

INTERIM MANAGEMENT STATEMENT FOR Q1 2014



8 May 2014

Company announcement no 05-14

Execution of initiatives launched progresses as planned. Revenue and profit for Q1 2014 are as anticipated, and earnings expectations for FY2014 remain unchanged.

- Group revenue for Q1 2014 is DKK 258.3 million and EBIT stands at DKK 11.7 million. This performance is as anticipated.
- Group EBITDA for Q1 2014 is DKK 23.9 million.
- Total earnings expectations remain unchanged.
- Implementation of No Ads+ and other strategic initiatives progress as planned.
- The Group's net interest-bearing cash position is DKK 2.0 million, and capital resources come to DKK 212.2 million at 31 March 2014.

The Group's revenue and financial results for Q1 2014 were largely on a par with Q1 2013. FK Distribution's revenue declined by 10% as expected, primarily due to structural market developments, but also due to continued unfair competition represented by Post Danmark, which cross-subsidises its prices. Newspaper activities, however, helped to considerably up revenue for Q1 2014 compared to Q1 2013, mainly due to the acquisition in autumn 2013 of eight local newspapers in the Copenhagen area. Further, revenue for Q1 2014 is negatively influenced by Easter of 2013 falling in Q1 whereas Easter of 2014 fell in Q2.

Group EBIT for Q1 2014 is DKK 11.7 million, which is DKK 4.1 million down on Q1 2013. This is mainly due to the financial results for 2014 including a further DKK 3 million in amortisation of intangible assets relating to the acquisition of eight local newspapers based in the Copenhagen area. Further, Easter affected revenue negatively for 2014 as referred to above.

FK Distribution continues to implement No Ads+ at www.minetilbud.dk. Having opted for No Ads+, consumers only receive printed matter of their choice.

The post markets are changing fast. FK Distribution develops solutions for future post markets, and therefore the company is in the process of transforming its business into a high-tech distribution business offering a product range catering for future needs.

Except for the island of Bornholm, the No Ads+ product is offered to consumers all over Denmark. In the week of 28 April 2014, a marketing campaign was launched with a view to raising awareness about the product. In addition, FK Distribution has extended its activities by offering addressed and segmented distribution of printed matter. Work is progressing as planned, and the first contracts have been signed with customers. The third most important measure taken by FK Distribution is the refinement of its digital services. Minetilbud.dk has been launched as a replacement for Forum.dk and MinReklame.dk. Also, an updated web version with new features as well as relaunched apps for IOS and Android are being tested.

BEKEY continues rollout of the electronic access control at the municipal market.

Q1 2014 saw fewer municipal tenders than expected. Not only Danish municipalities use the BEKEY system, it is also being used in Malmö, Sweden. The process of preparing the product for the private market is proceeding as planned.

Søndagsavisen and the eight Copenhagen mid-weeklies acquired realised the synergies planned for.

At the beginning of 2014, the market for ads was weaker than expected. Revenue from the Group's total newspaper activities, however, grew considerably as a result of the acquisition of eight Copenhagen newspapers. The planned operating and cost synergies plus enhanced efficiency and sales optimisation measures were implemented according to plan.

Ofir's sale of the Emply recruitment system satisfied expectations.

One of Ofir's strategic focus areas, the electronic Emply recruitment system, developed positively, landing the expected number of contracts and realising very stable and satisfactory operations. The sale of the other key product, namely ads for media in Ofir's job universe selected through the Ofir media selection page, developed slightly below expectations. The planned cost reduction measures were implemented as predicted.

The implementation of Byggestart.dk's revised concept progressed as planned in Q1-2014.

However, there are challenges with scalability of the business. During the second quarter of 2014, Byggestart must show increased volume and the desired revenue growth.

BoligPortal.dk has maintained its leading position in the market for advertising rental housing.

The rental housing market developed as expected in Q1 2014, and BoligPortal.dk increased revenue by two-digit growth rates. Growth in the new market place for self-sale of co-operative and owner-occupied dwellings, however, is lower than expected.

