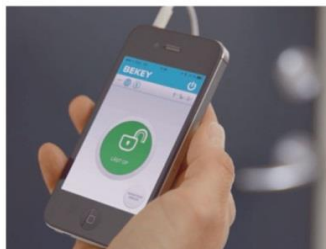


# INTERIM REPORT 2015



The Interim report 2015 has been prepared in Danish and English.

The Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.

6 August 2015

Company announcement no 08-15

## No Ads+ maintains its progress with more than 440,000 households now signed up. Revenue and profit of the Group are as expected for H1 2015, and expectations for FY2015 remain unchanged

- The planned activities and strategic objectives for H1 2015 were executed and achieved as expected.
- In H1 2015, the Group turned over DKK 511.6 million.
- For H1 2015, Group EBITDA stands at DKK 20.3 million, and EBIT before special items comes to a negative DKK 3.5 million.
- H1 2015 was characterised by extensive costs for marketing of No Ads+.
- Financial performance of the Online segment improved in line with expectations.
- At 30 June 2015, the Group's net interest-bearing cash position comes to DKK 74.4 million, and cash resources stand at DKK 272.2 million.

For H1 2015, the Group's revenue came to DKK 511.6 million, which is DKK 23 million, or 4%, down on H1 2014. Revenue of FK Distribution is declining due to the structural market development, resulting in lower volumes. The prices on distributing printed matter continue to drop as a result of – in the eyes of North Media A/S – illegal price competition on the part of Post Danmark. The Group's EBIT before special items was a negative DKK 3.5 million for H1 2015, which is DKK 30.2 million down on the same period in 2014. This drop is attributable to the declining revenue of FK Distribution and higher costs for marketing No Ads+ and development of minetilbud.dk. The online activities improved their performance by DKK 3.3 million in the same period despite the massive marketing of håndværker.dk.

### **FK Distribution continues to up the number of households signed up for No Ads+ and increase options for advanced bargain hunting at minetilbud.dk**

In H1 2015, more than 140,000 households signed up for No Ads+, including over 90,000 households in Q2 alone. The success of No Ads+ continues, and with more than 440,000 households registered at 30 June 2015, this activity is developing satisfactorily and as expected. The advertisement tax was adopted by the Danish Parliament in 2012, but has still not been implemented. And expectations are now that it will not be implemented at all. In June 2015, FK Distribution extended its distribution agreement with Dansk Supermarked until the end of 2017. COOP has terminated its agreement with FK Distribution effective from 1 January 2016.

### **BEKEY consolidates its market-leading position within electronic key systems for municipalities**

BEKEY is now in operation or being tested in 18 Danish municipalities, and BEKEY wins the majority of the tenders offered. Earlier this year, BEKEY's electronic key systems were supplemented with emergency call systems, and most

recently a key box with BEKEY's electronic access was added to the product portfolio. The level of activity has also increased outside Denmark, particularly in Sweden, and campaigns have been launched which have attracted considerable interest from municipalities. BEKEY is now in operation or being tested in 2 Swedish municipalities.

### **Newspaper activities maintained their market position with readership and financial performance on a par with last year**

Revenue of the newspaper activities was slightly lower in H1 2015 when compared to H1 2014. This is attributable to decline in regional retail customers which is partially offset by upped sales to large customers and chains. Readership figures for Søndagsavisen were weaker than anticipated for Q1 2015. However, in April-June, they were 1% above last year's figures based on preliminary monthly data from Gallup. The slightly lower revenue was compensated for performance-wise, to the effect that EBIT for H1 2015 was on a par with performance for the same period last year.

### **Emply Hire generates revenue growth for Ofir**

In H1 2015, Ofir realised the considerable growth in revenue expected from the e-recruitment system Emply Hire. However, the sale of ads for media in Ofir's job universe fared weaker than anticipated. In Q2 2015 Ofir has added social media such as Facebook and LinkedIn to Ofir's job universe, which has substantially increased the number of applications received by employers when using Ofir.dk.

### **håndværker.dk continues to develop positively, seeing high growth in the number of builders registered**

håndværker.dk (formerly Byggestart.dk and HentTilbud.dk) continues to develop positively, seeing growth in the number of builders and a reduced operating loss despite a massive increase in marketing costs in H1 2015.

### **BoligPortal.dk upholds its leading position in the market for advertising rental housing**

As planned, BoligPortal.dk launched new products and improved usability within rental, co-operative and owner-occupied dwellings. BoligPortal.dk's revenue growth was slightly below expectations for H1 2015, whereas the financial performance reflected the higher costs expected for product development.

### **Unchanged expectations for Group revenue and financial performance for FY 2015**

The Group's revenue is still expected to range from DKK 1,010 million to DKK 1,050 million for 2015. Group EBIT (before special items) is still expected to range from a negative DKK 20 million to a positive DKK 5 million for 2015.

# Financial highlights and ratios (DKKm)

Income statement	H1-15 <i>unaudited</i>	H1-14 <i>unaudited</i>	2014 <i>audited</i>
Revenue	511.6	535.2	1,073.7
Gross profit	248.6	266.1	533.4
EBITDA	20.3	51.5	103.4
Amortisation and depreciation	23.8	24.8	48.2
EBIT before special items	-3.5	26.7	55.2
Special items, net	0.0	-7.5	-7.5
EBIT	-3.5	19.2	47.7
Financials, net	6.3	1.5	-6.7
Profit/loss before tax	2.8	18.5	39.6
Tax for the period/year	0.6	7.6	16.9
Net profit for the period/year	2.2	10.9	22.7
Comprehensive income	3.7	8.6	18.7
<b>Balance sheet</b>			
Total assets	873.7	883.2	888.6
Shareholders' equity (incl. Minorities)	534.9	521.3	532.4
Net interest-bearing debt	74.4	42.4	67.6
Net working capital (NWC)	-33.1	-43.5	-43.2
Invested capital	460.5	478.9	464.8
Investments in property, plant and equipment	8.3	6.4	25.0
Free cash flow	-2.1	50.3	83.3
<b>Other information</b>			
Average number of employees	630	621	633
Numbers of shares at year-end, in thousand	20,055	20,055	20,055
Treasury shares, in thousand	1,485	1,485	1,485
Share price at year-end, DKK	13.7	20.0	18.2
<b>Ratios</b>			
Gross margin (%)	48.6	49.7	49.7
Operating margin (EBIT before special items) (%)	-0.7	5.0	5.1
Equity ratio (%)	61.2	59.0	59.9
Return on equity (ROE) (%) (1) *)	0.8	4.2	4.3
Return on capital employed (ROIC) (%) *)	-1.5	10.5	11.0
Earnings per share (EPS)	0.2	0.5	1.1

The financial highlights and financial ratios have been compiled in accordance with "Anbefalinger & Nøgletal 2015" (Recommendations & Financial Ratios 2015) issued by the Danish Society of Financial Analysts.

Ratios marked by \*) are stated on an annual basis.

