

1 November 2012

Company announcement no 19-12

INTERIM MANAGEMENT STATEMENT FOR Q3 2012 OF NORTH MEDIA A/S

In Q3 2012, North Media's activities developed satisfactorily and in line with expectations, taking account of the difficult market conditions, for which reason the expectations for 2012 previously announced are maintained and specified.

Q3 2012 – market development stabilised

- Group revenue has dropped by 7.3% to DKK 255.6 million compared to last year. Development in distribution activities with lower volumes of printed matter is as expected, whereas revenue from newspapers and the Online segment continues to improve.
- Profit from ordinary operations (EBIT) comes to DKK 12.9 million, or a profit margin of 5.0% against 10.1% last year. Profit from the Online segment and *Søndagsavisen* continues to improve, whereas earnings from FK Distribution have declined due to the market trends.
- North Media has granted share options to the Executive Board and executive staff, and in August and September, the Group acquired treasury shares to cover the share option scheme.

Q1-Q3 2012 – revenue and performance match expectations

- Revenue of the Group stands at DKK 823.7 million, corresponding to a drop of 5.3% on the same period last year.
- EBIT from continuing operations amounts to DKK 72.9 million against DKK 108.5 million last year. Accordingly, the profit margin stands at 8.9% compared to 12.5% last year.
- The Group's net interest-bearing cash position is DKK 56.3 million at 30 September 2012. Cash and cash equivalents, bonds and shares amount to DKK 226.3 million, whereas mortgage lending stands at DKK 170 million.

Expectations for 2012 – maintained and specified

- Expectations for the Group's revenue for 2012 are maintained at DKK 1,050 million to 1,150 million. EBIT expectations are specified from the previously announced DKK 80 million to 110 million to now DKK 90 million to 110 million.

Expectations for 2013 – lower revenue and poorer performance

- In 2013, both newspaper and online activities are expected to keep up their earnings increase. The volume of printed matter, however, is expected to decline for FK Distribution due to an increase in the number of households not accepting printed matter. If a levy on advertisements is adopted, expectations are that it will adversely affect the volume of printed matter further. For these reasons, the Group's total revenue and earnings are expected to drop.
- Earnings expectations for 2013 will be issued in connection with the publication of the 2012 Annual Report.

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

THANKS TO DISCIPLINED EFFORTS, PERFORMANCE FOR Q3 TURNS OUT AS EXPECTED

In aggregate, the revenue and performance of North Media's subsidiaries turned out as expected in Q3 2012. The financial objectives for 2012 are thus maintained, whereas the span in the earnings expectations is narrowed down.

Since the dawn of the year, it has been clear that the market conditions for FK Distribution would prove difficult. Partly as a result of the retail trade being massively pressured by the trends of the society in general, and partly due to possible political intervention and new bills. The consequence was a certain restraint in the demand for distribution of printed matter from the retail trade. In the other companies in the Print segment, the improvement in text advertisements etc achieved by the newspapers has continued. Therefore, expectations remain that the objective of a positive contribution to earnings at group level will be met from Q1 2013. The development of the business foundation, for both existing and new products, has thus set the agenda and contributed to securing the market position.

Since Management implemented an amended review of and a continuous follow-up on business strategies and objectives for the online activities, these activities have shown progress. The focus on being the leading player in selected verticals within jobs, housing, construction offers and advertisements has created a stronger online foundation which has seen growth and improved operating results. This development has continued in Q3 2012.

In the words of CEO Lars Nymann Andersen: "2012 proved a challenging year, particularly for North Media's largest business area, distribution. I am satisfied that we have entered into long-term contracts with our distribution customers. I also find it positive that we have increased our market shares in the newspaper and online segments and improved our top and bottom lines. We have continuously improved our competitive edge and Q3 has progressed according to plan."

"In 2013, it is key that we continue to develop our business activities in all segments and exploit the opportunities arising out of the structural changes impacting on the media industry. We must capitalise on the growth strategies we have adopted and maintain steady focus on ensuring profitability in all entities", Lars Nymann Andersen rounds off.

FINANCIAL PERFORMANCE

Satisfactory level of activities in Q3 2012 despite expected decline at FK Distribution

For Q3 2012, North Media realised revenue of DKK 255.6 million compared to DKK 275.6 million last year. The decline in revenue by DKK 20.0 million is the result of a drop of DKK 24.9 million (down 9.6%) in the print activities and revenue growth of DKK 4.9 million (up 28.7%) in the online activities.

