

**3 November 2010**  
**Company announcement no. 14-10**

## **Interim Management Statement for Q3 2010 of North Media A/S (formerly Søndagsavisen a-s)**

**North Media A/S maintains earnings increase. EBIT for Q3 2010 totalled DKK 18.5 million, which is DKK 12.8 million up on the same period last year. FY 2010 expectations for EBIT before special items are maintained at DKK 90-110 million.**

- Operating profit (EBIT) before special items totalled DKK 18.5 million for Q3 2010 compared to DKK 5.7 million for Q3 2009. In view of the current market situation, the performance overall is considered satisfactory.
- In Q3 2010, the Group's revenue totalled DKK 265.4 million. This is DKK 20.8 million or 8% higher than for the same period in 2009. The increase in sales is attributable to the Print segment, where distribution activities in particular continue to develop positively.
- Print activities realised a substantial earnings improvement in this quarter. EBIT before special items was DKK 29.1 million, which is an increase of DKK 10.9 million compared to the same period last year. This earnings increase is a result of improved sales and cost reductions.
- The Online activities are still affected adversely by a sluggish job advertisement market, and sales for Q3 2010 were lower than for the same period last year. Operating loss remains unchanged and totalled DKK 11.6 million for Q3 2010.
- Year-to-date, the Group's EBIT before special items amounts to DKK 68.7 million. Loss for the same period last year was DKK 7.7 million. During the period, revenue went up by DKK 64.0 million or 8.4%.
- The process involving a possible sale or formation of a strategic alliance for Forbruger-Kontakt has been stopped.
- As announced in company announcement no. 12-10 of 11 August 2010, the Board of Directors decided to distribute an extraordinary dividend of DKK 4.00 per share, equivalent to a total dividend of DKK 80.2 million. The dividend was distributed at 17 August 2010.
- At 30 September 2010, the Group had cash funds of DKK 83.1 million, securities worth DKK 42.3 million and long-term mortgage loans of DKK 93.8 million. During the first three quarters of the year, a total amount of DKK 130.4 million was distributed, partly as a cash consideration to the shareholders as part of the legal reorganisation of the group structure and partly as extraordinary dividends.

### **Outlook for FY 2010**

- Expectations for the Group's revenue are maintained at DKK 1,050-1,100 million.
- Expectations for the Group's operating profit (EBIT) before special items are maintained at DKK 90-110 million.

Please contact Mads Dahl Andersen, CEO, or Kåre Wigh, CFO, at +45 3957 7000 for further information.

## Revenue and operating profit (EBIT) by segments

| DKK'm   | Revenue      |              |              |              |              |              |              |              |              |                |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
|   | Q3 YTD       |              | Q3           | Q2           | Q1           | Q4           | Q3           | Q2           | Q1           | Year           |
|   | 2010         | 2009         | 2010         | 2010         | 2010         | 2009         | 2009         | 2009         | 2009         | 2009           |
| Print   | 767.9        | 702.0        | 249.0        | 273.1        | 245.8        | 255.2        | 226.9        | 247.3        | 227.8        | 957.2          |
| <i>Index compared to the same period of last year</i> | <i>109.4</i> | <i>86.5</i>  | <i>109.7</i> | <i>110.4</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  | 53.5         | 55.4         | 16.4         | 17.7         | 19.4         | 15.9         | 17.7         | 18.9         | 18.8         | 71.3           |
| <i>Index compared to the same period of last year</i> | <i>96.6</i>  | <i>73.9</i>  | <i>92.7</i>  | <i>93.7</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>    |
| <b>Group revenue</b>                                  | <b>821.4</b> | <b>757.4</b> | <b>265.4</b> | <b>290.8</b> | <b>265.2</b> | <b>271.1</b> | <b>244.6</b> | <b>266.2</b> | <b>246.6</b> | <b>1,028.5</b> |
| <i>Index compared to the same period of last year</i> | <i>108.4</i> | <i>85.4</i>  | <i>108.5</i> | <i>109.2</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                                    | EBIT before special items |               |               |               |               |               |               |               |               |               |
|--|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Q3 YTD                    |               | Q3            | Q2            | Q1            | Q4            | Q3            | Q2            | Q1            | Year          |
|  | 2010                      | 2009          | 2010          | 2010          | 2010          | 2009          | 2009          | 2009          | 2009          | 2009          |
| Print                                    | 107.2                     | 33.4          | 29.1          | 46.2          | 31.9          | 37.6          | 18.2          | 17.5          | -2.3          | 71.0          |
| <i>Profit margin</i>                     | <i>14.0%</i>              | <i>4.8%</i>   | <i>11.7%</i>  | <i>16.9%</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                                   | -38.5                     | -31.1         | -11.6         | -14.2         | -12.7         | -10.5         | -11.4         | -10.7         | -9.0          | -41.6         |
| <i>Profit margin</i>                     | <i>-72.0%</i>             | <i>-56.1%</i> | <i>-70.7%</i> | <i>-80.2%</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                       | -10.0         | 1.0           | -1.0          | 0.0           | 0.1           | -1.1          | -2.4          | -6.5          | -9.9          |
| <b>Group EBIT, continuing operations</b> | <b>68.7</b>               | <b>-7.7</b>   | <b>18.5</b>   | <b>31.0</b>   | <b>19.2</b>   | <b>27.2</b>   | <b>5.7</b>    | <b>4.4</b>    | <b>-17.8</b>  | <b>19.5</b>   |
| <i>Profit margin</i>                     | <i>8.4%</i>               | <i>-1.0%</i>  | <i>7.0%</i>   | <i>10.7%</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       | -2.1                      | 4.7           | -0.8          | -0.6          | -0.7          | -6.7          | 1.2           | 2.2           | 1.3           | -2.0          |
| <b>Group EBIT</b>                        | <b>66.6</b>               | <b>-3.0</b>   | <b>17.7</b>   | <b>30.4</b>   | <b>18.5</b>   | <b>20.5</b>   | <b>6.9</b>    | <b>6.6</b>    | <b>-16.5</b>  | <b>17.5</b>   |

