

4 November 2011

Company announcement no 12-11

Interim Management Statement for Q3 2011 of North Media A/S

North Media A/S continues earnings growth. The Group's EBIT reached DKK 108.5 million in Q3 2011 year-to-date which is almost DKK 40 million up on the same period in 2010. EBIT expectations for FY 2011 are adjusted upwards from DKK 130 million to 150 million to DKK 150 million to 160 million.

Year-to-date

- In the first three quarters of 2011, the Group's revenue was DKK 869.9 million, or 6% up on the same period last year. The growth was generated through the printing activities.
- EBIT reached DKK 108.5 million for Q3 2011 year-to-date. This corresponds to an increase of DKK 39.8 million compared to Q3 2010 year-to-date. The pick-up is attributable to revenue growth and reduced costs in printing activities.
- At 30 September 2011, the Group has cash reserves of DKK 121.8 million and a portfolio primarily containing bonds totalling DKK 134.1 million. Mortgage debt comes to DKK 165.8 million. The Group's net interest-bearing cash position including securities totalled DKK 90.1 million.

Third quarter

- The Group's revenue for Q3 2011 comes to DKK 275.6 million, a 4% increase compared to Q3 2010. The growth in earnings is attributable to the Print segment with particularly distributing activities continuing to develop positively.
- EBIT is DKK 27.7 million for Q3 2011 against DKK 18.5 million for Q3 2010, or an increase of DKK 9.2 million. This performance represents a profit margin of 10.1% compared to 7.0% in Q3 2010.
- Most of the earnings increase has been realised through printing activities with EBIT for Q3 2011 coming to DKK 41.3 million, an improvement of DKK 12.2 million on the same period last year. This earnings increase is a result of improved sales and cost reductions.
- The online activities remain adversely influenced by the weak job advertisement market and costs for increasing marketing activities for Ofir. In Q3 2011, revenue was slightly higher than in Q3 2010. The operating loss has gone down by DKK 2.9 million, coming to DKK 14.5 million for Q3 2011.

Outlook for 2011 and 2012

- In 2011, the Company is focusing on examining the business models of loss-making activities and market perspectives. As a result of these efforts, Lokalia was closed down and Matchwork activities were scaled down. Heavy investments are made in the new strategy for Ofir, which will have a negative impact on performance in the short run.
- Expectations for the Group's revenue for 2011 are maintained at DKK 1,175 million to 1,225 million. The Group's EBIT expectations are adjusted upwards from DKK 130 million to 150 million to DKK 150 million to 160 million.
- Intensified price competition on the market for distributing printed matter is expected to have an adverse effect on FK Distribution's performance, and thus on the Group's performance, in 2012. The

Group's earnings expectations for 2012 will be announced when the 2011 Annual Report is published.

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

FINANCIAL REVIEW

North Media A/S continues earnings growth in 2011 thanks to increasing activities and improved efficiency. EBIT for Q3 2011 is DKK 27.7 million, which is an increase of DKK 9.2 million, or 50%, compared to the same period last year.

Revenue and financial performance

In Q3 2011, **the Group's revenue** went up by 4% compared to Q3 2010 in both the Print and the Online segments. In the period since the beginning of the financial year, the Group's revenue has gone up by 6%, primarily driven by progress in printing activities. Revenue from online activities declined by 6%.

DKK m	Revenue									
	Q3 YTD		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Year
	2011	2010	2011	2011	2011	2010	2010	2010	2010	2010
Print	819.8	767.9	258.5	296.5	264.8	301.6	249.0	273.1	245.8	1,069.5
<i>Index compared to the same period of last year</i>	<i>106.8</i>	<i>109.4</i>	<i>103.8</i>	<i>108.6</i>	<i>107.7</i>	<i>118.1</i>	<i>109.7</i>	<i>110.4</i>	<i>107.9</i>	<i>111.7</i>
Online	50.1	53.5	17.1	16.2	16.8	15.7	16.4	17.7	19.4	69.2
<i>Index compared to the same period of last year</i>	<i>93.6</i>	<i>96.6</i>	<i>104.3</i>	<i>91.5</i>	<i>86.6</i>	<i>98.7</i>	<i>92.7</i>	<i>93.7</i>	<i>103.2</i>	<i>97.1</i>
Group revenue	869.9	821.4	275.6	312.7	281.6	317.3	265.4	290.8	265.2	1,138.7
<i>Index compared to the same period of last year</i>	<i>105.9</i>	<i>108.4</i>	<i>103.8</i>	<i>107.5</i>	<i>106.2</i>	<i>117.0</i>	<i>108.5</i>	<i>109.2</i>	<i>107.5</i>	<i>110.7</i>

