



Interim Report 2012

HANDELSBANKEN CAPITAL MARKETS
8 August 2012

Agenda

Presentation by:

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- ▣ H1 2012 in outline
- ▣ Financial development in H1 2012
- ▣ Development in activities
- ▣ Expectations for the rest of 2012

Implementation in H1 2012 as planned based on this year's target areas

1. Retain and improve existing **market positions** and high **efficiency level**
2. Retain high-level **manoeuvrability** and **profitability** in the market for printed matter
3. Perform **business development** of online activities and make strategic acquisitions
4. Ensure high **profitability** and strong **cash flow**

H1 2012 secures both stability and business development

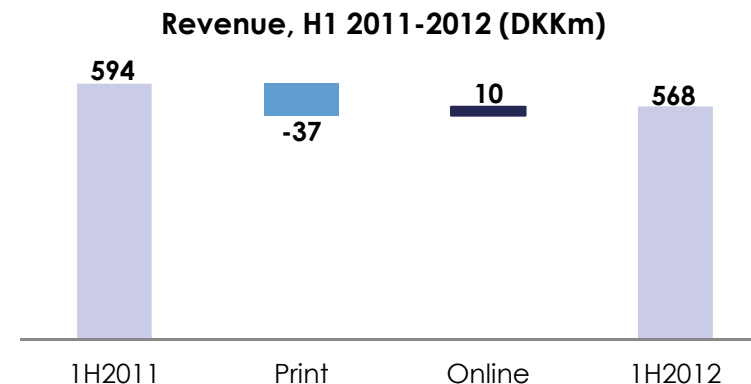
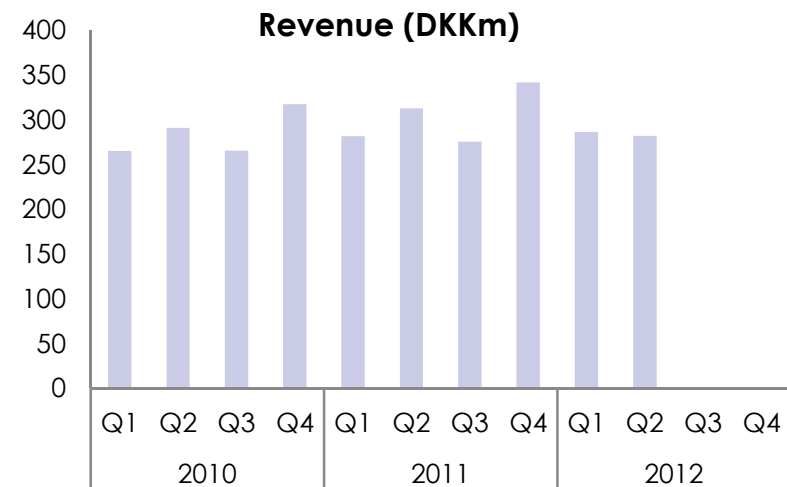
1. New **long-term contracts** with major customers of FK Distribution
2. "Yes to ads" scheme not implemented, instead a levy on unaddressed printed matter will **presumably** be effective from 2013
3. **Increase in door units** with Bekey's electronic key system
4. Editorial improvements and effective sales work at Søndagsavisen lead to **growth in revenue** in a declining market
5. Ofir has completed the **implementation** of a new strategy and anticipates revenue growth in H2
6. **Investment** in the online enterprises Byggestart.dk, HentTilbud.dk and eConscribi secure a stronger online platform
7. MinReklame has increased the number of **online viewings** by approx 75%
8. Reduction in losses from **Online activities** by DKK 8 million.

In brief: Execution and results as expected – stability looking forward

- ▣ **Scheduled** implementation of strategy **in all business areas**
- ▣ Difficult **market conditions** impact on the **distribution business and** reduce earnings. **Long-term contracts** provide stability looking forward
- ▣ Positive development in the newspaper and online segments **compensate in part for this and they develop as expected**

Difficult market conditions for the distribution business affect activities adversely

- ▣ Sales, as expected, down by 4.4% to DKK 568 million after H1 2012
- ▣ Price pressure and lower volumes of distributed printed matter in the distribution market
- ▣ Progress at Søndagsavisen, BoligPortal and from acquisition of online service providers
 - ▣ Δ Print: Down DKK 37 million (or 6.5%)
 - ▣ Δ Online: Up DKK 10 million (or 31.2%)
 - ▣ Effect of acquisitions: A plus of DKK 6 million

