

6 May 2010

Company Announcement No 08-10

Q1 2010 Quarterly Announcement of North Media A/S (former Søndagsavisen a-s)

North Media A/S (former Søndagsavisen a-s) realised a considerable earnings increase in Q1 2010. This is primarily attributable to the extensive efficiency measures taken in 2009. The job advertisement market is still at a very low level due to recession, and this has had a negative impact on earnings, primarily in the online segment.

- Operating profit (EBIT) amounted to DKK 19.2m in Q1 2010 against an operating loss of DKK 17.8m in Q1 2009. Last year's performance was negatively influenced by DKK 10.8m in restructuring costs.
- The Group's revenue for Q1 2010 was DKK 265.2m. This amount is DKK 18.6m up on - or 8% higher than - revenue for the same period in 2009 despite the negative earnings developments in the job advertisement market.
- The printing activities produced a very significant earnings increase. EBIT was DKK 31.9m, which represents an increase of DKK 34.2m on the same period of last year. This earnings increase is primarily due to the quality and efficiency measures taken in terms of the sorting and distribution of unaddressed printed matter in the distribution business.
- Online activities realised a total earnings increase of DKK 0.6 m, but also increased the operating loss by a total of DKK 3.7m, arriving at a loss of DKK 12.7m.
- The increasing operating loss for online activities primarily results from costs for the development of the hyperlocal internet portal of lokalia.dk, but also from the continuing very inactive job advertisement market. The cost reductions effected in 2009 only compensate for this in part.
- At 31 March 2010, the Group had cash funds of DKK 173.1m and long-term mortgage loans of DKK 84.6m.
- On 19 April 2010, information was given through Company Announcement No 05-10 that Forbruger-Kontakt has renewed the existing distribution agreement with Dansk Supermarked until 31 December 2012.
- At the Søndagsavisen a-s Annual General Meeting held on 23 April 2010, the Company changed its name to North Media A/S. On NASDAQ OMX, the company name will be changed accordingly from SOEN to NORTHM on May 10 2010.
- The Group's homepage has been changed from son.dk to northmedia.dk.
- On 29 April 2010, remuneration of DKK 50.1m was paid in cash to the shareholders, corresponding to DKK 2.5 per share in North Media A/S as a result of the legal reorganisation of the corporate structure as adopted at the Annual General Meeting.

Outlook for 2010

- The Group's revenue is estimated to remain in the range of DKK 1,050-1,100m.
- The Group's operating profit (EBIT) is estimated to remain at DKK 55-65m.
- Costs for discontinuing operations will amount to an unchanged approx DKK 5m.

For additional information please contact CEO Mads Dahl Andersen, telephone +45 39 57 75 00.

Revenue and operating profit/loss (EBIT) by segment

| DKK'm | Revenue | | | | | | | |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| | Q1 year-to-date | | Q1 | Q4 | Q3 | Q2 | Q1 | Full year |
| | 2010 | 2009 | 2010 | 2009 | 2009 | 2009 | 2009 | 2009 |
| Print | 245.8 | 227.8 | 245.8 | 255.2 | 226.9 | 247.3 | 227.8 | 957.2 |
| <i>Index compared to the same period of last year</i> | <i>107.9</i> | <i>80.8</i> | <i>107.9</i> | <i>99.7</i> | <i>90.9</i> | <i>88.4</i> | <i>80.8</i> | <i>89.7</i> |
| Online | 19.4 | 18.8 | 19.4 | 15.9 | 17.7 | 18.9 | 18.8 | 71.3 |
| <i>Index compared to the same period of last year</i> | <i>103.2</i> | <i>72.6</i> | <i>103.2</i> | <i>85.9</i> | <i>78.7</i> | <i>71.1</i> | <i>72.6</i> | <i>76.3</i> |
| Group revenue | 265.2 | 246.6 | 265.2 | 271.1 | 244.6 | 266.2 | 246.6 | 1,028.5 |
| <i>Index compared to the same period of last year</i> | <i>107.5</i> | <i>80.1</i> | <i>107.5</i> | <i>98.8</i> | <i>89.9</i> | <i>86.9</i> | <i>80.1</i> | <i>88.6</i> |

