



Annual Report

2009

Søndagsavisen a-s

CVR NO.66 59 01 19

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The annual Report 2009 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.

Designations

In the Annual Report the Group is referred to as 'Søndagsavisen' or the Group.

The designations 'Søndagsavisen a-s' and 'the Parent Company' refer to the Parent Company

Søndagsavisen a-s realises a profit and significant performance improvement in 2009

| | EBIT before special items | |
|--|---------------------------|-------|
| | 2009 | 2008 |
| Group The Group's profit performance in 2009 was highly satisfactory. The Group's focus on strengthening products, enhancing efficiency and adjusting the cost level improved competitiveness in all segments. Against this background, the profit performance is expected to improve further in 2010. The Group has a strong liquidity base with liquid funds totalling more than DKK 150 million at 31 December 2009. | 19.5 | -54.4 |
| Print Thanks to the sharp focus on cutting costs and improving efficiency, the Print segment achieved significant growth in earnings from 2008 to 2009 despite aggravated market conditions. The optimisation efforts will continue in 2010 when the evaluation of the strategic opportunities, including a possible sale or establishment of strategic co-operation on the distribution activities, will be resumed. | 71.7 | 0.7 |
| Online BoligPortal continued to show revenue and performance growth whereas the activity levels of Ofir and MatchWork were hard hit by the decline in the recruitment advertisement market in 2009. Cost adjustments carried out compensated only in part for the decline in revenue, so performance was unsatisfactory. In 2010, the focus on sales promoting activities and the use of the new IT platforms will be intensified. | -41.6 | -28.8 |
| Helsingør Dagblad The business experienced a highly satisfactory profit performance as a result of restructuring, closing down of printing activities and continued efforts to improve the efficiency of the business area. In 2010, focus will be put on product improvements to help increase the income of the newspapers Helsingør Dagblad and Lokalavisen Nordsjælland. | -0.7 | -19.9 |
| Unallocated costs Unallocated costs comprise group-related activities which are not attributable to the operating activities of the Print, Online and Helsingør Dagblad segments. | -9.9 | -6.4 |

Management's review

Financial highlights and ratios

| DKKm | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|---------|---------|---------|---------|---------|
| Income statement: | | | | | |
| Revenue | 1,028.5 | 1,160.9 | 1,433.8 | 1,666.6 | 1,417.4 |
| Gross profit | 441.7 | 455.1 | 571.6 | 829.3 | 658.4 |
| EBITDA | 74.9 | 6.7 | 114.8 | 253.3 | 165.4 |
| Depreciation | 55.4 | 61.1 | 77.0 | 73.3 | 53.2 |
| EBIT before special items | 19.5 | -54.4 | 37.8 | 180.0 | 112.2 |
| Special items | -13.2 | -52.9 | -28.6 | 0.0 | 0.0 |
| Financials, net | -4.4 | -9.6 | -8.3 | -7.6 | -10.5 |
| EBT, continued operations | 3.4 | -120.0 | -1.6 | 174.5 | 108.1 |
| Tax for the year | 6.9 | -14.1 | -3.3 | 42.8 | 30.5 |
| Net profit, continued operations | -3.5 | -105.9 | 1.7 | 131.7 | 77.6 |
| Disposals of subsidiaries | 10.7 | 299.4 | 0.0 | 0.0 | 0.0 |
| Net profit, discontinued operations | 1.9 | 11.7 | 22.4 | 0.0 | 0.0 |
| Net profit | 9.1 | 205.2 | 24.1 | 131.7 | 77.6 |
| Balance sheet: | | | | | |
| Total assets | 802.9 | 923.1 | 979.8 | 929.2 | 755.3 |
| Share capital | 100.3 | 111.4 | 111.4 | 111.4 | 111.4 |
| Shareholders' equity incl. minorities | 573.4 | 661.4 | 490.1 | 505.4 | 330.4 |
| Net interest-bearing debt | -62.9 | 85.5 | 207.8 | 100.7 | 144.0 |
| Net working capital | -44.2 | 96.7 | -21.9 | -39.2 | -68.8 |
| Invested capital | 510.5 | 746.9 | 697.9 | 606.0 | 474.4 |
| Investment in property, plant and equipment | 11.5 | 35.1 | 102.4 | 86.5 | 34.0 |
| Free cash flow | 42.6 | -25.0 | -6.8 | 140.8 | 110.3 |
| Cash flow statement: | | | | | |
| Cash flows from operating activities | 41.0 | 1.5 | 94.4 | 182.4 | 163.0 |
| Cash flows from investing activities | -53.4 | -65.8 | -150.9 | -125.7 | -64.5 |
| Cash flows from financing activities | -54.1 | -24.2 | -54.5 | -20.5 | -41.2 |
| Changes in cash flow and cash equivalents, continued operations | -66.5 | -88.5 | -111.0 | 36.2 | 57.3 |
| Other information: | | | | | |
| Average number of employees | 672 | 849 | 991 | 1,191 | 975 |
| Number of shares at year-end, in thousand | 20.055 | 22.280 | 22.280 | 22.280 | 22.280 |
| Treasury shares, in thousand | 24 | 2,225 | 1,518 | 1,218 | 1,218 |
| Share price at year-end, DKK | 34.5 | 19.8 | 30.4 | 87.7 | 78.6 |
| Ratios: | | | | | |
| Gross margin (%) | 42.9 | 39.2 | 39.9 | 49.8 | 46.5 |
| Operating margin (EBIT) (%) | 1.9 | -4.7 | 2.6 | 10.8 | 7.9 |
| Equity ratio (%) | 71.4 | 71.6 | 50.0 | 54.4 | 43.7 |
| Return on equity (ROE) (%) (1) | 1.5 | 35.6 | 4.8 | 31.5 | 27.9 |
| Return on capital employed (ROIC) (%) | 3.1 | -7.5 | 5.8 | 33.3 | 22.9 |
| Earnings per share (EPS) - continued operations | -0.3 | -4.6 | -0.3 | 5.7 | 3.4 |
| Earnings per share (EPS) - Total (1) | 0.2 | 11.0 | 0.7 | 5.7 | 3.4 |
| Price Earning (P/E) (1) | 172.5 | 1.8 | 43.4 | 15.5 | 23.3 |
| Price/Book Value (P/BV) | 1.2 | 0.7 | 1.4 | 3.9 | 5.3 |
| Cash flow per share (CFPS) | 2.0 | 0.1 | 4.5 | 8.7 | 7.9 |
| Dividend per share | 2.5 | 0.0 | 0.0 | 1.0 | 0.8 |

Definition of financial ratios, see note 3.

The consolidated highlights are only adjusted for discontinued operations for 2008 and 2009.

The consolidated highlights are shown for continued operations unless otherwise stated.

Note 1: The key figures also include discontinued operations.

ANNUAL REPORT

Group

The group realised a profit with a significant performance improvement in 2009. Operating profit before special items (hereinafter EBIT) amounted to DKK 19.5 million in 2009, an improvement of DKK 73.9 million on 2008. In the same period, revenue went down by 11 %.

With an EBIT of DKK 71.7 million against DKK 0.7 million in 2008, print activities generated a very satisfactory performance improvement considering the circumstances. The distribution business continues its positive performance, providing high quality and great efficiency with a positive effect on performance. Quality improvements of Søndagsavisen increased readership by 30 % per copy, but the revenue from job advertisements in particular was strongly affected by the market decline.

In 2009, online activities realised a negative EBIT of DKK 41.6 million, which was DKK 12.8 million more than in 2008 and unsatisfactory. In the recruitment market in particular, the cost reductions could not compensate for the significant revenue reduction.

Helsingør Dagblad's continuing activities realised a negative EBIT of DKK 0.7 million in 2009. This represents a very satisfactory performance improvement of DKK 19.2 million compared to 2008.

The purchase of the 43 % ownership interest in the Helsingør Dagblad Group and the closing down of the printing activities progressed according to schedule and had an overall negative impact of DKK 2.0 million on performance.

The Group has a good liquidity basis with cash funds amounting to DKK 155.3 million at 31 December 2009. In August 2009, extraordinary dividend was paid in the amount of DKK 50.1 million.

For 2010, continuing activities are expected to show an EBIT of DKK 55-65 million.

The Board of Directors recommends that the legal structure of the Group be modernised. In a future-oriented structure of the Group, the parent company will act as a pure holding company and the Group's operating activities will be placed in independent subsidiaries. This will ensure the interrelationship of the company structure and the ongoing reporting obligations, the opportunity to obtain independent financing of the individual business areas as well as the reduction of the costs and complexity of the overall administration.

In 2009, an examination of the strategic alternatives for the distribution activities was initiated. The Board of Directors was confirmed in its belief that attractive opportunities exist for selling these activities or establishing a strategic alliance with an external partner. The evaluation of strategic opportunities for the distribution business is expected to be resumed in the autumn of 2010.

| DKK m | Revenue | | EBIT before special items | |
|---|----------------|----------------|---------------------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| Print | 914.4 | 1,017.0 | 71.7 | 0.7 |
| <i>Index cp. same period last year/Operating margin</i> | 89.9 | 85.1 | 7.8% | 0.1% |
| Online | 71.3 | 93.5 | -41.6 | -28.8 |
| <i>Index cp. same period last year/Operating margin</i> | 76.3 | 102.7 | -58.3% | -30.8% |
| Helsingør Dagblad | 75.4 | 125.3 | -2.7 | -10.7 |
| <i>Index cp. same period last year/Operating margin</i> | 60.2 | 84.7 | -3.6% | -8.5% |
| Unallocated costs | N/A | N/A | -9.9 | -6.4 |
| Group total | 1,061.1 | 1,235.8 | 17.5 | -45.2 |
| <i>Index cp. same period last year</i> | 85.9 | 86.2 | - | - |
| Discontinued operations (printing) | 32.6 | 74.9 | -2.0 | 9.2 |
| Continued operations total | 1,028.5 | 1,160.9 | 19.5 | -54.4 |
| <i>Index cp. same period last year/Operating margin</i> | 88.6 | 86.4 | 1.9% | -4.7% |

PRINT

Strong growth in earnings despite falling revenue and a difficult advertisement market. Focus on market share and products. Cost efficiency improvement strengthens the Group's competitiveness.

The Group's Print segment consists of the newspaper Søndagsavisen and the distribution activities at Forbruger-Kontakt.

Despite a revenue decline as a result of a common setback in the market, which remained strongly competitive, the Print segment boasted a very satisfactory profit development in 2009. Performance was primarily driven by successfully targeted efforts to streamline operations and cut costs while improving quality.

Activities and initiatives in 2009

The tighter market conditions experienced by the Print segment at the end of 2008 continued into 2009, leading to a fall in revenue as expected.

The segment's revenue decline was primarily caused by a revenue decline at Søndagsavisen as a result of sharply falling advertisement income, especially from recruitment advertisements. Late in the year 2009, conditions stabilised for the advertisement market, though at a significantly lower level than in previous years.

At Søndagsavisen, the revenue decline caused a reduction in circulation from 2.1 million to 1.4 million copies, reflecting the closing down of a number of loss-making newspapers in Jutland as well as a further staff reduction at the beginning of the year.

Søndagsavisen launched a new design with new fixed elements such as consumer goods tests and, in co-operation with Netdoktor.dk, 'Letters to the Editor: Health Topics'. Following comprehensive work with focus groups and types of readers, Søndagsavisen has become even more targeted. In 2009, this resulted in a 30 % increase in the number of readers per copy.

For advertisers, Søndagsavisen launched "Byg og Book" ("Build and Book"), an ad builder, which enables advertisers to write their ads for insertion in Søndagsavisen via the Internet, thereby optimising the ad sales process.

Forbruger-Kontakt realised the planned price increases, but lost market shares as a result thereof. However, the operation of Forbruger-Kontakt

was very positively affected by the significant initiatives which were taken in 2008 to improve efficiency and which continued throughout 2009. In Forbruger-Kontakt's terminals, the efforts were geared towards implementing lean principles and employee involvement. As a result, efficiency has improved significantly, and employee satisfaction has grown. Sick absence, for example, has been reduced to a fine low level. Enhanced focus on route optimisation has lowered the costs of distribution of printed matter. Further, a comprehensive "coding programme" for young delivery boys and girls under 18 has increased the number of job applications from young people.

Lastly, the management and optimisation of the transport task produced a sharp cost reduction in 2009.

Strategic clarification concerning distribution activities postponed until 2010

At the beginning of 2009, Søndagsavisen a-s announced that the Board of Directors would examine and uncover the strategic opportunities arising from a coming liberalisation of the postal markets for distribution activities.

During the process, great interest was shown in the distribution activities, and the examination confirmed the Board of Directors in its opinion that a sale of the distribution activities or the establishment of a strategic alliance with an external partner offers attractive opportunities. However, the process convinced the Board of Directors that the terms for a conclusion of an agreement would probably become more attractive to Søndagsavisen a-s' shareholders as the general market conditions and not least the financing conditions in society have improved. Against that background, Søndagsavisen a-s stated in its Company Announcement No. 19 of 27 August 2009 that the process would be put on hold with a view to resumption in 2010. The Board of Directors expects the process to be resumed in the second half of 2010.

Performance in 2009

The Print segment's revenue in 2009 was DKK 914.4 million, i.e. DKK 102.6 million, or 10%, lower than in 2008. The revenue decline was primarily caused by Søndagsavisen as a result of the setback in the recruitment advertisement market in particular and as a consequence of the closing down of newspaper editions at the beginning of 2009.

In 2009, the EBIT of the Print segment improved by DKK 71.0 million to DKK 71.7 million on the previous year, which is regarded as very satisfactory in the light of the revenue decline. Restructur-

ing costs for initiatives implemented in 2009 were DKK 1.7 million, which means that the EBIT exclusive of restructuring costs was DKK 73.4 million in 2009.

Performance expectations for 2010

The difficult market conditions with a market at a very low level are expected to continue in 2010. The advertisement markets will continue to be characterised by low demand for the newspaper market and flat revenue growth is therefore anticipated. Focus will remain unchanged on efficiency improvements. At Forbruger-Kontakt, the focus will also be on further optimisation of internal processes, especially within mechanical packing and route optimisation in response to the new rules which require letterboxes in block of flats to be placed at ground floor level.

ONLINE

Strong development in BoligPortal while the job market is at a very low level. Investments are targeted at strengthening the Group's products and competitive power.

The Group's Online segment consists of Kandidatuset (Ofir.dk), MatchWork.com, Søndagsavisen.dk, BoligPortal.dk and MinReklame.dk.

The underlying markets of the Online segment units developed dramatically negatively in the financial year 2009. However, the online businesses succeeded in retaining their market shares, but in a market which is at a very low level.

Activities and initiatives in 2009

Throughout the year, the revenue and earnings of the Online segment were negatively affected by the sharp slowdown in the job market, contributing to a sharp revenue decline at Ofir and MatchWork.

To strengthen the competitive power of the On-line segment, the focus on business development was enhanced. At the same time, the cost level was significantly lowered, reflecting a major staff cut.

In the first quarter of 2009, Ofir.dk launched dedicated segment portals where job advertisements are targeted at jobs within the primary care sector, sales and finance. The portals offer a number of unique services and functions, which were favourably received by both employers and job seekers. The functions include job searching via maps, distance searching from the address and integration into social media like LinkedIn and Facebook as well as possibilities of expansion for company profiling.

In 2009, MatchWork, which develops and sells IT platforms for handling recruitment advertisements on the Internet, launched a new improved IT platform. This new platform provides a good basis for rolling out the platform to the export markets through distributors. However, the earnings of MatchWork suffered from sharply reduced revenue and the negative exchange rate development of the British pound and the Swedish krone. As a result of the increase in the level of activities and earnings at MatchWork, goodwill was written down by DKK 12.1 million in 2009.

BoligPortal.dk delivered a very high revenue and profit growth rate throughout the year, primarily as a result of the favourable development in the provision of rental housing services. As for products, BoligPortal.dk was one of the first providers in Denmark to introduce actual selling prices for properties in October 2009. The service was a payment service, but was subsequently made free of charge because selling prices were set free by the Danish Enterprise and Construction Authority. BoligPortal.dk's payment service has subsequently been expanded to include the option to order valuation reports, which calculate an objective market value for a given property based on actual selling prices of similar properties in the local area, adjusted for historic price developments.

Performance in 2009

In 2009, the revenue of the Online segment was DKK 71.3 million against DKK 93.5 million in 2008, or a decline of 24 %. The revenue decline reflects the setback in the recruitment market, which is vital to the revenue of Ofir and Match-Work.

In 2009, the Online segment recorded a negative EBIT of DKK 41.6 million, corresponding to a decline of DKK 12.8 million compared to 2008, which is not satisfactory.

In addition to being affected by a lower revenue level, the result was affected by restructuring costs relating to dismissed staff totalling DKK 3.6 million, by the costs of reconstructing a new IT platform at MatchWork and by total impairment losses of DKK 1.7 million in connection with the closing down of MyLiving.dk. Adjusted for these restructuring items, the Online segment recorded a negative EBIT of DKK 36.3 million in 2009.

Performance expectations for 2010

Ofir will put enhanced focus on optimising the efficiency of the sales department. Furthermore, sales promoting activities will be intensified, particularly in the segment portals "the primary care

sector", "sales" and "finance". MatchWork will utilise the new platform to accelerate internationalisation of the sale by means of a network of agents. On BoligPortal.dk, the provision of rental housing services is expected to increase and the efforts to extend valuation reports on owner-occupied housing will be intensified.

HELSINGØR DAGBLAD

Sound restructuring of Helsingør Dagblad A/S

At the end of 2009, the Helsingør Dagblad activity comprises the daily newspaper, Helsingør Dagblad, and the free newspaper, Lokavisen Nordsjælland. The printing activity is classified and shown as a discontinued activity.

Activities and initiatives in 2009

In 2009, the activities of Helsingør Dagblad were affected by the acquisition of the remaining ownership interest from Dansk AvisTryk A/S and the decision to close down printing activities in the segment in consequence of the substantial excess capacity on the printing market and the prospect of having to make large operating investments.

The continuing activities in the segment were restructured. In 2009, the management of Helsingør Dagblad focused strongly on streamlining operations. If the costs of restructuring are viewed in isolation, the earnings capacity improved very significantly, which is highly satisfactory.

For a number of years, Søndagsavisen a-s had a 57% ownership share in Helsingør Dagblad A/S, and Dansk AvisTryk A/S an ownership share of 43%. In July 2009, Søndagsavisen a-s entered into an agreement with Dansk AvisTryk A/S concerning acquisition of the remaining 43% of the shares in Helsingør Dagblad, and concerning transfer of Helsingør Dagblad's printing agreements to Dansk AvisTryk a/s as well as the closing down of the printing activities. The background to this was the considerable investments that would be required within a few years to be able to maintain the necessary printing capacity at a satisfactory level of quality and efficiency.

Such investment was found not to be profitable in the existing printing market, which is characterised by a falling newspaper circulation, substantial excess printing capacity and, consequently, strong price competition. The closing down of the printing activities proceeded as planned, and the closing down was made in the third quarter of 2009. Since the decision to close down the print-

ing activities, negotiations have been conducted on the sale of the remaining printing machines, packing equipment etc. The negotiations resulted in the sale of some of the assets, but the efforts to sell real estate and printing machines have not yet been successful.

Performance in 2009

In 2009, revenue from continuing activities in Helsingør Dagblad amounted to DKK 42.8 million against DKK 50.4 million in 2008. The EBIT from continuing activities was a negative DKK 0.7 million, which was a substantial improvement compared with the previous year when the EBIT was a negative DKK 19.9 million.

Discontinued activity comprises the write-down of printing machines and buildings to the expected net realisable value, the net gain in connection with the transfer of print agreements and the gain on the recognition of the purchase of the remaining 43% of the shares in Helsingør Dagblad A/S, as the shares were traded at a price below the company's net asset value. Lastly, it includes the results for the operating period from January to June 2009. Total EBIT is DKK 3.5 million.

As a consequence of the uncertainty relating to the sale of the printing machines, the value has been written down to nil. The property has been written down to the expected net realisable value and is shown separately in the balance sheet under "assets held for sale".

Performance expectations for 2010

Helsingør Dagblad will focus on product improvements and on ensuring robust distribution with earlier delivery. These initiatives are intended to raise revenue and advertisement prices.

UNALLOCATED COSTS

Unallocated costs consist of group-related activities which are not allocated to the operating activities of the Print, Online and Helsingør Dagblad segments.

The unallocated costs amount to DKK -9.9 million in 2009. In the same period last year, the unallocated costs amounted to DKK -6.4 million. The results for 2009 include approx. DKK 13 million of restructuring costs, severance pay to a manager, and costs of financial and legal advisers for the examination of the strategic opportunities of the distribution business.

PENDING LITIGATION

As disclosed in Company Announcements Nos. 12-09 and 13-09 dated 20 May 2009, Søndagsavisen a-s has been awarded compensation of DKK 75 million by the Eastern Division of the Danish High Court from Post Danmark A/S for the loss suffered by Forbruger-Kontakt as a result of Post Danmark A/S' abuse of its dominant position. Further, Søndagsavisen a-s was awarded compensation totalling DKK 4 million to cover the costs of the case. Post Danmark A/S has appealed the decision to the Danish Supreme Court. We do not know when the case will be settled, so the compensation awarded is not included in the net profit for 2009. The costs of the case have been recognised in the income statement as incurred.

SUBSEQUENT EVENTS

In Company Announcement No. 01-10 of 21 January 2010, Søndagsavisen a-s made an upward adjustment of the expectations for the 2009 operating profit to approx. DKK 15 million against an operating profit on a par with or higher than the results for 2008, which was a loss of DKK 45.2 million. The upward adjustment was based on a continued favourable development of the Print activities.

EXPECTATIONS FOR THE YEAR 2010

The positive profit performance in 2009 is expected to continue in 2010 despite the expectation for a continued weak advertisement market.

Continued intense competition is expected in the market for distribution of unaddressed printed matter. After having lost market shares in both 2008 and 2009, the Company's market shares are expected to go up in 2010. This, together with additional streamlining of distribution, transport and packing, should improve performance in 2010 relative to 2009.

Great uncertainty still prevails with respect to future developments in the advertisement markets. Tiny signs of improvement can be observed, but it is expected to be a long-term process before the advertisement markets are back to their normal levels.

In 2010, Helsingør Dagblad A/S will still have costs related to the printing activity (discontinued activity), primarily in the form of the operation and maintenance of buildings until expected time of sale. Such costs are expected to be approx. DKK

5 million. Furthermore, the results of the discontinued activity can be affected both positively and negatively by the prices at which machines and buildings are realised when a final sale is made.

The expectations for the operating profit of continued activities include costs of resumption of the process relating to a potential sale or the formation of a strategic alliance for the Group's distribution activities. The Board of Directors expects the process to be resumed in the second half of 2010. The effect on the financial statements of a possible sale or the formation of a strategic alliance is not included in the expectations for the net profit for the year.

The Group's total operating investments in 2010 are expected to amount to approx. DKK 20 million. The investments are primarily attributable to the distribution business. In addition, investments are expected to still be made in the online business, but they will be recognised in the income statement as incurred. For 2010 the Group's expectations for the financial statements can be summed up as follows:

- The Group's revenue for continued activities: DKK 1,050-1,100 million
- EBIT of continued activities: DKK 55-65 million.
- Costs of discontinued activities will amount to approx. DKK 5 million. This amount does not include a possible positive or negative value adjustment of printing machines and buildings relative to the values in the balance sheet at 31 December 2009.
- The Group's total operating investments will amount to approx. DKK 20 million whereas ordinary depreciation is expected to amount to approx. DKK 45 million.

BOARD RESOLUTIONS PROPOSED TO THE ANNUAL GENERAL MEETING

At the company's Annual General Meeting on 23 April 2010, a resolution will be proposed for no payment of dividend in connection with the Annual General Meeting.

Furthermore, the Board of Directors recommends that the Group's legal structure be modernised. The Group's current legal structure consists of the parent company, whose activities comprise the Søndagsavisen newspaper, Forbruger-Kontakt with distribution of unaddressed printed matter as well as properties. In addition, the company operates a number of wholly and partly owned companies within the Group's three segments: Print, Online and Helsingør Dagblad.

In a future-oriented structure of the Group, the parent company will act as a pure holding company and the Group's operating activities will be placed in independent subsidiaries. This will ensure the interrelationship of the company structure and the ongoing reporting obligations. At the same time, the new Group structure will provide the opportunity to obtain independent financing

of the individual business areas and to enter into strategic partnerships for the individual areas, including sale in whole or in part, where this might be relevant for the continued development of the activities. Lastly, the Board of Directors believes that the new structure will reduce the costs and complexity of the overall administration.