### Print – Continuous improvement of performance despite the negative market situation for job advertisements

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

The positive development in sales and earnings continued in Q3 2010. Revenue went up by DKK 22.1 million to DKK 249.0 million, corresponding to a 10% growth rate. Earnings went up by DKK 10.9 million to DKK 29.1 million. The earnings increase is primarily attributable to enhanced sales and continued gains from improved efficiency mainly within Forbruger-Kontakt.

In Q3, Søndagsavisen's revenue from the non-job advertisement market grew by approx 10% compared to the same period last year. Accordingly, the newspaper has gained considerable market shares on the text market, but still suffers heavily from the slow-moving job advertisement market. Continuous efforts are made to increase the quality of the newspaper and to improve the efficiency of advertisement sales, for instance by making IT tools available to customers to enable them to place advertisements themselves.

The newspapers of Helsingør Dagblad and Nordsjællands Avis keep up their positive development. A number of different measures have been taken to up the quality of the journalistic content, for instance by introducing micro-journalism. These measures taken have been warmly received by readers and advertisers and have entailed that newspaper sales – contrary to all trends in the Danish newspaper world – have experienced moderate growth.

### Online – Unchanged job market at a stable but albeit 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.

For Q3 2010, revenue from the Online segment was DKK 16.4 million which is slightly lower than for the same period last year. This negative development was primarily caused by a very low level of activity in the job advertisement market.

In Q3 2010, EBIT before special items for the Online segment was negative by DKK 11.6 million, which is on a par with last year.

The development in the Group's Online activities continues to disappoint. However, the Group has decided to maintain the relatively high level of activities. When the job market returns to a more natural level, the Group will hold a strong sales organisation and a competitive product in both the Print and Online markets.

As with Ofir, Matchwork and Søndagsavisen, as mentioned before, are also severely affected by the weak job advertisement market.

Søndagsavisen.dk has managed to reduce costs considerably which has brought financial parity in this business segment. The development of the new concept, Lokalia.dk, continues, and the related development costs have been higher in Q3 2010 compared to the same period last year. Lokalia has not generated any sales yet.

BoligPortal.dk still experiences satisfactory growth and income.

### **Non-allocated costs**

The segment of non-allocated costs consists of group-related activities which are not allocated on the operating activities in the Print and Online segments.

The operating profit for this segment is DKK 1.0 million for Q3 2010, which is an increase of DKK 2.1 million on last year. Last year's performance was affected by costs of DKK 3.5 million for financial and legal advisers that examined the strategic opportunities for the distribution business.

### **Discontinued operations**

In Q3 2010, costs totalling DKK 0.8 million were incurred for discontinued activities, primarily by way of operating activities and maintenance of buildings. The buyers of the printing machines from Helsingør Dagblad have begun dismantling the machines and this process is expected to be complete by year-end 2010. The property of Helsingør Dagblad is still up for sale, and expectations are still that the property can be sold at a price which is consistent with its carrying amount.

### **Cash funds:**

At 30 September 2010, the Group had cash funds of DKK 83.1 million, securities worth DKK 42.3 million and long-term mortgage loans of DKK 93.8 million. During the first three quarters of the year, a total amount of DKK 130.4 million was distributed, partly as a cash consideration to the shareholders as part of the legal reorganisation of the group structure and partly as extraordinary dividends.

With a view to reducing the foreign currency risks involved in the sale of the shares in GISAB in early 2011, a forward contract has been concluded on the sale of SEK 180 million at an average selling price of DKK/SEK 77.54.

### **Outlook for FY 2010**

Expectations for the Group's revenue are maintained at DKK 1,050-1,100 million.

Expectations for the Group's operating profit (EBIT) before special items are maintained at DKK 90-110 million.

Costs for discontinued activities remain unchanged, at a total of approx DKK 5 million.

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