# Management commentary

In H1 2015, most activities were focused on transformation and continued investments in activities and products set to constitute the core of the North Media Group's position in the media market of the future

As expected, the market development in 2015 has very much resembled the development in 2014. The supply of both physical products and digital products on online platforms for the typical media consumer is going up, while user demands are generally shifting to more on-demand and niche-oriented solutions.

In these years, efforts are made to combine the classic print products, which still pose the most efficient and cost-effective solutions, with the new online platforms, which will redefine and expand the possibilities for marketing and advertising.

The North Media Group offers traditional and classic media products as well as innovative and future-oriented online media, which help lay the path of the media market's development and trends.

Against this background, at year-end 2014, six strategic focus areas were defined that rely on the Group's strategic strengths, which are critical to the financial performance for 2015 and the future earnings level.

**FK Distribution, objectives 2015:** FK Distribution must continue to increase the number of households signed up for No Ads+. Moreover, minetilbud.dk must be the leading platform for online readings and locality-based bargain hunting and services. Massive investments must be made in product development and marketing.

The revenue decline in 2015 is expected to be in line with 2014. The upped investments in No Ads+ and minetilbud.dk will exacerbate the decline in performance, however.

**Results after H1 2015:** In H1 2015, FK Distribution has upped the number of households signed up for No Ads+ by almost 140,000 to total more than 440,000 households at 30 June 2015. This is slightly above expectations.

Considerable resources are used to develop new services at minetilbud.dk, entailing that massive investments are made in product development.

As already mentioned, FK Distribution has lost COOP as its customer effective from 1 January 2016. COOP is a longstanding and important customer, but the cessation of this business relationship does not alter our focus on continuing the successful development of No Ads+ and minetilbud.dk or our conviction that FK Distribution's product portfolio offers customers and retailers the best ad market.

FK Distribution's revenue for H1 2015 fell by approx 7% compared to the same period last year. As anticipated, this drop is on a par with the drop from H1 2013 to H1 2014.

For H1 2015, the decline in performance is proportionately larger than the decline in revenue due to lower prices and large investments in the development of minetilbud.dk and costs for marketing No Ads+.

**BEKEY, objectives 2015:** BEKEY must keep its momentum, and expand its leading position in the municipal market must be cemented. Combined with intensified sales efforts abroad, this must result in high revenue growth. Investments in product development must be maintained.

Considerably higher revenue is expected for 2015, and performance on a par with 2014.

**Results after H1 2015:** BEKEY has cemented its leading position in the municipal market for electronic key systems and expanded its portfolio by emergency call systems and key boxes. In H1 2015, BEKEY partook in 3 tenders, winning 2 of them.

Sales efforts abroad have been increased.

**Newspaper activities, objectives 2015:** The newspaper activities must regain the setting when revenue and readership developments exceeded the general market. Sales efforts must increasingly focus on ROI (return on investment) and on the Group's newspaper titles being the country's largest push-medium and the best alternative to the surge in "no thanks" households, the decline in dailies' circulation and TV's challenge with respect to delivering adequate effect (target rating points (TRP)).

Revenue and performance for 2015 are expected to be on a par with those for 2014.

**Results after H1 2015:** Total revenue of Søndagsavisen developed on a par with the market, reflecting that the newspaper fared substantially better than the market for large customers, and slightly poorer than the market for minor direct customers. Moreover, revenue is characterised by a drop in revenue with a low contribution margin.

The Copenhagen weeklies generally fared substantially better than the market as a drop in revenue from real estate agents and ads sold via De Lokale Ugeaviser was offset by massive growth in revenue from direct customers. This is a result of the improvement plans launched in connec-

tion with the acquisition of the newspapers in the autumn of 2013.

The work to up focus on ROI in the sales efforts has developed according to plan and produced heavy growth in revenue from the local newspapers' direct customers, helped *Søndagsavisen* to more than double its market share of election ads and ensured considerable growth from large advertising customers. The implementation of the ROI-based sales has not been satisfactory in some segments of the regional sales, for which reason increased focus has been placed on making everyone capable of mastering this skill.

After a weak development in Q1 2015, readership figures for *Søndagsavisen* improved in Q2, when they were 1% higher than last year based on preliminary monthly data from Gallup. This means that, again, *Søndagsavisen* is performing better than the average of its competitors.

**Ofir, objectives 2015:** The most important objective of Ofir is to increase the sale of job ads considerably. Moreover, revenue growth from Empl ApS' e-recruitment systems must maintain its high level from 2014.

Significantly greater revenue is expected for 2015, and the earnings improvement must continue. Ofir.dk is expected to achieve EBIT breakeven in H2 2016.

**Results after H1 2015:** For Ofir, revenue from the sale of job ads in H1 2015 did not go up when compared to H1 2014, which is unsatisfactory. Revenue growth from the Empl Hire e-recruitment system, however, has developed very satisfactorily.

Four years ago, Ofir set up the Ofir job universe consisting of the job portal Ofir.dk, a large number of other online media and *Søndagsavisen*, where the clients' job ads are published. Ofir's job universe is constantly being developed and continues to add more relevant media. Most recently in Q2, Ofir has added social media such as Facebook and LinkedIn to Ofir's job universe. Ofir job universe continues to generate an increase in the number of applications received by employers when using Ofir.dk for their job advertisements. The upped number of applicants increases customer satisfaction with Ofir.

**håndværker.dk, objectives 2015:** Byggestart.dk/HentTilbud.dk changed its name to håndværker.dk on 1 February 2015 and also launched a new website. This new website is supported by marketing and is set to ensure that håndværker.dk offers the best way to find the ideal builder.

Revenue for 2015 is expected to decline slightly due to the restructured business model, but improved performance is expected despite the massive marketing effort. håndværker.dk is expected to achieve EBIT breakeven by year-end 2015.

**Results after H1 2015:** håndværker.dk launched a new website as planned, and this new website was supported by marketing. The expected increase in the number of builders was achieved. The builders acknowledge the value of håndværker.dk as a facilitator which enables Danish customers to easily find the ideal builders, and ensures that the builders are viewed by the right customers which helps them land more orders. Despite substantial marketing costs in H1 2015, EBIT for the period has improved on that of the same period last year.

Based on this positive development, it has been decided to intensify the marketing campaign in order to accelerate the volume growth of the business. The upped costs in this respect entail that håndværker.dk is now not expected to achieve break-even by year-end 2015, but rather in H1 2016.

**BoligPortal.dk, objectives 2015:** BoligPortal.dk must uphold its market-leading position and expand its presence on mobile platforms and social media within advertising of rental housing. New products and services for both landlords and tenants must be introduced. BoligPortal.dk must also create a market for the self-sale of co-operative and owner-occupied dwellings.

Revenue is expected to go up for 2015, whereas performance is expected to go down due to additional investments in product development and marketing compared to 2014.

**Results after H1 2015:** BoligPortal.dk has upheld its market-leading position in the market for advertising rental housing, and the objectives defined have been achieved. The planned development of a new mobile-friendly website, apps and new tools for tenants as well as private and professional lessors has been implemented according to plan.

