

Announcement no 7/2007

Page 1 of 11

Copenhagen, 22 March 2007

Copenhagen Stock Exchange  
Nikolaj Plads 6  
1007 Copenhagen K

## **Financial Summary for Rella Holding A/S in 2006**

The Board of Directors of Rella Holding A/S have today discussed and approved the Company's Annual Report for 2006.

By way of introduction it should be noted that The Danish Securities Council on 20 March 2007 wrote the Company as follows: "The Danish Securities Council rules that Rella Holding A/S with reference to The Danish Financial Statements Act § 11, section 3, neither may nor shall derogate the provisions of the Danish Financial Statements Act § 37 and thus recognize and measure the shareholding in Carl Allers Etablissement A/S at intrinsic book value."

Since 5 March 2007, The Danish Securities Council has been aware of Rella Holding A/S' intention to publish its Annual Report on 22 March 2007.

Rella Holding A/S intends to appeal the above ruling to the Danish Commerce and Companies Board of Appeal.

## **Profit and Loss Accounts for 2006 (DKKm)**

	<b><u>2006</u></b>	<b><u>2005</u></b>
Result before financial items and tax	-8.2	-0.6
Income from holding of shares in CAE 1)	162.8	250.9
Financial items, net	-5.1	-4.9
Result before tax	149.5	245.4
<b>The year's result after tax</b>	<b>149.5</b>	<b>245.4</b>

1) Starting from 2006, Rella Holding A/S' share of Carl Allers Etablissement A/S net profit is included in the Company's Profit and Loss Accounts where previously only dividends from CAE were included. The figures for 2002-2005 have been adjusted accordingly.

Please refer to [Appendix 3](#) which contains a description of the new accounting principle and the effects on Rella Holding A/S' accounts.

The result before financial items and tax amounts to -DKK8.2m against -DKK0.6m last year. The lower result is primarily due to costs in connection with the listing of the Company's shares on the Copenhagen Stock Exchange A/S. Furthermore, the Company paid listing fees to both Dansk Autoriseret Markedsplads A/S (Dansk AMP) and the Copenhagen Stock Exchange A/S during 2006.

Income from holding of shares in Carl Allers Etablissement A/S is DKK88.1m lower than last year. Please see the below comments on the development of Carl Allers Etablissement A/S.

Financial items show somewhat higher interest expenses primarily due to slightly higher rates on that part of the Company's debt which is based on variable rates.

The year's result after tax is a net profit of DKK149.5m against DKK245.4m in 2005.

The Board of Directors propose the following distribution of the year's profit:

Dividends DKK2.00 per share (2005: 2.75 per share 1))	DKK	53,200,000
Transfer to assets revaluation reserve	DKK	74,909,474
Carried forward to next year	DKK	21,426,420
	<b>DKK</b>	<b>149,535,894</b>

1) For comparative reasons, dividend per share in 2005 has been adjusted for the bonus share increase which took place in 2006.

**Balance Sheet as at 31.12.2006 (DKKm)**

ASSETS	<u>31.12.2006</u>	<u>31.12.2005</u>
Financial long term asset:		
Holding of shares in Carl Allers Etablissement A/S	1,899.1	1,831.8
<b><u>Total assets</u></b>	<b><u>1,899.1</u></b>	<b><u>1,831.8</u></b>
<b>LIABILITIES</b>		
Equity	1,779.5	1,710.7
Long term debt	116.8	117.7
Short term debt	2.8	3.4
<b><u>Total liabilities</u></b>	<b><u>1,899.1</u></b>	<b><u>1,831.8</u></b>

The book value of the CAE holding has increased by DKK67.3m, which can be explained as follows:

DKKm	
Book value as at 31.12.2005	1,831.8
Appreciation in year	162.8
- Paid-out dividends for the accounting year according to CAE's Annual Report	-87.9
- Adjustment to equity according to CAE's Annual Report	-7.6
<b>Book value of CAE holding as at 31.12.2006</b>	<b>1,899.1</b>

The book value of the CAE holding corresponds to Rella Holding A/S' 51.3% share of Carl Allers Etablissement A/S' equity, which amounted to DKK3,702.7m as at 30.9.2006

The development in Rella Holding A/S' equity has been as follows:

DKKm	
Equity as at 31.12.2005	1,710.7
The year's result according to the proposed distribution	149.5
- Dividends paid	-73.1
- Adjustment to equity according to CAE's Annual Report	-7.6
<b>Equity as at 31.12.2006</b>	<b>1,779.5</b>

At year-end 2006, Rella Holding A/S' debt amounted to DKK119.6m (2005: DKK121.1m) corresponding to a solvency ratio of 93.7% (2005: 93.4%).