SEGMENT REPORTING BY QUARTER

| DKK M | Year | | Revenue | | | | | | | |
|--|----------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| | 2009 | 2008 | 2009 | 2009 | 2009 | 2009 | 2008 | 2008 | 2008 | 2008 |
| Print | 914.4 | 1,017.0 | 241.7 | 217.6 | 237.5 | 217.6 | 243.8 | 237.3 | 267.0 | 268.9 |
| <i>Index cp. same period last year</i> | 89.9 | 85.1 | 99.1 | 91.7 | 89.0 | 80.9 | 80.4 | 85.5 | 89.2 | 85.4 |
| Online | 71.3 | 93.5 | 15.9 | 17.7 | 18.9 | 18.8 | 18.5 | 22.5 | 26.6 | 25.9 |
| <i>Index cp. same period last year</i> | 76.3 | 102.7 | 85.9 | 78.7 | 71.1 | 72.6 | 82.6 | 100.4 | 114.7 | 112.6 |
| Helsingør Dagblad | 75.4 | 125.3 | 13.5 | 9.3 | 26.5 | 26.1 | 28.4 | 30.5 | 33.4 | 33.0 |
| <i>Index cp. same period last year</i> | 60.2 | 84.7 | 47.5 | 30.5 | 79.3 | 79.1 | 77.6 | 84.5 | 90.5 | 86.2 |
| Group revenue total | 1,061.1 | 1,235.8 | 271.1 | 244.6 | 282.9 | 262.5 | 290.7 | 290.3 | 327.0 | 327.8 |
| <i>Index cp. same period last year</i> | 85.9 | 86.2 | 93.3 | 84.3 | 86.5 | 80.1 | 80.3 | 86.4 | 91.0 | 87.1 |
| Discontinued activities (printing) | 32.6 | 74.9 | 0.0 | 0.0 | 16.7 | 15.9 | 16.3 | 18.1 | 20.5 | 20.0 |
| Continued activities total | 1,028.5 | 1,160.9 | 271.1 | 244.6 | 266.2 | 246.6 | 274.4 | 272.2 | 306.5 | 307.8 |
| <i>Index cp. same period last year</i> | 88.6 | 86.4 | 98.8 | 89.9 | 86.9 | 80.1 | 80.9 | 86.9 | 91.0 | 86.9 |

| DKK M | Year | | EBIT before special items | | | | | | | |
|------------------------------------|-------------|--------------|---------------------------|------------|------------|--------------|--------------|--------------|-------------|-------------|
| | | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| | 2009 | 2008 | 2009 | 2009 | 2009 | 2009 | 2008 | 2008 | 2008 | 2008 |
| Print | 71.7 | 0.7 | 34.4 | 18.4 | 18.1 | 0.8 | 1.2 | -1.8 | -0.3 | 1.6 |
| <i>Operating margin</i> | 7.8% | 0.1% | 14.2% | 8.5% | 7.6% | 0.4% | 0.5% | -0.8% | -0.1% | 0.6% |
| Online | -41.6 | -28.8 | -10.5 | -11.4 | -10.7 | -9.0 | -14.5 | -9.1 | -3.5 | -1.7 |
| <i>Operating margin</i> | -58.3% | -30.8% | -66.0% | -64.4% | -56.6% | -47.9% | -78.4% | -40.4% | -13.2% | -6.6% |
| Helsingør Dagblad | -2.7 | -10.7 | -3.5 | 1.0 | 1.6 | -1.8 | -3.9 | -2.5 | -2.6 | -1.7 |
| <i>Operating margin</i> | -3.6% | -8.5% | -25.9% | 10.8% | 6.0% | -6.9% | -13.7% | -8.2% | -7.8% | -5.2% |
| Unallocated costs | -9.9 | -6.4 | 0.1 | -1.1 | -2.4 | -6.5 | -6.2 | -0.6 | 0.3 | 0.1 |
| Group EBIT total | 17.5 | -45.2 | 20.5 | 6.9 | 6.6 | -16.5 | -23.4 | -14.0 | -6.1 | -1.7 |
| Discontinued activities (printing) | -2.0 | 9.2 | -6.7 | 1.2 | 2.2 | 1.3 | 1.6 | 1.5 | 3.3 | 2.8 |
| Continued activities total | 19.5 | -54.4 | 27.2 | 5.7 | 4.4 | -17.8 | -25.0 | -15.5 | -9.4 | -4.5 |
| <i>Operating margin</i> | 1.9% | -4.7% | 10.0% | 2.3% | 1.7% | -7.2% | -9.1% | -5.7% | -3.1% | -1.5% |

COMMENTS ON THE FINANCIAL STATEMENTS

INCOME STATEMENT (CONTINUED ACTIVITIES)

Contribution margin

The Group's total contribution margin for 2009 was DKK 441.7 million, down DKK 13.4 million on last year. The contribution margin improved from 39.2 % in 2008 to 42.9 % in 2009. The improvement reflected the fact that the full effect of some of the efficiency improvements in the second half of 2008 came through in 2009. It also reflected the closing down of loss-making newspapers in Jutland at the beginning of 2009.

Staff costs

In 2009, staff costs amounted to DKK 273.1 million, down DKK 55.9 million, or 17 % on 2008. The fall is the result of the major staff cut which was commenced at the end of 2008 and finalised during the first quarter of 2009. The staff cut was made within all segments, including the group functions, and is the main cause of the decline in the average number of Group staff, which dropped by 177, or 21 % from 2008 to 2009.

The full effect of the staff cut was not seen until in the second half of 2009. Staff costs include restructuring costs of DKK 14.1 million.

Other expenses

Other expenses amounted to DKK 99.8 million, declining by DKK 23.9 million compared with 2008, or 19 %. In 2009, other expenses include the costs of financial and legal advisers' examination of the strategic opportunities for the distribution activities.

Share of profits/(losses) of associates

The profits/(losses) of associates include the results of the Group's 33.3 % ownership of GISAB and the results of Vestsjællandske Distriktsblade. They also include the results of Lokalavisen Holding ApS until its sale at 1 May 2009. The gain on this sale is recognised as "Profit of disposal of subsidiaries".

Financials

Thanks to the sale of GISAB in 2008 and the resulting cash payment, which was used to repay the bank debt, the financial expenses declined substantially from DKK 9.6 million in 2008 to DKK 4.4 million in 2009. The costs for 2009 mainly included interest on the Group's mortgage credit loans as well as net interest income from the cash deposit.

Special items

Consolidated profit for 2009 includes goodwill impairment of DKK 12.1 million as a result of the continued negative profit performance of MatchWork. Hence, Group goodwill relating to MatchWork was written down to DKK 0.

Furthermore, the item was affected by the costs of a foreign currency option entered into for the purpose of hedging the residual payment from the sale of GISAB.

In the 2009 Annual Report, special items relating to the writing down of assets in the printing activities now closed down were reclassified. In 2008, they were included in special items at DKK 40.0 million but are now included in the profit from discontinued activities.

Special items for 2008 now represent write-down of goodwill reflecting the closing down of Hillerød Avis, other intangible assets relating to Helsingør Dagblad, DKK 10 million software impairment losses on Online activities and a total foreign currency loss of DKK 28.8 million in connection with the sale of Gratistidningar i Sverige AB (GISAB) and Norsk Avisdrift AS.

Profit before tax

In 2009, the profit before tax from continued activities was DKK 3.4 million. In 2008, the corresponding result was a loss of DKK 120.0 million. The improved profit performance represents a significant improvement of the operating results and a reduction of special items.

Tax

Total tax on the Group's continued activities amounted to DKK 6.9 million, equivalent to an effective tax rate of 203 %. The high tax rate reflects, among other things, a loss on foreign activities which are not comprised by the joint taxation scheme. The tax value of the loss is not recognised as a tax asset as it is not expected to be possible to utilise the loss in the near future. In addition, the goodwill impairment for MatchWork is not deductible.

Gain on sale of business

The gain on the sale of business was DKK 10.7 million and includes an adjustment of the gain on the sale of 66.6 % of the shares of GISAB in 2008. The gain also includes a gain on the sale of Søndagsavisen a-s' 50% ownership interest in Lokalavisen Holding ApS, which operated the local newspapers, Fjordbyerne Frederikssund and Roskilde.

In 2008, the gain on the sale of business was DKK 299.4 million, i.e. DKK 272.1 million from the sale of GISAB and DKK 27.3 million from the sale

of Norsk Avisdrift AS. In addition, realised and unrealised currency losses related to the gain totalled DKK 28.8 million, which is recognised under special items.

As already mentioned, an agreement has been made on the sale of the remaining 33.3 % of the shares of GISAB at a minimum price of SEK 160 million after the presentation of the financial statements for 2010. The minimum price of SEK 160 million has not been hedged. Up to the time of sale in 2011, the value of the remaining 33.3 % of the shares in GISAB will be recognised as shares in an associate at net asset value.

Profit for the year, discontinued activities

Discontinued activities achieved a profit for the year of DKK 1.9 million. This profit includes the operating profit until the date of the decision to close down the activities and the net costs of closing down.

Net profit for the year

Net profit for the year was DKK 9.1 million in 2009, down DKK 196.1 million on 2008. As, however, the DKK 270.6 million net gain on the sale of businesses is included in net profit for 2008, net profit for 2009 reflects a significant operating profit improvement of DKK 73.9 million.

Investments

The year's total investments in intangible assets and non-current assets amounted to DKK 24.5 million. Of this amount, DKK 11.5 million was investments in non-current assets, which mainly consisted of plant and machinery within distribution activities. The other investments were mainly software related to the launch of the new Ofir.dk, the new MatchWork platform, and investment in BoligPortal.dk's owner-occupied housing site.

Trade receivables

Trade receivables amounted to DKK 64.5 million at the end of 2009 compared to DKK 82.5 million at the end of 2008. The reduction was

driven partly by the closing down of the printing activities, and partly by a decline in advance invoicing of DKK 10 million. Deferred income was reduced by a corresponding amount.

Other payables

At 31 December 2009, other payables amounted to DKK 82.3 million, which is DKK 15.0 million lower than at 31 December 2008 when other payables amounted to DKK 97.3 million. The decline in other payables reflects lower holiday pay obligations as a result of a significant reduction in the number of employees and a reduction in debt related to printing activities resulting from the closing down of activities.

Cash flows and interest-bearing debt

Cash flows for 2009 were DKK 145.0 million against DKK 126.2 million in 2008.

In 2009, cash flows from operating activities relating to continued activities amounted to DKK 41.0 million, which was DKK 39.5 million up on 2008. The increase was driven by a higher operating profit, but is partly cancelled out by a decrease in working capital.

Cash flows from investment activities relating to continued activities in 2009 were DKK -53.4 million. In 2008, they amounted to DKK -65.8 million. The level of investment dropped significantly compared with 2008. However, this drop is partly cancelled out by the purchase of DKK 36.6 million worth of shares in Helsingør Dagblad A/S.

Cash flows from financing activities relating to continued activities amounted to DKK -54.1 million in 2009, mainly comprising the distribution of extraordinary dividend totalling DKK 50.1 million. In 2008, cash flows from financing activities amounted to DKK -24.2 million, mainly related to the purchase of treasury shares.

Total cash flows from continued activities were negative by DKK 66.5 million in 2009, up DKK



22.0 million on 2008 when the corresponding cash flows were negative by DKK 88.5 million.

Total cash flows from discontinued activities were DKK 211.5 million in 2009 against DKK 214.7 million in 2008. In both years, the item was significantly affected by payments from the sale of GISAB.

At 31 December 2009, the Group's cash funds totalled DKK 155.3 million and its long-term mortgage credit loans DKK 82.6 million.

Capital structure

The Group's cash deposit and long-term debt at 31 December 2009 represented a deposit of DKK 155.3 million and interest-bearing mortgage loans inclusive of the fair value of an interest rate swap of DKK 89.3 million. The Group's total net interest-bearing debt represents a cash deposit of DKK 62.9 million.

At the end of 2008, the Group had a net deposit of DKK 12.4 million, an interest-bearing mortgage loan of DKK 86.0 million and an interest rate swap with a fair value (debt) of DKK 6.7 million. The Group's total net interest-bearing debt amounted to DKK 85.5 million.

Consequently, the Group has strong financial

resources. The Board of Directors is continuously evaluating the Group's liquidity and capital structure in light of future financing requirements.

Equity and holding of treasury shares

At 31 December 2009, the Group's equity was DKK 573.4 million, or DKK 88.0 million down on last year. The reduction is mainly due to an extraordinary dividend distribution of DKK 50.1 million in total as well as the purchase of the minority shareholding in Helsingør Dagblad. Equity, on the other hand, grew by the net profit for the year of DKK 9.1 million.

In 2009, Søndagsavisen a-s, acting in accordance with the authorisation granted by the Annual General Meeting on 3 April 2009, cancelled 2,225,000 treasury shares with effect from 4 August 2009, reducing the company's share capital to 20,055,000 shares.

Subsequently, a total amount of 24,378 treasury shares were acquired in accordance with authorisation granted at a total value of DKK 0.6 million, equivalent to an average price of DKK 24.00 per share. At the end of 2009, the Group's portfolio of treasury shares amounted to 24,378, or 0.12 % of the share capital.



BUSINESS MANAGEMENT

Business management at Søndagsavisen is firmly based on the Group's values relating to customer focus, responsibility, quality, fairness and positive aggressiveness.

Søndagsavisen mainly focuses on the customer and on developing and delivering value-adding products and services which enable us to add growth and value – for the customer and for us. We take responsibility in our relations with customers and with one another. When things go as planned but also when something unexpected suddenly happens, we act from a basic platform of ownership, honesty and care. It is only by showing responsibility in every act and at every point in time that we can make the right decisions for the benefit of our customers, employees, shareholders and other stakeholders.

Søndagsavisen wishes to be known for the quality of its products and services, and we are constantly and untiringly striving to achieve this through conscientiousness, efficiency and focus on optimisation of all products, processes and dialogues. We believe that value adding quality products supplied at the right time and at the right price provide the basis for long-term relationships. Our success is based on a passionate belief in what we are doing and in our ability and courage to be innovative.

Board of Directors and Management

The Annual General Meeting is Søndagsavisen a/s' supreme authority. The Annual General Meeting elects the company's Board of Directors, which is responsible for the overall management of the Company. The Board of Directors supervises the Company's activities and satisfies itself that the Company is managed properly and in accordance with the Company's articles of association, the Danish Companies Act and any other legislation that may be important to the Company. The Board of Directors' most important tasks are to determine the overall targets and strategies, lay down clear guidelines for the distribution of responsibility, planning and risk management, select a competent Management and be an open-minded, active sparring partner for Management.

The Board of Directors comprises four members with Richard Bunck, the Company's major shareholder, as chairman.

The Management is responsible for the day-to-day management of the Company. In accordance with the guidelines and directions prepared by the Board of Directors, the Management prepares action plans and budgets, which support the Company's strategy, and regularly reports on profit performance, risks and other significant information to the Board of Directors.

The Management is headed by Mads Dahl Andersen, who is the chief executive officer of the Group. Mads Dahl Andersen has the overall Group Management responsibility for Kandidathuset, MatchWork, BoligPortal, MinReklame and Helsingør Dagblad, the day-to-day management of which is handled by managers who also co-ordinate activities within specific tasks and projects directly with the Board of Directors and the rest of the Group Management. Mads Dahl Andersen also holds the position of manager of the Group's distribution activities at Forbruger-Kontakt.

In addition to Mads Dahl Andersen, the Group Management is composed of Arne Ullum Laursen, who is director with responsibility for Søndagsavisen, Søndagsavisen.dk, HR and IT Operations, and of Kåre Stausø Wigh, who is the chief financial officer, CFO.

The Board of Directors and Mads Dahl Andersen, CEO, constitute the Company's Chief Operating Decision Makers, CODM, with focus on and responsible for the Group's segments Print, Online and Helsingør Dagblad. Management is responsible for the individual business areas /segments and cross-functional product and business development.

Management changes

As disclosed in Company Announcement No. 14-09 dated 12 June 2009, Hans Henrik Lund, Group CEO and member of the Management, left Søndagsavisen a/s on 1 August 2009 after successful restructuring of the media activities. On the same day, Arne Ullum Laursen joined Management.



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CORPORATE GOVERNANCE

The Board of Directors and the Management of Søndagsavisen discuss and take a position on the Company's Corporate Governance policies and procedures. NASDAQ OMX Copenhagen's "Recommendations for Corporate Governance" in listed companies form, together with current legislation and guidelines laid down by the Board of Directors, the basis of this work.

The Board of Directors is of the opinion that the Company fundamentally meets NASDAQ OMX Copenhagen's "Recommendations for Corporate Governance", and the Board of Directors is constantly considering how and to what extent the recommendations can contribute to ensuring maximum value addition for the companies' shareholders.

The areas for which Søndagsavisen has laid down guidelines and policies differing from "Recommendations for Corporate Governance" are described below.

The role of the stakeholders and their importance to the Company

The Group wishes to enter into an open, active and constructive dialogue with all stakeholders in and around the Company, and it is constantly striving to ensure that the interests and roles of the stakeholders are respected. The Group has not previously had a genuine stakeholders policy, which defines and regulates the Company's relations with its stakeholders. However, such a policy will be prepared and published in 2010.

Openness and transparency

In compliance with the stock exchange rules for companies listed on NASDAQ OMX Copenhagen, Søndagsavisen wishes to practise openness about the Company's activities and transactions. Business procedures have been established, which ensure that all significant information is fully published in stock exchange announcements in both Danish and English on the Company's website. Søndagsavisen publishes interim financial statements for six months, an annual report and interim management statements for the first and third quarters of the financial year.

The Board of Directors has commenced the preparation of a genuine information and communication policy, which formulates business procedures and intentions in this area. This policy will be published in 2010.

The composition of the Board of Directors

The company has not set any age limit for directors as the Board of Directors believes that what determines whether the individual person can add value to the work of the Board of Directors is the member's experience and qualifications and not his age.

The work of the Board of Directors and Management is evaluated on a continuous basis in an open dialogue among the partners at the initiative of the chairman of the Board of Directors, and not in accordance with a fixed procedure.

Richard Bunck, the chairman of the Board of Directors of Søndagsavisen a/s is also a major shareholder and is therefore not an independent member of the Board of Directors. Ulrik Holsted-Sandgreen is an attorney-at-law and partner at the law firm, Bech-Bruun advokatfirma, which provides professional advice to the Company. Therefore, Ulrik Holsted-Sandgreen is also not to be considered independent. The two other members of the Board of Directors are independent to the effect that the recommendation that at least half the Board members should be independent is met.

Søndagsavisen has no employee directors.

Remuneration to the members of the Board of Directors and the Management

The remuneration of the Board of Directors, Management and managerial staff is disclosed in the Annual Report. The aim of the overall remuneration policy of Søndagsavisen is to ensure that the company offers competitive remuneration based on efforts and performance and at the level of comparable listed companies. The remuneration policy, which is reproduced below, is intended to help attract and retain qualified members of both the Company's Board of Directors and the Management.

Board members receive a fixed annual fee and do not take part in Søndagsavisen a/s' share option programme, nor do they receive any bonus.

The members of the Company's Management, the other managers and deputy managers receive a fixed basic pay and a company-paid pension contribution at a competitive level. Additionally, there is a bonus plan based on growth in revenue, growth in EBIT and at the level of EBIT for the year. This bonus, which prioritises profitable revenue growth, is limited to a maximum of 100 per cent of the annual basic pay.

In connection with any dismissal of members of the Management or other managerial staff, the maximum term of notice is normally 12 months and the severance pay is normally a total of 12 months' pay, and in one case a maximum of 36 months' pay. No defined benefit pension plans have been established.

As the Board of Directors considers information about remuneration to be a private matter, no information is published about the individual severance schemes of the individual members of the Board of Directors and Management nor about their remuneration. As a result, the Annual Report only discloses the total remuneration for the Board of Directors and, for the Management, its total remuneration and amount of bonus paid.

INCENTIVE SCHEMES

At the Annual General Meeting on 4 April 2008, general guidelines relating to the incentive pay for the Board of Directors and Management were adopted.

The Board of Directors may grant an individually variable number of share options to members of Management and any other managerial staff. Should the Board of Directors choose in any one financial year to grant share options, the calculated theoretical market value of the share options granted at the time of grant cannot exceed 100% of the annual fixed pay. The value is calculated using the Black & Scholes model.

Søndagsavisen did not grant any share options in 2009. The option programme is further described in Notes 8 and 23 to the Annual Report.

CORPORATE RESPONSIBILITY

Policy

Historically, the Group's handling of the elements under the concept of "Corporate Responsibility" has been a natural part of the strategic and operational everyday life of the individual business units as the management and operation of all business units are based on a strong value platform providing the foundation for the company's policies, rules, procedures etc.

Thus, corporate and social responsibility form an integral part of our standards of value, which, as one of our fundamental principles, include showing and taking responsibility for our employees' working conditions, situation and environment, and ensuring that employees in the same situation are treated equally. We also show fairness and adhere to sound business practice for the benefit of both the customer and Søndagsavisen a-s.

Søndagsavisen a-s is constantly focusing on improving conditions related to the Group's social responsibility on an equal footing with the Group's constant efforts to improve other processes and policies. Responsibility in all contexts forms an integral part of the Group's values and is thus an essential element of great relevance to the Group's vision, targets and strategy.

As a result, the Company is permanently focused on not only complying with and observing Danish and international rules and conventions, but also on exhibiting responsible behaviour through regular control, optimisation, operationalisation and reporting to enhance the financial, social and environmental performance.



Reporting is typically done in connection with other reports to the management responsible. At present, the individual elements are not reported together as part of an overall CSR report, because the elements are believed to relate more to the individual divisions. In 2010, the Board of Directors will assess, in the light of the diversity of the Group's segment activities, whether any value will be added by the preparation of common policies, frameworks, targets and procedures for the prospective work on corporate responsibility.

Søndagsavisen a-s is focusing on the following significant matters within the CSR work.

Pay and working conditions for the Group's 12,000 paper boys/girls and men/women

Through its distribution business, Søndagsavisen a-s employs approx. 12,000 paper boys/girls and men/women. Søndagsavisen is one of Denmark's largest workplaces for young employees. The job as paper boy or girl is often the first real job for many young people. This makes exceptionally heavy demands on us as a business and on our organisation, systems and procedures to ensure that the individual employee gains some positive and good experience in his or her first job working for us.

The introduction to the job is always given in dialogue with both the delivery boy or girl and his or her parents. Thorough instructions and follow-up are provided, and comprehensive instruction material has been prepared, which, based on many years' experience, is aimed at introducing the

young paper boy or girl to the job before, during and after performance of the work.

To ensure that the employee always receives a pay reflecting the working effort performed on the individual route, several checks are carried out, all with the aim of ensuring that we comply with the working environment rules and that the paper boys or girls receive a fair pay reflecting the work they do. The distribution business has a large number of employees who regularly provide instructions and perform evaluations and checks to ensure that we meet our ambitions.

Integration of "new Danes"

The Company's staff policy is based on its strong standards of value, which aim at giving equal opportunities to everybody, and which require that, in principle, everybody must meet the same demands.

As a result, the 70 % or so of the employees in the Group's two packing terminals who are so-called new Danes have been well integrated, and many of the jobs as supervisors are handled by new Danes. This in itself produces a cumulative effect on good integration.

KANDIDATHUSET
Danmarks største jobformidler



In the past two years, sick absence in production has been declining steadily. In 2009, sick absence among production workers was approx. 8 days a year including long-term absence due to illness. If the figures are adjusted for the number of employees who are long-term sick, sick absence in production is much better than the industry's average for hourly-paid workers.

Consumption of newsprint and ink

Søndagsavisen co-operates with a number of Denmark's largest and best printing facilities. Søndagsavisen's business partners use standard paper approved by and purchased via Pressens Fællesindkøb (Procurement Association of the Danish Press). Pressens Fællesindkøb makes sure that the paper is produced in such a way that it meets the requirements of the Rio Convention of 1992. To put it in slightly simple terms, the Convention stipulates that the raw material must come from sustainable production areas and that it must be possible to produce renewable products.

To produce newsprint, wood mainly from Nordic forests, chips from sawmills, recycled paper and water are used. The water used in the production process is cleaned and recycled or returned to nature – cleaner than it was when it was pumped into production. No chlorine is used to bleach the newsprint.

Wood from tropical rain forests is not used, and for each two trees cut down for newsprint production three new trees are planted. The forest area is therefore increased year by year.

Printing ink consists of pigment. As for black printing ink, it consists of soot, binder made from resin and mineral or vegetable oil. It also contains chalk and a few other ingredients.

By far, most of the second-hand newspaper is recycled into egg cartons, kitchen rolls, toilet paper, corrugated cardboard or any other packaging material and into new newsprint.

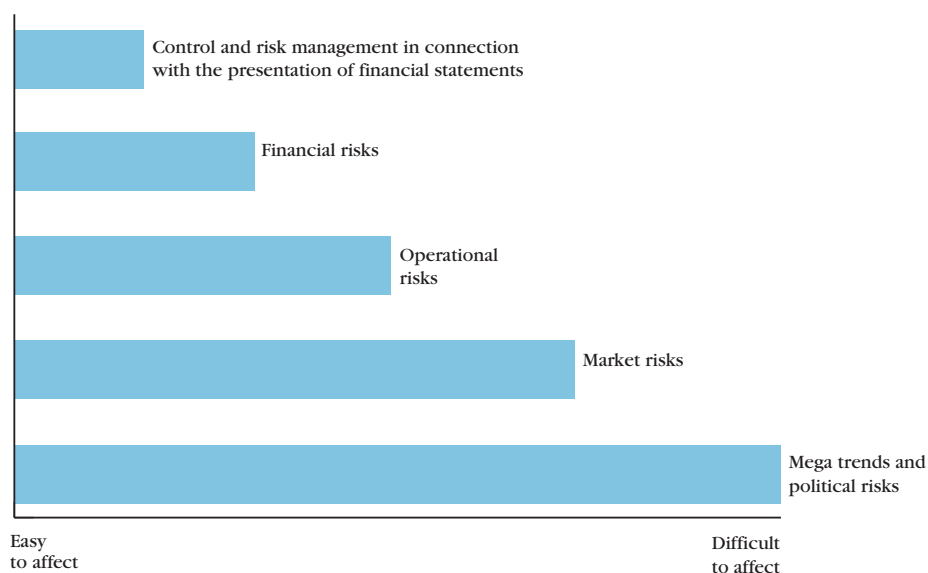
RISKS AND RISK MANAGEMENT

The Board of Directors carries out an annual review of the risk management systems, controls and policies.