| DKK'm | Operating profit (EBIT) | | | | | | | |
|--|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q1 year-to-date | | Q1 | Q4 | Q3 | Q2 | Q1 | Full year |
| | 2010 | 2009 | 2010 | 2009 | 2009 | 2009 | 2009 | 2009 |
| Print | 31.9 | -2.3 | 31.9 | 37.6 | 18.2 | 17.5 | -2.3 | 71.0 |
| <i>Profit margin</i> | <i>13.0%</i> | <i>-1.0%</i> | <i>13.0%</i> | <i>14.7%</i> | <i>8.0%</i> | <i>7.1%</i> | <i>-1.0%</i> | <i>7.4%</i> |
| Online | -12.7 | -9.0 | -12.7 | -10.5 | -11.4 | -10.7 | -9.0 | -41.6 |
| <i>Profit margin</i> | <i>-65.5%</i> | <i>-47.9%</i> | <i>-65.5%</i> | <i>-66.0%</i> | <i>-64.4%</i> | <i>-56.6%</i> | <i>-47.9%</i> | <i>-58.3%</i> |
| Un-allocated costs | 0.0 | -6.5 | 0.0 | 0.1 | -1.1 | -2.4 | -6.5 | -9.9 |
| Group EBIT, continuing operations | 19.2 | -17.8 | 19.2 | 27.2 | 5.7 | 4.4 | -17.8 | 19.5 |
| <i>Profit margin</i> | <i>7.2%</i> | <i>-7.2%</i> | <i>7.2%</i> | <i>10.0%</i> | <i>2.3%</i> | <i>1.7%</i> | <i>-7.2%</i> | <i>1.9%</i> |
| Discontinuing operations, printing | -0.7 | 1.3 | -0.7 | -6.7 | 1.2 | 2.2 | 1.3 | -2.0 |
| Group EBIT | 18.5 | -16.5 | 18.5 | 20.5 | 6.9 | 6.6 | -16.5 | 17.5 |

Printing activities – Considerable profit improvement despite the negative developments in the job advertisement market

The Group's printing segment includes the distributing activities of Forbruger-Kontakt as well as the newspapers of Søndagsavisen, Helsingør Dagblad and Nordsjællands Avis.

The earnings increase in the printing segment is a result of the extensive efficiency improvement realised in 2009 for the distribution business. In Q1 2009, the earnings improvement in this business still had not shown full impact, just as this quarter was affected by restructuring costs totalling DKK 3.5m. Also, the effects of savings achieved from the very extensive cost adjustments had only fed through to a limited extent.

The market for printed job advertisements in particular has developed negatively in relation to Q1 2009. This has affected developments in Søndagsavisen's operating profit/loss adversely, as it has only been possible to compensate for this in part through efficiency measures. Non-job advertisement sales have developed positively because of the quality improvements of the newspaper as well as the sales efficiency programme that were implemented in 2009.

The earnings of Helsingør Dagblad og Nordsjællands Avis have developed positively. This is due to the efficiency measures taken in late 2008 and early 2009, which are now paying off.

Online activities – The job market remains at a very low level

The Group's online segment consists of Ofir.dk, MatchWork.com, Søndagsavisen.dk, BoligPortal.dk, MinReklame.dk as well as the newly established web page of Lokalia.dk.

Revenue within the online segment was DKK 19.4m in Q1 2010. This corresponds to an increase of DKK 0.6m, or 3%, on the same period of last year. This development in sales should be viewed in relation to the decline in the market for advertisements, and particularly for job advertisements. BoligPortal.dk's revenue is still developing positively.

Operating loss for the online segment was DKK 12.7m in Q1 2010. This performance is DKK 3.7m down on the same period of last year when the operating loss was DKK 9.0m. Q1 2009 was also influenced by the restructuring costs totalling DKK 3.6m, and adjusted for this amount the operating loss increased by DKK 7.3m in Q1 2010.

