

Interim Management Statement for Q3 2013



6 November 2013

Company announcement no 11-13

The Group's expectations for the financial year 2013 are adjusted upwards. FK Distribution continues to roll out No Ads+, and Søndagsavisen has acquired eight local newspapers covering the Copenhagen area.

- Year-to-date Group EBIT is DKK 33.7 million for Q3 2013, which is above expectations.
- Expectations for EBIT for the year are adjusted upwards from DKK 0 to 20 million to DKK 30 to 40 million for 2013.
- FK Distribution's roll-out of No Ads+ is progressing as planned.
- At 1 November 2013, the Group has acquired from Berlingske Media A/S eight local newspapers covering Copenhagen and Frederiksberg.

The Group's year-to-date revenue for Q3 2013 is DKK 762.6 million and up to expectations. Compared with the same period last year, this is DKK 49.3 million, or 6%, lower. This is mainly due to structural market developments and the expectations about the implementation of the advertising tax.

The Group's year-to-date EBIT is DKK 33.7 million for Q3 2013. This performance is slightly better than expected, primarily due to the postponed implementation of the advertising tax, but also to a better performance by Søndagsavisen and Ofir resulting from a combination of higher contribution margins and lower fixed costs.

This year's results are DKK 43.1 million below the year-to-date results for Q3 2012. The main reason for this decline is the lower revenue realised by FK Distribution, which has reduced EBIT by approx DKK 60 million, whereas the Online segment has helped to increase EBIT by approx DKK 10 million.

FK Distribution continues to implement No Ads+ at Forum.dk according to the plan

On 21 May 2013, FK Distribution launched a new product, No Ads+, at Forum.dk. With this product, the consumers are given the option to select whatever printed matter they would like to receive and deselect printed matter they do not want to receive. Under the No Ads+ arrangement, consumers may also choose not to have their preferred printed matter distributed to them during holidays.

FK Distribution's customers are offered a more targeted distribution to households wanting to receive their leaflets, and they can also reach households having otherwise declined ads.

On 21 June 2013, ads selected under the No Ads+ arrangement were distributed in specific areas for the first time. Expectations are that the No Ads+ arrangement will be offered to all Danish households by the end of January 2014.

Bekey won procurement rounds in four municipalities in 2013 and is being tested or planned to be tested in another 17 municipalities

Bekey's electronic key system does not only offer safe and quick access to houses or stairways. Netkey, the Bekey administration unit, may also be used to give electronic access by way of a smartphone or a computer. Netkey also gives an overview of who is using the Bekey system and when. Expectations are that the Bekey system will be sold to private individuals at year-end 2013.

At 1 November 2013, Søndagsavisen acquired eight local newspapers covering Copenhagen and Frederiksberg, considerably strengthening its position

With the acquisition of those eight newspapers, Søndagsavisen becomes the single largest publishing house in Copenhagen and Frederiksberg with more than half a million newspapers a week. The Group presently publishes 1.6 million newspapers a week at national level. Close to the end of Q3 2013, Søndagsavisen has succeeded in restoring growth by strengthening its relations with major customers in Denmark and by taking a more effective approach to the market.

Ofir is now selling the recruitment system, Emply, and is ahead of plan for Q3 2013 in terms of performance

Ofir has signed a distribution agreement for the sale of the market-leading recruitment system, Emply. In this context, Ofir has acquired a small interest in the company. Ofir managed to realise the estimated revenue growth rate for both advertisements and recruitment systems, however, at lower costs. The operating loss for Q3 2013 has been almost halved compared to the results for Q3 2012.

For Byggestart.dk, the effects of concept adjustments are starting to show. Performance is up to expectations

In Q3 2013, certain changes were made to the business model, making the Byggestart.dk/HentTilbud.dk concept more transparent and attractive to builders. This activity remains loss-making.

The Group's EBIT expectations for 2013 are up from DKK 0 to 20 million to DKK 30 to 40 million

Revenue and profit for Q3 2013 were higher than expected, and expectations are that the advertising tax will not become effective until mid-2014.

Overall, the Group's revenue is expected to range from DKK 1,025 to 1,040 million for 2013. Group EBIT is expected to range from DKK 30 to 40 million.