The main purpose of the review is to ensure that risks which may be critical to the Group's ability to achieve the set targets are identified and uncovered.

Like the rest of the Group, the overall management of the risk area is based on the principles of the fundamental management structure, which is described in the section on Corporate Governance. The daily follow-up and management of risks are based on a structure of internal policies, concepts and procedures.

At Søndagsavisen, risks are divided into five levels and illustrated as follows:



MEGATRENDS AND POLITICAL RISKS

Megatrends and political risks have a long incubation period and may materialise within a period of three years or more.

Megatrends are the trends and forces that globally set the direction for how and in what media, for example, companies advertise and communicate with their present and potential customers and how consumers can acquire the information they want at the right time and place. Søndagsavisen wants to be at the forefront of this development and is therefore working actively on product development within both Print and Online activities and on connecting the two media in order to increase the value-in-use and the utility value for both advertisers and consumers.

Political and legislative regulation affects the segments of Søndagsavisen to a greater or lesser degree. The printing activities can be sensitive to legislative amendments within elements forming part of the production and distribution of newspapers and unaddressed printed matter, such as the handling of paper waste or the employment of paper boys or girls under 18.

In Denmark, ensuring fair terms of competition in the distribution market is key to achieving satisfactory results. The future regulation of the market and the competition authorities' enforcement of such regulation are therefore essential. Søndagsavisen works via the political system to ensure this.

Also, important amendments to, for example, the rent legislation may affect the Online segment. Tighter regulation of, for example, conditions for operating online portals which offer rental housing may turn out to be an advantage to Søndagsavisen, which provides rental services through Boligportal.dk.

The Management of Søndagsavisen is targeting its efforts to ensure that political decision makers have a well-documented and correct decision-making basis, and that the necessary insight into what factors affect and are of interest to Søndagsavisen's stakeholders exists.



MARKET RISKS

Market risks affect all market participants in the markets in which Søndagsavisen is operating. Søndagsavisen defines market risk as being relevant now and within the next one or two years.

Like other companies, Søndagsavisen is affected by the macroeconomic development. Due to their attachment to advertisement markets in general and recruitment advertisement markets in particular, the parts related to the recruitment market are greatly affected by economic trends. This applies to both recruitment advertisement from the printed newspaper and to Ofir.dk as well as Matchwork. The other parts of the business, including the distribution of unaddressed printed matter for the retail trade in particular, are only to a limited extent affected by economic trends. The distribution of unaddressed printed matter to customers outside the retail trade is to some extent affected by economic trends.

For a great many years, the free newspaper market has been characterised by substantial excess capacity. This has led to a great pressure on prices and a reduction in average prices. This price pressure is expected to continue, for which reason investments are made in the automation of work processes to meet this price pressure. Søndagsavisen is financially prepared to act in a market under pressure and to continue its product development efforts to minimise any further price erosion.

Newsprint is an essential commodity in the production of newspapers. As a result of the Group's membership of Pressens Fællesindkøb, it can buy newsprint at the same advantageous prices as other daily newspapers and free newspapers in Denmark. The market risk on newsprint prices is therefore limited.

Søndagsavisen's newspapers are printed in a narrow time window in the period from Thursday afternoon to early Friday morning/Friday morning. To obtain satisfactory printing prices and avoid dependence on the printing facilities, the newspaper is printed by several different printing facilities. Additionally, attempts are made through long-term printing contracts to ensure that printing prices are always competitive and that any changes in printing prices can be adjusted through the advertisement prices.

The future business model is still uncertain within some areas of the online business. Continuous work is carried out on various models to ensure satisfactory earnings, but a future sustainable earnings platform is still subject to significant uncertainty.

OPERATIONAL RISKS

Søndagsavisen defines operational risks as processes related to daily operations which, in the event of breakdown, may be detrimental to the Company's performance in the short or long term.

The largest risk associated with the printing activities is the breakdown of central IT systems or fire at terminals or office buildings. The most significant risks are found in connection with distribution activities, which, in the event of long-term breakdowns at the terminals, may affect the Group's performance significantly. The newspaper activities will only to a minor extent be affected by a possible IT breakdown because production can quickly be transferred to other servers. In the event of a breakdown at individual printing facilities, newspaper printing can be quickly redirected to other printing facilities because of the existence of idle capacity in the market.

In the distribution market, high quality is an important competitive parameter. Søndagsavisen's distribution terminals in Taastrup and Tilst have been of great importance to the continuous quality improvement. Sorting systems pack the printed matter in household sets with a very small number of errors per thousand, and the distribution quality is ensured through training, control calls and the use of "Track and Trace". Søndagsavisen is co-operating closely with selected customers on an ongoing basis in order to continuously improve the level of quality.

The quality of the Søndagsavisen newspaper is managed via internal control procedures in the editorial and pre-press related processes, while the print quality is described in requirements specifications for external printing facilities.

The IT facilities are consolidated at Søndagsavisen's headquarters in Gladsaxe and have their own emergency power system, which automatically cuts in should the public power supply fail.

An emergency power system has also been established at the two distribution terminals in Taastrup and Tilst, making it possible to perform a controlled power down of the company's IT systems in the event of power failure. However, no emergency power system has been established to continue production because it is believed that even extended power outages can be absorbed in the available time window.

All vital servers are duplicated and placed in physically separate server rooms, and backup procedures are run every night on all production servers to obtain two sets of identical data. Inergen, air conditioning and smoke, fire and humidity alarm systems have been installed.

All systems are protected by access controls which limit access to the functions that the individual employee needs. In addition, daily updates are performed of firewall, spam filters, anti-virus programs and scanning of mails for high-risk content.

In the insurance policy the Board of Directors has drawn up guidelines for the protection of the Group's assets and earnings as well as for risk prevention work and provided an overview of imminent financial risks and consequences.

Thus, for daily management purposes policies and manuals as well as backup procedures for the most important operational risks have been established. In addition, it is the Management's and the Board of Directors' opinion that the Group is appropriately insured in terms of insurable risks and own risks.

FINANCIAL RISKS

Søndagsavisen defines interest rate, liquidity, credit and currency risks as financial risks.

Søndagsavisen has implemented a financial policy, which regulates the general frameworks for managing the Group's exposure to, for example, currency and interest rate movements. The policy sets out guidelines for risk hedging. Where financial instruments or other hedging is used, hedging is done for the sole purpose of reducing the future risk. Søndagsavisen does not engage in speculative financial transactions.

Interest rate risks

The Group's policy is to hedge interest rate risks on the Group's long-term loans if it is found to be possible to secure the interest payments at a satisfactory level. Hedging is normally done by entering into interest rate swaps, under which floating-rate loans are converted into fixed-rate loans. For a detailed analysis of the Group's interest rate risks, see Note 38.

Liquidity risks

The Group undertakes liquidity management to ensure the availability of sufficient and flexible financial resources at any time. The risk of the liquidity situation suddenly and unexpectedly developing adversely and affecting the Group's investment and operational liquidity requirements is handled

through a number of management tools. The planning of anticipated liquidity requirements and associated credit facilities is carried out in connection with the preparation of budgets and action plans. Such liquidity requirements are monitored on a monthly and a daily basis. Every month, a liquidity projection is made for a period of at least six months, and at least twice a year the projection is made for a minimum of twelve months.

The Group's aim is to have sufficient cash resources in order to be able to take appropriate action in the event of unforeseen fluctuations in liquidity.

The bank accounts of the parent company and the Danish subsidiaries are included in the Group's cash pool, which is monitored daily in order to optimise interest received and interest paid on the Group's total cash flows.

The Group's borrowing policy is to ensure maximum flexibility by spreading loans over the due dates/renegotiation dates having regard to their pricing.

A combination of short- and long-term financing is arranged having regard to the anticipated liquidity requirements in the short term as well as in the long term. The Group regularly assesses the right composition having regard to future financing requirements. Efforts are made to obtain large-scale financing of the Group's properties through a long-term fixed-rate loan.

Credit risks

Søndagsavisen is exposed to credit risks relating to receivables and deposits with banks. The maximum credit risk corresponds to the carrying amount.

Søndagsavisen a-s' policy is to do business only with banks of a high credit rating. Loss on receivables is a business risk, and the risk of loss on a customer is weighted against the earnings potential on an ongoing basis. Loss on receivables has historically been limited in size.

Currency risks

In 2008 and 2009, the Group reduced its presence outside Denmark, having thereby reduced its total risk on transactions in foreign currency.

However, the Group may still be affected by changes in foreign currency rates, and movements of the GBP rate in particular may affect results and equity in Online.

Additionally, the Group has a non-included receivable of at least SEK 160 million in connection with

the sale of the remaining shares in GISAB that will be included and paid. The receivable falls due in spring 2011 and has not been hedged. For further detail on the Group's currency risks and sensitivity, reference is made to note 38.

Capital management

The Group evaluates continuously the need to adapt its capital structure in order to weigh the higher equity return requirement against the increased uncertainty connected with borrowed funds.

It is the Group's policy to pay dividend to the extent it is found to be reasonable within the frameworks of the overall capital structure and cash.

CONTROL AND RISK MANAGEMENT IN CONNECTION WITH THE PRESENTATION OF FINANCIAL STATEMENTS

Detailed internal control and risk management systems have been established in connection with the process of presenting financial statements. The aim is to ensure that the internal and external financial statements give a true and fair view free from material misstatement. Furthermore, the systems are to ensure that external interim management statements, interim report and annual reports for the Group are presented in accordance with IFRS as adopted by the EU as well as additional Danish disclosure requirements for the presentation of financial statements of listed companies.

BOARD OF DIRECTORS

The Company's Board of Directors is responsible for the overall management of the Company. The Board of Directors supervises the activities of the Company and satisfies itself that the Company is managed properly and in accordance with the Company's Articles of Association, the Danish Companies Act, accounting regulation as well as any other legislation and regulation that may be important to the Company's Management and presentation of financial statements.

AUDIT COMMITTEE

The Board of Directors has set up an Audit Committee to supervise the Group's financial reporting procedures. The Audit Committee consists of two members from the Board of Directors of Søndagsavisen. Members are appointed by the Board of Directors of Søndagsavisen for a term of two years. The Audit Committee is composed of

Peter Rasztar, Vice-Chairman of the Board of Directors, and Steen Gede. Peer Rasztar is chairman of the Audit Committee.

Members of the Committee must have an insight into accounting or auditing as well as experience of the conditions of listed companies. In addition, members of the Audit Committee must be independent, cf. the definition in Recommendations for Corporate Governance. The Board of Directors appoints the chairman of the Audit Committee.

The Audit Committee meets at least twice a year in connection with the external audits preparation of auditor's records for the continuous audit and the year-end audit, respectively. Otherwise the Audit Committee meets as required.

The primary tasks of the Audit Committee are, on behalf of the Board of Directors, to monitor and supervise the financial information given in external financial reporting or any other important financial reporting and to ensure compliance with current legislation, standards and other reporting requirements. Furthermore, the Audit Committee reviews and evaluates the internal control procedures at least once a year with a view to evaluating the appropriateness of the controls and/or any weaknesses. The Audit Committee also considers the external auditor's audit plan and reviews the associated audit agreement and payment of fees as well as the auditor's management letters and records.

In 2009, three meetings were held.

DAY-TO-DAY MANAGEMENT

In recent years, the competencies of the entire financial organisation have been expanded, and departments have been centralised into fewer but larger groups to ensure enhanced efficiency, a good control environment and an appropriate separation of functions. In addition, the use of the local financial systems of the subsidiaries and the activities has been upgraded and harmonised. This work is expected to be completed in 2010.

A number of different systems are used by Søndagsavisen across the Group for purposes such as advertisement booking, invoicing, user payment, route planning, financial reporting and consolidation. The systems are, as far as possible, integrated to prevent data duplication and to reduce the risk of errors and enhance efficiency. Internal controls and reconciliations have been established to ensure the interrelationship of data from various sources. The control procedures include monthly reconciliations in connection with financial reporting.

Independent strategy and action plans as well as budgets have been prepared for the individual subsidiaries and activities. The plans and the budgets are checked against the monthly reporting. A detailed and standardised process is used to prepare annual strategy and action plans as well as budgets. In this process, significant risks are identified and it is decided how to handle them.

Based on instructions from the Board of Directors, including values for business management, guidelines for corporate governance and through co-operation with the Audit Committee, the Group Finance function has prepared systems for a detailed financial reporting process with built-in control procedures. The systems do not eliminate the risk of error and do not provide complete assurance that all errors are discovered and adjusted, but they ensure that risks are controlled and that material errors and defects are corrected. The most important processes are the following:

- 1 Reporting instructions and time schedule for the monthly financial reporting by subsidiaries and activities are circularised before the beginning of the financial year. In October extended instructions are circularised in connection with the preparation of the financial statements. The accounting and reporting instructions are supported by the Group's accounting policies, which for selected areas describe more detailed reporting requirements.
- 2 Significant accounting estimates, documentation of these and any possible accounting policy changes as a result of changed accounting rules etc. are reviewed by the Group Finance function before reporting instructions are circularised.
- 3 Monthly reporting is carried out in the Group's reporting system by subsidiaries and activities. The system, which is a standard reporting and consolidation system, ensures full transparency between reporting by the individual subsidiaries and the full consolidated financial statements. Reporting by the individual companies corresponds to the local bookkeeping, which in turn is in full accordance with the financial statements of subsidiary companies. All differences between local bookkeeping / accounting policies and the Group's IFRS financial statements are handled at central level by Group Finance to ensure full understanding and ownership of these adjustments.
- 4 In connection with each monthly closing of accounts, significant balance sheet items are reconciled by the individual subsidiaries. Reconciliations and controls are made in accordance with checklists, and a specification and documentation are preserved.

- 5 A number of controls are made at central level in Group Finance to ensure that the reported figures are correct. In addition, a number of points are checked to ensure that reporting is done in accordance with the Group's accounting practice.
- 6 In connection with acquisitions / divestments of companies, all relevant entries are controlled at central level. There is also a central model for the Group's allocation of purchase price by type of asset. Any value impairments of assets are also calculated at central level for all Group units.
- 7 In addition, a management report is prepared on the basis of the monthly financial reporting, comparing results with the action plan and the budget. Variances are explained, corrective actions proposed, the competitive situation described, an action plan status given etc. In connection with the presentation of quarterly statements, an updated estimate is prepared for the year's revenue and results.
- 8 The subsidiaries' and the activities' financial reporting is submitted to the central Group Finance function, which prepares consolidated, segment, subsidiary and activity financial statements as well as analyses for Management and the Board of Directors.

The contents of reporting to Management and the Board of Directors are evaluated continuously to ensure relevance in relation to focus areas and the Group's performance. Further, constant efforts are made to improve the efficiency of reporting and increase reporting speed. In this way, the Board of Directors and Management will quickly have correct and relevant information at their disposal.

SHAREHOLDER INFORMATION

The Group and NASDAQ OMX Copenhagen

In May 1996 Søndagsavisen a/s was the first media group in Denmark to be listed on the NASDAQ OMX Copenhagen.

Company information

| | |
|----------------|---|
| Address: | Søndagsavisen a/s Gladsaxe Møllevej 28 DK - 2860 Søborg |
| Internet: | www.son.dk |
| Telephone: | (+45) 39 57 75 00 |
| Fax: | (+45) 39 66 74 15 |
| E-mail: | investor@sondagsavisen.dk |
| CVR no.: | 66 59 01 19 |
| Securities ID: | DK001027034-7 |
| Auditors: | Deloitte |
| Bankers: | Nordea A/S |

Financial year

The Group's financial year follows the calendar year, and this Annual Report comprises the year ended 31 December 2009, the company's 29th financial year.

Annual General meeting

The Annual General Meeting of shareholders will be held on Friday 23 April 2010 at 3.00 p.m. at Ingeniørforeningens Mødecenter A/S, Kalvebod Brygge 31-33, DK-1780 Copenhagen V.

Share capital

The company's share capital is DKK 100.3 million, distributed on 20,055,000 shares of a nominal value of DKK 5.00 each.

Authorisation

The Board of Directors is authorised to increase the share capital one or several times by up to DKK 25.0 million.

Increases may take place through cash capital injections or otherwise. Increases may take place without any pre-emptive right for the Company's existing shareholders if the increase is effected at market price or as consideration for the Company's takeover of an existing business or specified property values at a value corresponding to the value of the shares issued. Outside the cases described in the previous sentence, the shareholders have a pre-emptive right to subscribe for new shares. The authorisation is given for a period up to 1 May 2012.

The Board of Directors is authorised to increase the share capital one or more times by up to DKK 1.0 million through the issue of employee shares. The authorisation is given for a period of five years ending on 29 April 2010. The increase may be made on terms and conditions set by the Board of Directors.

Treasury shares

The Board of Directors is authorised to allow Søndagsavisen a-s to acquire treasury shares up to an aggregate nominal amount of DKK 19,052,250 of the share capital, provided that the 10 % limit set out in section 48(1) of the Danish Public Companies Act is not exceeded, and provided that the acquisition is made at the market price in force at the time of purchase with a variance of plus or minus 5%. The authorisation applies until the next Annual General Meeting of the Company.

The Company's holding of treasury shares at 31 December 2010 amounted to 24,378 shares, corresponding to 0.12% of the shares.

Dividend

The Board of Directors of Søndagsavisen a-s will recommend to the Annual General Meeting in 2010 that no payment of dividend be effected in connection with the Annual General Meeting.

The parent company's income statement shows a profit of DKK 10.3 million. The Board of Directors recommends the following appropriation of the profit:

| Appropriation of profit, DKKm | |
|--|--------------|
| Retained earnings at 1 January 2009 | 462.4 |
| Other equity items | 4.5 |
| Profit for the year | 10.3 |
| Dividend | -50.1 |
| Capital reduction, cancellation of treasury shares | 11.1 |
| Investments in treasury shares | -0.6 |
| Available for distribution | 437.6 |

The Board of Directors submits the following appropriation of the profit for approval by the Annual General Meeting:

| | |
|---------------------------------------|-------|
| Retained earnings at 31 December 2009 | 437.6 |
|---------------------------------------|-------|

Shareholders

The register of shareholders holding at least 5% of the share capital, which the Company keeps in accordance with the Danish Public Companies Act, included the following shareholders at 31 December 2009:

- Baunegård ApS
Fredensborg Kongevej 49, 2980 Kokkedal
- Small Cap Danmark A/S
Toldbodgade 53, 2. th., 1253 Copenhagen K

The principal shareholder is Richard Bunck, the founder of the company who privately and through a 100 % owned and controlled holding company, Baunegård ApS holds 57.06 % of the share capital. Most of the remaining share capital is placed with institutional investors.

The Board of Directors and the Board of Managements share holding at 31 December 2009:

| Board of Directors | pcs. |
|---------------------------|-------------------|
| Richard Bunck | |
| (incl. Baunegård ApS) | 11,442,816 |
| Peter Rasztar | 1,900 |
| Steen Gede | 1,170 |
| Ulrik Holsted-Sandgreen | 0 |
| Total | 11,445,886 |

Board of Management

| | |
|---------------------------|----------------|
| Mads Dahl Møberg Andersen | 116,418 |
| Kåre Stausø Wigh | 0 |
| Arne Ullum Laursen | 0 |
| Total | 116,418 |

Management

At year-end 2009, the Company's Board of Directors and Management, excluding Richard Bunck controlled 119,488 shares, or 0.60 % of the share capital.

In the financial year under review, the Company's Board of Directors and Management, including Richard Bunck, purchased 52,000 shares net in the Company.

Share price

The market capitalisation of the Company's shares was DKK 691.9 million at the close of the financial year on 31 December 2009.

Contact with investors

Søndagsavisen a-s has an open and uniform dialogue with investors and analysts so as to provide the stock market with optimum and adequate information about the Company.

Meetings with shareholders, investors, financial analysts and other stakeholders are held at regular intervals. Each year, the Company holds several large presentations in Denmark and conducts a series of meetings abroad.

Banks and stockbrokers monitoring Søndagsavisen a-s:

| Stockbroker | Name and phone No. |
|--------------------|--------------------------------|
| Nordea Markets | Dan Wejse (+45) 33 33 24 09 |

Corporate site

Søndagsavisen a-s' corporate site www.son.dk provides information about the Company, the Board of Management and the Board of Directors, shareholder information, etc.

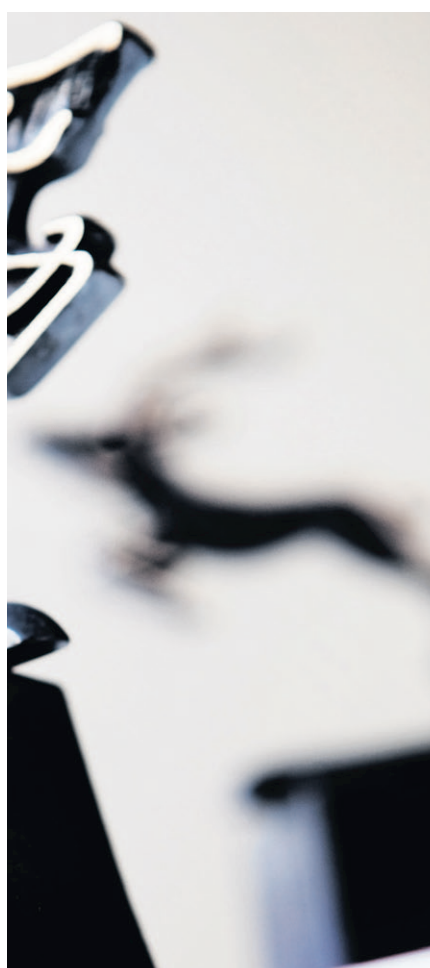
Contact to investors

Mads Dahl Møberg Andersen
CEO

Phone: (+45) 39 57 75 00

Fax: (+45) 39 66 74 15

E-mail: investor@sondagsavisen.dk



Announcements 2009

| | |
|-------------------|--|
| 15 January 2009: | Søndagsavisen a-s downgrades expectations for profit before tax for 2008 |
| 20 January 2009: | Søndagsavisen closing down four newspaper editions in Jutland |
| 5 February 2009: | Preliminary Announcement of the Annual Report 2008 |
| 12 February 2009: | Major shareholder announcement |
| 2 March 2009: | Statement of leading management and related parties' trade with Søndagsavisen a-s shares |
| 6 March 2009: | Statement of leading management and related parties' trade with Søndagsavisen a-s shares |
| 17 March 2009: | Notice of Annual General Meeting in Søndagsavisen a-s |
| 17 March 2009: | Annual report 2008 for Søndagsavisen a-s |
| 3 April 2009: | Minutes of the General Meeting |
| 3 April 2009: | Articles of Association |
| 6 May 2009: | Interim management statement Q1 2009 |
| 20 May 2009: | The High Court of Eastern Denmark awarded Søndagsavisen a-s compensation in the amount of DKK 75 million as well as DKK 4 million covering legal costs |
| 20 May 2009: | Post Danmark A/S appeals the court's judgment regarding compensation to the Supreme Court |
| 12 June 2009: | Hans Henrik Lund leaving Søndagsavisen a-s after successful restructuring of media activities |
| 7 July 2009: | Søndagsavisen a-s closes deal on purchase of 43% of the shares in Helsingør Dagblad A/S from Dansk Avistryk A/S and expects to discontinue its printing activities |
| 4 August 2009: | Capital reduction by cancellation of treasury shares |
| 5 August 2009: | Interim Report 2009 |
| 14 August 2009: | Extraordinary dividend distribution |
| 27 August 2009: | Søndagsavisen a-s postpones the process of examining the strategic opportunities for the distribution activities |
| 4 November 2009: | Interim management statement Q3 2009 |
| 18 November 2009: | Major shareholder announcement |
| 8 December 2009: | The negotiations regarding Bring Citymail Denmark A/S have been called off |
| 18 December 2009: | Financial calendar 2010 for Søndagsavisen a-s |

Announcements 2010

| | |
|------------------|--|
| 21 January 2010: | Søndagsavisen a-s now expects a positive operating profit for 2009 |
|------------------|--|

Financial calendar for 2010

| | |
|------------------|--------------------------------------|
| 9 March 2010: | Annual Report 2009 |
| 23 April 2010: | Annual General Meeting |
| 6 May 2010: | Interim management statement Q1 2010 |
| 4 August 2010: | Interim Report 2010 |
| 3 November 2010: | Interim management statement Q3 2010 |

The Board of Directors' meeting calendar for 2010

| |
|---|
| Thursday 4 February 2010 |
| Monday 8 March 2010 / Tuesday 9 March 2010 |
| Friday 23 April 2010 |
| Wednesday 5 May 2010 / Thursday 6 May 2010 |
| Wednesday 23 June 2010 |
| Tuesday 3 August 2010 / Wednesday 4 August 2010 |
| Wednesday 15 September 2010 |
| Tuesday 2 November 2010 / Wednesday 3 November 2010 |
| Wednesday 8 December 2010 |

Business concept

To provide consumers with offers and information.

This is achieved:

- through the publication of free newspapers financed by advertisements and distributed house-to-house and through the distribution of printed matter, newspapers and samples to consumers
- through the offering of Internet services and advertisements targeted at users of the Internet.

Objective and strategy

Profitability being our primary objective, the Group aims to be one of the leading players within its primary areas of activity. In order to realise this objective, the Group's overall strategy is to be quality-oriented and expansive in the development of the organisation and our products.

Søndagsavisen a/s operates in the front line, producing and selling against tough competition, where quality and personal effort make a difference.