The increasing operating loss for online activities is due to eg costs for Lokalia.dk, which is a new concept of a hyperlocally oriented homepage. Lokalia.dk is a mixture of journalism and "civil journalism", and it enables readers to search for local news by means of Google maps. This homepage will also include various functions such as Facebook Connect, maps including smileys awarded to the local pizzeria, houses for sale, job vacancies and cultural events. Lokalia.dk is being tested in five municipalities as part of the establishment phase and therefore has not generated any revenue yet.

Kandidathuset and MatchWork are negatively influenced by the historically low job advertisement market, which was lower in Q1 2010 than in 2009. The cost reductions made in 2009 may only compensate in part for the non-sale of job advertisements. Kandidathuset is the largest job advertiser in Denmark based on the sale of job advertisements to Søndagsavisen and Ofir.dk.

The strategy for Søndagsavisen.dk has been adjusted, and considerable adjustments have been made to costs, ensuring that Søndagsavisen.dk is profit-making after incurred winding-up costs in Q1 2010.

BoligPortal.dk is still experiencing satisfactory sales growth.

Un-allocated costs

The segment of un-allocated costs consists of group-related activities which are not allocated to the operating activities in the printing and online segments.

The operating profit within un-allocated costs is DKK 0.0m for Q1 2010, which is an increase of DKK 6.5m on last year.

Last year, results were influenced by restructuring costs of DKK 3.8m as well as development projects within the Group's IT functions of DKK 1.5m.

Discontinuing operations

In 2010, costs of a total of DKK 0.7m were incurred for discontinuing operations, primarily in the form of operating activities and maintenance of buildings. Efforts are still being made to sell the printing machinery and property of Helsingør Dagblad.

Cash funds:

At 31 March 2010, the Group had cash funds of DKK 173.1m and long-term mortgage loans of DKK 84.6m.

On 29 April 2010, an amount of DKK 50.1m, or DKK 2.5 per share in North Media A/S, was paid in cash to shareholders in connection with the legal reorganisation of the corporate structure.

An agreement on the forward sale of SEK 120m at an average selling price of DKK/SEK 77.01 was concluded

in order to hedge the currency risk associated with the sale of the remaining 33.3% of the shares in GISAB at a minimum price of SEK 160m immediately after the presentation of the accounts for 2010.

Events occurring after 31 March 2010

Information was given by way of Company Announcement No 05-10 that Dansk Supermarked and Forbruger-Kontakt has agreed on the nationwide distribution of unaddressed printing matter for the Bilka, Føtex and Netto chain supermarkets until 31 December 2012. This agreement prolongs the existing agreement, which expires at year-end 2010. Based on Forbruger-Kontakt's current order portfolio, agreements have been made ensuring approx 70% of estimated revenue for 2011, which is conducive to the planning of continued efficiency and quality measures.

Extensive reorganisation of the corporate structure was adopted at the Company's Annual General Meeting held on 23 April 2010. In future, North Media A/S (Søndagsavisen a-s) will be a holding company with no independent operating activities. This demerger is effected by way of, for instance, a split-off of the Company, by hiving off the Forbruger-Kontakt business into Distribution Danmark a-s.

As part of the corporate structure reorganisation a total cash amount of DKK 50,137,500 was paid to the shareholders, corresponding to DKK 2.5 per share held in North Media A/S (Søndagsavisen a-s). This amount was paid on 29 April 2010, and for tax purposes this split-off fee will be comparable to dividend received in the income year 2010.

Changes in the presentation of segments

Due to the closedown of the printing house and the decision to offer printing machinery and buildings for sale, the remaining activities from the Helsingør Dagblad segment will prospectively form part of the existing printing segment. This means that, in future, the printing segment will comprise distributing activities of Forbruger-Kontakt as well as the newspapers of Søndagsavisen, Helsingør Dagblad and Nordsjællands Avis.

The online segment will not be affected by the changes, but it will also include such activity in future due to the introduction of Lokalia.dk.