

Announcement No. 6/2008

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Copenhagen, 27 March 2008

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Financial Summary for Rella Holding A/S in 2007

The Board of Directors of Rella Holding A/S have today discussed and approved the Company's Annual Report for 2007.

Profit and Loss Accounts for 2007 (DKKm)

	<u>2007</u>	<u>2006</u>
Result before financial items and tax	-1.3	-8.1
Dividends from shares in CAE	57.0	87.9
Financial items, net	-5.5	-5.1
Result before tax	50.2	74.7
The year's result after tax	50.2	74.7

The result before financial items and tax is a deficit of DKK1.3m or DKK6.8m better than in 2006, the main reason being expenses of DKK7.0m incurred in connection with the Company's listing at the Copenhagen Stock Exchange A/S (now OMX Nordic Exchange Copenhagen). The net increase in administration costs of appr. DKK200,000 is due to listing fees to OMX Nordic Exchange Copenhagen and costs in relation to Aktiebog Danmark A/S (more than 10m Rella-shares were traded during 2007) – both for a full year – and costs in connection with the appeals to the Danish Commerce and Companies Board of Appeal.

Dividends from Carl Allers Etablissement A/S amount to DKK57.0m against DKK87.9m the year before.

Net financial expenses are DKK5.5m against DKK5.1m in 2006, primarily due to a somewhat higher interest rate on the part of the Company's debt which is based on variable rates.

The year's net profit of DKK50.2m is therefore DKK24.5m lower than in 2006.

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

Dividends DKK0.00 per share (2006: DKK2.00 per share)	DKK	0
Carried forward to next year	DKK	50,195,858
	DKK	50,195,858

It is Rella Holding A/S' overall dividend policy to pay out in full the dividends received from Carl Allers Etablissement A/S after deduction of administration costs and net financial expenses. The pay-out can take place either by way of dividends or through share repurchases.

The Board of Directors propose that the Annual General Meeting approve nil dividends for the accounting year. It is proposed instead that the Company buy back own shares with a market value of DKK45m. The repurchase will be carried out evenly during 2008 until the end of January 2009 at which time Carl Allers Etablissement A/S' Annual Report 2007/08 will be published.

The value of the proposed share repurchase corresponds to 90.6% of the dividends received from Carl Allers Etablissement A/S at the beginning of February 2008.

Balance Sheet as at 31.12.2007 (DKKm)

ASSETS	<u>31.12.2007</u>	<u>31.12.2006</u>
Financial long term asset:		
Holding of shares in Carl Allers Etablissement A/S	533.1	533.1
<u>Total assets</u>	<u>533.1</u>	<u>533.1</u>
LIABILITIES		
Equity	410.5	413.5
Long term debt	119.6	116.8
Short term debt	3.0	2.8
<u>Total liabilities</u>	<u>533.1</u>	<u>533.1</u>

The shareholding in Carl Allers Etablissement A/S (56.9% of CAE's outstanding shares) is recognized at historical cost. As Rella Holding A/S has not increased its holding of CAE B-shares during 2007, the book value of the holding is the same as last year.

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

DKKm	
Equity as at 31.12.2006	413.5
The year's result according to the proposed distribution	50.2
- Dividends paid	-53.2
Equity as at 31.12.2007	410.5

At year-end 2007, Rella Holding A/S' debt amounted to DKK122.6m (2006: DKK119.6m) corresponding to a solvency ratio of 77% (2006: 77%).

Share and Dividend Ratios for Rella Holding A/S

	<u>2007</u>	<u>2006</u>	<u>2005 1)</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Number of shares at year-end (1,000)	26,600	26,600	26,600	6,650	6,749	6,749
Earnings Per Share (EPS), DKK	1.89	2.81	1.86	7.45	6.47	5.00
Book value per share at year-end, DKK	15.43	15.55	15.49	61.96	60.43	60.71
Market price per share at year-end, DKK	83	155	148	590	330	258
Dividend per share, DKK	0.00	2.00	2.75	11.00	6.75	5.75
Pay-out ratio, %	0	71	149	149	104	115
Price Earnings Ratio (PE)	44	55	80	80	51	52
Price/Book value (PB)	5	10	10	10	5	4

1) Share and dividend ratios for 2005 are adjusted for the issue of bonus shares which took place in 2006.

Please also see [Appendix 1](#) containing key figures and ratios for Rella Holding A/S 2003-2007.