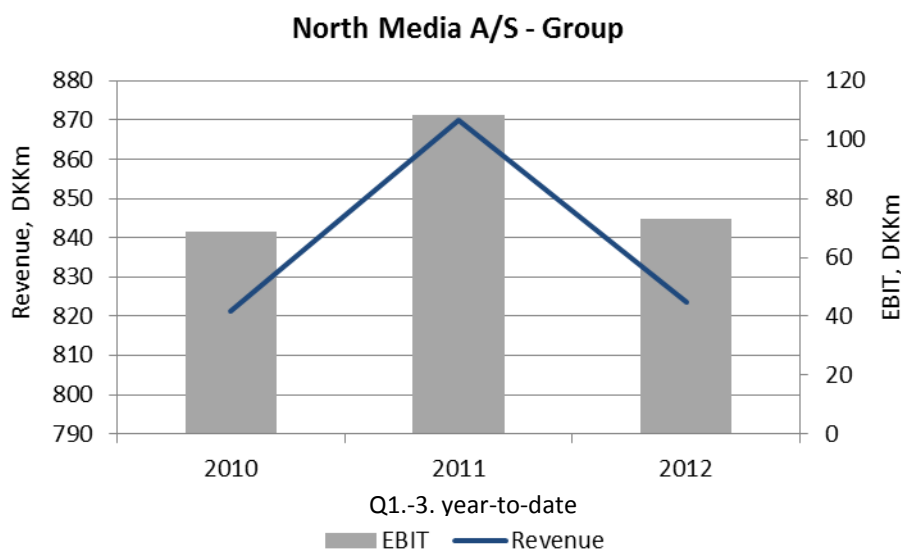
The decline in the print activities solely relates to FK Distribution and the effect of less printed matter and lower prices. However, the development in Q3 2012 turned out as expected. Improved revenue from text advertisements has upped Søndagsavisen's earnings, and revenue and earnings from online activities have also gone up. The earnings increase in online activities is largely attributable to the acquisition of Byggestart.dk and HentTilbud.dk, whereas the revenue of Ofir, after the implementation of the strategy's first phase, displays moderate growth in the last part of the quarter compared to the same period last year.

For Q1 to Q3 2012, the Group's revenue went down by 5.3% to DKK 823.7 million compared to last year. This decline is attributable to a 7.5% drop in the Print segment and a 30.3% improvement in the online activities, of which the bulk is attributable to acquisitions.

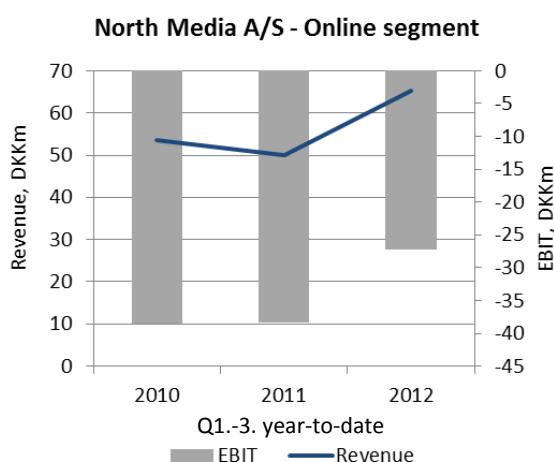
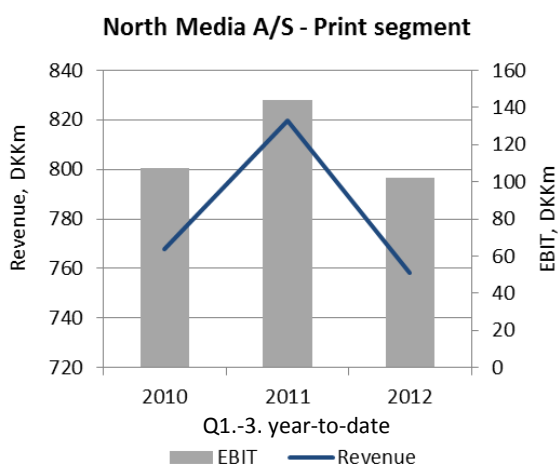
Reduced earnings as expected in FK Distribution. Improved results in other companies

The Group's EBIT for Q3 2012 comes to DKK 12.9 million, and the profit margin stands at 5.0%. This is significantly lower than last year's EBIT of DKK 27.7 million (profit margin of 10.1%) in the same period, but as expected due to the decline in distribution of unaddressed printed matter. Seen as a whole, results of the Group's other companies have improved in the quarter.

In Q1 to Q3 2012, North Media has realised EBIT of DKK 72.9 million, or a reduction of DKK 35.6 million on 2011. Thus, the profit margin has been reduced from 12.5% to 8.9%.



EBIT for the print activities in Q3 2012 has dropped by DKK 17.9 million compared to last year. This is due to the decline in revenue for FK Distribution, whereas Søndagsavisen's growth in sales of text advertisements contributes positively to performance. In Q3 2012, a profit margin of 10.0% was realised, whereas the profit margin for the full period since the beginning of the financial year stands at 13.4%. The year-to-date performance of DKK 101.9 million is moderately better than expected when publishing the financial statements for H1 2012.



