
Berlingske Media A/S

Pilestræde 34, DK-1112 Copenhagen

Annual Report for 2015

CVR No 29 20 73 13

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/5 2016

Kim Graven-Nielsen
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Berlingske Media A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 30 May 2016

Executive Board

Mette Maix
CEO

Board of Directors

Kim Graven-Nielsen
Chairman

Celine Mirjam van Praag

Christian Van Thillo

Christophe Convent

Lars Monrad-Gylling

Marianne Ellegaard Fajstrup
Staff Representative

Katrine Gundel Harmens
Staff Representative

Mikkel Ludvigsen
Staff Representative

Independent Auditor's Report on the Financial Statements

To the Shareholder of Berlingske Media A/S

Report on the Financial Statements

We have audited the Financial Statements of Berlingske Media A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 30 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen
statsautoriseret revisor

Leif Ulbæk Jensen
statsautoriseret revisor

Company Information

The Company

Berlingske Media A/S
Pilestræde 34
DK-1112 Copenhagen

Telephone: + 45 33 75 75 75
Website: www.berlingskemedi.dk

CVR No: 29 20 73 13
Financial period: 1 January - 31 December
Incorporated: 31 March 1950
Financial year: 66th financial year
Municipality of reg. office: Copenhagen

Board of Directors

Kim Graven-Nielsen, Chairman
Celine Mirjam van Praag
Christian Van Thillo
Christophe Convent
Lars Monrad-Gylling
Marianne Ellegaard Fajstrup
Katrine Gundel Harmens
Mikkel Ludvigsen

Executive Board

Mette Maix
Bjarne Werner Munck

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2015 TDKK	2014 TDKK	2013 TDKK	2012 TDKK	2011 TDKK
Key figures					
Profit/loss					
Revenue	942.664	1.046.806	1.230.448	1.364.204	1.597.076
Gross profit/loss	510.834	521.600	730.496	611.329	775.154
Profit/loss before financial income and expenses	-48.183	42.367	154.242	-83.542	-11.054
Net financials	5.042	6.641	9.079	8.300	9.152
Net profit/loss for the year	-37.872	72.994	198.770	-47.546	47.070
Balance sheet					
Balance sheet total	1.354.545	1.431.248	1.464.830	1.158.283	1.312.177
Equity	563.871	601.743	603.749	404.979	452.525
Investment in property, plant and equipment	5.051	7.530	4.807	39.682	105
Average number of employees	756	766	876	874	1.001
Ratios					
Gross margin	54,2%	49,8%	59,4%	44,8%	48,5%
Profit margin	-5,1%	4,0%	12,5%	-6,1%	-0,7%
Return on assets	-3,6%	3,0%	10,5%	-7,2%	-0,8%
Solvency ratio	41,6%	42,0%	41,2%	35,0%	34,5%
Return on equity	-6,5%	12,1%	39,4%	-11,1%	11,0%

Management's Review

The Company's main activity

Berlingske Media primary activities are publishing of the national newspapers Berlingske, BT and Weekendavisen, related digital media, as well as production of radio and digital services.

Until 13 February 2015, Berlingske Media was owned by Mecom Group Plc. The company was then acquired by De Persgroep, a Belgian family-owned publicist media company.

Development in the year

The income statement shows a loss of TDKK 37.872 compared to a profit in 2014 of TDKK 72.994. Equity as of year-end 2015 is TDKK 563.871 compared to TDKK 601.743 as of year-end 2014. The solvency rate is more than 40% at year-end 2015.

A year of transformation

2015 was a year characterized by great changes in Berlingske Media. In February De Persgroeps acquisition of Mecom Group Plc was approved by the Dutch Competition Authorities.

Now Berlingske Media has an owner who takes an active part in the operation and has great knowledge of - and experience with - the publicist release of the news media.

Since De Persgroeps takeover of the company, Berlingske Media has started a transformation process, and a new strategy is set out, which will focus on its core business, the three super brands Berlingske, BT and Weekendavisen. Overall, the company has started a transformation in where the code words are focus and change.

On the basis of the new, focused strategy, numerous change projects are initiated to strengthen the three brands and their different positions in the market. The aim is to ensure that Berlingske Media also in the future will publish strong publicist products, which on all relevant platforms meet readers' needs, which in these years is changing rapidly in line with the digital media development.