For all our business areas, the driver of profitability is volume. It is therefore decisive that we achieve a significant share of the markets in which we operate.

Activities

The company's activities are concentrated in three operating segments: Print, Online and Helsingør Dagblad.



COMPANY DESCRIPTION

The company was founded in 1965 with the distribution of unaddressed printed matter and newspapers as its principal activity.

In 1978 the company expanded its activities and began to publish free newspapers financed by advertisements that were distributed to households during weekends under the name of Søndagsavisen. Since then, this has become the name of the entire corporation.

In 1996 the Internet activities commenced, becoming a new main activity.

PRINT

SØNDAGSAVISEN

Søndagsavisen is now distributed every weekend in approximately 1.3 million copies, corresponding to coverage of approximately 50% of Denmark's more than 2.6 million households. Søndagsavisen is thus clearly the largest newspaper in Denmark, and no other Danish printed media are even close to circulation on this scale or have the same broad readership and unique coverage.

Distribution areas and days

Søndagsavisen has undertaken comprehensive analyses to map the population's shopping, transport and relocation patterns. These behaviour patterns have formed the basis of Søndagsavisen's regional structure.

Based on these analyses Søndagsavisen is the only example in Denmark of a national newspaper divided into 11 different regional editions and 22 sub-editions, each with its own characteristic features.

Søndagsavisen's editorial content is basically identical throughout the country and in all editions,

which makes the newspaper unique in comparison with local newspapers.

However, the advertisements in Søndagsavisen are matched to regional conditions and the needs of individual readers. This makes the newspaper unique compared to daily newspapers.

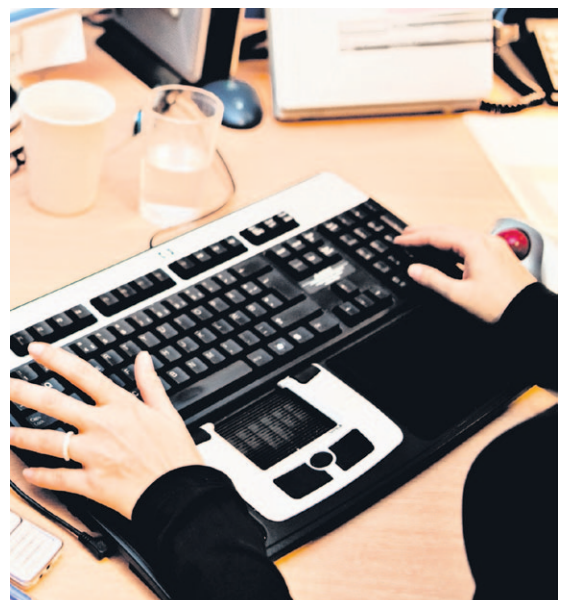
By distributing Søndagsavisen at weekends, the newspaper reaches its readers when they have time to spare. The weekend has become a time for families and relaxation – a time for being together, for inspiration and for joint decisions on a new job or a major purchase.

Editorial concept

Søndagsavisen is the most read newspaper in Denmark. As Søndagsavisen is to be the newspaper for the general public, the editorial concept focuses first and foremost on setting the Danes' agenda, mainly with articles about consumption, health, home, personal finance, travel, family and job life.

The newspaper focuses on unique news, consumer guide descriptions and brief consumer guides in these areas. The newspaper must provide relevant, entertaining and pleasant reading. This is ensured by the company's own permanent staff of journalists covering specialised topics, regular information from our segmented websites, and a few freelance suppliers.

Søndagsavisen is an agenda-setting, positive and free weekly newspaper focusing on its readership. With its strong editorial staffing it provides readers with entertaining and surprising journalism. At the same time, it also attracts readers to the Group's other content platforms. The target group is the busy modern family in the 25-50 age group.



The reader

Søndagsavisen's strength lies in its large and broad circle of readers, its regionalisation and its household distribution.

Of Søndagsavisen's approximately 1.6 million readers, the following characteristics are particularly noteworthy (Gallup 1st half of 2009):

- Just under half are aged between 25 and 50
- Approximately one third have a long, higher education
- 79% have influence on the household's purchases
- 74% have an owner-occupied or co-operative housing.

Comparison of Søndagsavisen's readers with the population in general shows, among other things, that:

- Søndagsavisen has more readers aged between 25 and 50 than in the population in general. Many are families with children.
- Søndagsavisen has an overrepresentation of female readers, who typically determine most of the family's purchases. This makes Søndagsavisen a particularly attractive medium for the retail trade.

Value for advertisers

Søndagsavisen is known by a large proportion of the Danish population and is Denmark's most read newspaper – with many readers among families with children. Consumers benefit from a newspaper delivered directly to their home during the weekend, when they have time to read it – and with content they look forward to reading.

By delivering the newspaper free of charge directly into the letterbox, Søndagsavisen reaches readers in their own homes. Everybody has a letterbox or a letter slit, and everybody sees their mail. Not many media can achieve a level of penetration where potential readers stand holding the newspaper, considering whether to read it.

Søndagsavisen's particular strength lies especially in the fact that the newspaper's readership is both actively and passively looking for information. Most decisions to change job or to make major purchases always take some time to mature. During this maturation period the decision-maker is receptive to influences, but is also passively looking for information. He is inspired by the information at hand without looking for concrete information. Since Søndagsavisen is distributed to households, it is at hand. This is why Søndagsavisen is such a strong medium.

DISTRIBUTION

Distributing sales messages directly to customers' homes is an extremely effective way of marketing goods or services. This method of advertising is widely used, especially by enterprises or retailers that have comprehensive product catalogues to distribute.

The Søndagsavisen Group is today the largest non-state owned Danish operator in the market for household distribution of unaddressed newspapers and printed matter. The distribution system is based on an extensive network of routes that are serviced by the companies' own distributors.

The distribution business provides efficient delivery to 2.6 million households at least once a week.

Forbruger-Kontakt is the name of the division in Søndagsavisen a/s that handles distribution activities in Denmark via own distribution or through jointly owned companies. Forbruger-Kontakt covers more than 99% of Danish households via a network of local depots and distributors, and today is the only nationwide private alternative to Post Danmark.

Forbruger-Kontakt furthermore develops distribution concepts and IT systems for all the Group's distribution companies.

 **forbruger·kontakt**



Products

Companies with a substantial requirement for distribution of information and advertising often choose to have their own printed matter distributed to consumers' homes. This increases flexibility in terms of the shape and size of the material, as well as the geographical distribution area. Forbruger-Kontakt offers these companies a number of customer-specific distribution methods.

The distribution activities at 31 December 2009 comprised unaddressed printed matter, newspapers, Chess Mail and analyses.

Household distribution of unaddressed printed matter and newspapers

This distribution method is directed at customers requiring distribution of unaddressed printed matter or newspapers to all households within a specific geographical area. The distribution of Søndagsavisen is included in this business area.

Chess Mail

Chess Mail is selective unaddressed distribution of advertising to groups of households with a uniform demographic profile. Through selection according to certain criteria, such as gender, age, type of housing, income and profession, interests and purchase behaviour, Forbruger-Kontakt can pick the geographical areas where the concentration of the customer's target group is highest.

Distribution solely in these areas maximises the targeting of the customer's message. At the same time, printing and distribution costs are optimised.

Analyses

As a separate business area, Forbruger-Kontakt also sells analyses of household characteristics in a given area. The analyses are designed to increase benefit from the customer's marketing activities while, at the same time, supporting the distribution-oriented part of the company. Such analyses include:

- Customer analyses
- Twin analyses
- Area Analyses
- Campaign analyses

Forbruger-Kontakt has Denmark's most sophisticated systems and tools for target group and segment analysis. The analyses are performed by pooling data in Forbruger-Kontakt's own database, and via information from Statistics Denmark as well as the customer's own customer database. Forbruger-Kontakt can thus map the profile of a given

customer segment or identify a statistically representative test area. This allows the customer to test the impact of a sales brochure before launching a major campaign.

Logistics structure in Denmark

Forbruger-Kontakt's two distribution terminals in Taastrup and Tilst ensure efficient use of resources and have resulted in substantial productivity improvements. Preparation of printed matter for distribution has thus to a great extent been automated, and the quality control of the entire production process is among the best in Europe.

ONLINE

The Søndagsavisen Group is one of Denmark's oldest providers of Internet-based services. Since the initiation of its activities in 1996, the Group has established a strong position in the market for Internet-based advertising services in Denmark.

The Søndagsavisen Group's Internet activities comprise the following:

- Kandidathuset (Ofir.dk)
- Søndagsavisen.dk
- MatchWork.com
- BoligPortal.dk
- MinReklame.dk

KANDIDATHUSET (OFIR.DK)

Based on more than 30 years' experience in the job market Ofir.dk and Søndagsavisen have established the company Kandidathuset a/s - Denmark's largest job provider. The company has as its main objective to provide relevant candidates for employers by a combination of advertising in Søndagsavisen and on the Internet at Ofir.dk.

Ofir.dk is Denmark's oldest job portal with more than 100,000 users every month. Based on state-of-the-art technology, Ofir.dk has developed a completely new job portal which satisfies the online job-seeking requirements of today's candidates. Improved interaction with jobseekers provides better and more precise search results and hence more qualified applicants for jobs advertised by employers.

At the same time, Ofir.dk has complied with the desire for a broad job portal with many visitors at Ofir.dk and for more specialised and targeted environments for selected staff groups on the new job portals for financial staff, salesmen and nursing staff.

Company Description

Kandidathuset is responsible for selling recruitment advertisements for Søndagsavisen, whose division into regions ensures that the advertisements are seen precisely where they are most relevant for recruitment purposes.

The combination of Print and Online media covers the media behaviour of both active and passive job-seekers. This provides the opportunity to reach both groups right where they are and even simultaneously.

SØNDAGSAVISEN.DK

Søndagsavisen.dk is the family site which makes life a little bit easier and everyday life a little bit more fun for the user. Søndagsavisen.dk brings vital news, lists and guides to family men and women. We portray and interview Danes from whom we can learn something. Søndagsavisen.dk is a transparent site which deals with the lives of Danish families, getting right to the heart of their interests: personal finance, married life, cohabitation, working life, holiday, food and health.

Søndagsavisen.dk continues to provide Mail, Chat and Dating services, which together meet the ambition to be the Danes' preferred place to meet online.

Søndagsavisen.dk is primarily aimed at women under 40 with a middle or high income and a middle-range or higher training.

Søndagsavisen.dk's business is based primarily on revenue from banner and secondarily on revenue from user payment.

MATCHWORK.COM

MatchWork.com develops and hosts an Internet-based 'Software as a Service' platform showing classified advertisements for media enterprises that wish to carry on business in their own brand and on their own site.

MatchWork.com delivers fully integrated and developed sites within:

- The recruitment market, supplemented with CV databases and unique match technology
- The property market, which also provides for integration with estate agents
- The motor market

Today, the product is being sold in the Danish, Swedish, Norwegian, UK and German markets. In 2009, MatchWork.com launched a new state-of-the-art technology platform, which supports all known earnings flows within classified advertisements. At the same time, it provides cost-effective

operations and application adaptation. The customer can also participate in a shared network, creating a higher transaction volume, for the benefit of the customers and users alike.

BOLIGPORTAL.DK

BoligPortal.dk was established in 1999 to make it easier for tenants and landlords to get into touch with each other. Today, however, it is operating within both home sales and rentals. The company operates BoligPortal.dk, which has more than 700,000 hits a month.

BoligPortal.dk is Denmark's largest marketplace for rental housing with more than 7,000 new rental housing units every month, which puts BoligPortal.dk in a clear market leader position. The position is ensured by providing the market's most efficient match of landlords and people seeking housing. BoligPortal.dk is based on a principle of free housing advertising for landlords and a principle of free home seeking for home seekers. However, the purchase of a package of additional services will significantly optimise the home seeking process.

In October 2009, BoligPortal.dk launched a new owner-occupied housing portal. The portal, which provides services for buyers and sellers, shows, for example, all housing units currently up for sale as well as the actual selling prices of housing units sold since 1992. In addition, buyers and sellers are given access to a Negotiation Report, which, based on actual selling prices of comparable housing units, offers the opportunity to evaluate the pricing of the housing unit, thus giving consumers greater insight into the housing market.

BoligPortal.dk is among the definitely fastest growing companies in Denmark, and in 2007, 2008 and 2009 it was awarded the title of Gazelle Company by the daily business newspaper Børsen.

MINREKLAME.DK

MinReklame ApS, which was acquired by Søndagsavisen a-s on 1 November 2007, is Denmark's leading digital distributor. MinReklame is focused on online marketing and on helping Danish retail chains in attracting customers to the shops.

MinReklame ApS is definitely among the fastest growing companies in Denmark and was awarded the title of Gazelle Company by the daily business newspaper Børsen in 2008 and 2009.

MinReklame markets printed matter for more than 50 of Denmark's largest retail chains on MinReklame.dk and Forbruger-mail.dk. Digital distribution provides retail chains with the opportunity to reach a large proportion of consumers under the Post Danmark 'No ads please' scheme. Furthermore, MinReklame is responsible for a large number of other online marketing products directed at Danish retail chains, including advertisements in newsletters and on websites, registrations for newsletters and traffic to websites and webshops.

HELSENGØR DAGBLAD

The company Helsingør Dagblad A/S publishes the daily newspaper Helsingør Dagblad and a free weekly newspaper in the region Nordsjælland, Lokaltavisen Nordsjælland.

Helsingør Dagblad is published as a morning paper to subscribers in Helsingør and environs. The newspaper is published six days a week, Monday to Saturday, in approximately 5,500 copies. The newspaper is a politically independent publication covering news of a general nature in addition to local stories. The newspaper is distributed by Helsingør Dagblad's own team of delivery men.

Lokaltavisen Nordsjælland is distributed free of charge as a mid-week newspaper in Helsingør, Humlebæk, Espergårde, Snekkersten, Tikøb, Hornbæk, Ålgårde, Hellebæk and Kvistgård. The newspaper comes out in 35,000 copies, 52 weeks a year. Journalism consists of local news, entertainment and stories from many areas of interest while local advertisements from places like four major shopping centres in the area provide inspiration in the form of ideas and bargains.



Helsingør Dagblad

STATEMENT BY THE BOARD OF DIRECTORS AND MANAGEMENT

We have today presented the Annual Report of Søndagsavisen a/s for the financial year ended 31 December 2009.

The consolidated financial statements have been presented in accordance with International Financial Reporting Standards as adopted by the EU, and the parent company financial statements have been presented in accordance with the Danish Financial Statements Act. Further, the consolidated financial statements and the parent company financial statements have been prepared in accordance with additional Danish disclosure requirements for annual reports of listed companies.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the assets, equity and liabilities, and financial position of the Group and the Parent Company at 31 December 2009, as well as of the results of the Group's and the Parent Company's operations and cash flows for the financial year ended 31 December 2009.

In addition, we are of the opinion that the management's review gives a fair review of the development of the operations and financial circumstances of the Group and the Parent Company, the net profits or losses for the year and the financial position as a whole of the Group and the Parent Company. In addition, it gives a description of the chief risks and uncertainties that the Group and the Parent Company are facing.

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

Søborg, 9 March 2010

Management

Mads Dahl Møberg 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

Adoption

As presented and adopted at the Annual General Meeting of shareholders on 23 April 2010.

As chairman of the meeting:

THE INDEPENDENT AUDITOR'S REPORT

To the shareholders of Søndagsavisen a-s

We have audited the consolidated financial statements and the parent company financial statements of Søndagsavisen a-s for the financial year ended 31 December 2009, which comprise the Group's and the Parent Company's comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the parent company financial statements have been prepared in accordance with the Danish Financial Statements Act. Further, the consolidated financial statements and the parent company financial statements have been prepared in accordance with additional Danish disclosure requirements for annual reports of listed companies.

The Board of Directors' and Management's responsibility for the consolidated financial statements and the parent company financial statements

The Board of Directors and Management are responsible for the preparation and fair presentation of consolidated financial statements and parent company financial statements in accordance with International Financial Reporting Standards as adopted by the EU as regards the consolidated financial statements and the Danish Financial Statements Act as regards the parent company financial statements as well as additional Danish disclosure requirements for listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements and the parent company financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

The audit did not result in any qualification.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, equity and liabilities, and financial position at 31 December 2009 and of the results of the Group's operations and consolidated cash flows for the financial year ended 31 December 2009 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies.

Further, in our opinion, the parent company financial statements give a true and fair view of the Parent Company's assets, equity and liabilities, and financial position at 31 December 2009 and of the results of the Parent Company's activities for the financial year ended 31 December 2009 in accordance with the Danish Financial Statements Act and additional Danish disclosure requirements for listed companies.

Statement by the Independent Auditors

Statement on the management's review

The Board of Directors and Management are responsible for preparing a management's review comprising a fair review in accordance with the Danish Financial Statements Act.

The audit did not comprise the management's review but we have perused the management's review in accordance with the Danish Financial Statements Act. We have performed no procedures other than the audit of the consolidated financial statements and the parent company financial statements.

Against this background, we are of the opinion that the information in the management's review is in accordance with the consolidated financial statements and the parent company financial statements.

Copenhagen, 9 March 2010

Deloitte
State Authorised Public Accounting Company

Kim Takata Mücke
State Authorised Public Accountant

Jens Baes
State Authorised Public Accountant



Consolidated income statement and comprehensive income statement

| Note | | 2009 DKKm | 2008 DKKm |
|--------|---|--------------|---------------|
| | Revenue | 1,028.5 | 1,160.9 |
| | Direct expenses | 366.9 | 423.2 |
| 7 | Direct staff costs | 219.9 | 282.6 |
| | Gross margin | 441.7 | 455.1 |
| 7 | Staff costs | 273.1 | 329.0 |
| 9 | Other costs | 99.8 | 123.7 |
| 17, 18 | Depreciation | 55.4 | 61.1 |
| | Other operating income | 6.1 | 4.3 |
| | EBIT before special items | 19.5 | -54.4 |
| 13 | Special items, net | -13.2 | -52.9 |
| 10 | Share of profit/losses in associates | 1.5 | -3.1 |
| 11 | Financial income | 2.0 | 3.1 |
| 11 | Financial expenses | -6.4 | -12.7 |
| | Profit before tax, continued operations | 3.4 | -120.0 |
| 14 | Tax, continued operations | 6.9 | -14.1 |
| | Net profit, continued operations | -3.5 | -105.9 |
| 6 | Profit of disposal of subsidiaries | 10.7 | 299.4 |
| 6,12 | Net profit, discontinued operations | 1.9 | 11.7 |
| | Net profit for the year | 9.1 | 205.2 |
| | Attributable: | | |
| | Shareholders in Søndagsavisen a-s | 4.7 | 226.5 |
| | Minority interests | 4.4 | -21.3 |
| | | 9.1 | 205.2 |
| 15 | Earnings per share, in DKK | | |
| | Earnings per share (EPS) - total | 0.2 | 11.0 |
| | Diluted earnings per share (EPS-D) - total | 0.2 | 11.0 |
| | Earnings per share (EPS) - continued operations | -0.3 | -4.6 |
| | Diluted earnings per share (EPS-D) - continued operations | -0.3 | -4.6 |
| | CONSOLIDATED INCOME STATEMENT | | |
| | Net profit for the year | 9.1 | 205.2 |
| | Currency adjustments, foreign companies | 1.8 | -5.2 |
| | Fair value adjustment of hedging instruments | 0.0 | -6.7 |
| | Other total income before tax | 1.8 | -11.9 |
| | Tax | 0.0 | 1.7 |
| | COMPREHENSIVE INCOME | 10.9 | 195.0 |
| | Attributable: | | |
| | Shareholders in Søndagsavisen a-s | 6.5 | 216.3 |
| | Minority interests | 4.4 | -21.3 |
| | | 10.9 | 195.0 |

Consolidated balance sheet at 31 December

ASSETS

| Note | 2009 DKK m | 2008 DKK m |
|--|---------------|---------------|
| Goodwill | 43.0 | 56.4 |
| Other intangible assets | 24.2 | 26.0 |
| Completed development projects, software | 31.6 | 26.0 |
| Development projects in progress | 4.4 | 11.7 |
| 17 Intangible assets | 103.2 | 120.1 |
| Land and buildings | 315.5 | 365.7 |
| Plant and machinery | 72.2 | 111.4 |
| Operating equipment, fixtures and fittings | 20.0 | 34.9 |
| Property, plant and equipment in course of construction | 0.0 | 1.9 |
| 18 Property, plant and equipment | 407.7 | 513.9 |
| Investments in associates | 8.0 | 11.4 |
| Other securities and investments | 3.9 | 3.7 |
| Other receivables | 1.7 | 2.1 |
| Other non-current assets | 13.6 | 17.2 |
| Total non-current assets | 524.5 | 651.2 |
| Inventory | 0.0 | 2.5 |
| 21 Trade receivables | 64.5 | 82.5 |
| Receivables from associates | 0.7 | 1.1 |
| Other receivables | 12.8 | 4.8 |
| 31 Receivable sales price from disposal of subsidiaries | 0.0 | 149.7 |
| Prepayments | 13.1 | 18.9 |
| Cash | 155.3 | 12.4 |
| Total current assets | 246.4 | 271.9 |
| 18 Assets held for sale | 32.0 | 0.0 |
| Total current assets | 278.4 | 271.9 |
| Total assets | 802.9 | 923.1 |

Consolidated balance sheet at 31 December

EQUITY AND LIABILITIES

| Note | | 2009 DKKm | 2008 DKKm |
|------|--------------------------------------|--------------|--------------|
| | Share capital | 100.3 | 111.4 |
| | Treasury shares | -0.6 | -72.7 |
| | Hedging reserves | -5.0 | -5.0 |
| | Revaluation reserves | -5.6 | -7.4 |
| | Retained earnings | 475.4 | 579.6 |
| | Shareholders' equity | 564.5 | 605.9 |
| | Minority interest | 8.9 | 55.5 |
| 23 | Total equity | 573.4 | 661.4 |
| 22 | Deferred tax | 1.8 | 1.0 |
| 24 | Financial institutions | 82.6 | 86.0 |
| 25 | Fair value interest rate swap | 6.7 | 6.7 |
| | Total non-current liabilities | 91.1 | 93.7 |
| 24 | Financial institutions | 3.1 | 5.2 |
| | Trade payables | 36.1 | 32.9 |
| 26 | Income taxes | 2.6 | 0.4 |
| 27 | Other payables | 82.3 | 97.3 |
| | Deferred income | 14.3 | 32.2 |
| | Total current liabilities | 138.4 | 168.0 |
| | Total liabilities | 229.5 | 261.7 |
| | Total equity and liabilities | 802.9 | 923.1 |

Consolidated statement of changes in equity

DKK m

2009

| | Share capital | Treasury shares | Hedging reserves | Re-valuation reserves | Retained earnings | Proposed dividend | Shareholders' total share | Minority interests | Total |
|--|---------------|-----------------|------------------|-----------------------|-------------------|-------------------|---------------------------|--------------------|--------------|
| Equity 1 January 2009 | 111.4 | -72.7 | -5.0 | -7.4 | 579.6 | 0.0 | 605.9 | 55.5 | 661.4 |
| Changes in equity 2009 | | | | | | | | | |
| Comprehensive income | 0.0 | 0.0 | 0.0 | 1.8 | 4.7 | 0.0 | 6.5 | 4.4 | 10.9 |
| Addition of minority interests, net | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -51.0 | -51.0 |
| Capital reduction, cancellation of treasury shares | -11.1 | 72.7 | 0.0 | 0.0 | -61.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Purchase of treasury shares | 0.0 | -0.6 | 0.0 | 0.0 | 0.0 | 0.0 | -0.6 | 0.0 | -0.6 |
| Extraordinary dividend distributed | 0.0 | 0.0 | 0.0 | 0.0 | -50.1 | 0.0 | -50.1 | 0.0 | -50.1 |
| Share-based payments | 0.0 | 0.0 | 0.0 | 0.0 | 2.8 | 0.0 | 2.8 | 0.0 | 2.8 |
| Total changes in equity in 2009 | -11.1 | 72.1 | 0.0 | 1.8 | -104.2 | 0.0 | -41.4 | -46.6 | -88.0 |
| Equity at 31 December 2009 | 100.3 | -0.6 | -5.0 | -5.6 | 475.4 | 0.0 | 564.5 | 8.9 | 573.4 |

2008

| | | | | | | | | | |
|--|--------------|--------------|-------------|-------------|--------------|------------|--------------|--------------|--------------|
| Equity 1 January 2008 | 111.4 | -54.2 | 0.0 | -2.2 | 350.0 | 0.0 | 405.0 | 85.1 | 490.1 |
| Changes in equity 2008 | | | | | | | | | |
| Comprehensive income | 0.0 | 0.0 | -5.0 | -5.2 | 226.5 | 0.0 | 216.3 | -21.3 | 195.0 |
| Addition of minority interests, net | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -5.4 | -5.4 |
| Purchase of treasury shares | 0.0 | -18.5 | 0.0 | 0.0 | 0.0 | 0.0 | -18.5 | 0.0 | -18.5 |
| Dividend distributed | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -2.9 | -2.9 |
| Share-based payments | 0.0 | 0.0 | 0.0 | 0.0 | 3.1 | 0.0 | 3.1 | 0.0 | 3.1 |
| Total changes in equity in 2008 | 0.0 | -18.5 | -5.0 | -5.2 | 299.6 | 0.0 | 200.9 | -29.6 | 171.3 |
| Equity at 31 December 2008 | 111.4 | -72.7 | -5.0 | -7.4 | 579.6 | 0.0 | 605.9 | 55.5 | 661.4 |

Consolidated cash flow statement

| Note | | 2009 DKK m | 2008 DKK m |
|------|--|---------------|---------------|
| | Net profit, continued operations | -3.5 | -105.9 |
| 28 | Adjustments for non-cash operating items | 81.8 | 82.5 |
| 29 | Changes in working capital | -28.5 | 38.9 |
| | Cash flow from operating activities before net financials | 49.8 | 15.5 |
| | Interest received | 0.2 | 0.9 |
| | Interest paid | -5.1 | -12.2 |
| | Cash flow from ordinary activities | 44.9 | 4.2 |
| 14 | Income tax paid | -3.9 | -2.7 |
| | Cash flow from operating activities, continued operations | 41.0 | 1.5 |
| | Cash flow from operating activities, discontinued operations | 34.1 | 74.2 |
| | Cash flow from operating activities, total | 75.1 | 75.7 |
| 30 | Additions of intangible assets and property, plant and equipment | -24.5 | -68.8 |
| | Disposals of intangible assets and property, plant and equipment | 2.8 | 4.1 |
| 20 | Dividend from associates | 9.2 | 1.2 |
| | Investment in other non-current assets | 0.2 | 0.4 |
| | Purchase of minority interest, Helsingør Dagblad A/S | -36.6 | 0.0 |
| 20 | Investment in associates | -4.5 | -2.7 |
| | Cash flow from investing activities, continued operations | -53.4 | -65.8 |
| 31 | Cash flow from investing activities, discontinued operations | 177.4 | 142.8 |
| | Cash flow from investing activities total | 124.0 | 77.0 |
| | Repayment of non-current liabilities | -3.4 | -2.8 |
| | Dividend to minority | 0.0 | -2.9 |
| | Investment in treasury shares | -0.6 | -18.5 |
| | Dividend to shareholders | -50.1 | 0.0 |
| | Cash flow from financing activities, continued operations | -54.1 | -24.2 |
| | Cash flow from financing activities, discontinued operations | 0.0 | -2.3 |
| | Cash flow from financing activities total | -54.1 | -26.5 |
| | Changes in cash and cash equivalents | 145.0 | 126.2 |
| | Cash and cash equivalents at 1 January | 10.3 | -115.9 |
| 32 | Cash and cash equivalents at 31 December | 155.3 | 10.3 |



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1 Accounting policies in general

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports for listed companies and the Danish Executive Order on Adoption of IFRSs issued in accordance with the Danish Financial Statements Act.