The earnings loss from online activities was reduced from DKK 14.5 million in Q3 last year to DKK 11.1 million this year. Marketing costs have also in Q3 2012 been massive for Ofir, and one-off costs for the integration of Byggestart.dk and HentTilbud.dk were incurred resulting in an operating loss, as planned.

Year-to-date, EBIT for the Online segment improved by DKK 11.2 million to a loss of DKK 27.2 million. This performance reflects continued improvement of profitability in this segment as a result of closing down loss-making entities and a positive earnings development in BoligPortal.dk. The entities Ofir, Byggestart.dk and HentTilbud.dk remain in a development phase resulting in negative earnings, but the activities themselves show earnings increase.

Continued sound financial resources

At 30 September 2012, the Group's net interest-bearing cash position comes to DKK 56.3 million. This includes cash and cash equivalents, bonds and shares of DKK 226.3 million, whereas mortgage debt stands at DKK 170 million.

In August and September 2012, North Media acquired treasury shares in the market as stated in company announcements no 14-12 and 18-12. Combined with the existing portfolio of treasury shares, the shares acquired total 1,485,000 or 7.4% of the share capital. The share portfolio was used to accommodate a share option programme, which – as stated in company announcements no 10-12 and 17-12 – was granted to a group of 22 persons consisting of the Executive Board and other executive staff.

EXPECTATIONS FOR FY 2012 ARE MAINTAINED AND SPECIFIED

In Q3 2012, North Media's activities have developed on a par with expectations and satisfactorily given the challenging market conditions. The expectations for FY 2012 previously announced are, thus, maintained, whereas expectations for earnings are specified.

Expectations for the Group's revenue for FY 2012 are maintained at DKK 1,050 million to 1,150 million. EBIT expectations are specified from the previously announced DKK 80 million to 110 million to now DKK 90 million to 110 million.

EXPECTATIONS FOR LOWER RESULTS FOR 2013

In 2013, both newspaper and online activities are expected to keep up their earnings increase. The volume of printed matter, however, is expected to decline for FK Distribution due to an increase in the number of households not accepting printed matter. If a levy on advertisements is adopted, expectations are that it will adversely affect the volume of printed matter further. For these reasons, the Group's total revenue and earnings are expected to drop.

Earnings expectations for 2013 will be published in connection with the 2012 Annual Report.

BUSINESS ACTIVITIES

The Group's Print segment consists of the distribution activities of FK Distribution, the keyless access system, Bekey, as well as the newspapers of Søndagsavisen, Helsingør Dagblad and Lokalavisen Nordsjælland. The Online segment comprises Ofir.dk, BoligPortal.dk, Bostadsportal.se, Søndagsavisen.dk, MinReklame.dk, Byggestart.dk, HentTilbud.dk and MatchWork.com.

DKKkm	Revenue									
	Q3 YTD		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Year
	2012	2011	2012	2012	2012	2011	2011	2011	2011	2011
Print	758.4	819.8	233.6	259.5	265.3	327.3	258.5	296.5	264.8	1,147.1
<i>Index compared to the same period of last year</i>	92.5	106.8	90.4	87.5	100.2	108.5	103.8	108.6	107.7	107.3
Online	65.3	50.1	22.0	22.5	20.8	14.4	17.1	16.2	16.8	64.5
<i>Index compared to the same period of last year</i>	130.3	93.6	128.7	138.9	123.8	91.7	104.3	91.5	86.6	93.2
Group revenue	823.7	869.9	255.6	282.0	286.1	341.7	275.6	312.7	281.6	1,211.6
<i>Index compared to the same period of last year</i>	94.7	105.9	92.7	90.2	101.6	107.7	103.8	107.5	106.2	106.4

DKKkm	EBIT									
	Q3 YTD		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Year
	2012	2011	2012	2012	2012	2011	2011	2011	2011	2011
Print	101.9	143.9	23.4	34.9	43.6	72.0	41.3	61.6	41.0	215.9
<i>Profit margin</i>	13.4%	17.6%	10.0%	13.4%	16.4%	22.0%	16.0%	20.8%	15.5%	18.8%
Online	-27.2	-38.4	-11.1	-8.3	-7.8	-12.2	-14.5	-14.0	-9.9	-50.6
<i>Profit margin</i>	-41.7%	-76.6%	-50.5%	-36.9%	-37.5%	-84.7%	-84.8%	-86.4%	-58.9%	-78.4%
Unallocated costs	-1.8	3.0	0.6	0.0	-2.4	-1.8	0.9	1.7	0.4	1.2
Group EBIT, continuing operations	72.9	108.5	12.9	26.6	33.4	58.0	27.7	49.3	31.5	166.5
<i>Profit margin</i>	8.9%	12.5%	5.0%	9.4%	11.7%	17.0%	10.1%	15.8%	11.2%	13.7%
Discontinued operations	0.0	-1.6	0.0	0.0	0.0	-0.7	-0.4	-0.6	-0.6	-2.3
Group EBIT	72.9	106.9	12.9	26.6	33.4	57.3	27.3	48.7	30.9	164.2