Expectations for Group revenue and performance for FY2014 remain unchanged

Overall, the Group's revenue is expected to still range from DKK 1,060 million to DKK 1,110 million for 2014. Group EBIT for 2014 is expected to remain in the range of DKK 50 million to DKK 75 million for 2014.

FINANCIAL PERFORMANCE

As expected, the Group's revenue for Q1 2014 is on a par with that for Q1 2013.

Group revenue for Q1 2014 is DKK 258 million.

This is 2% down on Q1 2013 when it was DKK 263 million.

Revenue developed as expected. Uncertainty still exists as to how or when the act imposing tax on printed matter adopted on 1 January 2013 will be enforced. The anticipation of such tax as well as structural market developments have resulted in less printed matter and lower weight per printed leaflet. Further, FK Distribution is heavily influenced by the disputed price competition as represented by Post Denmark. As expected, FK Distribution's revenue fell by 10% in Q1 2014 compared to the same period last year.

Following a successful end of 2013, the ad market proved weaker than expected in Q1 2014. Consequently, revenue growth for the Group's total newspaper activities is lower than expected. Compared to Q1 2013, however, growth is much higher due to the acquisition of eight mid-weeklies based in Frederiksberg and in the Copenhagen areas effective from 1 November 2013.

The planned operating and cost synergies were realised, and while revenue for all of the newspaper activities increased by nearly 40% from Q1 2013 to Q1 2014, variable and fixed costs only went up by 15% in that period.

BEKEY realised revenue below expectations, however, at a level considerably higher than last year's level. Nonetheless, revenue still represents a very small percentage of revenue for the entire Print segment.

Revenue for the Print segment as a whole went down from DKK 239.2 million in Q1 2013 to DKK 233.5 million in Q1 2014. This represents a 2% decline, which is due to the revenue decline realised by FK Distribution referred to above. However, this decline is compensated for by growth in the newspaper activities.

The Online segment saw revenue growth of 4% when comparing Q1 2013 to Q1 2014.

DKKm	Q1 YTD		Revenue					
	2014	2013	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Year 2013
Print	233.5	239.2	233.5	276.9	210.7	243.9	239.2	970.7
<i>Index cp. same period last year</i>	97.6	91.5	97.6	102.1	91.7	95.5	91.5	95.4
Online	24.8	23.8	24.8	22.2	21.8	23.2	23.8	91.0
<i>Index cp. same period last year</i>	104.2	114.4	104.2	102.8	99.1	103.1	114.4	104.7
Group revenue	258.3	263.0	258.3	299.1	232.5	267.1	263.0	1,061.7
<i>Index cp. same period last year</i>	98.2	93.2	98.2	102.2	92.4	96.1	93.2	96.1
DKKm	Q1 YTD		EBIT before special items					
	2014	2013	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Year 2013
Print	16.8	23.2	16.8	36.6	10.0	16.5	23.2	86.3
<i>Profit margin</i>	7.2%	9.7%	7.2%	13.2%	4.7%	6.8%	9.7%	8.9%
Online	-4.2	-6.8	-4.2	-8.8	-5.4	-5.1	-6.8	-26.1
<i>Profit margin</i>	-16.9%	-28.6%	-16.9%	-39.6%	-24.8%	-22.0%	-28.6%	-28.7%
Unallocated costs/income	-0.9	-0.6	-0.9	1.9	1.3	0.6	-0.6	3.2
Group EBIT	11.7	15.8	11.7	29.7	5.9	12.0	15.8	63.4
<i>Profit margin</i>	4.5%	6.0%	4.5%	9.9%	2.5%	4.5%	6.0%	6.0%

Revenue growth in the Online segment is lower than expected, which is mainly due to lower growth in Ofir's sale of advertising products and BoligPortal.dk's sale of co-operative and owner-occupied dwellings.

Group EBIT for Q1 2014 is DKK 11.7 million. This performance is DKK 4.1 million down on the same period last year.