The new strategy led in 2015 to identification of activities not supporting the core business or contributed with significant revenues. Such activities were put up for sale or closed down. In August 2015, Berlingske Media concluded an agreement with Jysk Fynske Media on the sale of all local daily newspapers, weekly newspapers and two printing houses in Jutland. The deal was approved by the Competition Authority shortly before the New Year, and Jysk Fynske Media took over the activities per. 31 December 2015. The divestment is concluded through the legal entities Berlingske af 2007, Greenaabladet A/S, Ugebladet Skanderborg af 1999 A/S and Berlingske Avistryk A/S. The financial result for the year is positively affected hereof and is recognized in the income statement in the line "Income from investment in subsidiaries".

Netdoktor Media A/S was also divested in December 2015, just as the news agency BNB and BiTE.dk were closed, and an agreement providing bureau material was signed with Ritzau A/S.

Management's Review

As part of the new strategy, the majority of management was replaced during the second semester and new interim CEO was introduced in order to manage business in a transitional period until early 2016, where new directors were appointed.

Overall, the company has undergone a remarkable transformation in which code words have been focus and change. A reorganization was launched in the autumn of 2015, which has had a significant negative impact on this year's result.

Future market development

The weak economic growth is expected to continue in Denmark in 2016 with a slight increase in private consumption.

The structural change in the media market, where digital media is growing, while print media position becomes proportionately less, is expected to continue. Strongest growth is seen in mobile, digital channels with content in any form, be it social media, web-TV, keyword advertising, etc., but also when it comes to news.

The digital news consumption has grown significantly in recent years, especially on mobile. More Danes have a mobile phone with Internet access. Media providers are faced with constant requirement to provide relevant and engaging content to readers around the clock. Further the requirements for both the quality of journalism as the technologically-based usability constantly develops.

Berlingske wants to maintain and strengthen our position in the market and we work continuously on the development of content, products, marketing, sales models and technology to meet the stringent demands of readers and exploit the new digital opportunities for the sale of ads and products.

Digital innovation with a strong focus on user experience is therefore a key focus area for Berlingske Media.

Dailies on print have experienced decline over several years, both in terms of circulation and readership. In the past year however there has been a tendency that the decline has stagnated and stabilized the situation more. This applies both within the category of niche newspapers which Weekendavisen belongs to and in the morning newspaper category (Berlingske and BT).

Non-financial conditions

Intellectual capital resources

Changes in the media business create an ongoing need for the development of skills and strong leadership skills. Berlingske Media has developed and maintains its own training program Berlingske Media Academy, which includes both leadership training at all levels (incl. project) and skills training to meet the development needs. In 2015 training activities in all areas was carried out just as ad hoc training events and after-work meetings were held.

Management's Review

External environment

In terms of production, the company put emphasis on suppliers, including subsidiaries, to minimize material usage and ensure the collection of environmentally harmful substances for recycling and controlled degradation. There is no direct discharge of consumables and waste products to nature in connection with the company production.

Through industry associations, we contribute to the development of printing methods, which reduce environmental impact. Paper is purchased jointly with other media companies, which ensures an environmentally friendly green paper production and replanting trees (FSC approved). Unsold newspapers are recycled.

Statement on corporate social responsibility

The Company complies with current rules and legislation on the markets in which it operates. The Company does not have established policies for compliance with corporate social responsibility, cf. Danish Financial Statements Act § 99a. Therefore, the stated review contains no information on which standards are followed, how it translates them into action and an assessment of what has been achieved and the expectations for future work.

Although the company does not have an established policy on social responsibility, human rights and the reduction of climate impacts, Berlingske Media continues to keep focus on these areas which are expressed in independent policies on anti-corruption, anti-bribery and procurement (which can be viewed at: www.berlingskemedias.dk/about-us/).

Gender balance in management

Berlingske Media made in 2013 a target for gender balance of the company's board of directors.

The aim of a more equal representation of the board of directors is that the underrepresented sex must always be represented by at least one third (33%) of the general meeting elected members.