**Share and Dividend Ratios for Rella Holding A/S**

	<u>2006</u>	<u>2005 1)</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Number of shares at year-end (1,000 )	26,600	26,600	6,650	6,749	6,749	6,749
Earnings Per Share (EPS), DKK	5.6	9.2	36.6	25.2	22.4	17.5
Book value per share at year-end, DKK	75	72	288	246	226	209
Market price per share at year-end, DKK	155	148	590	330	258	250
Dividend per share, DKK	2.00	2.75	11.00	6.75	5.75	4.25
Pay-out ratio, %	35.6%	29.8%	29.8%	26.8%	25.7%	24.3%
Price Earnings Ratio (PE)	27.8	16.1	16.1	13.1	11.5	14.3
Price/Book value (PB)	2.1	2.1	2.0	1.3	1.1	1.2

1) Share and dividend ratios for 2005 are adjusted for the issue of bonus shares which took place in 2006. Book value per share has been adjusted for CAE's holding of treasury shares at the end of the respective years.

Starting from 2006, Rella Holding A/S' share of Carl Allers Etablissement A/S' net result is included in the Company's Profit and Loss Accounts, which previously only included dividends received from CAE. The share and dividend ratios 2002-2005 have been adjusted accordingly.

Please also see [Appendix 1](#) containing key figures and ratios for Rella Holding A/S 2002-2006.

**Development during the accounting year**

Rella Holding A/S is a holding company for B-shares without voting rights in Carl Allers Etablissement A/S.

As at 31 December 2006 Rella Holding A/S owned nominal value DKK 9,232,000 non-voting B-shares in Carl Allers Etablissement A/S corresponding to 51.3% of CAE's share capital and 68.4% of its B-shares. During 2006, Rella Holding A/S did not acquire additional B-shares.

Adjusted for Carl Allers Etablissement A/S' holding of own shares as at 30 September 2006, Rella Holding A/S at the end of 2006 owned 56.8% of CAE's outstanding share capital.

Rella Holding A/S made no purchases of its own shares during 2006 and as at 31 December 2006 the Company holds no treasury shares.

At the Annual General Meeting on 30 March 2006 it was decided to increase the Company's share capital from DKK 6,650,000 to DKK 26,600,000 through the issue of DKK19,950,000 bonus shares. The share capital is represented by 26,600,000 shares of DKK 1.00 each.

At year-end 2006, total debt amounts to DKK119.6m of which DKK80m are two loans of DKK50m and DKK30m maturing 2009 and 2011 respectively. In addition, Rella Holding A/S has a long-term credit facility of DKK70m (maturity 2017) of which DKK36.8m had been drawn at the end of the accounting year. All Rella Holding A/S' banking facilities are on a non-secured basis.

Rella Holding A/S is owned by appr. 1,400 private and institutional shareholders in Denmark and abroad.

After having been listed at Dansk Autoriseret Markedsplads A/S (Dansk AMP) since the fall of 1999 the Rella share was listed at the Copenhagen Stock Exchange in June 2006. The first day of trading was 12 June – at the same time trading at Dansk AMP ceased. There was no public offer of either existing or new shares in connection with the listing.

### **Outlook for 2007**

Carl Allers Etablissement A/S is expected to continue its aggressive investment strategy within new media e.g. the internet. In its Annual Report 2005/06, the Group points out that for some of these investments it may take up to 1-3 years before the earnings potential is realized.

Based on the CAE Board of Directors' and Management's guidance for the accounting year and on the above background Rella Holding A/S is expecting a lower result for 2007 than for 2006. Rella Holding A/S is expecting no "other administrative expenses", cf. the listing in 2006.