Although total revenue for Q1 2014 is on a par with that for Q1 2013, profit is somewhat lower. The main reason is that profit for 2014 includes DKK 3 million in amortisation of intangible assets related to the acquisition of eight mid-weeklies effective from 1 November 2013. Also, Q1 financial performance is negatively influenced by the fact that Easter fell in Q1 2013 as opposed to 2014 when Easter fell in Q2.

Group EBITDA is DKK 23.9 million for Q1 2014, which is on a par with that for Q1 2013, meaning DKK 24.0 million.

EBIT for the Print segment is DKK 16.8 million for Q1 2014, and profit margin is 7.2%.

For Q1 2014, the Print segment realised EBIT of DKK 16.8 million, which is DKK 6.4 million down on the same period last year. The profit decline is mostly due to a lower profit realised by FK Distribution whereas the newspaper activities performed much better. Once again, BEKEY realised a considerable operating loss resulting from product ripening.

EBIT for the Online segment remains negative, but the planned improvement materialised.

EBIT for Q1 2014 for the Online segment is a negative DKK 4.2 million, meaning an improvement of DKK 2.6 million compared to Q1 2013 and an improvement of DKK 4.6 million compared to Q4 2013.

The operating loss for the Online segment is mainly attributable to operating losses of Byggestart.dk and HentTilbud.dk and to losses realised by Ofir.dk resulting from product development costs.

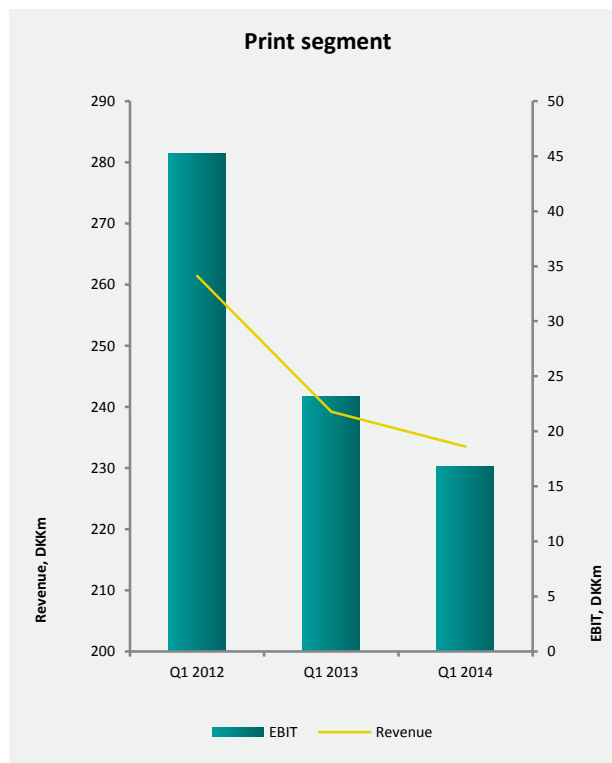
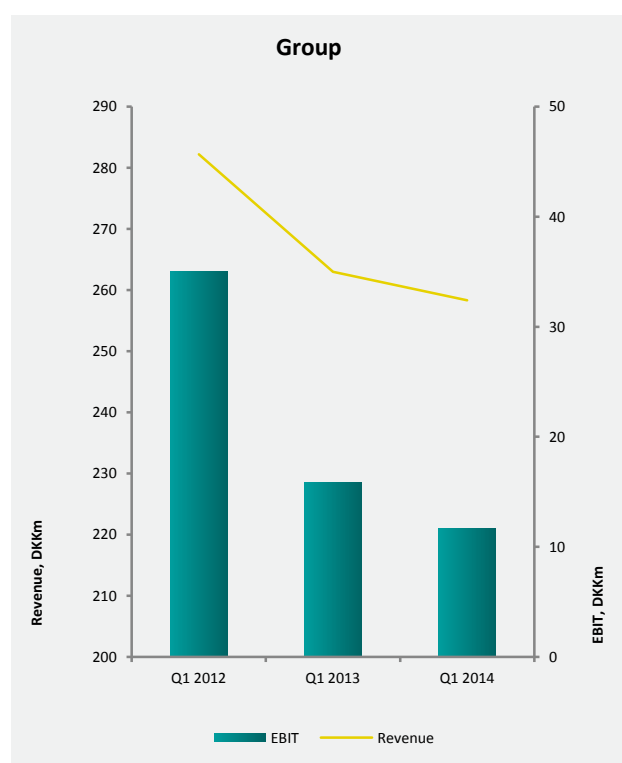
Positive net-interest bearing cash position secures a continued high level of financial manoeuvrability.