FINANCIAL PERFORMANCE

Group revenue decreased in Q3 2013, but less than expected

Group revenue for Q3 2013 is DKK 232 million. This performance is 8% down on Q3 2012 when revenue came to DKK 252 million

Revenue developed better than expected. This is mainly due to the fact that the act adopted on 1 January 2013 imposing tax on printed matter had still not come into force. Even though the act has not become effective, it does affect the market adversely, and the negative effect is seen in the form of lower printed matter volumes and lower weight per printed matter. FK Distribution's revenue for Q3 2013 fell by approx 10% compared to the same period last year.

Søndagsavisen still experiences some reluctance in the market. The overall effect of this is that Søndagsavisen's revenue for Q3 2013 did not go up compared to Q3 2012. However, Søndagsavisen still perceives itself as having relative enhanced strength in the declining newspaper market. On the basis of actual figures for October and order intake for November and

December is thus expected to grow again in Q4 2013 compared to Q4 2012.

Year-to-date group revenue for Q3 2013 is DKK 762.6 million, meaning 6% down on the same period last year.

Revenue for the Print segment as a whole went down from DKK 229.7 million in Q3 2012 to DKK 210.7 million in Q3 2013. This represents an 8% decline, primarily attributable to the decline in FK Distribution's revenue referred to above.

For Q3 2013 year-to-date, revenue for the Print segment stands at DKK 693.8 million compared to DKK 746.6 million in the same period in 2012. This represents a 7% drop which is predominantly attributable to the market's adjustment to the anticipated advertising tax.

DKKm	Q3 YTD		Q3 2013	Revenue						
	2013	2012		Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Year 2012
	2013	2012		2013	2013	2012	2012	2012	2012	2012
Print	693.8	746.6	210.7	243.9	239.2	271.1	229.7	255.5	261.4	1,017.7
<i>Index cp. same period last year</i>	92.9	91.1	91.7	95.5	91.5	82.8	88.9	86.2	98.7	88.7
Online	68.8	65.3	21.8	23.2	23.8	21.6	22.0	22.5	20.8	86.9
<i>Index cp. same period last year</i>	105.4	130.3	99.1	103.1	114.4	150.0	128.7	138.9	123.8	134.7
Revenue	762.6	811.9	232.5	267.1	263.0	292.7	251.7	278.0	282.2	1,104.6
<i>Index cp. same period last year</i>	93.9	93.3	92.4	96.1	93.2	85.7	91.3	88.9	100.2	91.2

DKKm	3Q YTD		Q3 2013	EBIT						
	2013	2012		Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Year 2012
	2013	2012		2013	2013	2012	2012	2012	2012	2012
Print	49.7	105.8	10.0	16.5	23.2	34.3	24.2	36.4	45.2	140.1
<i>Profit margin</i>	7.2%	14.2%	4.7%	6.8%	9.7%	12.7%	10.5%	14.2%	17.3%	13.8%
Online	-17.3	-27.2	-5.4	-5.1	-6.8	-12.4	-11.1	-8.3	-7.8	-39.6
<i>Profit margin</i>	-25.1%	-41.7%	-24.8%	-22.0%	-28.6%	-57.4%	-50.5%	-36.9%	-37.5%	-45.6%
Unallocated costs	1.3	-1.8	1.3	0.6	-0.6	1.8	0.6	0.0	-2.4	0.0
Group EBIT	33.7	76.8	5.9	12.0	15.8	23.7	13.7	28.1	35.0	100.5
<i>Profit margin</i>	4.4%	9.5%	2.5%	4.5%	6.0%	8.1%	5.4%	10.1%	12.4%	9.1%

In the Online segment, revenue for Q3 2013 remains unchanged at DKK 21.8 million compared to DKK 22.0 million in Q3 2012. The largely unchanged revenue development is attributable to three circumstances:

1. In 2013, MinReklame.dk merged with FK Distribution, and revenue from this entity is now included in the Print segment. Søndagsavisen.dk and MatchWork.com are in the process of implementing new business models. The Online segment is affected adversely by a revenue decline of DKK 2.3 million.
2. Byggestart.dk/HentTilbud.dk implemented an adjusted business model in Q3 2013, and growth was negative by DKK 0.8 million.
3. Overall, revenue of Ofir.dk, BoligPortal.dk and BostadsPortal.se went up by almost DKK 3 million, or 23%.