In Q3 2011, **The Print segment** upped revenue by DKK 9.5 million or 4%, mainly driven by FK Distribution. However, Søndagsavisen has also shown progress in activities. For Q1 to Q3 2011, revenue generated by the Print segment went up by 7%, which is also attributable to growth for both FK Distribution and Søndagsavisen. In Q3, this segment realised EBIT of DKK 41.3 million (DKK 29.1 million in Q3 2010), or a profit margin of 16%, and has year-to-date realised an increase of DKK 36.7 million to the effect that EBIT comes to DKK 143.9 million, or a profit margin of 18%.

Revenue from the **Online segment** went up by 4% in Q3 2011 compared to the same period last year. This is primarily attributable to Boligportal's growth. For 2011 year-to-date, revenue dropped by 6% due to declines in both Ofir and MatchWork, which is compensated for, however, by BoligPortal's continued growth. In total, EBIT for the online activities was largely unchanged on 2010 as an overall consequence of increased investments in Ofir, the closure of Lokalia and the restructuring of MatchWork.

DKK m	EBIT before special items									
	Q3 YTD		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Year
	2011	2010	2011	2011	2011	2010	2010	2010	2010	2010
Print	143.9	107.2	41.3	61.6	41.0	63.0	29.1	46.2	31.9	170.2
<i>Profit margin</i>	<i>17.6%</i>	<i>14.0%</i>	<i>16.0%</i>	<i>20.8%</i>	<i>15.5%</i>	<i>20.9%</i>	<i>11.7%</i>	<i>16.9%</i>	<i>13.0%</i>	<i>15.9%</i>
Online	-38.4	-38.5	-14.5	-14.0	-9.9	-11.2	-11.6	-14.2	-12.7	-49.7
<i>Profit margin</i>	<i>-76.6%</i>	<i>-72.0%</i>	<i>-84.8%</i>	<i>-86.4%</i>	<i>-58.9%</i>	<i>-71.3%</i>	<i>-70.7%</i>	<i>-80.2%</i>	<i>-65.5%</i>	<i>-71.8%</i>
Unallocated costs	3.0	0.0	0.9	1.7	0.4	-10.3	1.0	-1.0	0.0	-10.3
Group EBIT, continuing operations	108.5	68.7	27.7	49.3	31.5	41.5	18.5	31.0	19.2	110.2
<i>Profit margin</i>	<i>12.5%</i>	<i>8.4%</i>	<i>10.1%</i>	<i>15.8%</i>	<i>11.2%</i>	<i>13.1%</i>	<i>7.0%</i>	<i>10.7%</i>	<i>7.2%</i>	<i>9.7%</i>
Discontinued operations	-1.6	-2.1	-0.4	-0.6	-0.6	0.0	-0.8	-0.6	-0.7	-2.1
Group EBIT	106.9	66.6	27.3	48.7	30.9	41.5	17.7	30.4	18.5	108.1

The segment of unallocated income/expenses consists of group-related activities which are not allocated to the operating activities in the Print and Online segments. It also includes the operation and renting of the Group's three properties. The properties are rented to the Group's operating companies on market terms.

The Group's EBIT (continuing operations) for Q3 2011 was DKK 27.7 million compared to DKK 18.5 million in Q3 2010, increasing the profit margin from 7.0% to 10.1%. Since the beginning of the financial year, the Group's total EBIT (continuing operations) has come to DKK 108.5 million compared to DKK 68.7 million for Q1 to Q3 2010, for which reason a 12.5% year-to-date profit margin has been realised. The earnings improvement is driven by the Print segment. Søndagsavisen follows its plan to achieve break-even group results by Q1 2013. The results generated by the Online segment are up to expectations. The efficiency-improving measures taken in 2010 and in early 2011 have been released for purposes of further product improvement and marketing activities, particularly regarding Ofir.