Ruling from the Danish Commerce and Companies Board of Appeal

In November 2007, Rella Holding A/S received the ruling from the Danish Commerce and Companies Board of Appeal on the Company's appeals on the Danish Securities Council's rulings concerning Rella Holding A/S' Annual Report for 2005 and 2006 (the Danish Securities Council had instructed Rella Holding A/S to recognise the holding of shares in Carl Allers Etablissement A/S at market price, alternatively cost price, and no longer at intrinsic book value).

The Board of Directors have always held the view that intrinsic book value is the most suitable valuation principle, also in view of the fact that CAE's equity is more or less represented by liquid funds. Furthermore, by recognising the CAE shares at intrinsic book value a clear coherence is obtained between the economic development of CAE and Rella Holding A/S, which is in the best interest of investors. The Company has adhered to this accounting principle since its inception in 1991.

Rella Holding A/S has stated that recognition of the CAE shareholding at "market price or approximative selling price" based on various valuation methods and techniques would result in a broad spectrum of values – the Board of Directors will not be able to take responsibility to choose a single one of these values to form the basis of the Company's Annual Report. It should be added that there is no liquid market for CAE's B-shares to be used for a recognition at "market price".

In accordance with the rulings of the Danish Securities Council, Rella Holding A/S adjusted its Annual Reports for 2005 and 2006 by recognising the CAE shares at cost, but at the same time lodged an appeal to the Danish Commerce and Companies Board of Appeal (5 October 2006, 29 March and 19 April 2007) In the opinion of the Board of Directors, this valuation method does not give a true and fair view of Rella Holding A/S.

Three of the five experts asked by the Danish Commerce and Companies Board of Appeal to consider Rella Holding A/S' appeals supported the ruling of the Danish Securities Council's ruling while two experts fully agreed with Rella Holding A/S' view that recognition of the CAE holding at intrinsic book value would be the most suitable accounting principle. Based on the majority's viewpoint, the Danish Commerce and Companies Board of Appeal upheld the ruling of the Danish Securities Council.

Rella Holding A/S takes cognizance of the Danish Commerce and Companies Board of Appeal's ruling and will not take the issue further. Irrespective of which accounting principle is chosen the fact remains that Rella Holding A/S owns 56.9% of the outstanding shares in Carl Allers Etablissement A/S. It is however regrettable that the reader of Rella Holding A/S' Annual Report now no longer has any possibility of ascertaining the direct coupling between the economic development of Carl Allers Etablissement A/S and Rella Holding A/S. Now the accounts only inform you of the dividends paid out by Carl Allers Etablissement A/S and the historical cost price of the CAE holding, cf. the main accounting figures and share and dividend ratios on page 1 and 2 of this announcement.

The review below summarily illustrates the very significant difference between the two accounting principles seen over a 5-year period:

DKKm**Dividends received from CAE 2002/03-2006/07** **299****Rella Holding A/S' share of CAE's net profit 2002/03-2006/07** **984****Historical cost price of the CAE holding as at 31.12.2007** **553****Rella Holding A/S' share of CAE's equity as per CAE's latest Annual Report (as at 30.9.2007)** **2,219****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 2007 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 2007, 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 2007, Rella Holding A/S at the end of 2007 owned 56.9% of CAE's outstanding share capital.

Rella Holding A/S made no purchases of its own shares during 2007 and as at 31 December 2007 the Company holds no treasury shares.

At year-end 2007, total debt amounts to DKK122.6m of which DKK80m are two loans of DKK50m and DKK30m maturing 2009 and 2011 respectively. In addition, Rella Holding A/S has drawn DKK39.6m on a long-term credit facility. The facility has a maximum of DKK70m (maturity 2017). 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.

For 2006/07, Carl Allers Etablissement A/S as expected achieved a result at a somewhat lower level than in 2005/06. Net profit amounted to DKK277m (2005/06: DKK317m) with an equity of DKK3,900m (2005/06: DKK3,703m). The result has been achieved in a highly competitive market and during a year when Carl Allers Etablissement A/S continued its considerable investments in new products and companies. The achieved result has been significantly influenced by the following factors:

- The Norwegian mobile telephone service MOOX lost DKK40m and is now being closed down.
- Goodwill depreciation was DKK36m higher than last year.
- Administration costs rose by more than 8% or by appr. DKK37m primarily due to many new employees.
- Net financial income was DKK40m lower than last year.

On the above background, Carl Allers Etablissement A/S' overall result for 2006/07 must be considered satisfactory.

For the accounting year 2007/08, Carl Allers Etablissement A/S is expecting better results than in 2006/07.