For Q3 2013 year-to-date, the Online segment's revenue increased by 5% to DKK 68.8 million. The revenue growth for Q3 2013 is influenced by the same circumstances as described above. Accordingly, Ofir.dk, BoligPortal.dk and BostadsPortal.se upped their growth for Q3 2013 year-to-date by more than DKK 8 million and by more than 20% compared to the first three quarters of 2012.

Group EBIT for Q3 2013 is DKK 5.9 million

The Group's operating profit (EBIT) for Q3 2013 is DKK 5.9 million, equalling a profit margin of 2.5%. For Q3 2012, Group EBIT stood at DKK 13.7 million and thus DKK 7.8 million higher. This decline is mainly attributable to the decline in FK Distribution's revenue.

For Q3 2013 year-to-date, Group EBIT amounts to DKK 33.7 million compared to DKK 76.8 million for Q3 2012 year-to-date.

Q3 2013 EBIT for the Print segment is DKK 10.0 million, and profit margin is 4.7%

For Q3 2013, the Print segment realised EBIT of DKK 10.0 million, which is DKK 14.2 million down on the same period last year. The decline in performance is particularly attributable to lower revenues for FK Distribution. Søndagsavisen's non-growth in revenue is offset by efficiency improvements and cost reductions, entailing that the Group's total newspaper activities have still improved significantly in Q3 2013 compared to the same period last year.

The Print segment's profit for Q3 2013 year-to-date comes to DKK 49.7 million. In Q3 2012 year-to-date, the profit stood at DKK 105.8 million. The decrease is primarily attributable to FK Distribution's decline in revenue and prices and to a limited extent increased development costs with Bekey. Søndagsavisen, Helsingør Dagblad and Lokaltidningen Nordsjælland all achieved improved results.

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

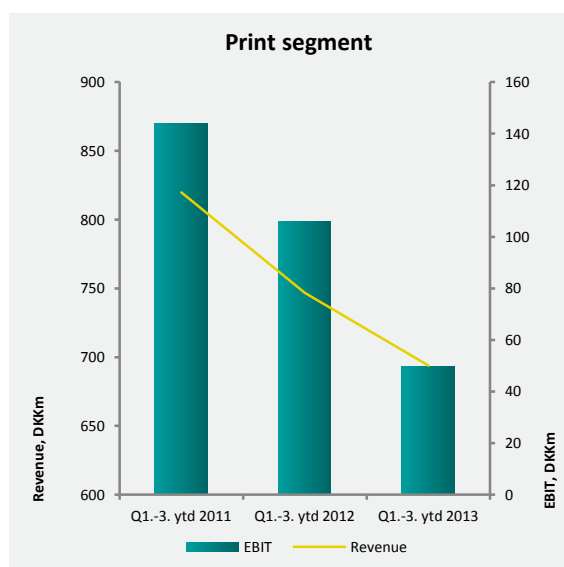
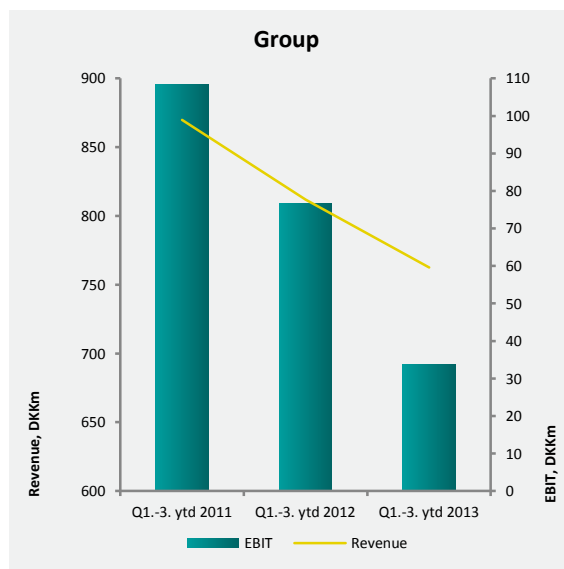
EBIT for Q3 2013 for the Online segment is a negative DKK 5.4 million. This corresponds to an improvement of DKK 5.7 million on Q3 2012, when results came to a negative DKK 11.1 million.