Our objective remains unchanged, but it is expected that the initial goal of achieving this by the end of 2017 will be reached at a later point in time than planned. At present, Berlingske Media has one female member out of a total of 5 board members (20%), which is a positive development compared to last year, where the representation was 0%.

With this policy for gender balance Berlingske Media commits to work for all employees regardless of gender, to have equal opportunities to achieve career in the company. Therefore, there must be no doubt that of recruitment, setting training programs, etc. in Berlingske Media it must always be talent, skills and qualifications to decide who should have the post.

Management's Review

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Expectations for the year ahead

Berlingske Media is working hard and with a firm focus on core business.

Fully focused on the three strong media brands, Berlingske, BT and Weekendavisen, to reinforce the business and make the three brands even more relevant for customers, and position them stronger in the market.

The complete focus on the three strong media brands Berlingske, BT and Weekendavisen should strengthen the business by making the three brands even more relevant for customers and position them stronger in a media market that is also undergoing rapid transformation.

The digital transformation of the media market will still accelerate and the task of Berlingske Media's brands is to continue to deliver relevant publicistic quality content on all the platforms that are relevant to users, customers and readers of the titles.

Therefore, the development of our products continues, both in print and digital in 2016. Work will continue to strengthen both journalism content, communication, presentation and visual expression as well as the internal and external marketing. Both digitally and on paper, more products will be relaunched with the aim to better meet the needs of media consumers in the 2016.

At the same time this is the code for a continued economic sustainability and enhanced business.

When Berlingske Media's brands is stronger in the market and meet readers 'and users' needs better, the foundation is created for a positive development of subscription sales, both in terms of retaining existing customers and attracting new ones - helped by new innovative sales methods.

A stronger position in attractive reader segments and target groups is the foundation for stronger advertising sales both in terms of volume and in terms of prices, both in print as digital.

The result for 2016 is expected to be higher than for 2015. After the divestment to Jysk Fynske Media, Berlingske Media Group does not have any significant external financing. Based hereon and the positive outlook for 2016, capital resources are considered adequate.

Income Statement 1 January - 31 December

	Note	2015 TDKK	2014 TDKK
Revenue		942.664	1.046.806
Other operating income	1	105.640	105.195
Cost of goods and services sold		-335.217	-356.260
Other external expenses		-202.253	-274.141
Gross profit/loss		510.834	521.600
Staff expenses	2	-526.435	-439.764
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-32.582	-39.469
Profit/loss before financial income and expenses		-48.183	42.367
Income from investments in subsidiaries	4	7.587	34.546
Income from investments in associates	5	-5.628	-6.585
Financial income	6	6.993	7.398
Financial expenses	7	-1.951	-757
Profit/loss before tax		-41.182	76.969
Tax on profit/loss for the year	8	3.310	-3.975
Net profit/loss for the year		-37.872	72.994

Distribution of profit

Proposed distribution of profit

Retained earnings		-37.872	72.994
		-37.872	72.994

Balance Sheet 31 December

Assets

	Note	2015 TDKK	2014 TDKK
Software		19.964	20.724
Publishing rights		0	1.742
Intangible assets	9	19.964	22.466
Other fixtures and fittings, tools and equipment		14.989	18.989
Leasehold improvements		13.888	22.105
Property, plant and equipment in progress		493	674
Property, plant and equipment	10	29.370	41.768
Investments in subsidiaries	11	268.658	264.500
Investments in associates	12	2.002	9.518
Receivables from group enterprises	13	7.885	7.774
Other investments	13	4.691	3.218
Deposits	13	12.724	12.466
Financial assets		295.960	297.476
Fixed assets		345.294	361.710
Trade receivables	14	98.807	116.160
Receivables from group enterprises		686.807	710.468
Other receivables		18.362	11.989
Deferred tax asset	16	81.093	77.783
Prepayments		17.875	12.122
Receivables		902.944	928.522
Cash at bank and in hand		106.307	141.016
Currents assets		1.009.251	1.069.538
Assets		1.354.545	1.431.248