The Outlook for Rella Holding A/S in 2008

For 2008, Rella Holding A/S is expecting a net profit of appr. DKK42m (dividends received from Carl Allers Etablissement A/S less Rella Holding A/S' administration costs and net financial items).

It is expected that Carl Allers Etablissement A/S will continue its aggressive investment strategy within new media, e.g. the internet, new magazines and magazines for free. In its Annual Report 2006/07, the Group once more points out that for some of these investments it may take up to 1-3 years before the earnings potential is realized.

Financial Calendar for Rella Holding A/S 2008

04 April	Information on Q1 2008
15 April	Annual General Meeting
28 August	Interim Report 1st Half 2008
27 October	Information on Q3 2008

Carl Allers Etablissement A/S

Carl Allers Etablissement A/S (CAE) is the leading publisher of weeklies in Scandinavia with a circulation of appr. 3.2m copies per week corresponding to a market share of over 61%

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 m² has been started in 2006 at Havneholmen near Fisketorvet in Copenhagen (total investment appr. DKK800m). The building is expected to be ready for use July/August 2009. The project is following its time schedule and is on budget.

The development in the accounting year 2006/07 (1 October – 30 September) corresponded to the guidance in last year's CAE Annual Report. The achieved results should be seen in the light of the above-mentioned special factors and must be considered satisfactory.

Carl Allers Etablissement A/S – Key Figures from the Group Accounts 2006/07

<u>DKKm</u>	<u>2006/07</u>	<u>2005/06</u>
Turnover (net)	4,067	3,961
Gross profit	1,755	1,728
Result of primary activities	265	285
Result before tax	363	445
Result after tax	277	317
Equity	3,900	3,702
Cash and liquid securities	3,209	3,300
Total assets	5,309	5,146
Dividends	97	111
Average number of employees (excl. free-lancers)	2,413	2,172

Please refer to Appendix 2 containing key figures and ratios for Carl Allers Etablissement A/S (Group) 2002/03 – 2006/07.

Carl Allers Etablissement A/S 2006/07

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

“The Aller Group has had a satisfactory year which more than lived up to the expectations expressed in last year’s Annual Report as the result of primary activities only showed a slight drop.

In 2006/07, the Aller Group realized a result of primary activities of DKK 265m, a decrease of DKK 20m compared to 2005/06. The result is influenced by a loss of DKK 40m concerning the Norwegian mobile telephone service MOOX (to be shut down during 2007/08), DKK 34m goodwill depreciation on acquired activities and a loss of DKK 6m from associated companies.

Financial net income was DKK 40m lower than in 2005/06 due to lower income from the Group’s holding of securities. The Aller Group’s surplus liquidity is represented by investments in both domestic and foreign bonds and shares totalling DKK 2,624m (2005/06: DKK 1,668m).

The year’s result after tax amounted to DKK 277m , which is DKK 40m lower than in 2005/06.”

Subsidiary group results after tax:

<u>DKKm</u>	<u>2006/07</u>	<u>2005/06</u>
Aller Press	144	116
Aller International	-24	-12
Norsk Aller	38	107
Svensk Aller	68	83
Aller Julkaisut	20	-3

The result of **Aller Press** was the second best in the Group’s history although goodwill depreciation of DKK 13m in connection with acquired activities is included in the result. The printing activity achieved a positive result of DKK 16m, DKK 10m higher than last year.

The Annual Report states that “a result for 2007/08 at a slightly lower level is expected due to continuing aggressive investments in new business activities.”

During the accounting year, **the Aller International Group** underwent a major restructuring and rationalisation as its activities were transferred to Aller Press. Loss-making activities in both Denmark and Sweden have been closed. – The Management expect “a strong improvement in the result for the 2007/08 leading to a modest but positive result.”

In total, **the Norsk Aller Group** achieved an unsatisfactory result. The result from “the Group’s core activities (publication of weeklies) was satisfactory but digital projects have had a negative impact of DKK 53m.” The loss of DKK 40m from MOOX, cf. above, is included in the DKK 53m. – 2007/08 is expected “to show a good profitability in the publishing business even in the light of sharpening competition from newspapers, magazines and general advertising. Upon the shutting down of MOOX it is expected that the internet activities will show an improved profitability. For the printing activity, a better result is expected for the coming year.”

Although the result is lower than last year, **the Svensk Aller Group** has had a satisfactory year – the result has been “influenced by costs in connection with the acquisition and the running-in of the internet company SPRAY. This internet activity has developed in a satisfactory way and in accordance with the expectations at the time of purchase.” For 2007/08, Svensk Aller is expecting a result at the same level as last year.