### **Financial calendar for Rella Holding A/S 2007**

20. April: Annual General Meeting  
28. August Interim Report 1st half 2007

### **Carl Allers Etablissement A/S**

Carl Allers Etablissement A/S (CAE) is the leading publisher of weeklies in Scandinavia with a circulation of appr. 3.3m copies per week corresponding to a market share of over 62%

Having finalised considerable investments in the modernisation of the Group's printing facilities CAE is increasing its investments within new business areas and distribution channels, e.g. the internet. At the same time, CAE wishes to participate in the development of the free magazines market.

In order to unite the Danish publishing companies at one location construction of a new head office of 18,000 m<sup>2</sup> has been started at Havneholmen near Fisketorvet in Copenhagen. The building is expected to be ready for use during the latter part of 2009.

The development in the accounting year 2005/06 (1 October – 30 September) was not fully satisfactory and could not live up to the record results of 2004/05, cf. the key figures from the Aller Group accounts below:

**Carl Allers Etablissement A/S – key figures from the Group accounts 2005/06**

<b><u>DKKm</u></b>	<b><u>2005/06</u></b>	<b><u>2004/05</u></b>
Turnover (net)	3,961	3,807
Gross profit	1,728	1,753
Result of primary activities	285	460
Result before tax	445	654
Result after tax	317	489
Equity	3,702	3,572
Cash and liquid securities	3,300	3,486
Total assets	5,146	4,974
Dividends	111	171
Average number of employees (excluding free-lance)	2,172	2,063

Please refer to Appendix 2 containing key figures and ratios for Carl Allers Etablissement A/S (Group) 2001/02 – 2005/06

**Carl Allers Etablissement A/S 2005/06**

The CAE Board of Directors comment upon the business year as follows:

“The Aller Group has had a satisfactory year in accordance with the expectations expressed in the Annual Report 2004/05 for a result at a somewhat lower level than the record set in 2004/05.

The year has been characterized by a sound and positive development of the publishing business in all the Nordic countries.

For 2005/06, the Aller Group realized a result of primary activities of DKK 285m or DKK175m lower than in 2004/05. The result has been affected primarily by increasing competition, which has necessitated considerable outlays for marketing activities, and higher costs in all production units.

Financial net income has been lower than in 2004/05 primarily due to losses on the group’s large bond portfolio. The Aller Group’s surplus liquidity is invested in domestic and foreign bonds and shares, DKK 1,668m.

The year’s result after tax amounted to DKK 317m or DKK172m lower than in 2004/05 and represents the 3<sup>rd</sup> best result in the Group’s history”.

Subsidiary group results after tax:

<b><u>DKKm</u></b>	<b><u>2005/06</u></b>	<b><u>2004/05</u></b>
Aller Press	116	167
Aller International	-12	-8
Norsk Aller	107	140
Svensk Aller	83	81
Aller Julkaisut	-3	19

The result of **Aller Press** has been negatively affected by one week's strike in the printing works, investment in new projects (primarily the weekly FOKUS) and one "publishing" week less than in 2004/05.

The Annual Report states that "based on the Aller Press Group's continuing marketing and investment strategy and intensifying competition a satisfactory result for 2006/07 in line with the 2005/06 result can be expected."

**The Aller International Group's** result has been affected by increasing competition and considerable investments in "Industriens Dagblad" (The Industry's Daily), which is now published on the internet only. For 2006/07, a modest positive result is expected.

**The Norsk Aller Group** has during the year made considerable investments in new activities leading to an increase in the number of employees of 72. There has been a positive development in magazine and advertising sales and higher sales within new media (internet and web-radio). For 2006/07, a lower result than in 2005/06 is expected.

**The Svensk Aller Group** has had a very satisfactory year – towards the end of the accounting year, the Group took over the internet portal "Spray" through the acquisition of Spray AB. For 2006/07, the Group "expects a quiet development and a somewhat lower result than in 2005/06 due to depreciation of goodwill following the purchase of Spray AB."

In **Finland**, costs grew faster than turnover leading to a result of primary activities of DKK -10m (2004/05: DKK 23m). "A somewhat better and positive result is expected for 2006/07 – among others due to the positive effects from the Katso take-over".

#### **Outlook for Carl Allers Etablissement A/S for the accounting year 2006/07**

At the Annual General Meeting of Carl Allers Etablissement A/S held on 26 January 2007 – four months into the new accounting year – the Board of Directors made the following comments on the outlook for the current business year:

"The sharp competition in the consumer magazines market is expected to continue and further intensify during the coming years with an increasing number of publications and a changed media structure.