New and revised Standards and Interpretations

The following new and revised Standards and Interpretations have been implemented in the annual report for 2009:

- Amended IAS 1, Presentation of Financial Statements, which has resulted in the introduction of a comprehensive statement of income
- Amended IFRS 7, Financial Instruments: Disclosures, expanding disclosures in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in accordance with the transitional reliefs offered in these amendments.
- IFRS 8, Operating Segments, that has resulted in a redesignation of the Group's reportable segments.

The implementation of the amendments has not resulted in any changes in profit or loss, equity or balance sheet total.

Furthermore, IASB has adopted a number of other new and revised Standards and Interpretations that are not of relevance to the Group and which are therefore not expected to have any impact on future annual reports.

When implementing new segments in the annual report, the format of the income statement was changed from being classified by function to being classified by nature. This change was made because the income statement classified by nature is used internally by Management and therefore considered fairer. The comparative figures of the income statement have been restated in accordance with this change in format.

Standards and Interpretations that have not yet become effective

At the time of publication of this annual report, a number of new or revised Standards and Interpretations exist that have not yet become effective, for which reason they have not been incorporated in this annual report. Management believes that they will not impact significantly on annual reports for the coming financial years.

Amendments to IFRS 3, Business Combinations, and IAS 27, Consolidated and Separate Financial Statements, may however involve changes in future financial reporting, depending on the scope of future business transactions.

Presentation currency

The Annual Report is presented in Danish kroner.

2 Accounting policies

Consolidated financial statements

The consolidated financial statements comprise the parent company Søndagsavisen a-s and the subsidiaries in which Søndagsavisen a-s has a controlling interest. Control exists where Søndagsavisen a-s owns or holds, directly or indirectly, more than 50% of the voting rights or otherwise exercises control over the enterprise concerned. Enterprises, in which the Group holds between 20% and 50% of the voting rights and exercises a significant, but not controlling, influence, are considered associates. In assessing whether Søndagsavisen a-s has control or significant influence, potential voting rights are taken into account.

The consolidated financial statements are prepared by consolidating the audited financial statements of the Parent Company and the relevant Group enterprises, all of which are presented in accordance with uniform accounting policies. All intra-group items, including revenue, expenses, interest, dividends, unrealised gains and losses on intra-group transactions, as well as balances and investments, are eliminated for the purpose of consolidation.

Investments in subsidiaries are offset against the proportionate share of the fair value of the subsidiary's identifiable net assets and recognised contingent liabilities at the time of acquisition.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the date of acquisition. Enterprises sold or discontinued are recognised in the consolidated income statement up to the time of sale or discontinuance. Comparatives are not restated for enterprises newly acquired, sold or discontinued, unless sold or discontinued enterprises uphold the conditions under IFRS 5 to be presented as discontinued activities. Purchases of new enterprises which give the Parent Company control over the enterprise acquired, are accounted for by applying the purchase method, according to which the identifiable assets, liabilities and contingent liabilities of the acquired enterprises are measured at fair value at the time of acquisition. Identifiable intangible assets are recognised if they can be separated from or arise from a contractual right and the fair value can be measured reliably. Deferred tax is recognised on the revaluations.

In respect of business combinations that have arisen since 1 January 2004, positive differences (goodwill) between the cost of the acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities acquired are recognised as goodwill under intangible assets. Goodwill is not amortised but is tested for impairment. The first impairment test is carried out before the end of the year of acquisition. On acquisition goodwill is allocated to the cash-generating units which subsequently provide the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the Group's presentation currency are treated as assets and liabilities of the foreign entity and are translated to the foreign entity's functional currency at the exchange rate ruling on the transaction date. Negative differences (negative goodwill) are recognised in the income statement at the time of acquisition.

Gains or losses on the disposal of Group enterprises and associates are made up as the difference between the selling price and the carrying amount of net assets at the time of sale and expected selling expenses.

Joint Ventures

Enterprises where joint management has been agreed with one or more other enterprises are regarded as Joint Ventures and are included in pro rata consolidation. This means that the proportionate share of the enterprise's income statement and balance sheet items is included in the corresponding items in the consolidated financial statements and that proportionate elimination of intra-Group items is carried out.

Currency translation

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

Transactions in foreign currencies are translated on initial recognition at the exchange rate at the date of the transaction. Any exchange differences between the exchange rate at the date of the transaction and the exchange rate at the date of payment are recognised in the income statement under financial income and expenses.

Receivables, payables and other monetary items in foreign currency which have not been settled at the balance sheet date are translated at the closing rate. Differences between the closing rate and the exchange rate at the time when the receivable or payable has occurred or is recognised in the latest financial statements are recognised in the income statement under financial income and expenses.

On recognition in the consolidated financial statements of foreign subsidiaries and associates with a functional currency different from the presentation currency of the Group, the income statement is translated at the average exchange rate for each month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Exchange differences arising from the translation of the opening equity of foreign group enterprises at closing rates and exchange differences from the translation of income statements from average rates to closing rates are taken directly to the statement of total gains and losses.

Exchange adjustments of accounts with foreign enterprises which are regarded as part of the total net investment in the enterprise concerned are taken directly to the statement of total gains and losses.

Derivative financial instruments

Derivative financial instruments are initially recognised at cost and subsequently measured at fair value. Positive and negative fair values are recognised as other receivables and other payables, respectively.

Fair value adjustments of derivative financial instruments classified as hedges of expected future cash flows are recognised in the statement of total gains and losses and is included in equity until the hedge transaction is carried through.

INCOME STATEMENT

Revenue

Revenue comprises income from print, online and Helsingør Dagblad from services rendered less VAT, cash and quantity discounts. On recognition and measurement, gains, losses and risks that arise before the time of presentation of the Annual Report and which prove or disprove matters existing on the balance sheet date are taken into consideration.

Internet income comprises job and banner ads as well as sales of software for classified advertisement databases, including in particular Job & CV databases. Sales of job and banner ads are recognised when the ad is published on the Internet site. Online income is recognised when delivery and risk have passed to the purchaser. Internet income imposing future liabilities on the Group are recognised over the life of the liability.

Print income comprises newspaper ads and household-distributed newspapers and printed matter. Sales are recognised on the day of publication/distribution.

Direct expenses

Direct expenses include expenses incurred to generate revenue for the year. The expenses comprise printing, external distribution, distribution services, excluding direct staff costs, and hosting service.

Direct staff costs

Direct staff costs include costs of staff in functions performed directly to generate the year's revenue, including distribution pay and costs of warehouse and other production functions.

Staff costs

Staff costs include wages and salaries as well as social security costs, pensions etc for the company's staff in production management, sales and administrative functions.

Other costs

Other costs include costs of sale, advertising, administration, premises, bad debts etc. Costs relating to development projects which do not satisfy the criteria for recognition in the balance sheet are recognised under other external costs.

Depreciation

Depreciation comprises depreciation of intangible assets and property, plant and machinery over the expected useful life of the individual asset. Profit from the sale of tangible and intangible assets is calculated as the selling price less selling expenses and the carrying amount at the time of sale.

Other operating income and expenses

Other operating income and expenses include items of a secondary nature relative to the activities of the enterprises.

Share-based payment

The value of options granted in relation to the Group's share option programme is measured at the fair value of the options at the time of allocation.

The Group's share option programme can solely be utilised by acquiring shares in Søndagsavisen a-s, and is therefore classified as an equity capital programme, whereby the ascertained fair value at the time of allocated share options is recognised in the income statement under staff costs over the period in which the final right to the options is vested. The counter-item is carried directly to equity.

On initial recognition of the share options, an estimate is made of the number of options to which the employees are expected to acquire a right, cf. the allocation conditions described in notes 8 and 23. Subsequently, adjustments are made for changes in the estimate of the number of vested options so that the total recognition is based on the actual number of vested options.

The fair value of the options granted is estimated by using the Black Scholes pricing model. In this estimate, account is taken of the terms and conditions that apply to the share options granted.

Special items

Special items include significant income and expenses which are not directly attributable to the Group's normal operating activities, but are related to single events. Special items also include significant amounts of a non-recurring nature such as amortisation of goodwill or other assets which are written down as a result of special conditions.

Profits or losses from investment in associates

The proportionate shares of the net profits or losses of associates are included in the consolidated income statement after elimination of the proportionate shares of unrealised intra-group gains/losses.

Financial income and expenses

Financial income and expenses include interest income and expenses, capital and exchange gains and losses, as well as impairment losses relating to securities, debt and transactions in foreign currency and surcharges and allowances under the provisional tax scheme, etc.

Borrowing costs are amortised over the duration of the loan.

Discontinued activities

Discontinued activities are presented separately if they represent a separate major line of business or geographical area, if activities and cash flows can be distinguished operationally and for financial reporting purposes from the rest of the company, and the line of business has either been disposed of or classified as held for sale and the sale is highly probable and expected to be completed within one year in accordance with a single coordinated plan.

Profit/(loss) after tax from discontinued activities is presented in a separate line in the income statement with restated comparative figures. Revenue, expenses and taxes relating to discontinued activities are disclosed in the notes.

Cash flows from operating, investing and financing activities relating to discontinued activities are presented in separate lines in the cash flow statement with restated comparative figures.

Tax on profit/loss for the year

Søndagsavisen a/s is jointly taxed with all its Danish subsidiaries as well as the Parent Company. The current Danish income tax is allocated among the jointly taxed Danish companies in proportion to their taxable income (full allocation with refunds for losses). The jointly taxed companies are covered by the provisional tax scheme.

Tax for the year, which consists of current tax and changes in the calculated deferred tax, is recognised in the income statement to the extent that it relates to the net profit/loss for the year, and directly on the statement of total gains and losses to the extent that it relates to items recognised in the statement of total gains and losses.

BALANCE SHEET

Intangible assets

Goodwill

Goodwill is initially recognised in the balance sheet at cost as described under 'Business combinations'. Subsequent measurements are at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the time of acquisition. The definition of cash-generating units follows the management structure and the internal financial management policy.

The carrying amount of goodwill is tested for impairment if there are any indications of impairment, but at least on a yearly basis. The impairment test is carried out for all operating assets taken together in the cash-generating unit to which goodwill is allocated. Goodwill is written down to the lower of the carrying amount and the recoverable value of the cash-generating unit to which goodwill relates. Goodwill impairment is presented in the income statement under "Special items".

Development projects, Software

Development costs include expenses and salaries that are directly or indirectly attributable to the Company's development activities, primarily development of software for the online activities of the group.

Development projects that are clearly defined and identifiable and in respect of which the technological feasibility, sufficient resources and a potential future market or development potential in the enterprise can be demonstrated and where the intention is to produce, market or use the project, are recognised as intangible assets provided that it is sufficiently certain that future earnings will be adequate to cover the production, sales and administrative expenses and the total development costs. Other development costs are expensed in the income statement as incurred.

Capitalised development projects are measured at the lower of cost less accumulated amortisation and the recoverable value.

After completion of the development work, a development project is amortised on a straight-line basis over its estimated useful life. The period of amortisation is usually 3-5 years. The basis of amortisation is reduced by any impairment losses.

Acquired intangible fixed assets and completed development projects are tested for impairment if there are indications of impairment. The test is carried out on at least a yearly basis.

Other intangible assets

Other intangible assets, including intangible assets acquired in connection with business combinations, are amortised over the expected useful lives.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation. Cost includes cost and expenses directly related to the acquisition until the asset is ready for use. Where parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items of property, plant and equipment.

The cost of properties includes the cash cost of acquisition for land and buildings and the aggregate building and/or refurbishment expenses.

The assets are depreciated on a straight-line basis over the expected useful lives based on the following assessment of the expected useful lives of the assets:

| | |
|--|------------|
| Leasehold improvements | 5 years |
| Domicile land and buildings | 50 years |
| Mixed land and buildings | 35 years |
| Plant and machinery | 5-10 years |
| Other fixtures and fittings, tools and equipment | 3-5 years |

Land is not depreciated.

Depreciation is expensed in the income statement under "Depreciation".

The basis of depreciation is calculated with due regard for the asset's scrap value and is reduced by any impairment losses. The scrap value is fixed at the time of acquisition and is revaluated every year. If the scrap value exceeds the asset's carrying amount, no further depreciation will be made.

If the period of depreciation or the scrap value is changed, the impact on depreciation will be recognised prospectively as a change of accounting estimates.

Investments in associates

Investments in associates are measured according to the equity method.

Investments in associates are measured in the balance sheet at the proportionate share of the net asset value of the associates less or plus a proportionate share of unrealised internal profits and losses plus the carrying amount of goodwill.

Associates with a negative net asset value are measured at DKK 0. If the Group has a legal or constructive obligation to cover the associate's negative balance, it is included under liabilities.

Any receivables from associates are written down to the extent the receivable is found to be irrecoverable. When investments are made in associates, the purchasing method of accounting is used, cf. the description of business combinations.

Receivables

Receivables are measured at amortised cost. Provisions are made for expected bad debts

Inventory

Inventory is measured at the lower of cost or net realisable value using FIFO.

Prepayments (assets)

Prepayments recognised under assets include expenses related to subsequent reporting periods.

Impairment of assets

Søndagsavisen tests goodwill for impairment if there are indications of impairment, but at least on a yearly basis. Any impairment loss is recognised in the income statement under "Special items".

Intangible assets with an indefinable useful life are tested for impairment if there are indications of impairment. The test is carried out on at least a yearly basis, the first time before the end of the year of acquisition. Development projects in progress are similarly tested for impairment on at least a yearly basis.

The carrying amount of intangible assets and property, plant and equipment with definite useful lives is reviewed on an annual basis to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the asset's fair value less expected selling costs and its value in use.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement as depreciation under "Special items".

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the assumptions and estimates that led to recognition of the impairment loss. An impairment loss is reversed only to the extent that the asset's new carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Equity

Dividend

Proposed dividends are recognised as a liability when a resolution approving the dividends has been adopted by the Annual General Meeting of shareholders (the time of declaration). Dividends expected to be paid for the year are presented as a separate item under equity.

Treasury shares

Cost and selling prices and dividends related to treasury shares are recognised in a separate account under equity. A capital reduction through cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the investment.

Income taxes and deferred taxes

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on previous years' taxable income and for provisional tax paid on account.

Deferred tax is measured according to the balance sheet-oriented liability method on all temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, no deferred tax is recognised on temporary differences relating to goodwill not deductible for tax purposes, office properties, or other items where temporary differences – except in the case of acquisitions of companies – have arisen at the time of acquisition and affect neither the net profit for the year nor the taxable income. In those cases where the calculation of the tax base can be made under alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of loss carryforwards available for tax purposes are recognised under other non-current assets at the values at which they are 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 and jurisdiction.

Adjustment is made of deferred tax relating to eliminations of unrealised intra-group gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force at the balance sheet date will be applicable in the respective countries when the deferred tax liability is expected to crystallise as current tax. Changes in deferred tax as a result of changed tax rates are recognised in the income statement.

Financial liabilities

Debt to credit institutions, etc. is recognised on the raising of the loan at the proceeds received after deduction of transaction costs incurred. In subsequent periods the financial liabilities are measured at amortised cost using 'the effective interest method' so that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the loan term.

Deferred income (liabilities)

Deferred income recognised as a liability comprises payments received for recognition in subsequent reporting periods.

CASH FLOW STATEMENT

The cash flow statement shows the consolidated cash flows for the year, broken down by cash flows from operating, investing and financing activities, respectively, the year's changes in cash and cash equivalents and the cash and cash equivalents at the beginning and end of the year. The cash flow statement is presented by the indirect method.

Funds generated from corporate acquisitions and disposals are shown separately under 'Cash flows from investing activities'. Cash flows concerning acquired enterprises are recognised in the cash flow statement from the time of acquisition, and cash flows concerning disposals are recognised until the time of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit or loss before tax, adjusted for non-cash operating items, working capital changes, interest received and paid and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities include payments in connection with purchases and sales of enterprises and activities, purchases and sales of intangible, tangible and other long-term assets, and purchases and sales of securities not recognised as cash and cash equivalents.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and costs connected therewith, as well as the raising of loans, repayments on interest-bearing debt, purchases and sales of treasury shares, and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents include cash balances as well as short-term bank debt which is an integral part of the Company's capital reserves.

SEGMENT INFORMATION

Following the sale of Norsk Avisdrift and Gratistidningar i Sverige AB in 2008, the Group's most important activities are concentrated in Denmark. This fact and the coming into effect of IFRS 8 affect the presentation of the Group's segments. In future, the following operating segments will be shown:

- The Print segment comprising the distribution activities of Forbruger-Kontakt and the newspaper Søndagsavisen.
- The Online segment comprising Ofir.dk, MatchWork.com, Søndagsavisen.dk, BoligPortal.dk as well as MinReklame.dk.
- The Helsingør Dagblad segment, which comprises the Helsingør Dagblad A/S group, which publishes the daily newspaper Helsingør Dagblad and free weekly newspapers in the region Nordsjælland.

Furthermore the unallocated costs from group-related costs, which are not allocated to segments, are shown.

The revenue of primary segments comprises publication of newspapers, including daily newspapers, distribution and Internet services.

Revenue in the operating segments comprises newspaper publishing, distribution and Internet services. Segment income and expenses as well as segment assets and liabilities comprise the items that are directly attributable to the individual segment and the items that can be allocated to the individual segment on a reliable basis. Unallocated items mainly comprise assets and liabilities as well as income and expenses relating to the Group's administrative functions, investment activities, income taxes, etc. In unallocated items the Group's domicile real estate and the financing of these is included.

Non-current assets in the segment include non-current assets used directly in the segment's operations, including intangible assets and property, plant and equipment, and investments in associates.

Current assets in the segments comprise current assets used directly in the segment's operations, including inventories, trade receivables, other receivables and prepayments.

Segment liabilities comprise liabilities derived from the segments' operations, including trade payables as well as other payables.

3 Ratio Definitions

| | |
|---|---|
| Gross margin | = $\frac{\text{Gross profit} \times 100}{\text{Revenue}}$ |
| Operating profit before depreciation and amortisation | = EBITDA |
| Operating profit | = EBIT |
| Operating margin | = $\frac{\text{EBIT} \times 100}{\text{Revenue}}$ |
| Return on assets | = $\frac{\text{EBIT} \times 100}{\text{Total assets}}$ |
| Equity ratio | = $\frac{\text{Equity at the end of the period} \times 100}{\text{Total assets}}$ |
| Return on equity (ROE) | = $\frac{\text{Net profit} \times 100}{\text{Average equity}}$ |
| Net interest-bearing debt | = Interest-bearing debt less interest-bearing cash and receivables |
| Net working capital (NWC) | = Receivables less current liabilities excl. interest-bearing debt |
| Capital employed | = Equity and minority interests plus net interest bearing debt |
| Return on capital employed (ROIC) | = $\frac{\text{EBIT} \times 100}{\text{Average capital employed}}$ |
| Net interest-bearing debt as a ratio of EBITDA | = $\frac{\text{Net interest-bearing debt}}{\text{EBITDA}}$ |
| Free cash flow | = EBITDA minus investments adjusted for changes in operational balance sheet items excl. tax |
| Earnings per share (EPS) | = $\frac{\text{Parent company's share of net profit for the year}}{\text{Average number of shares in circulation}}$ |
| Earnings per share (EPS), continuing operations | = $\frac{\text{Profit/(loss) from continuing activities}}{\text{Average number of shares in circulation}}$ |
| Diluted earnings per share (EPS-D) | = $\frac{\text{Parent company's share of net profit for the year}}{\text{Average number of diluted shares in circulation}}$ |
| Price Earning (P/E) | = $\frac{\text{Share price}}{\text{EPS}}$ |
| Cash flow per share (CFPS) | = $\frac{\text{Cash flow from operating activities}}{\text{Average number of shares}}$ |

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

Other ratios have been prepared in accordance with the Danish Society of Financial Analysts' "Recommendations & Ratios 2005", where these are defined.

4 Significant accounting estimates

The calculation of carrying amount of certain assets and liabilities requires an estimate of how future events affect the value of these assets and liabilities on the balance sheet date. Estimates, which are significant to the presentation of financial statements are, for example, made when calculating amortisation and impairment losses, provisions as well as contingent liabilities and assets.

The estimates are based on assumptions that management believes are reasonable, but which, in the nature of the case, are uncertain and unpredictable. The assumptions can be incomplete or inaccurate, and unexpected events or circumstances may occur. Furthermore, the enterprise is subject to risks and uncertainties that lead to actual results that differ from these estimates. Special risks that Søndagsavisen is exposed to are mentioned in the Management's Review on pages 16-21.

Assumptions about the future and about other uncertain estimates on the balance sheet date are disclosed in the notes if they involve a material risk of changes that may lead to significant adjustments of the carrying amount of assets or liabilities within the next financial year.

For Søndagsavisen the measurement of intangible assets, including goodwill, can be significantly affected by material changes in estimates and assumptions underlying the calculations of values. For a description of the impairment test of intangible assets, see note 17.

Deferred tax assets are recognised to the extent it is probable that they can be utilised in connection with future profits in the Company or elsewhere in the Group. Capitalisation of tax assets are thus based on estimates of earnings expectations.

The most significant estimates made in the presentation of the financial statements are:

- The useful life of plant and machinery, in that these assets are subject to technological development and the fact that reducing or prolonging the lifetime by 1 year will affect amortisation in the year.
- Goodwill, including the possible necessity of writing down goodwill from subsidiaries.
- The need for impairment of the intangible assets as part of an impairment test.
- Purchase price allocation to identifiable assets in connection with business combinations.