Balance Sheet 31 December

Liabilities and equity

	Note	2015 TDKK	2014 TDKK
Share capital		216.567	216.567
Share premium account		0	312.182
Retained earnings		347.304	72.994
Equity	15	563.871	601.743
Other provisions	17	10.975	0
Provisions		10.975	0
Other payables		4.768	4.959
Long-term debt	18	4.768	4.959
Trade payables		109.863	149.446
Payables to group enterprises		285.815	383.007
Other payables	18	202.661	133.108
Deferred income		176.592	158.985
Short-term debt		774.931	824.546
Debt		779.699	829.505
Liabilities and equity		1.354.545	1.431.248
Contingent assets, liabilities and other financial obligations	19		
Fee to auditors appointed at the general meeting	20		
Related parties and group information	21		

Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Share premium</u> <u>account</u> TDKK	<u>Retained</u> <u>earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	216.567	312.182	72.994	601.743
Net profit/loss for the year	0	0	-37.872	-37.872
Transfer	0	-312.182	312.182	0
Equity at 31 December	<u>216.567</u>	<u>0</u>	<u>347.304</u>	<u>563.871</u>

Notes to the Financial Statements

	2015 <u>TDKK</u>	2014 <u>TDKK</u>
1 Other operating income		
Gain on sale of publishing rights	1.305	0
Other operating income	<u>104.335</u>	<u>105.195</u>
	<u>105.640</u>	<u>105.195</u>
2 Staff expenses		
Wages and salaries	493.775	407.580
Pensions	23.081	23.404
Other social security expenses	<u>9.579</u>	<u>8.780</u>
	<u>526.435</u>	<u>439.764</u>
Including remuneration to the Executive Board and Board of Directors of:		
Executive Board	21.261	8.075
Supervisory Board	<u>192</u>	<u>164</u>
	<u>21.453</u>	<u>8.239</u>
Average number of employees	<u>756</u>	<u>766</u>
Remuneration to the Executive Board for 2015 is affected by a redundancy provision related to former CEO and CFO.		
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	15.842	19.615
Depreciation of property, plant and equipment	<u>16.740</u>	<u>19.854</u>
	<u>32.582</u>	<u>39.469</u>
4 Income from investments in subsidiaries		
Net profit/loss for the year, cf. note 11	620	27.579
Amortisation of net badwill, cf. note 11	<u>6.967</u>	<u>6.967</u>
	<u>7.587</u>	<u>34.546</u>

Notes to the Financial Statements

	2015 <u>TDKK</u>	2014 <u>TDKK</u>
5 Income from investments in associates		
Net profit/loss for the year, cf. note 12	-6.876	-6.585
Gain on disposal, cf. note 12	1.248	0
	<u>-5.628</u>	<u>-6.585</u>
6 Financial income		
Interest received from group enterprises	6.691	7.116
Other financial income	302	282
	<u>6.993</u>	<u>7.398</u>
7 Financial expenses		
Interest paid to group enterprises	863	67
Other financial expenses	1.088	690
	<u>1.951</u>	<u>757</u>
8 Tax on profit/loss for the year		
Current tax for the year	0	3.975
Deferred tax for the year	-3.310	0
	<u>-3.310</u>	<u>3.975</u>

Notes to the Financial Statements

9 Intangible assets

	Software TDKK	Publishing rights TDKK
Cost at 1 January	252.693	5.500
Additions for the year	13.982	0
Disposals for the year	0	-5.500
Cost at 31 December	<u>266.675</u>	<u>0</u>
Impairment losses and amortisation at 1 January	231.969	3.758
Amortisation for the year	14.742	1.100
Reversal of amortisation of disposals for the year	0	-4.858
Impairment losses and amortisation at 31 December	<u>246.711</u>	<u>0</u>
Carrying amount at 31 December	<u>19.964</u>	<u>0</u>

10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment TDKK	Leasehold improvements TDKK	Property, plant and equipment in progress TDKK
Cost at 1 January	66.173	73.090	674
Additions for the year	0	0	5.052
Disposals for the year	0	0	-710
Transfers for the year	4.523	0	-4.523
Cost at 31 December	<u>70.696</u>	<u>73.090</u>	<u>493</u>
Impairment losses and depreciation at 1 January	47.184	50.985	0
Depreciation for the year	8.523	8.217	0
Impairment losses and depreciation at 31 December	<u>55.707</u>	<u>59.202</u>	<u>0</u>
Carrying amount at 31 December	<u>14.989</u>	<u>13.888</u>	<u>493</u>