At 31 March 2014, the Group's net interest-bearing cash position is DKK 2.0 million, meaning an increase of DKK 7.0 million compared to 31 December 2013.

The net interest-bearing cash position includes cash of DKK 67.7 million, blue-chip shares for DKK 56.7 million, corporate and mortgage bonds for DKK 87.8 million, mortgage debt and interest rate swaps totalling DKK 157.0 million and acquisition price payable of DKK 52.8 million in total.

The Group's share holdings consist of investments in a range of Danish and foreign blue-chip shares in information technology, health care and industry.

Those securities yielded DKK 2.8 million, or 2.1%, for Q1 2014.



Expectations for Group revenue and performance for 2014 remain unchanged.

So, the Group's revenue for 2014 is expected to still be in the range of DKK 1,060 million to DKK 1,110 million.

Revenue growth for the Online segment is still expected to be 20%, meaning that revenue will stand at DKK 110 million.

Accordingly, EBIT expectations for the Online segment for 2014 remain in the range of a negative DKK 5 million to a negative DKK 10 million.

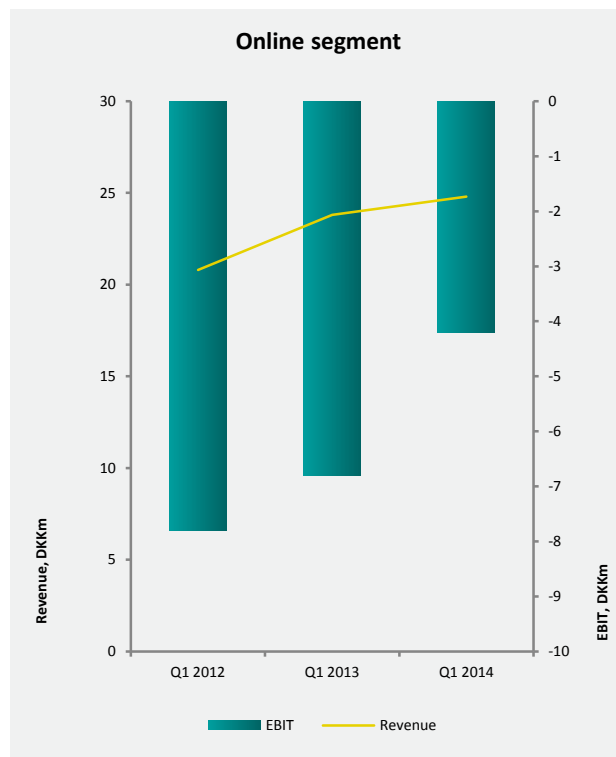
The Group's EBIT for 2014 is expected to still range from DKK 50 million to DKK 75 million.

In 2013, Group EBITDA was DKK 99.4 million, and it is expected to range from DKK 96 million to DKK 121 million for 2014.

Due to Easter falling in April 2014, the performance for Q2 2014 is expected to be better than that realised for Q2 2013.

The developments seen in some of the key markets in which North Media operates remain a challenge causing uncertainty as to the estimation of changes in revenue and performance for future quarters.

The Group's investments for 2014 are estimated at approx DKK 30 million whereas ordinary amortisation/depreciation is estimated at approx DKK 46 million.



Events after the balance sheet date

The Board of Directors and the Executive Board are not aware of any significant events having occurred since 31 March 2014 which would have a material impact on the financial position of the Group.

Please contact Lars Nymann Andersen, CEO, or Kåre Wigh, CFO, at +45 39 57 70 00 for further information.

This Interim Management Statement for Q1 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.



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