In the new marketplace for self-sale of co-operative and owner-occupied dwellings, BoligPortal has launched a may-be-for-sale service, which does, however, to some extent cannibalise the payable self-sale product. Consequently, revenue development is weaker than expected.

## Expectations for Group revenue and EBIT (before special items) for 2015 are maintained

The Group's revenue for 2015 is still expected to range from DKK 1,010 million to DKK 1,050 million.

For 2015, Group EBIT (before special items) is still expected to range from a negative DKK 20 million to a positive DKK 5 million.

### Expectations for 2015

DKK million	Revenue	EBIT
Print	910 - 940	-10 to +5
Online	100 – 110	-10 to 0
Group	1,010 – 1,050	-20 to +5

The Group's investments for 2015 are estimated at approx DKK 25 million whereas ordinary amortisation/depreciation is estimated at approx DKK 46 million.

At year-end 2015, the Group's capital resources are expected to be on a par with those at year-end 2014.

### Unchanged earnings improvement anticipated after 2016

As specified in Company announcement no 05-15 of 15 June 2015, FK Distribution has lost COOP as its customer effective from 1 January 2016. Seen in isolation, this must be expected to affect earnings of North Media adversely as of 2016. However, the Group maintains its expectations that, as of 2017, it will improve financial performance and generate positive earnings as a result of the already implemented strategic and product-based initiatives stretching far into the media market of the future.

## The Group's financial performance for H1 2015 turned out as expected - massive progress in the number of households signing up for No Ads+

### Group revenue in line with expectations

Group revenue was DKK 511.6 million for H1 2015. This is 4% down on the same period in 2014.

The market for distributing unaddressed printed matter saw reduced quantities and lower prices in H1 2015, and the newspapers did not meet their growth objectives. Conversely, BEKEY saw massive revenue growth, albeit from a low level.

### Continued decline in FK Distribution's revenue

Revenue of the Print segment for H1 2015 is DKK 462.9 million compared to DKK 485.3 million for H1 2014, equaling a decline of DKK 22.4 million, or 5%.

Both FK Distribution and newspaper activities are seeing revenue declines as a result of diminishing volumes and lower prices. Conversely, BEKEY is seeing massive revenue growth, albeit from a low level.

### Revenue of the Online segment on a par with that of last year

The restructuring of the strategy for håndværker.dk, including increased accrual of revenue and divestment of God-mail.dk, resulted in a minor revenue decline for the online activities. Accordingly, revenue fell from DKK 49.9 million in H1 2014 to DKK 48.7 million in H1 2015, equalling a 2% drop.

DKKm	H1		Revenue						
	2015	2014	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Year 2014
Print	462.9	485.3	237.0	225.9	267.9	223.1	251.8	233.5	976.3
<i>Index cp. same period last year</i>	95.4	99.0	94.1	96.7	95.3	104.1	101.7	96.2	99.0
Online	48.7	49.9	24.1	24.6	22.3	25.2	25.1	24.8	97.4
<i>Index cp. same period last year</i>	97.6	106.2	96.0	99.2	100.5	115.6	108.2	104.2	107.0
<b>Group revenue</b>	<b>511.6</b>	<b>535.2</b>	<b>261.1</b>	<b>250.5</b>	<b>290.2</b>	<b>248.3</b>	<b>276.9</b>	<b>258.3</b>	<b>1,073.7</b>
<i>Index cp. same period last year</i>	95.6	99.6	94.3	97.0	95.7	105.1	102.2	96.9	99.7

DKKm	H1		EBIT before special items						
	2015	2014	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Year 2014
Print	1.0	34.2	9.2	-8.2	23.3	3.7	17.4	16.8	61.2
<i>Profit margin</i>	0.2%	7.0%	3.9%	-3.6%	8.7%	1.7%	6.9%	7.2%	6.3%
Online	-4.1	-7.4	-0.7	-3.4	-3.2	2.4	-3.2	-4.2	-8.2
<i>Profit margin</i>	-8.4%	-14.8%	-2.9%	-13.8%	-14.3%	9.5%	-12.7%	-16.9%	-8.4%
Unallocated costs	-0.4	-0.1	-0.4	0.0	1.0	1.3	0.8	-0.9	2.2
<b>Group EBIT</b>	<b>-3.5</b>	<b>26.7</b>	<b>8.1</b>	<b>-11.6</b>	<b>21.1</b>	<b>7.4</b>	<b>15.0</b>	<b>11.7</b>	<b>55.2</b>
<i>Profit margin</i>	-0.7%	5.0%	3.1%	-4.6%	7.3%	3.0%	5.4%	4.5%	5.1%

## Contribution margin

For H1 2015, the total contribution margin for the Group was DKK 248.6 million, which is DKK 17.5 down on the same period in 2014, equalling a contribution ratio of 48.6%. For H1 2014, the contribution margin was DKK 266.1 million and the contribution ratio was 49.7%.

## Staff costs

Staff costs for H1 2015 came to DKK 150.2 million, an increase of DKK 8.2 million compared to H1 2014. This increase is the result of an increase in FK Distribution's activities related to No Ads+ and the internationalisation of BEKEY, not to mention the costs incurred for the Group's 50<sup>th</sup> anniversary celebrations.

For H1 2015, an average of 630 was employed with North Media A/S, which is three employees down on year-end 2014, however, an increase of nine compared to H1 2014.

## Other expenses

Other expenses primarily include marketing costs, cost of premises, IT costs, fees and administrative expenses. Other expenses for H1 2015 total DKK 83.0 million against DKK 75.5 million for H1 2014. Most of the increase is attributable to intensified development, implementation and marketing of No Ads+ and minetilbud.dk. Also, costs were incurred for the development of various BEKEY products.

## The Group's financial performance for H1 2015 matches expectations

Group EBIT before special items for H1 2015 is a negative DKK 3.5 million against a positive DKK 26.7 million for the

same period last year. The financial performance for the period is up to expectations announced in February 2015.