Since 1 January 2011, costs totalling DKK 1.6 million were incurred in respect of the discontinued operations of Helsingør Dagblad's printing press. The costs relate to operation and maintenance of buildings. Efforts are continually made to sell the property or, alternatively, to improve sales prospects by renting all or part of the property to external lessees.

Balance sheet and cash and cash equivalents

Having distributed dividend of DKK 275 million in May 2011, the Group had cash and cash equivalents of DKK 111.7 million at 30 June 2011. Mortgage debt, including the value of interest-rate swaps, was DKK 87.2 million.

It is the Group's policy only to have debt in the form of mortgage lending on its properties. In Q3 2011, the Group has upped the mortgage lending in the Group's three owner-occupied properties with a view to obtaining a committed facility for any future acquisitions within the online activities. As yet, the proceeds have been invested in mortgage bonds to reduce the interest-rate risk.

At 30 September 2011, the Group holds cash and mortgage bonds worth DKK 250.5 million as well as a share portfolio worth DKK 5.4 million. Mortgage debt, including the value of interest-rate swaps, was DKK 165.8 million. After the balance sheet date, the Group has purchased DKK 50 million worth of listed shares.

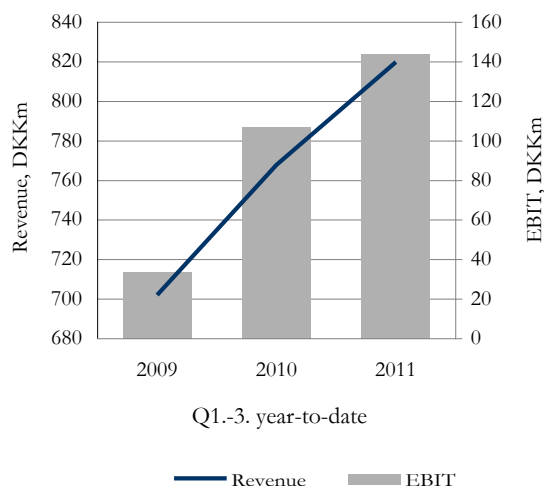
The Group's net interest-bearing cash position including securities totalled DKK 90.1 million at 30 September 2011. Compared to the balance sheet at 30 June 2011, this represents an increase of DKK 48.0 million that is attributable to the performance for the period and improved working capital.

BUSINESS ACTIVITIES

Continued growth in printing activities, where both FK Distribution and Søndagsavisen have seen increased revenue. Sharper focus in online activities as investments are upped for Ofir, while other loss-making activities have been discontinued or restructured.

Performance of FK Distribution and Søndagsavisen ensures positive development in the Print segment

The Group's Print segment consists of the distribution activities for FK Distribution, Bekey as well as the newspapers of Søndagsavisen, Helsingør Dagblad and Lokaltidningen Nordsjælland.



FK Distribution has maintained growth in 2011 thanks to increased revenue and continued cost reductions. Accordingly, FK Distribution is the primary driving force in the earnings improvement of the Print segment. However, FK Distribution experiences fiercely increased price competition on the market for distributing unaddressed printed matter, which must be expected to impact adversely on FK Distribution's performance for 2012.

Door-to-door distributed advertisements are discussed in the media from time to time. Countless and repeated consumer surveys show quite clearly that consumers receive speedy and convenient information on the supply and prices of products, and that this form of informative printed advertisement material provides a more active competition based on factual information on products, features and price. The active price competition in the retail trade benefits consumers who in this way obtain less expensive products. Overall, Danish households realised annual savings of DKK 15.4 billion in 2010 on grocery shopping thanks to the door-to-door distributed advertisements.

Moreover, door-to-door distributed advertisements are by far the consumers' preferred advertisement tool. Eight out of ten recipients use the printed advertisement material to actively hatch ideas on what to buy and consider it an information medium providing practical orientation and perspective.

In co-operation with the Danish Chamber of Commerce and other professional bodies, FK Distribution seeks to increase politicians' and other stakeholders' specific knowledge about the significance of printed advertisement material to Danish households and its general pro-competitive role.

As mentioned in Company announcement no 11-11, dated 7 October 2011, the recently published government platform contained a proposal to investigate whether a "yes to ads" scheme could be adopted. No specific proposal exists on how and when such change of legislation for the advertisements market is to

take place, rendering it impossible to determine how this could influence FK Distribution should such scheme be introduced.