The Aller Group will continue to focus on product development, launching of new products, development of new markets and business areas within mass media and related activities, especially on the internet. A goal-oriented marketing effort and a close follow-up on costs will be maintained.

In all, the Board of Directors believe that the Aller Group will realize a satisfactory result also in 2006/07, however again at a lower level than in 2005/06, partly due to the increasing competition and the acquired activities and companies. A running-in period of 1-3 years must be expected for the new

activities before the full earnings potential can be realized.

Depreciation of good-will in connection with the acquired activities will negatively affect the result during the next couple of years.”

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**Rella Holding A/S' Annual General Meeting**

The Annual General Meeting will be held on Friday 20 April 2007 at 16.00 at the Company's office c/o Deloitte, Weidekampsgade 6, 2300 Copenhagen S.

Yours sincerely,  
The Board of Directors, Rella Holding A/S

Contact: Jens Arnth-Jensen, CEO. Telephone: +45 45 42 45 17.

Appendix 1: Key figures and ratios for Rella Holding A/S 2002-2006

Appendix 2: Key figures and ratios for Carl Allers Etablissement A/S 2001/02-2005/06

Appendix 3: Accounting principles for Rella Holding A/S

**Appendix 1 to announcement no 7/2007****KEY FIGURES AND RATIOS FOR RELLA HOLDING A/S 2002-2006****KEY FIGURES**

<b><u>DKKm</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
Result before financial items and tax	-8.2	-0.6	-0.6	-0.4	-1.2
Income from holding of shares in CAE 1)	162.8	250.9	175.4	155.7	123.0
Financial items, net	-5.1	-4.9	-4.7	-4.5	-3.8
Result before tax	149.5	245.4	170.1	150.8	118.0
<b>The year's result after tax</b>	<b>149.5</b>	<b>245.4</b>	<b>170.1</b>	<b>150.8</b>	<b>118.0</b>
Fixed assets	1,899.1	1,831.8	1,597.7	1,468.6	1,416.9
<b>Total assets</b>	<b>1,899.1</b>	<b>1,831.8</b>	<b>1,597.7</b>	<b>1,468.6</b>	<b>1,416.9</b>
Share capital	26.6	6.7	6.7	6.7	6.7
<b>Equity</b>	<b>1,779.5</b>	<b>1,710.7</b>	<b>1,481.4</b>	<b>1,362.6</b>	<b>1,333.9</b>
Long term debt	116.8	117.7	111.1	100.1	78.3
Short term debt	2.8	3.4	5.2	5.9	4.7

**RATIOS**

Return on equity (%)	8.6	15.4	12.0	11.2	9.1
Solvency ratio (%)	93.7	93.4	92.7	92.8	94.1

1) Starting from 2006, Rella Holding A/S' share of Carl Allers Etablissement A/S net profit is included in the Company's Profit and Loss Accounts where previously only dividends from CAE were included. The figures for 2002-2005 have been adjusted accordingly.

**Appendix 2 to announcement no 7/2007****KEY FIGURES AND RATIOS 2001/02-2005/06 FOR CARL ALLERS ETABLISSEMENT A/S (GROUP)**

<b><u>DKKm</u></b>	<b><u>2005/06</u></b>	<b><u>2004/05</u></b>	<b><u>2003/04</u></b>	<b><u>2002/03</u></b>	<b><u>2001/02</u></b>
Turnover (net)	3,961	3,807	3,595	3,503	3,484
Gross profit	1,728	1,753	1,626	1,477	1,359
Result of primary activities	285	460	395	265	223
Result before tax	445	654	484	416	330
Result after tax	317	489	343	306	246
Dividends	111	171	108	96	77
Equity	3,703	3,572	3,126	2,887	2,831
Cash and liquid securities	3,300	3,486	3,212	2,823	2,711
Total assets	5,146	4,974	4,592	4,377	4,371