## FK Distribution's earnings decline

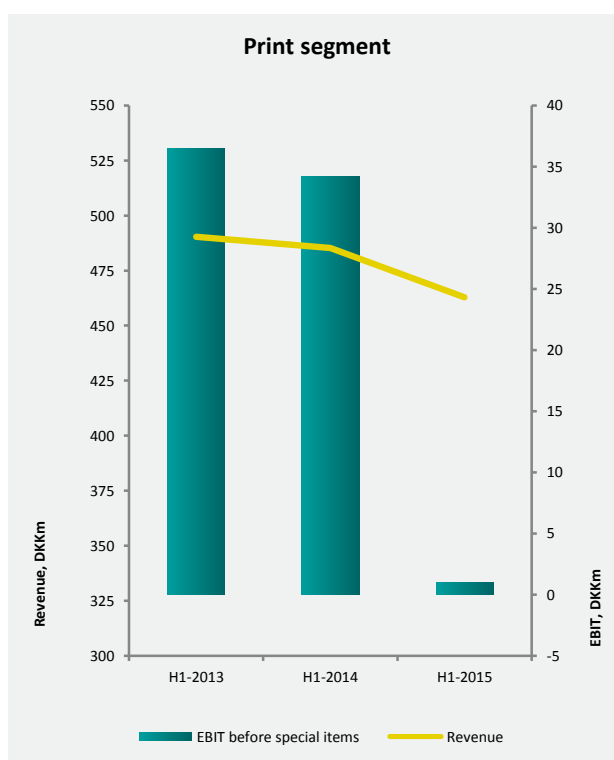
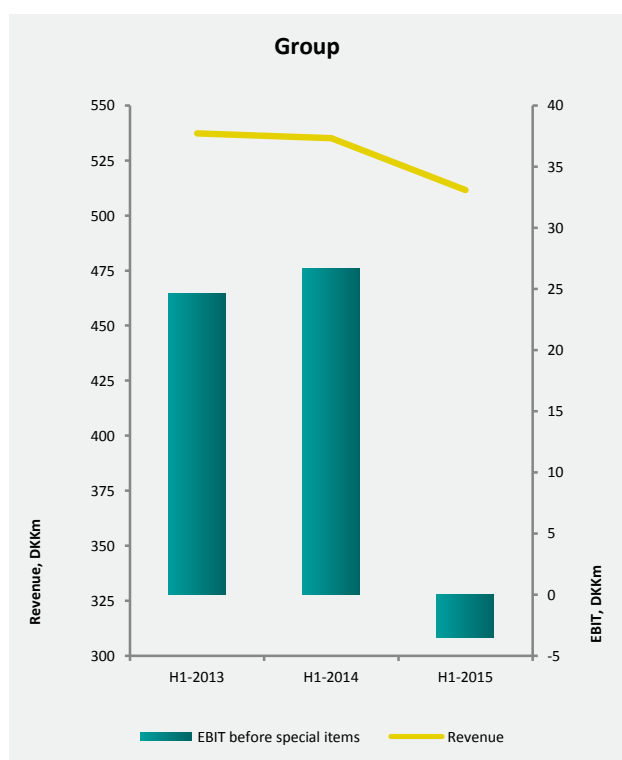
FK Distribution is experiencing a continued decline in revenue and earnings due to sagging volumes and continued price pressure. This is why the operating profit from the Print segment has gone down from DKK 34.2 million in H1 2014 to DKK 1.0 million in H1 2015.

In addition, the newspapers saw a decline in volumes, however, mostly in customers with low contribution margin. The financial performance of the newspaper activities remains on a par with last year despite a minor decline in revenue.

As expected, BEKEY generates negative financial results on a par with last year. The increase in revenue has been reinvested in further product development and steps have been taken to internationalise certain activities.

## EBIT of the Online segment (before special items) has improved as planned

The Online segment's EBIT before special items for H1 2015 came to a negative DKK 4.1 million compared to a negative DKK 7.4 million for H1 2014. The operating loss is mainly attributable to the loss realised by Ofir.dk and håndværker.dk resulting from product development and marketing costs. håndværker.dk's financial performance has improved despite considerable marketing costs for H1 2015. The performance of the Online segment is positively influenced by the divestment of Godmail.dk, which is recognised in





other operating income at a net profit of DKK 2.2 million for Q2 2015.

### Special items

There are no special items for 2015.

In H1 2014, "Special items" included write-down of goodwill and reversal of earn-out payable totalling DKK 7.5 million net from the purchase of Byggestart/HentTilbud.dk. Following the write-down, goodwill and earn-out payable were reduced to DKK 0. Special items for H1 2014 also include DKK 1.6 million in severance pay to staff as the number of employees at Byggestart.dk/HentTilbud.dk was halved to 15 people.

Please also refer to Note 3.

### Share of profits/losses from associates

The Group's share of profits/losses after tax from associates for H1 2015 comes to DKK 0.0 million compared to a negative DKK 2.2 million for H1 2014. Financial performance for A/S Vestsjællandske Distrikts-blade is on a par with the performance for H1 2014.

In 2014, the financial performance was adversely affected by the sale of the minority block in Shopbox ApS, which resulted in a loss of DKK 1.7 million. Further, there was an operating loss until the time of sale.

### Financial income

The Group's financial income for H1 2015 comes to DKK 10.5 million whereas income for H1 2014 came to DKK 7.5

million. Such income is mainly attributable to security investments in the form of realised and unrealised capital gains, interest income and dividend received.

Please also refer to Note 2.

At 30 June 2015, the Group's portfolio of securities totalled DKK 195.4 million, whereas the portfolio at the same date in 2014 came to DKK 180.8 million.

### Financial expenses

Financial expenses for H1 2015 total a negative DKK 4.2 million against a negative DKK 6.0 million for H1 2014. The interest expenses are attributable to interest on mortgage loans and the discount effect of the purchase price payable. The reduction as compared to H1 2014 is primarily attributable to a lower discount rate.

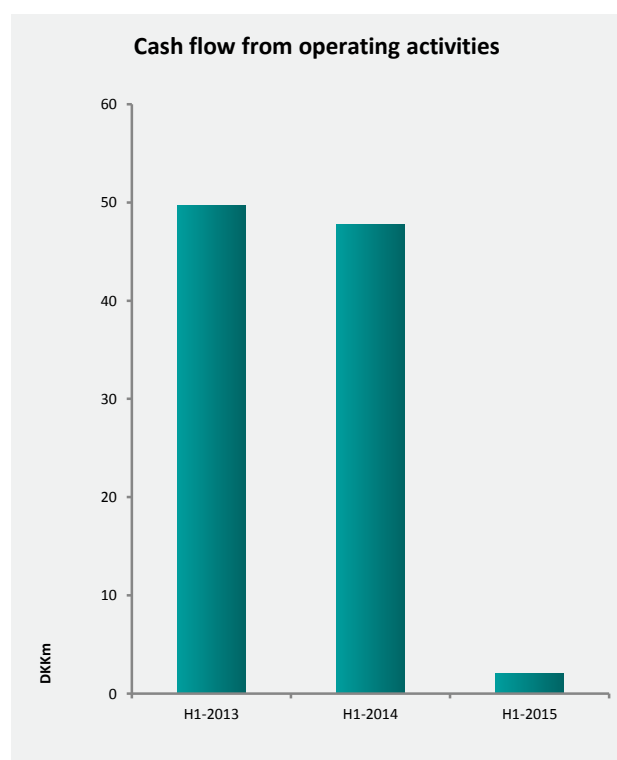
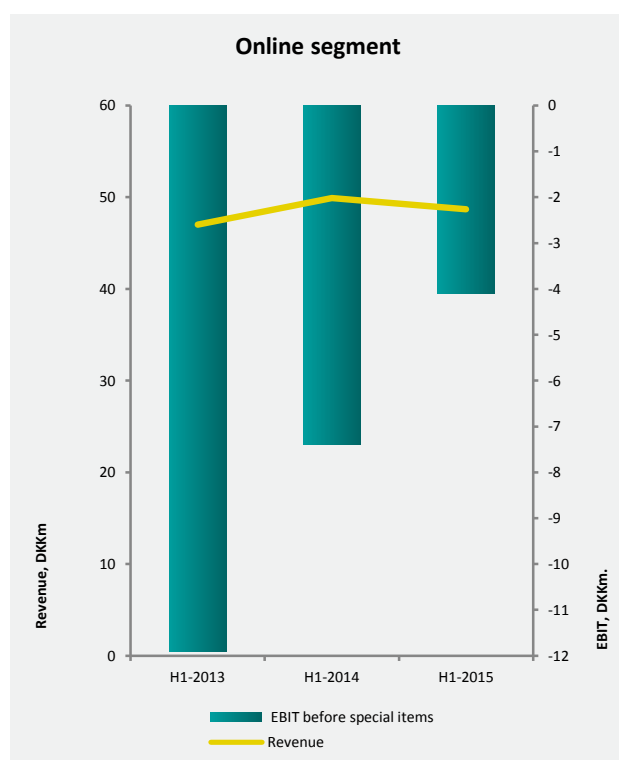
Please also refer to Note 2.