Efficiency and quality of FK Distribution remains high

FK Distribution has successfully maintained a very high level of efficiency and quality in both packing and distribution of printed matter. Business development in the form of contracts with customers from other sectors which have not previously made use of unaddressed printed matter is positive, but only compensates moderately for the general decline in volumes of printed matter in the market.

The Danish Government still plans to impose an advertisement levy on unaddressed printed matter from 1 January 2013. In that connection, the Danish Ministry of Taxation published an exposure draft in Q3 2012. In co-operation with other players, FK Distribution has drawn up a response paper, pointing out that the adoption of an advertisement levy – as proposed explicitly only applying to door-to-door distributed printed matter – presumably conflicts with EU rules on unlawful state aid as the advertisements not subjected to advertisement levy will, thus, indirectly receive state aid. Today, 1 November 2012, the bill was introduced, and no significant changes have been made in relation to the exposure draft.

BEKEY keeps up installation of BEKEY units and market maturing its products

BEKEY pursues two focus areas: installing the BEKEY unit in stairways in Copenhagen and completing product development of both the NET-KEY system and a range of other products. This development work takes place in close co-operation with potential customers, and expectations are that a number of contracts will be entered into in Q4 2012. The objective is still to have the BEKEY unit installed in over 15,000 stairway doors in Copenhagen by the end of 2012.

Søndagsavisen continues to increase its market share and revenue in a declining market

In an increasingly challenging advertisement market, Søndagsavisen continues to win market shares and increase revenue. Compared to the first three quarters of 2011, text advertisement sales at Søndagsavisen went up by 20% in the same period of 2012. Text advertisements constitute the main part of Søndagsavisen's total revenue.

Growth is driven by key account sales to large advertisers. A recent analysis of a new product, ad covers, showed that over 1.2 million Danes saw the advertisement. So, the analysis emphasised Søndagsavisen as an efficient and particularly attractive advertisement medium.

The market for printed job advertisements continues to decline, and Søndagsavisen's revenue within this product area is significantly lower in 2012 than in 2011.

Overall, the expectation is maintained that Søndagsavisen will be profitable at group level in Q1 2013.

Revenue of both Helsingør Dagblad and Lokaltidningen Nordsjælland remained stagnant in Q3 2012. Optimisation of newspaper sales and administration as well as rationalisation in advertisement sales and production continued and are expected to feed through in performance in 2013. However, Helsingør Dagblad is presumably the only daily in Denmark experiencing increased circulation.

Ofir has implemented a new platform based on Ofir's job universe strategy

At the end of Q3 2012, Ofir implemented an extensive update of the Ofir platform. The updated platform is the pivotal point of Ofir's job universe strategy. At Ofir.dk, Ofir offers the employers the opportunity to choose where they want to publish their job advertisements. They can, for instance, choose relevant specialist or geographical online media as well as printed media from the job portal at Ofir.dk.

The newly developed eConscribi e-recruitment system of which Ofir is the sole distributor in Denmark, has been sold to a number of customers and will be implemented in Q4 2012.

BoligPortal.dk continues its success

The third quarter marks the high season of BoligPortal.dk, and in 2012 revenue growth exceeded expectations. Accordingly, BoligPortal.dk remains Denmark's largest and most efficient portal for rental of property.

The Swedish BostadsPortal.se is still under gradual build-up, and traffic has gone up by more than 25% in the year's first nine months. Revenue goes up by the month, producing high growth rates, albeit from a low level.

Byggestart.dk and HentTilbud.dk – integration and development progress according to plan

The combination of the two new online activities, Byggestart.dk and HentTilbud.dk, progressed according to plan in Q3 2012. The efforts to integrate, combine and develop the two new entities are expected to be completed by the end of Q4 2012. The number of incoming projects from private developers grows according to plan, and focus is maintained on increasing the number of builders and reducing costs of arranging for a possible project.

Expectations are that the total activities of Byggestart.dk and HentTilbud.dk will strike a balance performance-wise by year-end 2012 when the integration and combination process has been completed.

EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors and Executive Board of North Media are not aware of any significant events having occurred since 30 September 2012 which would have a material impact on the financial position of the Group.

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