Søndagsavisen maintains growth in the non-job advertisement revenue, accordingly gaining market shares. Year-to-date, revenue from this segment is up by almost 20% compared to the same period in 2010. The growth is mostly realised through regional advertisers with a considerable advertisement requirement, whereas the print job advertisement market continues to decline. The initiatives taken are still expected to make the newspaper profitable at group level by the beginning of 2013 when including FK Distribution's contribution margin from the distribution of Søndagsavisen.

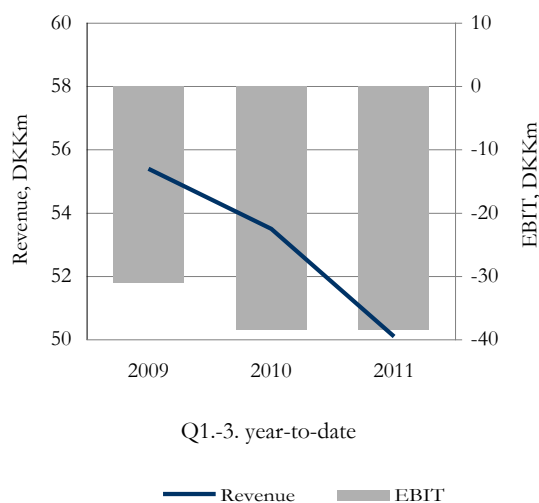
Continuous efforts are made to increase the quality of Søndagsavisen and to improve the efficiency of advertisement sales, for instance by making IT tools available to customers to enable them to place ads themselves.

Helsingør Dagblad and Nordsjællands avis continue up the positive path, and most recently the product portfolio was expanded with the "rabatten i dag" scheme (today's discount), offering the papers' readers discounts at local shops located in the papers' distribution area.

The Bekey activity which is an electronic key system facilitating access to locked stairways continues to receive positive acclaim as its roll-out progresses. Agreements have been made with a number of managers of rental properties with a view to installing the electronic device at the street door to enable paper boys/girls and other authorised persons to access locked stairways through their mobile phone during the time span when access has been granted. The system has been refined so that it also works for the doors of individual apartments.

Heavier focus on adaptation of online activities

The Group's Online segment consists of Ofir.dk, MatchWork.com, Søndagsavisen.dk, BoligPortal.dk, MinReklame.dk as well as Væksthuset, including BostadsPortal.se.



Ofir's market position in the private job market remains weak in a generally very frail job market. And it is still too early to see any effects of the new strategy and massive marketing efforts on sales. It is, however, considered satisfactory that the unassisted awareness of Ofir has gone up from 4% in the summer of 2010 to over 20% now. We have also successfully moved more than 200 customers to the self-service universe, referred to as "annoncebyggeren" (the ad builder) by Ofir and Søndagsavisen.

The complete standstill characterising the public job market in the first half of 2011 had slowly softened up, only to freeze again in September when the election was called, bringing all recruitment to a halt. Expectations are that the public job market will return to conditions slightly more normal in the beginning of 2012, which will benefit Ofir as a result of its stronger market position on the market for public job advertisements.

MinReklame.dk and Søndagsavisen.dk have been combined organisationally in order to benefit more from the more than 300,000 monthly users of those sites. Those companies have struck a balance in terms of financial results, and efforts are made to develop a model for how to capitalise more on the considerable number of users.

Boligportal.dk is still experiencing satisfactory growth in sales and earnings. Major investments are made in future-oriented activities to maintain and strengthen Boligportal's current position as market leader.

Væksthuset, the primary activity of which is to develop the BostadsPortal.se site, continues its efforts to create a market place for housing advertisements in the Swedish market, thereby constituting a counterpart to the Danish Boligportal.dk.

MatchWork has undergone extensive restructuring and will at year-end 2011 have struck a balance in terms of financial results. MatchWork now focuses on servicing its existing customers efficiently and only to a limited degree on creating new sales.

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 September 2011 which would have a material impact on the financial position of the Group.

EXPECTATIONS FOR THE FINANCIAL YEAR 2011

The Group's revenue for continuing operations is expected to remain unchanged, totalling DKK 1,175 million to 1,225 million.

The Group's EBIT is now expected to total DKK 150 million to 160 million compared to the previous expectations of DKK 130 million to 150 million.

This document is an unofficial translation of the Danish original. In the event of any inconsistencies the Danish version shall apply.