### Profit before tax

The Group's profit before tax for H1 2015 is DKK 2.8 million against DKK 18.5 million for H1 2014. The decline is mostly due to lower operating income, however, a minor portion of the decline is made up for by higher net financial income.

### Income tax

Tax on profit for the period stands at DKK 0.6 million, equalling an effective tax rate of 21.4%. For H1 2014, income tax totalled DKK 7.6 million based on a profit of DKK 18.5 million.



## Profit for the period

For H1 2015, the Group realised a profit of DKK 2.2 million. This profit is DKK 8.7 million down on 2014, mainly due to the decline in core earnings referred to above.

## Special risks and elements of uncertainty in H2 2015

Most of the Group's activities are distinct high-volume enterprises subject to high start-up costs and subsequent low unit costs, for which reason revenue growth would support a profit margin increase. Conversely, a decline in revenue would have a negative effect on the profit margin as it is only possible to slightly reduce costs in the short run. Also, operations are conducted in markets characterised by massive structural changes which contributes to increasing the uncertainty.

## Intangible assets

In the Group's balance sheet for H1 2015, intangible assets are written down by DKK 7.4 million by way of amortisation. DKK 6.1 million has been written off for the financial results of the Print segment's intangible assets related to the purchase at year-end 2013 of eight local newspapers, DKK 0.9 million for software related to FK Distribution and DKK 0.4 million for the profit from the Online segment related to Boligportal.dk

At the end of June 2015, goodwill relating to the acquisition of those eight local papers comes to DKK 32.9 million, whereas other intangible assets in the form of publisher and brand rights for the eight local newspapers have been calculated at DKK 41.4 million.

The rest of the goodwill relates to FK Distribution and BoligPortal.dk, and the other intangible assets also to BoligPortal.dk.

It has been concluded that no indication of impairment exists at 30 June 2015.

## Investments in associates

For H1 2015, investments in associates include the investment in Vestsjællandske Distriktsblade A/S and a minor block of shares has been acquired in a website in Ukraine. Investments in associates also include the investment in Dansk Distributionscenter P/S and its general partner. In H1 2014, the Group sold its minority interest in Shopbox ApS.

## Investments

The Group's total investments in intangible assets and property, plant and equipment comes to DKK 8.4 million in H1 2015, which is on a par with the same period last year when they came to DKK 7.8 million. Most of the investments are attributable to FK Distribution's packing terminals.

Amortisation and depreciation for H1 2015 come to DKK 23.8 million, which is DKK 1.0 million down on the same period last year. The decline is mainly due to reduced amortisation of intangible assets following the write-down in 2014.

## Working capital

At 30 June 2015, the Group's trade receivables amount to DKK 86.7 million. This corresponds to a debtor days ratio of 25.2 days. Compared to the same period in 2014, the Group's receivables have increased by DKK 0.4 million, and the debtor days ratio has increased by 1.2 days from 24.0 days. For most activities, the debtor days ratio has gone up.

At the end of June 2015, short-term trade payables stand at DKK 40.4 million compared to DKK 40.8 million at the end of June 2014. In days payable outstanding, this corresponds to 24.4 days for H1 2015 compared to 25.0 days for H1 2014.

At 30 June 2015, other payables amount to DKK 84.8 million, which is DKK 7.2 million down on the same date in 2014. Other payables primarily relate to holiday pay payable, VAT payable and costs payable.

The Group's net working capital (NWC) amounted to a negative DKK 33.1 million at the end of June 2015, which is a drop of DKK 10.4 million as compared to the same period last year when Group NWC was a negative DKK 43.5 million. At year-end 2014, negative NWC came to DKK 43.2 million.

## Cash flows from operating activities for H1 2015 are DKK 2.0 million

Cash flows from operating activities for H1 2015 are considerably lower than those for H1 2014. This decline is mainly attributable to the decline in financial results but also to the decline in NWC.

Cash flows from investing activities for H1 2015 come to DKK 11.2 million against a negative DKK 46.3 million for H1 2014. Cash flows from investing activities are also significantly affected by the purchase and sale of securities, and in 2014 also by the payment of the purchase price payable and acquisition of minority blocks in the distribution business.

In H1 2015, cash flows from financing activities were negative by DKK 4.9 million, attributable to dividend of DKK 2.0 million distributed to minority shareholders and instalments paid on mortgage loans. For H1 2014, cash flows from financing activities came to a negative DKK 6.7 million, which is also attributable to dividend distributed to minority shareholders and instalments on mortgage loans.

Cash flows for H1 2015 total DKK 8.3 million.

## Capital resources continue to improve in 2015

At 30 June 2015, the Group has cash and cash equivalents totalling DKK 56.8 million and a portfolio of securities worth DKK 195.4 million. Accordingly, cash resources stand at DKK 272.2 million at the end of June 2015.

This includes a credit facility for DKK 25 million from which DKK 5 million has been drawn at 30 June 2015.

At 30 June 2015, the Group's listed shareholding comes to DKK 88.7 million, consisting of investments in a unit trust and a number of Danish and foreign ultra-liquid shares in the IT and health care sectors.

At 30 June 2015, the Group's portfolio of bonds has a value of DKK 106.7 million. This portfolio includes corporate bonds and mortgage credit bonds.

The return on the securities for H1 2015 was DKK 9.7 million or 4.7%.

Also, the Group has mortgage loans including negative fair value of interest rate swaps for a total of DKK 151.4 and an operating credit facility from which DKK 5.0 million has been drawn. The Group also has an acquisition price payable mainly relating to the acquisition of Lokaltviseerne Østerbro og Amager A/S for a total of DKK 21.4 million, of which DKK 12.6 million falls due within one year.

After deduction of the purchase price payable, the Group's net interest-bearing cash position for H1 2015 is DKK 74.4 million, which is DKK 6.8 million up on that at year-end 2014.