<b><u>All figures in %</u></b>	<b><u>2005/06</u></b>	<b><u>2004/05</u></b>	<b><u>2003/04</u></b>	<b><u>2002/03</u></b>	<b><u>2001/02</u></b>
Gross margin	43.6	46.0	45.2	42.1	39.0
Return on sales	7.2	12.1	11.0	7.6	6.4
Return on assets	15.8	32.5	27.4	16.7	15.1
Solvency ratio	71.9	71.8	68.1	66.0	64.8
Return on equity	8.7	14.6	11.4	10.6	8.8
Book value at year-end	22,179	21,095	19,296	17,823	16,599
Pay-out ratio	35.0	35.0	31.4	31.4	31.4

Note: The accounting principles of Carl Allers Etablissement A/S were changed as at 1.10.2002, cf. the new Danish Financial Statements Act. For the accounting year 2002/03, the new principles have led to an increase in the year's result of DKK31m (the result of primary activities has not been affected by the new accounting principles). The effect on total assets is a decrease of DKK121m, and equity has been reduced by DKK25m. The key figures and ratios for the previous years have *not* been adjusted according to the new accounting principles.

A minor reclassification of costs was made during 2003/04. Only the 2002/03 figures have been adjusted in accordance with the new classification.

**Appendix 3 to announcement no 7/2007****ACCOUNTING PRINCIPLES**

The 2006 Annual Report for Rella Holding A/S is presented in conformity with the Danish Financial Statements Act for class D companies, Danish accounting guidelines and the requirements imposed by the Copenhagen Stock Exchange on the companies listed on the stock exchange.

**Change in accounting principles**

Starting from 2006, Rella Holding A/S' share of Carl Allers Etablissement A/S' net profit is included in the Company's Profit and Loss Accounts which previously only included dividends received from CAE. The change affects the Profit and Loss Accounts, the book value of the CAE holding, receivable dividends, and the equity.

The Board of Directors and the Management are of the opinion that the change in accounting principles leads to a clearer true and fair view of the Company's holding of shares in Carl Allers Etablissement A/S by using the intrinsic book value method.

<b>DKK'000</b>	<b>Profit and Loss Accounts 2005</b>	<b>Shareholding in Carl Allers Etablissement A/S 31.12.2005</b>	<b>Receivable dividends 31.12.2005</b>	<b>Equity 31.12.2005</b>
Amounts from Annual Report 2005 based on previous accounting principles	82,377	1,831,783	87,889	1,798,623
<i>Effects of change in accounting principles:</i>				
Elimination of dividends from CAE	-87,919	-30	-87,889	-87,919
Inclusion of share of CAE result	250,918	250,918		250,918
Adjustment to asset revaluation reserve re value of CAE holding		-250,918		-250,918
<b>Amounts based on new accounting principles</b>	<b>245,376</b>	<b>1,831,753</b>	<b>0</b>	<b>1,710,704</b>

**Tax**

The "Tax on the year's result" shown in the Profit and Loss Accounts is calculated on the year's profit according to the accounts adjusted for non-taxable income and expenses.

## **Valuing the shareholding in Carl Allers Etablissement A/S**

The holding of shares in Carl Allers Etablissement A/S is valued as Rella Holding A/S' share of Carl Allers Etablissement A/S' equity according to this company's accounts as at 30 September 2006. The valuation is *not* adjusted for CAE's holding of treasury stock.

It should be noted that the above-mentioned valuation represents a *derogation* from the provisions set out in § 37 of the Danish Financial Statements Act according to which the CAE holding must be valued at an approximate selling price or at cost.

It is impossible to calculate an *unambiguous* approximate selling price for the CAE holding, and a valuation at cost is totally unrelated to reality.

In order to give a *true and fair view* of the Company (cf. the Danish Financial Statements Act, § 11, 1), its assets and liabilities, financial position and results, intrinsic book value is utilised as the valuation principle. The Rella share represents a possibility for investing in the B-shares of the non-listed Carl Allers Etablissement A/S, cf. "Basic Idea and Objective". The chosen accounting principles based on intrinsic book value directly mirror the development in Carl Allers Etablissement A/S' results and equity.

Please refer to the Annual Report's note 4, which – in terms of amounts - describes the effect of the derogation on the Company's assets, liabilities and equity, financial position and results.

## **Debt**

Debt is measured at amortized cost, which usually corresponds to nominal value.

## **Own shares**

Cost price and proceeds with the purchase and sale of own shares as well as dividends on own shares are booked directly over the equity (retained earnings).