5 Segment information

DKK m

| 2009 | Helsingør Unallocated | | | | Discontinued | | Continued |
|---|-----------------------|--------|---------|-------------|--------------|------------|------------|
| | Print | Online | Dagblad | costs/limi. | Total | operations | operations |
| Revenue | 914.4 | 71.3 | 75.4 | - | 1,061.1 | 32.6 | 1,028.5 |
| Gross profit | 359.0 | 74.4 | 35.9 | -8.3 | 461.0 | 19.3 | 441.7 |
| EBITDA | 100.9 | -27.1 | 5.6 | 0.0 | 79.4 | 10.0 | 69.4 |
| Depreciation | 29.2 | 14.5 | 8.3 | 9.9 | 61.9 | 6.5 | 55.4 |
| Impairment | 0.0 | 0.0 | -33.6 | 0.0 | -33.6 | -33.6 | 0.0 |
| EBIT before special items | 71.7 | -41.6 | -2.7 | -9.9 | 17.5 | -2.0 | 19.5 |
| Special items | 0.0 | -12.1 | 0.0 | -1.1 | -13.2 | 0.0 | -13.2 |
| Share of profit in associates | - | - | - | 1.5 | 1.5 | 0.0 | 1.5 |
| Profit before tax, continued operations | 71.7 | -53.7 | -2.7 | -13.9 | 1.4 | -2.0 | 3.4 |
| Disposal of subsidiaries | - | - | - | - | 10.7 | 10.7 | 0.0 |
| Net profit, discontinued operations | - | - | - | - | 1.9 | 1.9 | 0.0 |
| Net profit for the year | - | - | - | - | 9.1 | 12.6 | -3.5 |
| Minority interests | - | - | - | - | 4.4 | 1.1 | 3.3 |
| Shareholders' share | - | - | - | - | 4.7 | 11.5 | -6.8 |
| Non-current assets | 132.7 | 62.4 | 6.2 | 323.2 | 524.5 | - | 524.5 |
| Current assets, excl. cash | 61.5 | 7.3 | 15.6 | 6.7 | 91.1 | - | 91.1 |
| Segment assets | 194.2 | 69.7 | 21.8 | 329.9 | 615.6 | - | 615.6 |
| Cash | - | - | - | - | 155.3 | - | 155.3 |
| Goodwill | 20.5 | 22.5 | 0.0 | 0.0 | 43.0 | 0.0 | 43.0 |
| Intangible assets with an indefinite life | 3.0 | 12.1 | 0.0 | 0.0 | 15.1 | 0.0 | 15.1 |
| Non-current liabilities | 0.6 | 0.0 | 0.0 | 90.5 | 91.1 | - | 91.1 |
| Current liabilities | 84.8 | 19.9 | 17.3 | 16.4 | 138.4 | - | 138.4 |
| Segment liabilities | 85.4 | 19.9 | 17.3 | 106.9 | 229.5 | - | 229.5 |
| Investments in associates | - | - | - | - | 8.0 | - | 8.0 |
| Investments | 16.3 | 9.1 | 1.6 | -0.9 | 26.1 | 1.6 | 24.5 |
| Cash flow from operating activities | 104.9 | -32.4 | 39.5 | -36.9 | 75.1 | 34.1 | 41.0 |
| Cash flow from investing activities | -14.6 | -8.3 | 16.8 | 130.1 | 124.0 | 177.4 | -53.4 |
| Cash flow from financing activities | 0.0 | 0.0 | 0.0 | -54.1 | -54.1 | 0.0 | -54.1 |
| Average number of employees | 467 | 118 | 90 | 51 | 726 | 54 | 672 |
| Operating margin (EBIT) | 8% | -58% | -4% | - | 2% | 11% | 2% |
| EBITDA margin | 11% | -38% | 7% | - | 7% | 31% | 7% |
| Return on net assets | 37% | - | - | - | 3% | - | 2% |
| Gross margin (%) | 39% | 104% | 48% | - | 43% | 59% | 43% |

Geographic information

Søndagsavisen mainly operates in the Danish market, and more than 95% of the consolidated revenue is invoiced in DKK. No significant foreign assets or liabilities are recognised in the balance sheet.

5 Segment information (continued)

DKK m

| 2008 | Print | Online | Helsingør Dagblad | Unallocated costs/limi. | Total | Discontinued operations | Continued operations |
|---|---------|--------|----------------------|----------------------------|---------|----------------------------|-------------------------|
| Revenue | 1,017.0 | 93.5 | 125.3 | - | 1,235.8 | 74.9 | 1,160.9 |
| Gross profit | 349.3 | 100.5 | 69.2 | -20.6 | 498.4 | 43.3 | 455.1 |
| EBITDA | 34.6 | -14.1 | 10.6 | 2.7 | 33.8 | 27.1 | 6.7 |
| Depreciation | 33.9 | 14.7 | 21.3 | 9.1 | 79.0 | 17.9 | 61.1 |
| Impairment | 0.0 | 10.0 | 54.1 | - | 64.1 | 40.0 | 24.1 |
| EBIT before special items | 0.7 | -28.8 | -10.7 | -6.4 | -45.2 | 9.2 | -54.4 |
| Special items | 0.0 | -10.0 | -54.1 | -28.8 | -92.9 | -40.0 | -52.9 |
| Share of profit in associates | - | - | - | -3.1 | -3.1 | 0.0 | -3.1 |
| Profit before tax, continued operations | 0.7 | -38.8 | -64.8 | -47.9 | -150.8 | -30.8 | -120.0 |
| Disposal of subsidiaries | - | - | - | - | 299.4 | 299.4 | 0.0 |
| Net profit, discontinued operations | - | - | - | - | 11.7 | 11.7 | 0.0 |
| Net profit for the year | - | - | - | - | 205.2 | 311.1 | -105.9 |
| Minority interests | - | - | - | - | -21.3 | -9.9 | -11.4 |
| Shareholders' share | - | - | - | - | 226.5 | 321.0 | -94.5 |
| Non-current assets | 142.9 | 73.6 | 83.9 | 350.8 | 651.2 | - | 651.2 |
| Current assets, excl. cash | 74.4 | 9.1 | 17.6 | 158.4 | 259.5 | 149.7 | 109.8 |
| Segment assets | 217.3 | 82.7 | 101.5 | 509.2 | 910.7 | 149.7 | 761.0 |
| Cash | - | - | - | - | 12.4 | - | 12.4 |
| Goodwill | 20.5 | 34.6 | 1.3 | 0.0 | 56.4 | 0.0 | 56.4 |
| Intangible assets with an indefinite life | 3.0 | 12.1 | 0.0 | 0.0 | 15.1 | 0.0 | 15.1 |
| Non-current liabilities | 0.6 | 0.0 | 0.0 | 93.1 | 93.7 | - | 93.7 |
| Current liabilities | 93.7 | 27.0 | 19.5 | 27.8 | 168.0 | - | 168.0 |
| Segment liabilities | 94.3 | 27.0 | 19.5 | 120.9 | 261.7 | - | 261.7 |
| Investments in associates | - | - | - | - | 11.4 | - | 11.4 |
| Investments | 33.3 | 28.4 | 5.1 | 7.8 | 74.6 | 5.8 | 68.8 |
| Cash flow from operating activities | 44.7 | -6.5 | 16.8 | 24.9 | 75.7 | 74.2 | 1.5 |
| Cash flow from investing activities | -31.2 | -27.4 | -5.1 | 140.7 | 77.0 | 142.8 | -65.8 |
| Cash flow from financing activities | 0.0 | 0.0 | 0.0 | -26.5 | -26.5 | -2.3 | -24.2 |
| Average number of employee | 604 | 144 | 139 | 40 | 927 | 78 | 849 |
| Operating margin (EBIT) | 0% | -31% | -9% | - | -4% | 12% | -5% |
| EBITDA margin | 3% | -15% | 8% | - | 3% | 36% | 1% |
| Return on net assets | 0% | -35% | -11% | - | -5% | 6% | -7% |
| Gross margin (%) | 34% | 107% | 55% | - | 40% | 58% | 39% |

| | 2009 DKKm | 2008 DKKm |
|--|--------------|--------------|
| 6 Profit of disposals of subsidiaries and result for discontinued operations | | |
| Profit of disposals of subsidiaries | 10.7 | 299.4 |
| For 2009, the gain from the sale of business includes the remaining payment relating to GISAB as well as payment for the sale of Lokalavisen Holding ApS. For 2008, the amount was a gain from the sale of GISAB and Norsk Avisdrift AS. | | |
| Net result, closing down printing activities: | | |
| Net profit of sale of printing contracts and purchase of minority interest | 44.4 | 0.0 |
| Impairment of assets, printing activities | -32.2 | 0.0 |
| Loss on sale of printing machines | -1.0 | 0.0 |
| Impairment of goodwill, printing activities | -1.4 | 0.0 |
| Closing down costs, printing facility | -15.3 | 0.0 |
| Net costs, closing down printing facility | -5.5 | 0.0 |
| Profit during operating period | | |
| GISAB and Norsk Avisdrift A/S, profit before tax | 0.0 | 46.3 |
| Printing activities, profit before tax | 3.5 | -30.8 |
| Profit before tax | 3.5 | 15.5 |
| Tax, discontinued operations | 3.9 | -3.8 |
| Net profit, discontinued operations | 1.9 | 11.7 |

The closing down of the printing activity, including the sale of printing contracts and the impairment loss on printing machines, as well as the result from purchase of a minority share of Helsingør Dagblad, are viewed as one transaction and are therefore shown net.

| | 2009 DKKm | 2008 DKKm |
|--|--------------|--------------|
| 7 Employee and staff costs | | |
| Average number of employees | 672 | 849 |
| In addition a large number of part-time employees are working in distribution. | | |
| The numbers only consist of continued operations. Average number of employees is 726 in 2009 and 1,187 in 2008 inclusive of discontinued operations. | | |
| Analysis of total salaries and remuneration for the year | | |
| Wages and salaries, incl. compensated absence | 424.4 | 541.1 |
| Defined contribution pensions | 18.8 | 22.2 |
| Other social security costs | 20.4 | 23.3 |
| Remuneration of the Parent Company's Board of Directors | 0.9 | 1.3 |
| Share-based payment | 2.8 | 3.1 |
| Other staff costs | 25.7 | 20.6 |
| Total employee and staff costs | 493.0 | 611.6 |
| The total staff costs are included under the following items in the income statement: | | |
| Direct staff costs | 219.9 | 282.6 |
| Staff costs | 273.1 | 329.0 |
| Total employee and staff costs | 493.0 | 611.6 |

Remuneration of the Board of Directors, Management and managerial staff
DKKm

| | Board of Directors of Parent Company | Board of manage- ment of Parent Company | Other manage- rial staff | Total |
|---|---|---|--------------------------------|-------------|
| 2009 | | | | |
| Wages and salaries | 0.9 | 8.1 | 6.0 | 15.0 |
| Pension (contribution) | - | 0.4 | 0.3 | 0.7 |
| Share-based payment | - | 1.3 | 0.5 | 1.8 |
| Severance pay | - | 2.7 | 0.0 | 2.7 |
| Remuneration of Board of Dir., Management and man. staff | 0.9 | 12.5 | 6.8 | 20.2 |
| 2008 | | | | |
| Wages and salaries | 1.3 | 11.0 | 6.1 | 18.4 |
| Pension (contribution) | - | 0.4 | 0.3 | 0.7 |
| Share-based payment | - | 2.3 | 0.6 | 2.9 |
| Severance pay | - | 1.0 | 1.4 | 2.4 |
| Remuneration of Board of Dir., Management and man. staff | 1.3 | 14.7 | 8.4 | 24.4 |

The Board of Directors of the Parent Company in 2009 consisted of 4 members, which is a reduction of 2 members compared to 2008.

The Board of Management has contained 3 members throughout the period. At 1 August 2009, Hans Henrik Lund was replaced by Arne Ullum Laursen.

8 Share-based payment

In 2006-2008, Søndagsavisen granted share options to the Company's Management and selected managerial employees. For 2009, no share options were granted.

The total number of outstanding share options at the balance sheet date is for 484,000 shares, corresponding to 2.4% of the share capital.

The options can only be settled in shares. The vesting period is approximately three years for all three allocations.

The estimated fair values at the date of allocation were calculated using the Black Scholes model for the valuation of European call options.

During the year an amount of DKK 2.8 million (2008: DKK 3.1 million) was expensed under staff costs relating to the share option schemes.

The movements in outstanding share options are specified as follows:

| | Number of options | |
|---|-------------------|----------------|
| | 2009 pcs. | 2008 pcs. |
| Outstanding share options, 1 January | 514,000 | 300,000 |
| Granted in the financial year | 0 | 354,000 |
| Lost due to termination of employment | -30,000 | -140,000 |
| Exercised in the financial year | 0 | 0 |
| Expired in the financial year | 0 | 0 |
| Outstanding share options, 31 December | 484,000 | 514,000 |
| Number of share options which can be exercised at the balance sheet date | 100,000 | 0 |

For further information, see note 23.

| | 2009 DKKm | 2008 DKKm |
|--|--------------|--------------|
| 9 Fee to the auditors appointed by the Company at the Annual General Meeting | | |
| Statutory audit services | | |
| Deloitte | 2.0 | 0.0 |
| Ernst & Young | 0.0 | 2.5 |
| Beierholm | 0.0 | 0.2 |
| Total statutory audit services | 2.0 | 2.7 |
| Other assurance engagement, Deloitte | 0.1 | 0.0 |
| Tax services | | |
| Deloitte | 0.4 | 0.0 |
| Ernst & Young | 0.0 | 0.3 |
| Total tax services | 0.4 | 0.3 |
| Other services | | |
| Deloitte | 2.2 | 0.0 |
| Ernst & Young | 0.0 | 0.8 |
| Beierholm | 0.0 | 0.0 |
| Total other services | 2.2 | 0.8 |
| Total fee to the auditors | 4.7 | 3.8 |
| Fees for other services include costs to audit and advisory services relating to divested activities as well as costs in connection with the sales process of Forbruger-Kontakt, which has now been postponed. | | |
| 10 Share of profit of associates after tax | | |
| Share of profit before tax | 3.4 | -2.8 |
| Share of tax | -1.9 | -0.3 |
| Total share of profit of associates after tax | 1.5 | -3.1 |
| 11 Net financials | | |
| Exchange differences, other | 0.0 | 0.7 |
| Interest income, etc. | 2.0 | 2.4 |
| Total financial income | 2.0 | 3.1 |
| Expenses from other investments | 0.0 | 0.2 |
| Exchange differences, other | 0.6 | 0.0 |
| Interest expenses, etc. | 5.8 | 12.5 |
| Total financial expenses | 6.4 | 12.7 |

Interest income relates to lending and receivables, cf. note 38. Financial expenses relate to financial liabilities at amortised cost price, cf. note 38.

| | 2009 DKKm <i>6 mth.</i> <i>Printing</i> | 2008 DKKm <i>12 mth.</i> <i>Printing</i> | 2008 DKKm <i>Printing,</i> <i>GISAB & NAD</i> |
|--|--|---|--|
| 12 Income statement, discontinued operations | | | |
| External revenue | 32.6 | 74.9 | 366.1 |
| Group internal revenue | 14.3 | 40.6 | 40.6 |
| Revenue | 46.9 | 115.5 | 406.7 |
| Direct expenses | 15.0 | 39.9 | 108.3 |
| Direct staff costs | 12.6 | 32.3 | 61.2 |
| Gross margin | 19.3 | 43.3 | 237.2 |
| Staff costs | 3.3 | 6.7 | 112.9 |
| Other costs | 6.0 | 9.5 | 48.6 |
| Amortisation, depreciation and impairment | 6.5 | 17.9 | 21.2 |
| Closing-down cost, printing activities, cf. note 6 | -5.5 | 0.0 | 0.0 |
| EBIT before special items | -2.0 | 9.2 | 54.5 |
| Financial income | 0.0 | 0.0 | 1.0 |
| Special items, net | 0.0 | -40.0 | -40.0 |
| Profit before tax | -2.0 | -30.8 | 15.5 |
| Tax for the year | -3.9 | -7.8 | 3.8 |
| Net profit | 1.9 | -23.0 | 11.7 |
| Attributable to: | | | |
| Shareholders in Søndagsavisen a-s | 0.8 | - | 21.6 |
| Minority interests | 1.1 | - | -9.9 |
| | 1.9 | - | 11.7 |
| Earnings per share, in DKK | | | |
| Earnings per share (EPS) - discontinued operations | 0.1 | - | 0.6 |
| Diluted earnings per share (EPS-D) - discontinued operations | 0.1 | - | 0.6 |

| | 2009 DKK m | 2008 DKK m |
|---|---------------|---------------|
| 13 Special items | | |
| Impairment of goodwill relating to Hillerød Avis as well as other intangible assets relating to Helsingør Dagblad A/S | 0.0 | 14.1 |
| Software impairment in connection with accelerated development of a new improved IT platform | 0.0 | 10.0 |
| Currency loss in connection with the sale of GISAB and Norsk Avisdrift AS | 1.1 | 28.8 |
| Impairment of goodwill, MatchWork | 12.1 | 0.0 |
| Total special items | 13.2 | 52.9 |
| <p>The special items, which in 2008 concerned the write-down of assets in the printing activities now closed down, have been reclassified. In 2008, they were included in special items at DKK 40.0 million. These items are now shown in Note 12, Income statement, discontinued activities.</p> <p>The currency gain and the cost of a currency swap to hedge payment for the sale of GISAB are shown under special items in 2009 in the same way as the currency loss was in 2008.</p> | | |
| 14 Income tax | | |
| In the period under review, income tax was paid in the amount of (continued operations) | -3.9 | -2.7 |
| Income taxes in the income statement, continued operations: | | |
| Current tax charges | 6.1 | 7.9 |
| Change in the deferred tax charge | 0.8 | -24.9 |
| Adjustments relating to prior years | 0.0 | 2.8 |
| Total income tax, continued operations | 6.9 | -14.2 |
| Analysis of tax for the year, continued operations: | | |
| Calculated 25% tax on the profit before tax | 0.9 | -30.0 |
| Tax effect of: | | |
| Tax adjustments prior years | -1.7 | 4.3 |
| Recovery of tax losses | 0.0 | 7.9 |
| Other non-deductible expenses | 2.0 | 2.5 |
| Share of profit after tax of associates | -0.4 | 1.1 |
| Not included tax assets from foreign subsidiaries | 3.1 | 0.0 |
| Impairment of goodwill | 3.0 | 0.0 |
| Total income tax, continued operations | 6.9 | -14.2 |
| Effective tax rate | 202.9% | 11.8% |

Because Baunegård ApS own more than 50% of the shares in Søndagsavisen a-s', the Group's Danish activities are included in the joint taxation with Baunegård ApS, with the latter company as administration company. Tax payables are paid to the latter company.

| | 2009 DKK m | 2008 DKK m |
|--|---------------|---------------|
| 15 Earnings per share | | |
| Net profit for the year - total | 9.1 | 205.2 |
| Minority interests' share of the consolidated profit | -4.4 | 21.3 |
| The Søndagsavisen a-s Group's share of the net profit for the year | 4.7 | 226.5 |
| Net profit for the year - continued operations | -3.5 | -105.9 |
| Minority interest' share of the consolidated profit - continued operations | -3.3 | 11.4 |
| The Søndagsavisen a-s Group's share of the net profit for the year - continued operations | -6.8 | -94.5 |
| Average number of shares (in mill. pcs.) | 21.4 | 22.3 |
| Average number of treasury shares | 1.3 | 1.8 |
| Average number of shares in circulation | 20.1 | 20.5 |
| Average dilution effect of outstanding share options | 0.0 | 0.0 |
| Average number of diluted shares in circulation | 20.1 | 20.5 |
| Earnings per share (EPS) of DKK 5 - total | 0.2 | 11.0 |
| Diluted earnings per share (EPS-D) of DKK 5 - total | 0.2 | 11.0 |
| Earnings per share (EPS) of DKK 5 - continued operations | -0.3 | -4.6 |
| Diluted earnings per share (EPS-D) of DKK 5 - continued operations | -0.3 | -4.6 |

The calculation of diluted earnings per share does not include 484,000 share options (2008: 514,000), which on average have been out-of-the-money, but which potentially can dilute earnings per share in future. If the share price continues at the level from 31 December 2009, 238,000 of the options will be in-the-money in 2010.

16 Dividend per share

The Board of Directors of Søndagsavisen a-s will recommend at the Annual General Meeting in 2010 that no dividend be paid in connection with the Annual meeting.

According to authorisation granted by the Annual General Meeting in 2009, the Board of Directors was given the opportunity to make an extraordinary distribution of dividend. In August 2009, this opportunity was exercised, and a dividend of DKK 2.50 per share, or a total amount of DKK 50.1 million, was distributed.

17 Intangible assets
DKK m

| | Goodwill | Other intangible assets | Completed development projects, software | Development projects in progress | Total |
|---|-------------|-------------------------|--|----------------------------------|--------------|
| 2009 | | | | | |
| Cost at 1 January | 56.4 | 52.9 | 118.7 | 11.7 | 239.7 |
| Additions in the year | 0.0 | 0.0 | 20.4 | 7.9 | 28.3 |
| Disposals in the year | 0.0 | 16.0 | 3.5 | 15.2 | 34.7 |
| Cost at 31 December | 56.4 | 36.9 | 135.6 | 4.4 | 233.3 |
| Amortisation and impairment at 1 January | 0.0 | 26.9 | 92.7 | 0.0 | 119.6 |
| Amortisation in the year | 0.0 | 1.8 | 14.8 | 0.0 | 16.6 |
| Impairment in the year | 13.4 | 0.0 | 0.0 | 0.0 | 13.4 |
| Disposals in the year | 0.0 | 16.0 | 3.5 | 0.0 | 19.5 |
| Amortisation and impairment at 31 December | 13.4 | 12.7 | 104.0 | 0.0 | 130.1 |
| Carrying amount at 31 December | 43.0 | 24.2 | 31.6 | 4.4 | 103.2 |
| Amortised over (years) | - | 5-10 | 3-5 | - | - |
| 2008 | | | | | |
| Cost at 1 January | 67.2 | 60.0 | 113.6 | 12.7 | 253.5 |
| Currency adjustments | -2.0 | -1.0 | -0.8 | -0.1 | -3.9 |
| Additions, business combinations | 8.3 | 0.0 | 0.0 | 0.0 | 8.3 |
| Addition in the year | 0.0 | 0.0 | 29.5 | 22.6 | 52.1 |
| Disposal, business combinations | 12.7 | 6.1 | 5.9 | 0.2 | 24.9 |
| Disposals in the year | 4.4 | 0.0 | 17.7 | 23.3 | 45.4 |
| Cost at 31 December | 56.4 | 52.9 | 118.7 | 11.7 | 239.7 |
| Amortisation and impairment at 1 January | 0.0 | 15.3 | 86.8 | 0.0 | 102.1 |
| Currency adjustments | 0.0 | -0.5 | -0.6 | 0.0 | -1.1 |
| Amortisation in the year | 0.0 | 3.1 | 17.7 | 0.0 | 20.8 |
| Impairment in the year | 4.4 | 12.5 | 10.0 | 0.0 | 26.9 |
| Disposals in the year | 4.4 | 0.0 | 17.7 | 0.0 | 22.1 |
| Disposal, business combinations | 0.0 | 3.5 | 3.5 | 0.0 | 7.0 |
| Amortisation and impairment at 31 December | 0.0 | 26.9 | 92.7 | 0.0 | 119.6 |
| Carrying amount at 31 December | 56.4 | 26.0 | 26.0 | 11.7 | 120.1 |
| Amortised over (years) | - | 5-10 | 3-5 | - | - |

In 2009, goodwill was written down, primarily related to Matchwork. The impairment loss is a result of the heavy earnings reduction.

In 2008, intangible assets related to Helsingør Dagblad were written down, including a DKK 4.3 million goodwill impairment related to Hillerød Avis. Lastly, software was written down in connection with the accelerated development of a new IT platform for the online segment.

17 Intangible assets – continued

Assets with an indefinite life

Assets with an indefinite life are not amortised, but are instead subject to an impairment test.

Goodwill is by definition an asset with an indefinite life.

Other intangible assets in the Group comprise distribution rights acquired in connection with acquisitions. The Group cannot foresee a limit to the period over which the assets may be expected to generate future economic benefits for the Group. In these cases, the life of the assets is therefore deemed indefinite, for which reason they are not amortised. Other intangible assets the life of which is deemed limited are subjected to amortisation.

Impairment test

Goodwill and intangible assets were tested for impairment in connection with the preparation of the financial statements. This resulted in goodwill impairment of DKK 12.1 million relating to MatchWork. No other intangible assets have been written down.

The impairment test was carried out by comparing the carrying amounts with the discounted values of future cash flows for each cash generating unit (CGU). For the Print and Helsingør Dagblad segments, a discount rate of 9.1% is used while the discount rate used for the Online segment is 11.3%. In 2008, the discount rate was based on uniform assumptions for all CGUs.

The discount rate is composed of two elements - debt and equity. As, however, it would be difficult to obtain debt finance for the Online business that segment has only one element - equity. The equity share has been calculated on the basis of a risk-free interest rate plus a market risk premium weighted by an expected equity share. Similarly, the debt share is based on the interest rate on loan capital weighted by an expected debt share.

The discount model is based on budget 2010, which is projected up to five years ahead based on conservative estimates, after which the terminal value is fixed as the value of an infinite series with EBIT growing by 2% every year (2008: 1%). Tax is set at 25% in the model (2008: 25%). The discount is made with the rates below.

| Discount rate | Print & Helsingør Dagblad | Online |
|-----------------|------------------------------|--------|
| 2009 after tax | 9.1% | 11.3% |
| 2009 before tax | 12.1% | 15.1% |
| 2008 after tax | 9.4% | 9.4% |
| 2008 before tax | 12.4% | 12.4% |

As a result of the uncertain market situation and the current negative operating results of the Online business in particular, revenue growth is a significant assumption underlying the budgetary projections. If the growth rate fails to meet expectations it may be necessary to write down software by up to DKK 21 million. Of this amount, DKK 10 million will be an ordinary amortisation charge in 2010.

If the discount rate is increased by 1% it will be necessary to write down software by up to DKK 10 million. Of this amount approx. DKK 5 million will be an ordinary amortisation charge in 2010.

Of the Group's total goodwill of DKK 43.0 million, DKK 20.5 million is attributable to the print segment while DKK 22.5 million is attributable to the online segment.