## Equity and holding of treasury shares

At 30 June 2015, the Group's equity was DKK 534.9 million, which is DKK 2.5 million up on equity at year-end 2014.

No treasury shares were purchased or sold during the period.

At 30 June 2015, the Group's portfolio of treasury shares was still 1,485,000, corresponding to 7.4% of the share capital and the votes of North Media A/S. The average buying rate was DKK 27.7 per share.

## Related parties

Besides ordinary remuneration of Management, no transactions were carried out with the Executive Board or the Board of Directors.

By virtue of his holding company, Baunegård ApS, Richard Bunck is the Company's principal shareholder and is thus subject to the disclosure requirement applicable to related parties. No transactions were carried out with Richard Bunck in the period under review except for the directors' remuneration.

Transactions with associates consisted of ordinary sales and purchase transactions only.

## Contingent liabilities and assets

No considerable changes occurred in H1 2015 concerning the Group's contingent liabilities and assets.

## Events after the balance sheet date

The Board of Directors and the Executive Board are not aware of any significant events having occurred since 30 June 2015, which would have a material impact on the financial position of the Group.

## Accounting policies

The Interim Report includes a summary of the consolidated financial statements of North Media A/S for the period 1 January to 30 June 2015. The Interim Report is presented in accordance with IAS 34, *Interim financial reporting*, as adopted by the EU and additional Danish disclosure requirements governing interim reports of listed companies.

The accounting policies applied to this Interim Report are consistent with those applied to the Annual Report for 2014.

A minor adjustment has been made in the comparative figures of the financial statement items "direct costs", "other costs" and "other operating income". This adjustment does not impact on Group EBIT before special items.

In the Interim Report, income tax is charged at a rate of 23.5% of the pre-tax profit, however, adjusted for the profit from the sale of Godmail.dk. Income tax is charged separately for each tax jurisdiction.

## Managerial changes

None.

# Statement by Management on the Interim Report 2015

The Board of Directors and the Executive Board have today examined and adopted the unaudited Interim Report of the North Media A/S Group for the period 1 January to 30 June 2015.

The Interim Report has been prepared in accordance with IAS 34 as adopted by the EU and additional Danish disclosure requirements governing interim reports of listed companies.

We consider the applied accounting policies appropriate and the accounting estimates reasonable. In our opinion,

the Interim Report gives a true and fair view of the Group's financial position at 30 June 2015 and of its financial performance and its cash flows for the period 1 January to 30 June 2015.

We also believe that the management commentary contains a fair review of the developments in the Group's business and of its financial position as a whole together with a description of the principal risks and uncertainties that it faces.

Søborg, 6 August 2015

## **Executive Board**

Lars Nymann Andersen  
Chief Executive Officer

Kåre Stausø Wigh  
Chief Financial Officer

Arne Ullum Laursen  
Media Director

## **Board of Directors**

Richard Bunck  
Chairman

Peter Rasztar  
Vice Chairman

Steen Gede

Ulrik Holsted-Sandgreen

# Consolidated statement of comprehensive income

Note		H1-15 DKK <i>unaudited</i>	H1-14 DKK <i>unaudited</i>	2014 DKK <i>audited</i>
	Revenue	511.6	535.2	1,073.7
	Direct expenses	163.3	166.9	333.7
	Direct staff costs	99.7	102.2	206.6
	<b>Gross margin</b>	<b>248.6</b>	<b>266.1</b>	<b>533.4</b>
	Staff costs	150.2	142.0	278.9
	Other costs	83.0	75.5	157.3
	Amortisation and depreciation	23.8	24.8	48.2
	Other operating income	4.9	2.9	6.2
	<b>EBIT before special items</b>	<b>-3.5</b>	<b>26.7</b>	<b>55.2</b>
3	Special items, net	0.0	-7.5	-7.5
	<b>EBIT</b>	<b>-3.5</b>	<b>19.2</b>	<b>47.7</b>
1	Share of profit/loss in associates	0.0	-2.2	-1.4
2	Financial income	10.5	7.5	18.0
2	Financial expenses	-4.2	-6.0	-24.7
	<b>Profit before tax</b>	<b>2.8</b>	<b>18.5</b>	<b>39.6</b>
	Tax for the period/year	0.6	7.6	16.9
	<b>Net profit for the period/year</b>	<b>2.2</b>	<b>10.9</b>	<b>22.7</b>
	<i>Financial statement items that may later be reclassified for the income statement</i>			
	Translation adjustments, foreign companies	-0.3	-0.1	-0.2
	Fair value adjustment of hedging instruments	2.5	-2.9	-5.1
	Tax, other comprehensive income	-0.7	0.7	1.3
	<b>Other comprehensive income</b>	<b>1.5</b>	<b>-2.3</b>	<b>-4.0</b>
	<b>Comprehensive income</b>	<b>3.7</b>	<b>8.6</b>	<b>18.7</b>
	<b>Attributable, net profit</b>			
	Shareholders in North Media A/S	2.8	9.7	20.6
	Minority interests	-0.6	1.2	2.1
		<b>2.2</b>	<b>10.9</b>	<b>22.7</b>
	<b>Attributable, comprehensive income</b>			
	Shareholders in North Media A/S	4.3	7.4	16.6
	Minority interests	-0.6	1.2	2.1
		<b>3.7</b>	<b>8.6</b>	<b>18.7</b>
	<b>Earnings per share, in DKK</b>			
	Earnings per share (EPS) - total	0.2	0.5	1.1
	Diluted earnings per share (EPS-D) - total	0.2	0.5	1.1



# Consolidated balance sheet

## Equity and liabilities

Note		H1-15 DKKm <i>unaudited</i>	H1-14 DKKm <i>unaudited</i>	2014 DKKm <i>audited</i>
	Share capital	100.3	100.3	100.3
	Treasury shares	-41.2	-41.2	-41.2
	Hedging reserves	-12.5	-12.7	-14.3
	Reserve, translation adjustments	-3.7	-3.3	-3.4
	Retained earnings	489.4	474.0	485.8
	<b>Parent Company's share of shareholders' equity</b>	<b>532.3</b>	<b>517.1</b>	<b>527.2</b>
	Minority interests	2.6	4.2	5.2
	<b>Total equity</b>	<b>534.9</b>	<b>521.3</b>	<b>532.4</b>
	Deferred tax	16.8	17.4	16.1
7	Financial institutions	129.0	134.9	131.9
	Fair value, interest-rate swap	16.5	16.9	19.0
6	Purchase price payable	8.8	31.6	15.4
	<b>Total non-current liabilities</b>	<b>171.1</b>	<b>200.8</b>	<b>182.4</b>
	Financial institutions	10.9	5.7	5.9
	Trade payables	40.4	40.8	51.2
6	Purchase price payable	12.6	2.1	8.4
	Income tax payable	0.3	5.5	1.5
	Other payables	84.8	92.0	87.9
	Deferred income	18.7	15.0	18.9
	<b>Total current liabilities</b>	<b>167.7</b>	<b>161.1</b>	<b>173.8</b>
	<b>Total liabilities</b>	<b>338.8</b>	<b>361.9</b>	<b>356.2</b>
	<b>Total equity and liabilities</b>	<b>873.7</b>	<b>883.2</b>	<b>888.6</b>