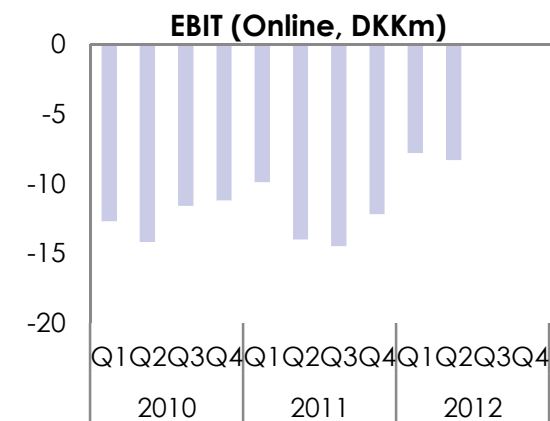
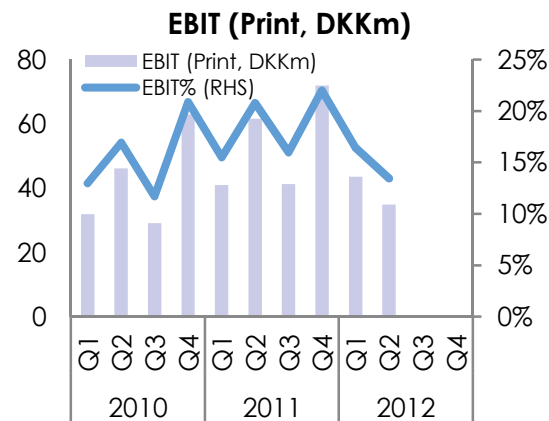
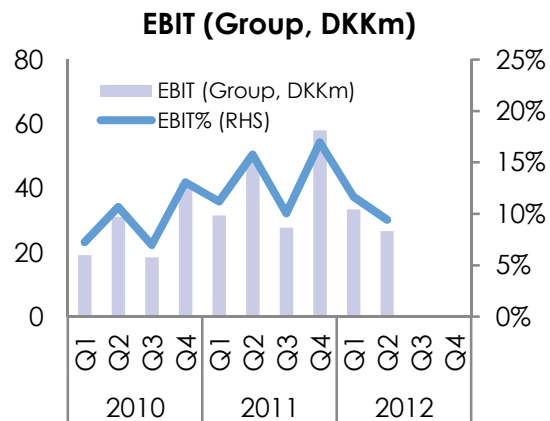


EBIT, as expected, adversely affected by decline in activities

- EBIT of DKK 60 million in H1 2012, equalling a profit margin of 10.6%
 - Δ Print: Down by DKK 24 million
 - Δ Online: Up by DKK 8 million

- Revenue decline at FK Distribution and expenses for acquiring HentTilbud.dk and Byggestart.dk

- Earnings improvement for Søndagsavisen and online activities



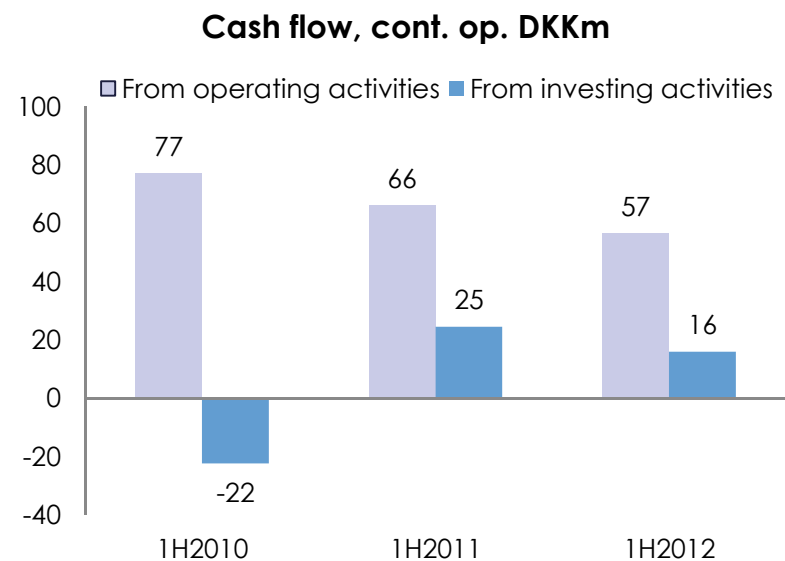
Goodwill increased after acquisition of online service providers

(DKKm)	H12012	H12011
Assets		
Non-current, total	473	441
Current, total	387	278
Trade receivables	101	98
Securities	157	18
Cash	75	112
Equity and liabilities		
Equity	502	468
Non-current liabilities	169	85
Current liabilities	191	165
Net working capital	-62	-45
Equity ratio	58.2%	65.2%

- HentTilbud.dk and Byggestart.dk acquired for a total of DKK 27 million (DKK 10 million in deferred acquisition cost)
- Other investments of DKK 12 million – primarily at FK Distribution (packaging machines)
- Cash of DKK 74.8 million and securities for a total of DKK 157.1 million
- Long-term mortgage loans for a total of DKK 170.5 million

Solid capital resources maintained

- ❑ Cash flow from operations lower due to decline in operating profit
- ❑ DKK 59 million in dividend paid in H1 2012
- ❑ DKK 24.5 million was invested in acquisitions
- ❑ Net interest-bearing cash position of DKK 61 million as at 30 June 2012



High-level efficiency, but tightened market conditions for FK Distribution

- Good performance of FK Distribution continues, but H1 2012 sales affected by pressure on volumes and prices
 - Price competition continues – market balance maintained
 - “No ads, please” portion up
- Strengthening of market position to secure stability and efficiency looking forward
 - Long-term distribution contracts signed with existing and new customers in H1 2012