18 Property, plant and equipment DKKm

| | Land and buildings | Plant and ma- chinery | Fixtures and fittings | Property, plant and equipment in course of construction | Total |
|---|-----------------------|-----------------------------|-----------------------------|---|--------------|
| 2009 | | | | | |
| Cost at 1 January | 437.5 | 370.2 | 202.9 | 1.9 | 1,012.5 |
| Additions in the year | -1.9 | 13.2 | 3.7 | 9.2 | 24.2 |
| Disposals in the year | 0.0 | 13.8 | 21.0 | 11.1 | 45.9 |
| Reclassified to "assets held for sale" | -62.9 | -246.3 | 0.0 | 0.0 | -309.2 |
| Cost at 31 December | 372.7 | 123.3 | 185.6 | 0.0 | 681.6 |
| Depreciation and impairment at 1 January | 71.8 | 258.8 | 168.0 | 0.0 | 498.6 |
| Depreciation in the year | 8.8 | 20.7 | 16.1 | 0.0 | 45.6 |
| Impairment in the year | 7.5 | 24.8 | 0.0 | 0.0 | 32.3 |
| Disposals in the year | 0.0 | 6.9 | 18.5 | 0.0 | 25.4 |
| Reclassified to "assets held for sale" | -30.9 | -246.3 | 0.0 | 0.0 | -277.2 |
| Depreciation and impairment at 31 December | 57.2 | 51.1 | 165.6 | 0.0 | 273.9 |
| Carrying amount at 31 December | 315.5 | 72.2 | 20.0 | 0.0 | 407.7 |
| Depreciated over (years) | 35-50 | 5-10 | 3-5 | - | |

In 2009, buildings, printing machines and other technical equipment relating to the printing facility were written down. The impairment loss is a result of the decision to close down the printing activity. At the same time, the printing building with a booked value of DKKm 32 was reclassified to "assets held for sale".

2008

| | | | | | |
|---|--------------|--------------|--------------|------------|----------------|
| Cost at 1 January | 437.4 | 346.0 | 214.4 | 7.4 | 1,005.2 |
| Currency adjustments | -0.1 | 0.0 | -2.9 | 0.0 | -3.0 |
| Additions, business combinations | 0.0 | 0.0 | 0.2 | 0.0 | 0.2 |
| Additions in the year | 1.4 | 24.6 | 16.8 | 14.3 | 57.1 |
| Disposal, business combinations | 0.8 | 0.0 | 14.5 | 0.0 | 15.3 |
| Disposals in the year | 0.4 | 0.4 | 11.1 | 19.8 | 31.7 |
| Cost at 31 December | 437.5 | 370.2 | 202.9 | 1.9 | 1,012.5 |
| Depreciation and impairment at 1 January | 57.6 | 197.3 | 166.9 | 0.0 | 421.8 |
| Currency adjustments | -0.1 | 0.0 | -2.3 | 0.0 | -2.4 |
| Depreciation in the year | 9.5 | 29.7 | 22.0 | 0.0 | 61.2 |
| Impairment in the year | 5.3 | 32.0 | 0.0 | 0.0 | 37.3 |
| Disposals in the year | 0.2 | 0.2 | 6.5 | 0.0 | 6.9 |
| Disposal, business combinations | 0.3 | 0.0 | 12.1 | 0.0 | 12.4 |
| Depreciation and impairment at 31 December | 71.8 | 258.8 | 168.0 | 0.0 | 498.6 |
| Carrying amount at 31 December | 365.7 | 111.4 | 34.9 | 1.9 | 513.9 |
| Depreciated over (years) | 35-50 | 5-10 | 3-5 | - | |

In 2008, both buildings and plant and machinery at Helsingør Dagblad were written down. The impairment loss was due to reduced earnings expectations relating to the printing facility, reflecting a combination of substantial idle printing capacity in the market and lower demand.

19 Investments in Joint Ventures

Joint Venture companies are recognised on a pro rata consolidated basis in the income statement.

Joint Ventures:

| | Registered office | Ownership | |
|---|-------------------|-----------|------|
| | | 2009 | 2008 |
| Dansk Distributions Center P/S | Taastrup | 50% | 50% |
| Dansk Distributions Center Komplementar ApS | Søborg | 50% | 50% |
| Tryksagsomdelingen Fyn P/S | Svendborg | 57% | 57% |
| Tryksagsomdelingen Fyn Komplementar ApS | Søborg | 60% | 60% |

Reference is made to the Group structure on page 79.

Summary of the Group's share of the profits etc. of Joint Ventures:

| | 2009 | 2008 |
|--------------------------|-------------|-------------|
| | DKKm | DKKm |
| Revenue | 130.0 | 152.3 |
| Expenses | 119.2 | 145.0 |
| Other operating income | 0.3 | 0.4 |
| Net financials | 0.4 | -0.1 |
| Profit before tax | 11.5 | 7.6 |
| Non-current assets | 1.6 | 2.3 |
| Current assets | 26.1 | 19.7 |
| Total assets | 27.7 | 22.0 |
| Current liabilities | 11.7 | 10.1 |
| Total liabilities | 11.7 | 10.1 |

20 Investments in associates

| | | |
|--|------------|-------------|
| Net asset value at 1 January | 11.4 | 3.5 |
| Addition, GISAB recognised as associated | 0.0 | 10.4 |
| Addition in the year | 4.5 | 2.7 |
| Disposals in the year | -0.2 | 0.0 |
| Share of profit before tax | 3.4 | -2.9 |
| Share of tax | -1.9 | -0.3 |
| Currency adjustment | 0.0 | -0.8 |
| Dividend | -9.2 | -1.2 |
| Net asset value at 31 December | 8.0 | 11.4 |

Additions in 2008 mainly represent the residual value of the investment after the sale of 66.7% of GISAB. The value has been calculated at net assets value. The carrying amount of the investment in GISAB was DKK 5.3 at year-end 2009 (2008: DKKm 9.5).

An agreement on the sale of the remaining 33.3% of shares at a minimum price of SEK 160 million immediately after the presentation of the financial statements for 2010 was made.

20 Investments in associates, continued

| Associates | Registered office | Ownership | |
|---|-------------------|-----------|------|
| | | 2009 | 2008 |
| A/S Vestsjællandske Distriktsblade | Slagelse | 50% | 50% |
| LokalAvisen Holdning ApS, sold May 2009 | Frederikssund | - | 50% |
| Gratistidningar i Sverige AB (GISAB) | Stockholm | 33% | 33% |

Reference is made to the Group structure on page 79.

| Summary of the Group's share of profits etc. of associates | 2009 | 2008 |
|--|------|------|
| | DKKm | DKKm |
| Revenue | 90.6 | 44.9 |
| Profit before tax | 3.4 | -4.5 |
| Total assets | 23.0 | 29.0 |
| Total liabilities | 15.0 | 17.6 |

21 Trade receivables

| | | |
|------------------------------|-------------|-------------|
| Trade receivables | 69.3 | 89.0 |
| Write-downs | -4.8 | -6.5 |
| Net trade receivables | 64.5 | 82.5 |

Write-downs included in the above receivables have developed as follows:

| | | |
|-----------------------------------|------------|------------|
| Write-downs at 1 January | 6.5 | 6.3 |
| Expensed in the year, net | 2.2 | 4.0 |
| Disposals, business combinations | 0.0 | -1.3 |
| Used in the year: | | |
| Recorded loss | -3.9 | -2.5 |
| Write-downs at 31 December | 4.8 | 6.5 |

No security has been received for trade receivables.

In the financial year under review, a total amount of DKK 0.3 million was recognised as interest income relating to receivables written down (2008 DKK 0.2 million).

22 Deferred tax

| | | |
|---|------------|------------|
| Deferred tax 1 January | 1.0 | 24.8 |
| Disposal, business combinations | 0.0 | 0.5 |
| Deferred tax included in the net profit for the year | 0.8 | -25.2 |
| Deferred tax included in the comprehensive income statement | 0.0 | -1.7 |
| Addition, business combination | 0.0 | 2.6 |
| Deferred tax 31 December, net | 1.8 | 1.0 |

22 Deferred tax, continued

Specification of deferred tax:

| DKKm | 2009 | | | 2008 | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| | Assets | Liabilities | Total | Assets | Liabilities | Total |
| Intangible assets | 5.5 | 13.4 | -7.9 | 5.1 | 16.2 | -11.1 |
| Property, plant and equipment | 7.0 | 0.7 | 6.3 | 11.0 | 7.1 | 3.9 |
| Current assets | 1.2 | 0.0 | 1.2 | 1.6 | 0.0 | 1.6 |
| Non-current liabilities | 0.0 | 1.7 | -1.7 | 0.0 | 1.7 | -1.7 |
| Tax losses available for carry-forward | 0.3 | 0.0 | 0.3 | 6.3 | 0.0 | 6.3 |
| Total | 14.0 | 15.8 | -1.8 | 24.0 | 25.0 | -1.0 |
| Set-off deferred tax assets and deferred tax liabilities within the same legal tax entities and jurisdictions | 14.0 | 14.0 | 0.0 | 24.0 | 24.0 | 0.0 |
| Deferred tax assets/deferred tax at 31 December | 0.0 | 1.8 | -1.8 | 0.0 | 1.0 | -1.0 |

23 Equity

| | Number in thousand | | Nominal value DKK'000 | |
|--|--------------------|---------------|-----------------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Share capital | | | | |
| At 1 January | 22,280 | 22,280 | 111,400 | 111,400 |
| Capital reduction, cancellation of treasury shares | -2,225 | 0 | -11,125 | 0 |
| At 31 December | 20,055 | 22,280 | 100,275 | 111,400 |

The share capital consists of 20,055,000 shares of DKK 5.00 nominal value each, fully paid. No shares carry special rights.

| Treasury shares | Number in thousand | | Nominal value DKK'000 | | % of share capital | |
|--|--------------------|--------------|-----------------------|---------------|--------------------|--------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| At 1 January | 2,225 | 1,518 | 11,125 | 7,590 | 9.99% | 6.81% |
| Capital reduction, cancellation of treasury shares | -2,225 | 0 | -11,125 | 0 | -9.99% | 0.00% |
| Additions in the year | 24 | 707 | 120 | 3,535 | 0.12% | 3.17% |
| Disposals in the year | 0 | 0 | 0 | 0 | 0.00% | 0.00% |
| At 31 December | 24 | 2,225 | 120 | 11,125 | 0.12% | 9.99% |

Søndagsavisen a-s is authorised to acquire a maximum nominal amount of DKK'000 19.052 of share capital in the period until the next Annual General Meeting, however before 1 June 2010 at the latest.

In 2009, Søndagsavisen a-s cancelled 2,225,000 treasury shares according to authorisation granted by the Annual General Meeting on 3 April 2009. In addition, a total of 24,378 treasury shares were acquired according to authorisation.

The holding of treasury shares was acquired with a view to possible cancellation and to cover outstanding share options in whole or in part.

Management's and other staff's share of issued options

| | Earliest exercise | Number of options granted | Number of employees who have been granted options | Number lapsed | Number exercised | Number of unexercised at 31.12.2009 | Exercise price | Liability recognised on an accruals basis DKKm | Total liability DKKm |
|-------------------------------|-------------------|---------------------------|---|---------------|------------------|-------------------------------------|----------------|--|----------------------|
| Management | | | | | | | | | |
| Granted April 2006 | 2009 | 100,000 | 1 | 0 | 0 | 100,000 | 77.28 | 3.7 | 3.7 |
| Granted June 2007 | 2010 | 100,000 | 3 | 30,000 | 0 | 70,000 | 77.90 | 2.0 | 2.1 |
| Granted June 2008 | 2011 | 100,000 | 3 | 30,000 | 0 | 70,000 | 27.92 | 0.4 | 1.0 |
| Other managerial staff | | | | | | | | | |
| Granted June 2007 | 2010 | 102,000 | 5 | 50,000 | 0 | 52,000 | 77.90 | 1.5 | 1.6 |
| Granted June 2008 | 2011 | 150,000 | 7 | 30,000 | 0 | 120,000 | 27.92 | 0.7 | 1.2 |
| Other staff | | | | | | | | | |
| Granted June 2007 | 2010 | 48,000 | 4 | 24,000 | 0 | 24,000 | 77.90 | 0.7 | 0.7 |
| Granted June 2008 | 2011 | 104,000 | 8 | 56,000 | 0 | 48,000 | 27.92 | 0.3 | 0.5 |

The options are granted to promote the Company's long-term growth and earnings.

Options granted in 2006 can be exercised in the 2009-2010 period. Options granted in 2007 can be exercised in the 2010-2011 period, and options granted in 2008 can be exercised in the 2011-2012 period.

The options can only be settled in shares. Søndagsavisen a-s has a minor holding of treasury shares, reserved to partly cover the option programme. It is expected, that the remaining shares will be acquired before the end of 2010, well in time for the optionholder might exercise them.

The exercise of the options is conditional on the optionholder being employed by the Group at the time of exercise.

| | 2009 DKKkm | 2008 DKKkm |
|---|---------------|---------------|
| 24 Debt to financial institutions | | |
| Mortgage debt | 85.7 | 89.1 |
| Loan, overdraft facility | 0.0 | 2.1 |
| Carrying amount | 85.7 | 91.2 |
| Of which fixed-interest | 85.7 | 89.1 |
| Debt to financial institutions is included under the following items in the balance sheet: | | |
| Non-current liabilities | 82.6 | 86.0 |
| Current liabilities | 3.1 | 5.2 |
| Carrying amount | 85.7 | 91.2 |
| Nominal value | 85.7 | 91.2 |
| For details of interest sensitivity, see note 38. | | |
| 25 Fair value interest rate swap | | |
| Due after 5 years | 6.7 | 6.7 |
| Non-current | 6.7 | 6.7 |
| Fair value interest rate swap | 6.7 | 6.7 |

The Group's mortgage credit loan is a variable-rate CIBOR 6 loan to be repaid as a 20-year annuity loan. To reduce the interest uncertainty, the interest rate remains locked-in throughout the loan term through an interest rate swap entered into with Nordea, which has effectively locked-in the interest rate at 5.28% during the loan term. The principal amount of the interest rate swap amounts to 91.0 million, and is being repaid in the same way as the annuity loan. The interest on both the CIBOR 6 loans as well as the interest differential amount from the interest rate swap is presented as financial expenses.

The interest-rate swap was measured at fair value at 31 December 2009. The value of the interest-rate swap (debt) is DKK 6.7 million (6.7 million in 2008), and revaluations are recognised in the comprehensive income statement.

The interest sensitivity of the interest-rate swap is described in further detail in note 38 under the section interest-rate risks.

| | 2009 DKKkm | 2008 DKKkm |
|---|---------------|---------------|
| 26 Income tax payable | | |
| Income tax payable at 1 January | 0.4 | 2.0 |
| Current tax for the year, continued operations | 2.2 | 0.6 |
| Current tax for the year, discontinued operations | 0.0 | 7.8 |
| Tax relating to discontinued operations | 3.9 | -7.3 |
| Income taxes paid in the year | -3.9 | -2.7 |
| Income tax payable at 31 December | 2.6 | 0.4 |
| Appropriated as follows: | | |
| Income tax payable | 2.6 | 0.4 |
| Income tax payable at 31 December | 2.6 | 0.4 |

| | 2009 DKK m | 2008 DKK m |
|---|---------------|---------------|
| 27 Other payables | | |
| A-tax (PAYE), etc. payable to public authorities | 8.4 | 17.7 |
| VAT liability | 4.3 | 5.5 |
| Other debt | 69.7 | 74.1 |
| Total other payables | 82.3 | 97.3 |
| 28 Adjustments for non-cash operating items | | |
| Share of profit in associates | -1.5 | 3.1 |
| Tax for the year | 6.9 | -14.1 |
| Depreciation of assets | 55.6 | 61.1 |
| Options | 2.8 | 3.1 |
| Special items, non-cash effect | 0.0 | 24.1 |
| Impairment | 12.1 | 0.0 |
| Loss by disposals in the year | -0.3 | 0.0 |
| Net financials | 4.4 | 9.6 |
| Currency adjustments | 1.8 | -4.4 |
| Total adjustments | 81.8 | 82.5 |
| 29 Changes in working capital | | |
| Changes in receivables | 0.5 | 100.8 |
| Changes in current liabilities excl. short-term bank debt | -27.3 | -60.7 |
| Changes in receivables and payables | -26.8 | 40.1 |
| Changes in income tax payable | -2.2 | -2.9 |
| Changes in interest receivable | 0.5 | 1.7 |
| Total changes in working capital | -28.5 | 38.9 |
| 30 Addition of intangible assets and property, plant and equipment | | |
| Investment in goodwill | 0.0 | -7.7 |
| Investment in software | -13.0 | -26.0 |
| Investment in land and buildings | 1.9 | -0.8 |
| Investment in property, plant and equipment in progress | 0.5 | 5.4 |
| Investment in plant and machinery | -10.2 | -23.6 |
| Investment in operating equipment, fixtures and fittings | -3.7 | -16.1 |
| Total investments | -24.5 | -68.8 |

| | 2009 DKK m | 2008 DKK m |
|--|---------------|---------------|
| 31 Net cash flow from investing activities in discontinued operations | | |
| Carrying amount in discontinued operations before disposal: | | |
| Intangible assets | 0.0 | 19.6 |
| Property, plant and equipment | 71.1 | 3.1 |
| Other non-current assets | 0.0 | 0.5 |
| Current assets | 11.0 | 38.3 |
| Cash | 0.0 | 27.2 |
| Deferred tax | 0.0 | -2.6 |
| Income tax, due | 0.0 | -2.8 |
| Other current liabilities | -7.6 | -40.9 |
| Net assets | 74.5 | 42.4 |
| Transferred to "assets held for sale" / Invested in associates | -32.0 | -10.3 |
| Gain on sale | 14.7 | 299.4 |
| Impairment of assets | -33.2 | 0.0 |
| Purchase amounts not received / costs not paid | -5.6 | -156.8 |
| Cash funds of discontinued activities | 0.0 | -27.2 |
| Net cash flows from divestment | 18.4 | 147.5 |
| Cash flows from investing activities in discontinued operations exclusive sales value | -1.6 | -4.7 |
| Net cash flows from discontinued operations in 2008 | 149.7 | 0.0 |
| Companies sold in 2009 | 10.9 | 0.0 |
| Net cash flow from investing activities in discontinued operations | 177.4 | 142.8 |
| 32 Cash and cash equivalents | | |
| Cash and cash equivalents at 31 December comprise: | | |
| Cash | 155.3 | 12.4 |
| Short-term bank debt | 0.0 | -2.1 |
| Cash and cash equivalents at 31 December | 155.3 | 10.3 |
| 33 Operating leases and rent obligations | | |
| Operating leases | | |
| Future minimum expenses related to operating leases: | | |
| Due within 1 year | 0.3 | 0.3 |
| Due within 1 and 5 years | 0.2 | 0.6 |
| Due after 5 years | 0.2 | 0.0 |
| Total | 0.7 | 0.9 |
| The Group has entered into operating leases relating to operating assets. The lease term is typically a period of between 2 and 8 years, with extension as may be arranged after the end of the term. No lease contains conditional rent payments. | | |
| For operating leases the following amounts have been recognised in the income statement: | 0.4 | 3.0 |
| Rent obligations | | |
| Future minimum lease payments related to rent obligations: | | |
| Due within 1 year | 4.3 | 5.5 |
| Due within 1 and 5 years | 2.2 | 3.6 |
| Total | 6.5 | 9.1 |
| For rent obligations the following amounts have been recognised in the income statement: | 7.8 | 15.0 |

| | 2009 DKKm | 2008 DKKm |
|---|--------------|--------------|
| 34 Contingent assets and liabilities, and guarantee obligations | | |
| Contingent assets | | |
| Søndagsavisen a-s was by the High Court for Eastern Denmark awarded a compensation in the amount of DKK 75 million as well as DKK 4 million covering legal costs. The case pertains to Forbruger-Kontakt's claim for compensation for the loss sustained by Forbruger-Kontakt for Post Danmark A/S's abuse of dominant position. Post Danmark A/S has appealed the court's judgement for the Supreme Court. It is not known when a final judgement will be available and the awarded compensation is not likely to impact the Group's earnings expectations for 2010. Legal costs are recognised in the income statement as incurred. | | |
| Søndagsavisen a-s has realised losses in a number of foreign subsidiaries which are not comprised by the joint taxation scheme. The tax value of these losses is not recognised in the balance sheet as it is not believed that the losses can be set off against future earnings in the near future. | | |
| Guarantees and commitments | | |
| Søndagsavisen a-s' bank has provided a payment guarantee towards the 'Turnkey contractors' | 0.0 | 2.6 |
| Other guarantees | 0.1 | 0.1 |
| Other contingent liabilities | | |
| The Group has not entered into a contract for the supply of fixed assets which has not been delivered at the balance-sheet date. | | |
| In 2008, a contract was entered into for delivery of fixed assets worth approx DKKm 1. | | |
| 35 Security for loan | | |
| A mortgage deed registered to the mortgagor has been pledged as security for the loan. | 0.0 | 50.0 |
| Carrying amount of mortgaged properties | 314.7 | 365.7 |

36 Related parties

As majority shareholders in Søndagsavisen a-s' parent company Baunegård ApS, Richard Bunck is affected by the disclosure requirements for related parties. During the financial year, there were no transactions with Richard Bunck except for the payment of remuneration to the Board of Directors..

As a result of joint taxation of Søndagsavisen a-s' Danish activities with Baunegård ApS, a company wholly-owned and controlled by Richard Bunck, Baunegård ApS is a related party. This company is an administration company and guarantees the payment/receipt of Danish corporation tax on behalf of the Søndagsavisen Group.

The group company Ofir Services a-s has entered into co-operation on Internet sales of package holidays with the company Travelmarket controlled by Richard Bunck. Ofir Services has in 2009 provided customers to Travelmarket for an agent fee of DKKm 0.2.

Søndagsavisen has business related transactions with a number of associates. All transactions are based on fair market value.

| | 2009 DKKm | 2008 DKKm |
|--|--------------|--------------|
| Transactions with associates | | |
| LokalAvisen Holding ApS, sale | 1.8 | 6.2 |
| A/S Vestsjællandske Distriktsblade, sale | 6.0 | 6.0 |
| Total transactions | 7.8 | 12.2 |
| | | |
| LokalAvisen Holding ApS | 0.0 | 0.5 |
| A/S Vestsjællandske Distriktsblade | 0.7 | 0.6 |
| Receivables from associates | 0.7 | 1.1 |

In the year under review no transactions were made with the Board of Directors, Management, managerial staff, significant shareholders or other related parties, except for salaries and remuneration set out in note 7.

37 Subsequent events

No events other than those mentioned in the Annual Report have occurred up to the presentation of the Annual Report on 9 March 2010 which would influence the reader's perception of the Annual Report.

38 Financial risks

The Group's handling of risks and risk management is described in detail in a separate section to the Annual Report. Supplementary information for understanding the Group's financial risks is given below.

Liquidity risks

The Group's cash reserves consist of cash funds in a total amount of DKK 155.3 million. The Group has currently no drawing facilities.

The Group financial liabilities are due as follows:

| DKK m | | | | | | |
|--------------------------------|--------------|------------------|-------------|-------------|-------------|-------------|
| 2009 | Carrying | Contractual cash | Within 3 | Within 1 | 1-5 years | After |
| Financial instruments | amount | flow | months | year | | 5 years |
| Financial institutions | 85.7 | 133.5 | 0.0 | 7.6 | 30.0 | 95.9 |
| Interest-rate swap | 6.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade payables | 36.1 | 36.1 | 36.1 | 0.0 | 0.0 | 0.0 |
| Income taxes | 2.6 | 2.6 | 0.0 | 2.6 | 0.0 | 0.0 |
| Other payables | 82.3 | 82.3 | 51.7 | 30.6 | 0.0 | 0.0 |
| 31 December liabilities | 213.4 | 254.5 | 87.8 | 40.7 | 30.0 | 95.9 |

2008

Financial instrument

| | | | | | | |
|--|--------------|--------------|-------------|-------------|-------------|--------------|
| Financial institutions including banks | 91.2 | 142.8 | 2.2 | 7.5 | 29.8 | 103.3 |
| Interest-rate swap | 6.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade payables | 32.9 | 32.9 | 32.9 | 0.0 | 0.0 | 0.0 |
| Income taxes | 0.4 | 0.4 | 0.0 | 0.4 | 0.0 | 0.0 |
| Other payables | 97.3 | 97.3 | 61.7 | 35.6 | 0.0 | 0.0 |
| 31 December liabilities | 228.5 | 273.4 | 96.8 | 43.5 | 29.8 | 103.3 |

Interest rate risks

In connection with the debt refinancing at 31 December 2007, interest on Søndagsavisen's mortgage credit debt, which is being repaid as a 20-year annuity loan, was frozen at a rate of 5.28%. The market value of the interest rate swap (debt) at 31 December 2009 was DKK 6.7 million (2008: DKK 6.7 million).

The remaining term of mortgage credit loans is 18 years.

The total value of mortgage credit loans and the associated interest-rate swap was DKK 92.4 million (2008: DKK 95.8 million).

An increase in the interest-rate level of 1% per annum will have no significant effect on the market values of the mortgage credit loans because their interest rates are determined every six months. However, the market value of the interest-rate swap will be increased by DKK 6.7 million on an decrease in the interest-rate level of 1% per annum. A increase in the interest-rate level will have a similar positive impact on the market value of the interest-rate swap (the debt being reduced). Duration has been measured at 8.1. For 2008 the interest sensitivity of the interest-rate swap was approx. DKK 7.2 million on an increase in the interest-rate level of 1% per annum, corresponding to a duration of 8.2.

An increase in the interest rate level of 1% per annum compared with the existing level for 2009 would have improved interest income from the Group's deposit by DKK 1.0 million. In 2008, an increase in the interest rate level would have increased interest expenses by DKK 1.1 million. In 2009, a fall in the interest rate level would only have affected interest income by approx. DKK 0.5 million whereas a fall in the interest rate in 2008 would have reduced interest expenses by DKK 1.1 million.