# Consolidated statement of changes in equity

Half year - unaudited

H1-15 DKKm	Share capital	Trea- sury shares	Hedging reserves	Reserve, trans- lation adjust- ment	Retain- ed earn- ings	Parent Com- pany's total share	Minor- ity inte- rests	Total equity
<b>Equity 1 January 2015</b>	<b>100.3</b>	<b>-41.2</b>	<b>-14.3</b>	<b>-3.4</b>	<b>485.8</b>	<b>527.2</b>	<b>5.2</b>	<b>532.4</b>
<b>Changes in equity in H1-15</b>								
Net profit for the period/year	0.0	0.0	0.0	0.0	2.8	2.8	-0.6	2.2
Translation adjustment, foreign companies	0.0	0.0	0.0	-0.3	0.0	-0.3	0.0	-0.3
Fair value adjustment of hedging instruments	0.0	0.0	2.5	0.0	0.0	2.5	0.0	2.5
Tax, other comprehensive income	0.0	0.0	-0.7	0.0	0.0	-0.7	0.0	-0.7
<b>Other comprehensive income after tax</b>	<b>0.0</b>	<b>0.0</b>	<b>1.8</b>	<b>-0.3</b>	<b>0.0</b>	<b>1.5</b>	<b>0.0</b>	<b>1.5</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>1.8</b>	<b>-0.3</b>	<b>2.8</b>	<b>4.3</b>	<b>-0.6</b>	<b>3.7</b>
Dividend distributed	0.0	0.0	0.0	0.0	0.0	0.0	-2.0	-2.0
Share-based payment	0.0	0.0	0.0	0.0	0.8	0.8	0.0	0.8
<b>Total changes in equity in H1-15</b>	<b>0.0</b>	<b>0.0</b>	<b>1.8</b>	<b>-0.3</b>	<b>3.6</b>	<b>5.1</b>	<b>-2.6</b>	<b>2.5</b>
<b>Equity at 30 June 2015</b>	<b>100.3</b>	<b>-41.2</b>	<b>-12.5</b>	<b>-3.7</b>	<b>489.4</b>	<b>532.3</b>	<b>2.6</b>	<b>534.9</b>
H1-14 DKKm	Share capital	Trea- sury shares	Hedging reserves	Reserve, trans- lation adjust- ment	Retain- ed earn- ings	Parent Com- pany's total share	Minor- ity inte- rests	Total equity
<b>Equity 1 January 2014</b>	<b>100.3</b>	<b>-41.2</b>	<b>-10.5</b>	<b>-3.2</b>	<b>462.2</b>	<b>507.6</b>	<b>15.7</b>	<b>523.3</b>
<b>Changes in equity H1-14</b>								
Net profit for the period/year	0.0	0.0	0.0	0.0	9.7	9.7	1.2	10.9
Translation adjustment, foreign companies	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0	-0.1
Fair value adjustment of hedging instruments	0.0	0.0	-2.9	0.0	0.0	-2.9	0.0	-2.9
Tax, other comprehensive income	0.0	0.0	0.7	0.0	0.0	0.7	0.0	0.7
<b>Other comprehensive income after tax</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>-2.3</b>	<b>0.0</b>	<b>-2.3</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.2</b>	<b>-0.1</b>	<b>9.7</b>	<b>7.4</b>	<b>1.2</b>	<b>8.6</b>
Purchase of minority shares (Note 6)	0.0	0.0	0.0	0.0	0.0	0.0	-7.6	-7.6
Transferred	0.0	0.0	0.0	0.0	1.3	1.3	-1.3	0.0
Dividend distributed	0.0	0.0	0.0	0.0	0.0	0.0	-3.8	-3.8
Share-based payment	0.0	0.0	0.0	0.0	0.8	0.8	0.0	0.8
<b>Total changes in equity in H1-14</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.2</b>	<b>-0.1</b>	<b>11.8</b>	<b>9.5</b>	<b>-11.5</b>	<b>-2.0</b>
<b>Equity at 30 June 2014</b>	<b>100.3</b>	<b>-41.2</b>	<b>-12.7</b>	<b>-3.3</b>	<b>474.0</b>	<b>517.1</b>	<b>4.2</b>	<b>521.3</b>



# Consolidated statement of changes in equity

Full year - audited

2014 DKKm	Share capital	Treasury shares	Hedging reserves	Reserve, translation adjustment	Retained earnings	Parent Company's total share	Minority interests	Total equity
<b>Equity 1 January 2014</b>	<b>100.3</b>	<b>-41.2</b>	<b>-10.5</b>	<b>-3.2</b>	<b>462.2</b>	<b>507.6</b>	<b>15.7</b>	<b>523.3</b>
<b>Changes in equity 2014</b>								
Net profit for the year	0.0	0.0	0.0	0.0	20.6	20.6	2.1	22.7
Translation adjustment, foreign companies	0.0	0.0	0.0	-0.2	0.0	-0.2	0.0	-0.2
Fair value adjustment of hedging instruments	0.0	0.0	-5.1	0.0	0.0	-5.1	0.0	-5.1
Tax, other comprehensive income	0.0	0.0	1.3	0.0	0.0	1.3	0.0	1.3
<b>Other comprehensive income after tax</b>	<b>0.0</b>	<b>0.0</b>	<b>-3.8</b>	<b>-0.2</b>	<b>0.0</b>	<b>-4.0</b>	<b>0.0</b>	<b>-4.0</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>-3.8</b>	<b>-0.2</b>	<b>20.6</b>	<b>16.6</b>	<b>2.1</b>	<b>18.7</b>
Purchase of minority shares	0.0	0.0	0.0	0.0	0.0	0.0	-7.6	-7.6
Ændret indregning af minoritetsinteressers	0.0	0.0	0.0	0.0	1.2	1.2	-1.2	0.0
Dividend distributed	0.0	0.0	0.0	0.0	0.0	0.0	-3.8	-3.8
Share-based payment	0.0	0.0	0.0	0.0	1.8	1.8	0.0	1.8
<b>Total changes in equity in 2014</b>	<b>0.0</b>	<b>0.0</b>	<b>-3.8</b>	<b>-0.2</b>	<b>23.6</b>	<b>19.6</b>	<b>-10.5</b>	<b>9.1</b>
<b>Equity at 31 December 2014</b>	<b>100.3</b>	<b>-41.2</b>	<b>-14.3</b>	<b>-3.4</b>	<b>485.8</b>	<b>527.2</b>	<b>5.2</b>	<b>532.4</b>