"No ads, please" scheme continues, but levy on unaddressed printed matter presumably introduced in 2013

- Political intervention on a "Yes to ads" scheme avoided – a levy on unaddressed printed matter expected to be introduced in 2013
- Competitive and market conditions now expected to aggravate further in H2 2012
 - Lower printed matter volumes in the market
 - Protection of market position and expansion of business decisive for continued success
 - Will affect the level of activities more negatively than originally foreseen



Søndagsavisen's success is roaring up

- Focus on efficient sales. Quality and product optimisation pays off in a market influenced by fierce competition
- Revenue growth based on +20% increase in advertisements in H1 2012
 - High order book on advertisements for the rest of 2012
 - Job market contributes only marginally to revenue
- Increased profits support the goal of profitability at Group level in Q1 2013



Efficiency and synergies to improve newspapers' profit margin

- ▣ Declining revenue for Helsingør Dagblad and Lokaltavisen Nordsjælland in the end of 2011 has led to losses in H1 2012
- ▣ Optimisation and rationalisation carried through in H1 2012 to respond to developments
 - ▣ Newspaper sales
 - ▣ Administration
 - ▣ Advertisement sales
 - ▣ Advertisement production
- ▣ Heading for improved profit margin as of the end of 2012



Helsingør Dagblad

Ofir ready for revenue growth

- New strategy fully implemented
- Massive marketing of new Ofir platform has continued in H1 2012 and has created a solid no 2 position in the online market
 - Customer activity, degree of recognition, number of visitors and other KPIs are on a steady rise
 - As budgeted, the considerable activity has led to a substantial operating loss in H1 2012 – growth and increased market shares are expected as from H2 2012
- Acquisition of share in eConscribi International strengthens the Ofir platform

- E-recruitment solution which handles the process from advertisement to contract
- Ofir is the sole distributor of licences in Denmark and will replace its own recruitment system with eConscribi's solution



Strengthening of online platform through acquisitions

- In the beginning of 2012, Byggestart.dk and HentTilbud.dk were acquired
 - Both companies are online service providers arranging construction projects and offers between builders and private developers
 - Total acquisition price came to DKK 27 million plus a revenue-based earn-out
- Contribute to revenue from day one – the integration work and further development in Q2 2012 have enhanced the potential - growth expected in the quarters ahead

BYGGESTART.dk

Find din håndværker via Byggestart.dk

- ✓ Landsdækkende med +1000 håndværkerfirmaer tilknyttet
- ✓ Du får hurtigt tilbud fra op til 3 af dem
- ✓ Det er gratis og uforpligtende
- ✓ Brugerbedømmelser af håndværkerne ★★★★★

Indtast din opgave ▶

HAR DU
ET BYGGEPROJEKT
- SÅ START HER

HentTilbud
Indtast dine ønsker og få op til 3 uforpligtende tilbud

Progress and break-even for other online activities

- Effective and focused execution of online strategy emphasising positive operations and realisation of potential creates progress in all units
- BoligPortal.dk and BostadsPortal.se have improved their market positions and experience increased traffic and more advertisements
- MinReklame.dk and Søndagsavisen.dk have seen substantial growth in the number of users and page clicks - the development of new products continues
- MatchWork.com generated a profit in H1 2012 after considerable adjustments and scaling-down of activities in 2011



Management's agenda for H2 2012

- ▣ Act under reduction of volumes of printed matter on **FK Distribution's** market – efficiency and strengthening of customer relations in order to maintain market position
- ▣ Create basis for further growth in advertisements in **Søndagsavisen** and profit from editorial synergy effects
- ▣ Initiate realisation of growth and earnings potential in **Ofir** and further strengthening of market position through marketing
- ▣ Integration of **HentTilbud.dk** and **Byggestart.dk** and continuous optimisation of **online platform**
- ▣ Plan on buying back approx 1 million treasury shares (approx 5%) to cover new share option programme – principal shareholder participates

EBIT expectations for 2012 down due to lower volumes of printed matter

2012 (expected)

- ▣ Revenue: DKK 1,050-1,150 million
- ▣ EBIT: DKK 80-110 million
 - ▣ Print: DKK 115-145 million
 - ▣ Online: Loss of DKK 35 million
- ▣ Investments: DKK 26 million
- ▣ Amortisation/depreciation: DKK 34 million

2011 (realised)

- ▣ Revenue: DKK 1,212 million
- ▣ EBIT: DKK 167 million
 - ▣ Print: DKK 216 million
 - ▣ Online: Loss of DKK 51 million
- ▣ Investments : DKK 16 million
- ▣ Amortisation/depreciation: DKK 33 million

Lower volumes of printed matter expected for H2 2012. Unchanged execution of strategy

- ▣ As expected, **poorer performance** in H1 2012
- ▣ **Increasingly difficult market conditions** will affect the distribution business **in future**
- ▣ The conclusion of **long-term contracts** provides **stability** for the distribution business
- ▣ **Unchanged implementation** of strategy on Søndagsavisen and online activities

www.northmedia.dk

Financial calendar for 2012

1 November 2012 Interim Management Statement for Q3 2012