Notes to the Financial Statements

	2015 <u>TDKK</u>	2014 <u>TDKK</u>
11 Investments in subsidiaries		
Cost at 1 January	705.740	727.150
Disposals for the year	<u>0</u>	<u>-21.410</u>
Cost at 31 December	<u>705.740</u>	<u>705.740</u>
Value adjustments at 1 January	-463.169	-493.238
Disposals for the year	0	-3.996
Net profit/loss for the year	620	27.579
Dividends received	-3.165	-481
Amortisation of net badwill	<u>6.967</u>	<u>6.967</u>
Value adjustments at 31 December	<u>-458.747</u>	<u>-463.169</u>
Equity investments with negative net asset value amortised over receivables	<u>21.665</u>	<u>21.929</u>
Carrying amount at 31 December	<u>268.658</u>	<u>264.500</u>
Remaining goodwill included in the above carrying amount at 31 December	<u>21.393</u>	<u>23.364</u>
Remaining negative goodwill included in the above carrying amount at 31 December	<u>0</u>	<u>49.773</u>

Notes to the Financial Statements

11 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Trykkompagniet A/S	Grenaa	100%
Berlingske af 2007 A/S	Copenhagen	100%
Marketsquare A/S	Copenhagen	100%
Weekendavisen A/S	Copenhagen	100%
Grenaa Bladet A/S	Copenhagen	100%
MOL Holding A/S	Copenhagen	88%
Berlingske Netdoktor A/S	Copenhagen	80%
Berlingske People A/S	Copenhagen	70%
FM6 A/S	Copenhagen	60%

12 Investments in associates

	2015 TDKK	2014 TDKK
Cost at 1 January	6.128	6.383
Transfer at 1 January	-630	0
Disposals for the year	-4.457	-255
Cost at 31 December	1.041	6.128
Value adjustments at 1 January	3.390	24.243
Transfer at 1 January	-1.259	0
Disposals for the year	5.706	0
Net profit/loss for the year	-6.876	-6.585
Dividends received	0	-14.268
Value adjustments at 31 December	961	3.390
Carrying amount at 31 December	2.002	9.518

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership
A/S Bladkompagniet	Copenhagen	50%
Dansk Distributions Center P/S under liquidation	Taastrup	50%
Dansk Distributions Center Komplementar ApS under liquidation	Taastrup	50%

Notes to the Financial Statements

13 Other financial assets

	Receivables from group enterprises	Other investments	Deposits
	TDKK	TDKK	TDKK
Cost at 1 January	7.774	10.693	12.466
Transfer at 1 January	0	630	0
Additions for the year	111	0	258
Cost at 31 December	<u>7.885</u>	<u>11.323</u>	<u>12.724</u>
Impairment losses at 1 January	0	7.476	0
Transfer at 1 January	0	-1.259	0
Impairment losses for the year	0	415	0
Impairment losses at 31 December	<u>0</u>	<u>6.632</u>	<u>0</u>
Carrying amount at 31 December	<u>7.885</u>	<u>4.691</u>	<u>12.724</u>

14 Trade receivables

The Company are handling invoicing and collecting of trade receivables for all group companies, why the financial statement line "Trade receivables", besides the Company's own receivables, also contains group receivables.

15 Equity

The share capital is broken down as follow:

	Number	Nominal value TDKK
A-shares	108.283	108.283
A-shares	1	0,5
B-shares	108.283	108.283
B-shares	1	0,5
		<u>216.567</u>

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

16 Provision for deferred tax

Total deferred tax assets are estimated to approx. DKK 180 million (calculated by a tax rate of 22%) whereof DKK 81 million is recognised in the Financial Statements.