# Consolidated cash flow statement

Note	H1-15 DKKm <i>unaudited</i>	H1-14 DKKm <i>unaudited</i>	2014 DKKm <i>audited</i>
	<b>2.2</b>	<b>10.9</b>	<b>22.7</b>
	19.7	39.2	79.9
	-14.6	6.4	7.4
	<b>7.3</b>	<b>56.5</b>	<b>110.0</b>
	0.1	0.3	0.3
	-3.6	-4.0	-7.8
	<b>3.8</b>	<b>52.8</b>	<b>102.5</b>
	-1.8	-5.0	-19.0
	<b>2.0</b>	<b>47.8</b>	<b>83.5</b>
	-8.4	-7.8	-26.9
	0.6	0.1	1.0
4	3.5	13.0	13.6
	16.3	-34.1	-48.8
	2.2	0.6	1.0
	0.0	0.1	-4.8
8	-3.0	-10.6	-11.5
	0.0	-7.6	-7.6
	0.0	0.0	-4.5
	<b>11.2</b>	<b>-46.3</b>	<b>-88.5</b>
	-2.9	-2.9	-5.7
	-2.0	-3.8	-3.8
	<b>-4.9</b>	<b>-6.7</b>	<b>-9.5</b>
	<b>8.3</b>	<b>-5.2</b>	<b>-14.5</b>
5	<b>43.5</b>	<b>58.0</b>	<b>58.0</b>
5	<b>51.8</b>	<b>52.8</b>	<b>43.5</b>

# Notes to the Interim Report

<b>1 Share of profit/loss of associates after tax</b>	<b>H1-15 DKKm <i>unaudited</i></b>	<b>H1-14 DKKm <i>unaudited</i></b>	<b>2014 DKKm <i>audited</i></b>
Share of profit/loss before tax	0.3	-0.5	0.5
Share of tax	-0.3	0.0	-0.6
Loss on sales of investments	0.0	-1.7	-1.3
<b>Total share of profit/loss of associates after tax</b>	<b>0.0</b>	<b>-2.2</b>	<b>-1.4</b>

<b>2 Net financials</b>	<b>H1-15 DKKm <i>unaudited</i></b>	<b>H1-14 DKKm <i>unaudited</i></b>	<b>2014 DKKm <i>audited</i></b>
Exchange differences	0.7	0.4	0.4
Interest income etc	0.1	0.3	0.3
Dividend	2.2	0.6	1.0
Interest and gain on bonds, net	1.2	2.6	4.1
Net capital gains on shares	6.3	3.6	12.2
<b>Total financial income</b>	<b>10.5</b>	<b>7.5</b>	<b>18.0</b>

Interest expenses etc	3.6	4.0	7.5
Exchange differences	0.0	0.0	0.3
Fair value adjustment of other investments	0.0	0.0	13.8
Discount effect of the purchase price payable	0.6	2.0	3.1
<b>Total financial expenses</b>	<b>4.2</b>	<b>6.0</b>	<b>24.7</b>

<b>3 Special items</b>	<b>H1-15 DKKm <i>unaudited</i></b>	<b>H1-14 DKKm <i>unaudited</i></b>	<b>2014 DKKm <i>audited</i></b>
Impairment of goodwill relating to Byggestart/HentTilbud ApS	0.0	14.1	14.1
Reversal of deferred consideration related to the acquisition of HentTilbud ApS	0.0	-8.2	-8.2
Redundancy costs on organisational change in HentTilbud ApS	0.0	1.6	1.6
Write-down of goodwill related to midweek newspapers	0.0	0.0	15.0
Reversal of acquisition price payable related to the acquisition of Lokalaviserne Østerbro og Amager A/S	0.0	0.0	-15.0
<b>Total special items</b>	<b>0.0</b>	<b>7.5</b>	<b>7.5</b>

<b>4 Investments in associates</b>	<b>H1-15 DKKm <i>unaudited</i></b>	<b>H1-14 DKKm <i>unaudited</i></b>	<b>2014 DKKm <i>audited</i></b>
Net asset value at 1 January	11.0	25.0	25.0
Additions for the year	0.0	0.0	5.0
Disposals for the year	0.0	-2.8	-5.3
Share of profit/loss before tax	0.3	-0.5	0.5
Share of tax	-0.3	0.0	-0.6
Dividend received	-3.5	-13.0	-13.6
<b>Net asset value at 30 June/31 December</b>	<b>7.5</b>	<b>8.7</b>	<b>11.0</b>

The investment in Shopbox ApS was sold at the end of June 2014, and a loss of DKK 1.7 million recognised in H1-14, see Note 1.

<b>5 Cash and cash equivalents</b>	<b>H1-15 DKKm <i>unaudited</i></b>	<b>H1-14 DKKm <i>unaudited</i></b>	<b>2014 DKKm <i>audited</i></b>
<b>Cash and cash equivalents comprise</b>			
Cash	56.8	52.8	43.5
Cash outflow on business credit	-5.0	0.0	0.0
<b>Cash and cash equivalents</b>	<b>51.8</b>	<b>52.8</b>	<b>43.5</b>

The Group has a credit facility for a total of DKK 25.0 million, from which DKK 5.0 million was drawn at 30 June 2015.

<b>6 Purchase price payable</b>	<b>H1-15 DKKm <i>unaudited</i></b>	<b>H1-14 DKKm <i>unaudited</i></b>	<b>2014 DKKm <i>audited</i></b>
Net liability value at 1 January	23.8	51.8	51.8
Additional	0.0	0.0	4.8
Payments	-3.0	-10.6	-11.5
Value adjustments	0.0	-9.5	-24.4
Discount effect of the purchase price payable	0.6	2.0	3.1
<b>Total purchase price payable</b>	<b>21.4</b>	<b>33.7</b>	<b>23.8</b>
Non-current part	8.8	31.6	15.4
Current part	12.6	2.1	8.4
<b>Total purchase price payable</b>	<b>21.4</b>	<b>33.7</b>	<b>23.8</b>

The IT deliveries by Emply to Ofir were made according to plan, and the additional capital investment in Emply A/S which was provided for at 31 December 2014 is expected to materialise in Q3 2015.

## 7 Debt to financial institutions etc

	H1-15 DKKm <i>unaudited</i>	H1-14 DKKm <i>unaudited</i>	2014 DKKm <i>audited</i>
Mortgage debt	134.9	140.6	137.8
Short-term bank debt	5.0	0.0	0.0
<b>Carrying amount</b>	<b>139.9</b>	<b>140.6</b>	<b>137.8</b>
<b>Debt to financial institutions is included under the following items in the balance sheet</b>			
Non-current liabilities	129.0	134.9	131.9
Current liabilities	10.9	5.7	5.9
<b>Carrying amount</b>	<b>139.9</b>	<b>140.6</b>	<b>137.8</b>

## 8 Activities acquired

No companies or activities were acquired in 2015.

In January 2014, FK Distribution acquired all minority stakes in Distribution Syd A/S, HA Grafisk Reklame A/S and UA/FK Distribution A/S for DKK 7.6 million.

In 2014 and 2015, instalments were paid on the purchase price payable related to companies acquired in prior years, see Note 6.



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