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

The Online segment's performance for Q3 2013 year-to-date comes to a negative DKK 17.3 million compared to a negative DKK 27.2 million for the same period last year. The improved performance is particularly attributable to cost reductions with Ofir.dk and revenue growth for BoligPortal.dk. The revenue decline of MatchWork.com affects the earnings development adversely.

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

At 30 September 2013, the Group's net interest-bearing cash position stands at DKK 96.0 million. Compared to H1 2013, the Group's net interest-bearing cash position has gone up by DKK 3.7 million and by DKK 29.7 million compared to 31 December 2012.



The net interest-bearing cash position comprises cash of DKK 64.3 million, shares and bonds worth DKK 191.2 million and debt to mortgage credit institutions and interest rate swaps totalling DKK 159.5 million.

At 30 September 2013, the Group's shareholding comes to DKK 75.5 million, consisting of investments in Danish and foreign ultra liquid shares in the IT, health care and industry sectors.

At 30 September 2013, the Group's portfolio of bonds has a value of DKK 115.7 million. This portfolio includes corporate bonds and mortgage credit bonds.

For Q3 2013 year-to-date, returns on securities stood at a negative DKK 3.5 million, or a negative 1.7%.

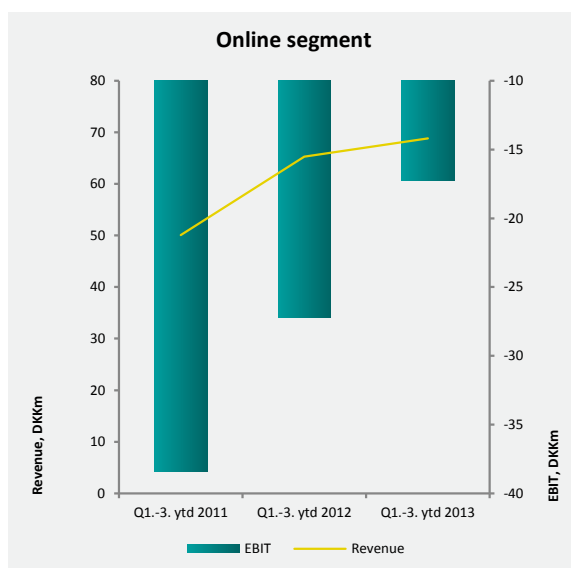
Expectations for the Group's revenue and performance for 2013 adjusted upwards

After H1 2013, revenue in the range of DKK 905 to 930 million was expected for the Print segment. Based on the still not implemented advertising tax, revenue for the Print segment for 2013 is now expected to be in the range of DKK 930 to 945 million.

Revenue growth for the Online segment is still estimated to total approx 10%.

Therefore, the Group's revenue for 2013 is now estimated to be in the range of DKK 1,025 to 1,040 million.

EBIT for the Print segment is now expected to be in the range of DKK 60 to 70 million, whereas EBIT for the Online segment is now specified to just being short of a negative DKK 30 million. So, Group EBIT for 2013 is now estimated to be in the range of DKK 30 to 40 million.



From the onset of 2013, consolidated results for the year were expected in the range of a negative DKK 15 million to a positive DKK 15 million, but after H1 2013, expectations were adjusted upwards to range between DKK 0 million and 20 million.

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

As stated, expectations for 2013 have now gone up. However, market developments in several of North Media's key markets remain challenging and give rise to uncertainty in the estimation of revenue development and earnings performance in the quarters ahead.

In 2014, both newspaper and online activities are expected to maintain their earnings growth based on both the Group's existing activities and the eight newspapers in Copenhagen and Frederiksberg acquired at 1 November 2013. For FK Distribution, the printed matter market is characterised by low visibility due to continued fierce price competition and uncertainty surrounding the tabled advertising tax. Also the continued roll-out of No Ads+ and the general development of 'No ads, please' increases uncertainty. Earnings expectations for 2014 will be published in connection with the 2013 Annual Report.

Events after the balance sheet date

Aside from the acquisition of eight newspapers in Copenhagen/Frederiksberg as described above and disclosed in company announcements no 09-13 of 23 October 2013 and no 10-13 of 1 November 2013, the Board of Directors and the Executive Board are not aware of any significant events having occurred since 30 September 2013 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 document is an unofficial translation of the Danish original. In the event of any inconsistencies, the Danish version shall apply.



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