Finland registered sharply improved results – the result of primary activities amounted to DKK 26m against –DKK 10m the year before. For 2007/08, a result of primary activities at the same level as 2006/07 is expected.

Outlook for Carl Allers Etablissement A/S for the accounting year 2007/08

At the Annual General Meeting of Carl Allers Etablissement A/S held on 1 February 2008 – 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 sharpen during the coming years with an increasing number of publications and a changed media structure.

Based on thorough analysis and market research, the Aller Group will intensify product development and launch new products if a market demand can be found to exist. At the same time, the Group will continue to develop new markets and business activities within mass media and related activities. A goal-oriented marketing effort and 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 2007/08 and at a higher level than in 2006/07. The result for 2007/08 will mainly be influenced by increasing competition and acquisitions of activities and companies as a running-in period of 1-3 years must be expected for the new activities before the full earnings potential can be realized. In certain cases, this time span can be longer due to sharpening competition. Consequently, goodwill depreciation will continue to negatively affect the result during the next years.

It is the Group’s policy not to express any expectations with regard to financial income. However, the Group’s investments have been structured with the goal of achieving a stable return in line with the market.”

Rella Holding A/S’ Annual General Meeting

The Annual General Meeting will be held on Tuesday 15 April 2008 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

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Appendix 1: Key figures and ratios for Rella Holding A/S 2003-2007

Appendix 2: Key figures and ratios for Carl Allers Etablissement A/S 2002/03-2006/07

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KEY FIGURES AND RATIOS FOR RELLA HOLDING A/S 2003-2007

<u>DKKm</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Result before financial items and tax	-1.3	-8.1	-0.6	-0.6	-0.4
Dividends from Carl Allers Etab.	57.0	87.9	55.1	49.0	38.6
Financial items, net	-5.5	-5.1	-4.9	-4.7	-4.5
Result before tax	50.2	74.6	49.6	43.7	33.7
The year's result after tax	50.2	74.6	49.6	43.7	33.7
Fixed assets	533	533	533	524	516
Total assets	533	533	533	524	516
Share capital	26.6	26.6	6.7	6.7	6.7
Equity	411	413	412	408	410
Long term debt	119	117	118	111	100
Short term debt	3	3	3	5	6

RATIOS

Return on equity (%)	12	18	12	11	8
Solvency ratio (%)	77	77	77	78	79

RELLA HOLDING A/S' DEVELOPMENT BASED ON THE COMPANY'S SHARE OF CARL ALLERS ETABLISSEMENT A/S

To further illustrate Rella Holding A/S' development during this period, the table below shows Rella Holding A/S' share of the after-tax result and equity share of Carl Allers Etablissement A/S:

<u>DKKm</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Rella Holding A/S' ownership of CAE's outstanding shares at year-end (%)	56.9	56.8	57.0	56.8	56.5
Rella Holding A/S' share of CAE' after-tax result	158	180	278	195	173
Rella Holding A/S' share of CAE's equity (book value)	2,219	2,103	2,036	1,776	1,631

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KEY FIGURES AND RATIOS 2002/03-2006/07 FOR CARL ALLERS ETABLISSEMENT A/S (GROUP)

<u>DKKm</u>	<u>2006/07</u>	<u>2005/06</u>	<u>2004/05</u>	<u>2003/04</u>	<u>2002/03</u>
Turnover (net)	4,067	3,961	3,807	3,595	3,503
Gross profit	1,755	1,728	1,753	1,626	1,495
Result of primary activities	265	285	460	395	265
Result of associated companies	-6	16	7	9	4
Net financial income	104	144	187	80	146
Result before tax	363	445	654	484	416
Result after tax	277	317	489	343	306
Dividends	97	111	171	108	96
Equity	3,900	3,703	3,572	3,126	2,887
Cash and liquid securities	3,209	3,300	3,486	3,212	2,823
Total assets	5,309	5,146	4,974	4,592	4,377

<u>All figures in %</u>	<u>2006/07</u>	<u>2005/06</u>	<u>2004/05</u>	<u>2003/04</u>	<u>2002/03</u>
Gross margin	43.1	43.6	46.0	45.2	42.6
Return on sales	6.5	7.2	12.1	11.0	7.6
Return on assets	12.8	15.8	32.5	27.4	16.7
Solvency ratio	73.5	71.9	71.8	68.1	66.0
Return on equity	7.3	8.7	14.6	11.4	10.7
Book value at year-end	23,510	22,179	21,095	19,296	17,823
Pay-out ratio	35.0	35.0	35.0	31.4	31.4

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