	0.0	0.0
Dividend	-2.0	0.0	0.0
Net asset value at 30 June / 31 December	14.6	15.8	22.1

Goodwill and other intangible assets recognised and related to the investment in eConscribi International ApS were fully written down at 30 June 2013 since the company's operations and developments are subject to uncertainty.

5 Activities acquired

No companies or activities were acquired in 2013.

In H1 2012, North Media acquired the companies and activities listed below. Financial performance and equity are recognised from the date of acquisition.

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

Those two companies/activities operate within the same business segment and were acquired at almost the same time, and as the acquisitions are individually considered insignificant, the two acquisitions are presented collectively.

North Media A/S calculated identifiable intangible assets, liabilities and contingent liabilities at fair value when acquiring the companies/activities referred to above. The following table shows recognition of those two acquisitions in the Annual Report for 2012:

	Fair value at time of acquisition	Carrying amount before acquisition
Intangible assets	9.8	0.0
Receivables	0.9	0.9
Cash	0.7	0.7
Deferred tax, net	0.4	0.0
Trade payables	-2.4	-2.4
Other payables	-2.8	-2.8
Net assets acquired	6,6	-3.6
Goodwill	25.1	
Acquisition cost	31.7	
Of which, deferred cost	-14.0	
Of which, cash	-0.7	
Net cash acquisition cost	17.0	

The Annual Report for 2012 shows goodwill calculated at DKK 25.1 million, whereas goodwill at 30 June 2012 is recognised at DKK 21.0 million based on preliminary calculations. In the Annual Report for 2012, acquisition costs for the two acquisitions

tions referred to are recognised at DKK 31.7 million. However, the Interim Report for 2013 shows preliminary acquisition costs of DKK 27.3 million.

The changes in acquisition costs are mainly due to the costs comprising both fixed acquisition costs of DKK 26.9 million plus variable costs, which were recognised at DKK 4.8 million in the Annual Report for 2012 and at DKK 5.5 million in the Interim Report for 2013. The variable portion depends on developments in revenue in the period 2014 to 2015. The terms and assumptions underlying the variable acquisition costs are specified in the Annual Report for 2012 to which we refer. The assumptions did not change during the preparation of the Interim Report for 2013.

As stated under Financial review, goodwill and other intangible assets relating to Byggestart.dk/HentTilbud.dk were reviewed for impairment at 30 June 2013. Given the adjusted commercial measures specified in the Interim Report, no indication of impairment was identified at 30 June 2013.

For the period 1 January to 30 June 2013, interest expenses include a discount effect of DKK 0.9 million from the variable share of purchase price payable. This means that interest expenses at 30 June 2013 include a total purchase price payable of DKK 6.4 million relating to the variable acquisition costs.

Activities acquired increased revenue for H1 2012 by DKK 6.3 million and reduced EBIT by DKK 5.0 million. Of this amount, amortisation of intangible assets and integration costs represent DKK 2.6 million in total.



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