	<u>2015</u> TDKK	<u>2014</u> TDKK
17 Other provisions		
Other provisions comprise a provision in relation to restoration of leasehold.		
Other provisions	<u>10.975</u>	<u>0</u>
	<u>10.975</u>	<u>0</u>
The provisions are expected to mature as follows:		
After 5 years	<u>10.975</u>	<u>0</u>
	<u>10.975</u>	<u>0</u>

18 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2015</u> TDKK	<u>2014</u> TDKK
Other payables		
After 5 years	147	245
Between 1 and 5 years	<u>4.621</u>	<u>4.714</u>
Long-term part	<u>4.768</u>	<u>4.959</u>
Within 1 year	243	243
Other short-term payables	<u>202.418</u>	<u>132.865</u>
Short-term part	<u>202.661</u>	<u>133.108</u>
	<u>207.429</u>	<u>138.067</u>

Notes to the Financial Statements

	2015 TDKK	2014 TDKK
19 Contingent assets, liabilities and other financial obligations		
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1.023	934
Between 1 and 5 years	1.681	1.716
	2.704	2.650
Rental obligations in total	133.891	162.824

Contractual obligations

Contractual obligations to service providers	62.388	112.437
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Contingent liabilities

There is a risk that the company will be met with claims for trading of unauthorized advertising in relation to some advertisers.

Berlingske Media A/S has issued letters of support for some of the subsidiaries. Berlingske Media A/S has in this respect guaranteed to support the subsidiaries with sufficient liquidity to ensure future operations and investments, and for debt to be paid when due. The letters of support expires at 31 December 2016.

The Company administrate the cash-pool for the Group why cash related to other group companies has been recognised in "Receivables from group enterprises" and in "Payables to group enterprises" respectively. The Company is liable in solidarity with other group companies that are included in the cash-pool.

The Company has an obligation of joint registration of withholding tax, ATP, VAT and duties.

The Company is part of national taxation in Denmark with Mecom Denmark Holdings ApS and is jointly liable with other Danish companies for corporate and withholding tax.

20 Fee to auditors appointed at the general meeting

With reference to section 96(3) of the Danish Financial Statement Act, audit fees are not disclosed.

Notes to the Financial Statements

21 Related parties and group information

	Basis
Controlling interest	
Mecom Denmark Holding ApS, Pilestræde 34, 1147 Copenhagen	Parent Company
De Persgroep NV, Brusselsesteenweg 347, 1730 Asse (kobbegem)	Ultimate Parent Company

Transactions

Transactions with related parties has been carried out at arm's length terms.

Consolidated Financial Statements

The Company is included in the Group Annual Report for the Parent Company De Persgroep NV.

The Group Annual Report of De Persgroep NV may be obtained at the following address:

Brusselsesteenweg 347
1730 Asse (kobbegem)

Accounting Policies

Basis of Preparation

The Annual Report of Berlingske Media A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

Financial Statements for 2015 are presented in TDKK.

Changes in comparative figures

Comparative figures in the Income Statement and Balance Sheet accounts for 2014 has been restated due to changes in the Company's internal registrations. The Profit for the year and the Equity for the comparative figures remain unchanged compared to the Financial Statements for 2014.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements as the Company is included in the consolidated financial statements of De Persgroep NV.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement as the cash flow statement is included in the consolidated financial statements of De Persgroep NV.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between

Accounting Policies

cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All leases that is not classified as financial leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment information on revenue

With reference to section 96(1) of the Danish Financial Statements Act, the Company has not disclosed segment information on revenue, as it is assessed that the information will lead to material competitive disadvantages.

Income Statement

Revenue

Revenue from the sale of goods and services is recognised when the risks and rewards relating to the goods and services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Accounting Policies

Cost of goods and services sold

Costs of goods and services sold comprise the expenses to achieve revenue for the year.

Other external expenses

Other external expenses comprise advertising, administration, rent of leasehold, provisions for bad debt, other leases etc.

Staff expenses

Staff expenses comprise wages and salaries as well as other payroll expenses.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Mecom Denmark Holdings ApS. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Accounting Policies

Balance Sheet

Intangible assets

Software are measured at the lower of cost less accumulated amortisation and recoverable amount. Software are amortised on a straight-line basis over the useful life, which is assessed at 2-7 years.

Acquired publishing rights are measured at the lower of cost less accumulated amortisation and recoverable amount. Publishing rights are amortised on a straight-line basis over the useful life, which is assessed at 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-7 years
Other fixtures and fittings, tools and equipment	5-9 years
Leasehold improvements	5-9 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Accounting Policies

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other investments

Other investments are measured at the lower of cost and recoverable amount.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years, primary prepaid subscriptions.

Accounting Policies

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$