The calculation of the Group's interest sensitivity is based on the following assumptions:

- The sensitivity rates specified for the fixed-rate debt have been calculated on the basis of recognised financial assets and liabilities at 31 December 2009. No adjustments of the mortgage credit debt were made in 2009 in respect of repayments, borrowings and the like.
- For the cash pool debt or deposit, the interest sensitivity has been calculated based on the actual loan amounts / deposits on a daily basis. It is assumed that the interest rate cannot be negative.
- It is assumed that the mortgage credit loans are repaid in accordance with the ordinary repayment method used for a 20-year annuity loan.
- All security aspects of floating-rate loans are found to be 100% effective.

The Group has placed DKKm 110 as demand or fixed-term deposits with a term of one to three months. Other liquid funds are placed at current account.

Currency risks

More than 95% of the Group's activities are in Denmark. There are minor activities in England, Sweden and Germany, mainly related to the Group's Matchwork activities.

The Group has agreed to sell the remaining 33 1/3% of the shares in GISAB in 2011 at a minimum price of SEK 160 million. This amount has not been hedged.

There is no significant trading between business units in different countries, but Søndagsavisen is exposed to currency risks in connection with cash flows relating to financial transactions and dividend flows. There is also a translation risk in connection with the consolidation and translation of the financial statements of foreign subsidiaries into Danish kroner and in connection with the Group's net investment in the companies, including acquisition and disposal of companies.

The Group's total currency risks are subject to ongoing assessments, and it is the Group's policy to reduce the impact of exchange-rate fluctuations on results and the Group's financial position. However, the exchange rate risk of the operating results is not hedged because of the limited foreign activity.

Notes to the consolidated financial statements

Special currency exposures, including in connection with acquisitions and sales of companies, are always assessed individually by the Board of Directors.

It is believed that hedging of the Group's foreign investments and related items and the exposure from the translation of foreign financial statements into Danish kroner is not commensurate with the associated cost. Therefore, no hedging is performed.

The effects on profits and equity of a change in the Company's primary foreign currencies relative to the average/closing exchange rate is shown below for profits and equity respectively. The stated changes of the foreign exchange rates have been chosen based on an assessment of the risk of exchange-rate fluctuations:

| DKK m | Exchange rate change | Profit before tax 2009 | Equity 31/12 2009 | Profit before tax 2008 | Equity 31/12 2008 |
|--------------------|-------------------------|------------------------------|----------------------|------------------------------|----------------------|
| | | av. rate | closing rate | av. rate | closing rate |
| Exchange rate used | | | | | |
| SEK | +/-10 % | +/-1.0 | +/-0.1 | +/-4.2 | +/-3.8 |
| GBP | +/-10 % | +/-0.4 | +/-0.1 | +/-1.3 | +/-1.0 |

The Group had no other significant exchange-rate risks relating to receivables and payables denominated in foreign currency at 31 December 2009.

The calculation of the Group's currency sensitivity is based on the following assumptions:

- The sensitivity rates specified for operating activities have been calculated based on continuing activities.
- It is assumed that sales, prices and interest-rate levels will remain unchanged.
- The sensitivity rates related to financial instruments have been calculated on the basis of the financial instruments recognised at 31 December.
- The calculated expected fluctuations are based on the average annual volatility rates for the underlying risks.

Credit risks

The Group is exposed to credit risks relating to receivables and deposits with banks. The maximum credit risk corresponds to the carrying amount. There is not believed to be any significant credit risks in connection with liquid funds, the other parties being banks with a high credit rating. The Group performs continuous follow-up on outstanding receivables in accordance with the Group's receivables policy. Where uncertainty arises about a customer's ability or willingness to pay a receivable and the claim is believed to entail a risk, a write-down is made to cover this risk.

The Group has no significant risks relating to a single customer or business partner. In accordance with the Group's credit risk assumption, all major customers and other business partners are subject to continuous credit assessment.

In the past three years the Group's bad debts have been at the level of 2.0‰ – 3.5‰ of revenue.

The balance due on trade receivables is composed as follows:

DKKm

| 2009 | 0-30 days | 31-60 days | 61-90 days | >90 days | Total |
|---|-----------|------------|------------|----------|-------------|
| Overdue trade receivables, but not decreased in value | 9.2 | 0.6 | 0.3 | 0.0 | 10.1 |
| Overdue trade receivables that are decreased in value | 0.0 | 0.2 | 0.3 | 5.6 | 6.1 |
| | | | | | 16.2 |
| Write down | | | | | -4.8 |
| Trade receivables, net value at 31 December 2009 | | | | | 11.4 |

| 2008 | 0-30 days | 31-60 days | 61-90 days | >90 days | Total |
|---|-----------|------------|------------|----------|-------------|
| Overdue trade receivables, but not decreased in value | 14.0 | 1.8 | 0.5 | 0.0 | 16.3 |
| Overdue trade receivables that are decreased in value | 0.0 | 0.5 | 0.5 | 7.2 | 8.2 |
| | | | | | 24.6 |
| Write-down | | | | | -6.5 |
| Trade receivables, net value at 31 December 2008 | | | | | 18.1 |

39 Financial assets and liabilities

| | 2009 DKKm | | 2008 DKKm | |
|---|--------------------|--------------|--------------------|--------------|
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| Receivable sales price from disposal of GISAB | 0.0 | 0.0 | 149.7 | 149.7 |
| Trade receivables | 64.5 | 64.5 | 82.5 | 82.5 |
| Receivables from associates | 0.7 | 0.7 | 1.1 | 1.1 |
| Other receivables | 14.5 | 14.5 | 6.9 | 6.9 |
| Cash | 155.3 | 155.3 | 12.4 | 12.4 |
| Total lending and receivables | 235.0 | 235.0 | 252.6 | 252.6 |
| Receivable sales price from disposals of GISAB were paid at 1 March 2009. | | | | |
| Financial institutions | 85.7 | 85.8 | 91.2 | 91.2 |
| Trade payables | 36.1 | 36.1 | 32.9 | 32.9 |
| Income taxes | 2.6 | 2.6 | 0.4 | 0.4 |
| Other payables | 82.3 | 82.3 | 97.3 | 97.3 |
| Financial liabilities at amortised cost price | 206.7 | 206.8 | 221.8 | 221.8 |
| Interest rate swap | 6.7 | 6.7 | 6.7 | 6.7 |
| Financial liabilities at fair value | 6.7 | 6.7 | 6.7 | 6.7 |

The fair value of the interest-rate swap has been calculated on the basis of the market price at 31 December 2009 (level 2).

The fair value of credit institutions has been calculated on the basis of the market price of the bonds underlying the loans at 31 December 2009 (level 1).

The fair value of other assets was calculated in accordance with the accounting policies, to which reference is made.

Board of Directors and Management

Corporate Management

Mads Dahl Møberg Andersen
CEO, Søndagsavisen a-s

Kåre Stausø Wigh
CFO, Søndagsavisen a-s

Arne Ullum Laursen,
Media Director, Søndagsavisen a-s

Board of Directors

Richard Bunck, Chairman, 70 years
Publisher

Richard Bunck is also chairman of the board for seven of Søndagsavisen a-s' 100% owned subsidiaries:

- Helsingør Dagblad A/S
- Nordsjællands Avis A/S
- Ofir a/s
- Ofir Danmark a-s
- Ofir Services A/S
- MatchWork Danmark A/S
- MatchWork World Wide A/S

Peter Rasztar, Vice Chairman, 65 years
Director

Member of the Board of Directors of:
Carnad A/S

Steen Gede, 56 years
Wholesale dealer

Chairman of the Board of Directors of:
Carl F International A/S
Elsparefonden
Unicare Nordic A/S
Forenede Service A/S

Vice Chairman of the Board of Directors of:
DSB

Member of the Board of Directors of:
Brandhouse A/S
Gumlink A/S
Sanistål A/S
Thiele A/S

Ulrik Holsted-Sandgreen, 39 years
Attorney-at-law

No other board positions



From left to right: Richard Bunck, Ulrik Holsted Sandgreen, Steen Gede, Peter Rasztar, Kåre Stausø Wigh, Mads Dahl Møberg Andersen and Arne Ullum Laursen.

Group Structure

At 31 December 2009

| Søndagsavisen a-s | | | |
|------------------------------------|--------|---|---------------------------------------|
| Associates | | Subsidiaries and Joint Ventures including continuing companies | |
| A/S Vestsjællandske Distriktsblade | 50.00% | 100.00% | Helsingør Dagblad A/S |
| | | | 100.00% Nordsjællands Avis A/S |
| Gratistidningar i Sverige AB | 33.33% | 100.00% | Distribution Danmark a-s |
| | | | 50.00% Dansk Distributions Center P/S |
| | | | 60.00% HA Grafisk Reklame A/S |
| | | | 60.00% Tryksagsomdelingen Fyn P/S |
| | | | 60.00% UA/FK Distribution A/S |
| | | | 70.00% Distribution Syd A/S |
| | | 100.00% | Væksthuset ApS |
| | | 100.00% | BeKey ApS |
| | | 100.00% | Min Reklame ApS |
| | | 100.00% | Ofir a-s |
| | | 100.00% | Ofir Danmark a-s |
| | | 100.00% | Ofir Services A/S |
| | | 100.00% | MatchWork World Wide A/S |
| | | 100.00% | MatchWork Danmark A/S |
| | | 100.00% | MatchWork Sverige AB |
| | | 100.00% | MatchWork UK Ltd. |
| | | 100.00% | MatchWork Deutschland GmbH |
| | | 100.00% | BoligPortal.dk ApS |

Søndagsavisen a-s

 ***forbruger·kontakt***

SØNDAGS**AVISEN**

Søndagsavisen a-s

ANNUAL REPORT
PARENT COMPANY
2009

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| Statement of changes in equity | 86 |
| Notes | 87 |

Parent income statement

| Note | | 2009 DKK ^m | 2008 DKK ^m |
|------|--|--------------------------|--------------------------|
| | Revenue | 898.6 | 932.3 |
| | Direct expenses | 458.0 | 440.4 |
| 42 | Direct staff costs | 149.2 | 195.4 |
| | Gross margin | 291.4 | 296.5 |
| 42 | Staff costs | 167.0 | 203.8 |
| 44 | Other costs | 88.3 | 97.8 |
| 43 | Amortisation, depreciation and impairment losses | 41.7 | 45.0 |
| | Other operating income | 37.5 | 34.4 |
| | EBIT before special items | 31.9 | -15.7 |
| | Special items, net | -1.1 | -28.8 |
| 48 | Share of profit/loss in subsidiaries | -34.9 | -24.3 |
| 49 | Share of profit/loss in associates | 1.9 | -2.8 |
| | Financial income | 6.1 | 1.3 |
| | Financial expenses | -4.8 | -12.9 |
| | Gain/loss from divestments | 21.0 | 305.4 |
| | Profit before tax | 20.1 | 222.2 |
| 45 | Tax for the year | 9.8 | -2.1 |
| | Net profit for the year | 10.3 | 224.3 |

Parent balance sheet

ASSETS

| Note | 2009 DKKm | 2008 DKKm |
|---|--------------|--------------|
| Goodwill | 11.9 | 15.0 |
| Completed development projects, software | 13.8 | 16.7 |
| Development projects in progress | 0.8 | 0.2 |
| 46 Intangible assets | 26.5 | 31.9 |
| Land and buildings | 311.8 | 321.6 |
| Plants and machinery | 72.1 | 76.2 |
| Operating equipment, fixtures and fittings | 16.4 | 25.5 |
| Property, plant and equipment in course of construction | 0.0 | 0.6 |
| 47 Property, plant and equipment | 400.3 | 423.6 |
| 48 Investments in subsidiaries | 88.7 | 123.2 |
| 49 Investments in associates | 8.0 | 9.8 |
| 50 Deferred tax | 0.0 | 0.6 |
| Other receivables | 1.1 | 1.2 |
| Other non-current assets | 97.8 | 134.4 |
| Total non-current assets | 524.6 | 590.2 |
| Trade receivables | 45.9 | 55.0 |
| Receivables from subsidiaries | 24.7 | 26.8 |
| Receivables from associates | 0.7 | 1.0 |
| Other receivables | 0.3 | 151.1 |
| Prepayments | 11.4 | 14.2 |
| Receivables | 83.0 | 248.1 |
| Cash | 140.5 | 0.1 |
| Total current assets | 223.5 | 248.2 |
| Total assets | 748.1 | 838.5 |

Parent balance sheet

| EQUITY AND LIABILITIES | | 2009 | 2008 |
|------------------------|--|--------------|--------------|
| Note | | DKKm | DKKm |
| | Share capital | 100.3 | 111.4 |
| | Retained earnings | 437.6 | 462.4 |
| | Shareholders' equity | 537.9 | 573.8 |
| 50 | Provisions for deferred tax | 4.2 | 0.0 |
| | Total provisions | 4.2 | 0.0 |
| 51 | Financial institutions | 81.9 | 85.4 |
| 52 | Fair value interest-rate swap | 6.7 | 6.7 |
| | Total non-current liabilities | 88.6 | 92.1 |
| 51 | Financial institutions | 3.1 | 5.1 |
| | Trade payables | 25.8 | 20.8 |
| | Payables to subsidiaries | 34.4 | 71.1 |
| 53 | Tax payables | 2.6 | 0.4 |
| 54 | Other payables | 50.9 | 61.3 |
| | Deferred income | 0.6 | 13.9 |
| | Total current liabilities | 117.4 | 172.6 |
| | Total liabilities | 206.0 | 264.7 |
| | Total equity and liabilities | 748.1 | 838.5 |
| 55 | Operating leases and rent obligations | | |
| 56 | Contingent assets and liabilities, and guarantee obligations | | |
| 57 | Security for loans | | |
| 58 | Related parties | | |

Parent statements of changes in equity

DKK m

2009

| | Share capital | Retained earnings | Proposed dividend | Total |
|---|---------------|-------------------|-------------------|--------------|
| Equity at 1 January 2009 | 111.4 | 462.4 | 0.0 | 573.8 |
| Changes in equity in 2009 | | | | |
| Currency adjustments, foreign subsidiaries and associates | 0.0 | 1.6 | 0.0 | 1.6 |
| Adjustments of investments in subsidiaries and associates | 0.0 | 0.1 | 0.0 | 0.1 |
| Net profit/loss for the year | 0.0 | 10.3 | 0.0 | 10.3 |
| Purchase of treasury shares | 0.0 | -0.6 | 0.0 | -0.6 |
| Capital reduction, cancellation of treasury shares | -11.1 | 11.1 | 0.0 | 0.0 |
| Dividend distributed | 0.0 | -50.1 | 0.0 | 50.1 |
| Share based payment | 0.0 | 2.8 | 0.0 | 2.8 |
| Total changes in equity in 2009 | -11.1 | -24.8 | 0.0 | -35.9 |
| Equity at 31 December 2009 | 100.3 | 437.6 | 0.0 | 537.9 |

2008

| | | | | |
|---|--------------|--------------|------------|--------------|
| Equity at 1 January 2008 | 111.4 | 263.7 | 0.0 | 375.1 |
| Changes in equity in 2008 | | | | |
| Currency adjustments, foreign subsidiaries and associates | 0.0 | -5.6 | 0.0 | -5.6 |
| Adjustments of investments in subsidiaries and associates | 0.0 | 0.3 | 0.0 | 0.3 |
| Fair value adjustments of hedging instruments | 0.0 | -6.7 | 0.0 | -6.7 |
| Tax of adjustments in equity | 0.0 | 1.7 | 0.0 | 1.7 |
| Net profit/loss for the year | 0.0 | 224.3 | 0.0 | 224.3 |
| Purchase of treasury shares | 0.0 | -18.4 | 0.0 | -18.4 |
| Share based payment | 0.0 | 3.1 | 0.0 | 3.1 |
| Total changes in equity in 2008 | 0.0 | 198.7 | 0.0 | 198.7 |
| Equity at 31 December 2008 | 111.4 | 462.4 | 0.0 | 573.8 |

40 Accounting policies in general

The Parent Company's financial statements have been prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class D companies and the financial reporting requirements of NASDAQ OMX Copenhagen for listed companies.

The Annual Report is presented in Danish kroner.

41 Accounting policies

The Parent Company's recognition and measurement criteria are identical to the Group's accounting policies except in the following areas:

INCOME STATEMENT

Profits or losses from investments in subsidiaries

The Parent Company's profit includes the proportionate share of the gains or losses of the individual group companies after full elimination of intra-group gains or losses.

BALANCE SHEET

Goodwill

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Amortisation is provided on a straight-line basis over the expected lives of the assets, which are not more than:

- Goodwill 10 years

Goodwill is amortised over the estimated financial life which is determined based on the Management's experience of the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period which is not more than 10 years and longest for strategically acquired companies with a strong market position and a long-term earnings profile.

Goodwill is tested for impairment if there are any indications of impairment. The impairment test is carried out for the activity or the business area to which goodwill relates. Goodwill is written down to the higher of the value in use and net selling price for the activity or the business area to which goodwill relates (recoverable amount) if such amount is lower than the carrying amount.

Only goodwill acquired after 1 January 2002 has been capitalised.

Investments

Investments in group companies are measured according to the equity method. Investments are measured in the balance sheet at the proportionate share of net asset value.

Subsidiaries and associates with a negative net asset value are measured at nil, and any amount due from these companies is written down by the Parent Company's proportion of the negative net asset value to the extent it is found to be uncollectible. Should the negative net asset value exceed the amount due, the remaining amount will be recognised under provisions to the extent the Parent Company has a legal or constructive obligation to cover the liabilities of the company concerned.

Other investments acquired for permanent ownership are measured at cost. If the carrying amount is found to be permanently impaired, a write-down is made which will be reflected in the income statement.

| | 2009 DKKm | 2008 DKKm |
|---|--------------|--------------|
| 42 Employee and staff costs | | |
| Average number of employees | 478 | 589 |
| In addition, a large number of part-time employees are working in distribution. | | |
| Analysis of total salaries and remuneration for the year | | |
| Wages and salaries, incl. compensated absence | 272.2 | 370.0 |
| Defined contribution pensions | 13.2 | 10.5 |
| Other social security costs | 17.0 | 0.8 |
| Remuneration of the Parent Company's Board of Directors | 0.8 | 1.3 |
| Other staff costs | 13.0 | 16.5 |
| Employee and staff costs | 316.2 | 399.1 |
| The total staff costs are included under the following items in the income statements: | | |
| Direct staff costs | 149.2 | 195.4 |
| Staff costs | 167.0 | 203.8 |
| Employee and staff costs | 316.2 | 399.1 |

Remuneration of the Board of Directors, Management and managerial staff
DKKm

| | Board of Directors of Parent Company | Board of Management of Parent Company | Other manage- rial staff | Total |
|-------------------------------|---|--|--------------------------------|-------------|
| 2009 | | | | |
| Wages and salaries | 0.9 | 8.1 | 5.3 | 14.3 |
| Defined contribution pensions | 0.0 | 0.5 | 0.2 | 0.7 |
| Share-based payment | 0.0 | 1.3 | 0.5 | 1.8 |
| Severance pay | 0.0 | 2.7 | 0.0 | 2.7 |
| Total remuneration | 0.9 | 12.6 | 6.3 | 19.6 |
| 2008 | | | | |
| Wages and salaries | 1.3 | 11.0 | 4.0 | 16.3 |
| Defined contribution pensions | 0.0 | 0.4 | 0.2 | 0.6 |
| Share-based payment | 0.0 | 2.3 | 0.3 | 2.6 |
| Severance pay | 0.0 | 1.0 | 1.5 | 2.5 |
| Total remuneration | 1.3 | 14.7 | 6.0 | 22.0 |

Reference is made to notes 8 and 23 to the consolidated Annual Report concerning share-based payments.

| | 2009 DKKm | 2008 DKKm |
|--|--------------|--------------|
| 43 Amortisation, depreciation and impairment | | |
| Intangible assets, amortisation | 9.1 | 11.5 |
| Property, plant and equipment, depreciation | 32.6 | 33.5 |
| Total amortisation and depreciation | 41.7 | 45.0 |
| 44 Fee to the auditors appointed by the Company at the Annual General Meeting | | |
| Statutory audit services | | |
| Deloitte | 0.8 | 0.0 |
| Ernst & Young | 0.0 | 1.0 |
| Beierholm | 0.0 | 0.2 |
| Total statutory audit services | 0.8 | 1.1 |
| Other services, Deloitte | 0.1 | 0.0 |
| Tax advisory services | | |
| Deloitte | 0.4 | 0.0 |
| Ernst & Young | 0.0 | 0.3 |
| Tax advisory total | 0.4 | 0.3 |
| Advisory services | | |
| Deloitte | 2.0 | 0.0 |
| Ernst & Young | 0.0 | 0.2 |
| Total advisory | 2.0 | 0.2 |
| Total audit and advisory services | 3.3 | 1.7 |
| 45 Income taxes | | |
| In the period under review income tax was paid in the amount of | 0.0 | -5.6 |
| Income tax in the income statement | | |
| Current tax charge, incl. surcharges/allowances | 5.0 | 0.2 |
| Changes in deferred tax charge | 4.8 | -2.3 |
| Total income tax | 9.8 | -2.1 |
| Analysis of tax for the year | | |
| Calculated 25% tax on the profit before tax | 5.0 | 55.5 |
| Tax effect of: | | |
| Share of profit/loss in subsidiaries | 8.7 | 6.1 |
| Share of profit/loss in associates | -0.5 | 1.1 |
| Other non-deductible expenses | 2.2 | 2.3 |
| Recovery of tax losses | 0.0 | 7.9 |
| Utilisation of loss on joint taxation with Parent Company | 0.0 | 0.5 |
| Gain/loss from divestments | -5.2 | -76.3 |
| Adjustments relating to prior years | -0.4 | 0.8 |
| Total income tax | 9.8 | -2.1 |

46 Intangible assets
DKK m

| | Goodwill | Acquired rights | Completed development projects, software | Development projects in progress | Total |
|---|-------------|-----------------|--|----------------------------------|--------------|
| 2009 | | | | | |
| Costs at 1 January | 35.0 | 8.0 | 78.8 | 0.2 | 122.0 |
| Additions in the year | 0.0 | 0.0 | 3.1 | 2.7 | 5.8 |
| Disposals in the year | 0.0 | 0.0 | 0.3 | 2.1 | 2.4 |
| At 31 December | 35.0 | 8.0 | 81.6 | 0.8 | 125.4 |
| Amortisation and impairment losses at 1 January | 20.0 | 8.0 | 62.1 | 0.0 | 90.1 |
| Amortisation and impairment losses in the year | 3.1 | 0.0 | 6.0 | 0.0 | 9.1 |
| Disposals in the year | 0.0 | 0.0 | 0.3 | 0.0 | 0.3 |
| Amortisation and impairment at 31 December | 23.1 | 8.0 | 67.8 | 0.0 | 98.9 |
| Carrying amount at 31 December | 11.9 | 0.0 | 13.8 | 0.8 | 26.5 |
| Amortised over (years) | 10 | 5-10 | 3-5 | - | - |
| 2008 | | | | | |
| Costs at 1 January | 35.0 | 8.0 | 63.0 | 10.5 | 116.5 |
| Additions in the year | 0.0 | 0.0 | 15.8 | 7.2 | 23.0 |
| Disposals in the year | 0.0 | 0.0 | 0.0 | 17.5 | 17.5 |
| At 31 December | 35.0 | 8.0 | 78.8 | 0.2 | 122.0 |
| Amortisation and impairment losses at 1 January | 16.9 | 8.0 | 53.7 | 0.0 | 78.6 |
| Amortisation and impairment losses in the year | 3.1 | 0.0 | 8.4 | 0.0 | 11.5 |
| Amortisation and impairment at 31 December | 20.0 | 8.0 | 62.1 | 0.0 | 90.1 |
| Carrying amount at 31 December | 15.0 | 0.0 | 16.7 | 0.2 | 31.9 |
| Amortised over (years) | 10 | 5-10 | 3-5 | - | - |

Reference is made to note 17 to the consolidated Annual Report for a description of assets with an indefinite life and the impairment test.

47 Property, plant and equipment
DKKm

| | Land and buildings | Plant and ma- chinery | Plant, machinery and equip- ment | Land and buildings in progress | Total |
|---|-----------------------|-----------------------------|---|--------------------------------------|--------------|
| 2009 | | | | | |
| Costs at 1 January | 369.9 | 113.0 | 153.3 | 0.6 | 636.8 |
| Additions in the year | -1.9 | 10.2 | 3.4 | 9.2 | 20.9 |
| Disposals in the year | 0.0 | 0.0 | 9.1 | 9.8 | 19.0 |
| Costs at 31 December | 368.0 | 123.2 | 147.6 | 0.0 | 638.8 |
| Depreciation and impairment losses at 1 January | 48.3 | 36.8 | 128.1 | 0.0 | 213.3 |
| Depreciation and impairment losses in the year | 7.9 | 14.3 | 10.8 | 0.0 | 32.9 |
| Disposals in the year | 0.0 | 0.0 | 7.7 | 0.0 | 7.7 |
| Depreciation and impairment at 31 December | 56.2 | 51.1 | 131.2 | 0.0 | 238.5 |
| Carrying amount at 31 December | 311.8 | 72.1 | 16.4 | 0.0 | 400.3 |
| Depreciated over (years) | 35-50 | 5-10 | 3-5 | - | - |
| 2008 | | | | | |
| Costs at 1 January | 369.3 | 89.9 | 145.5 | 7.4 | 612.1 |
| Additions in the year | 0.6 | 23.5 | 12.7 | 12.9 | 49.7 |
| Disposals in the year | 0.0 | 0.4 | 4.9 | 19.8 | 25.1 |
| Costs at 31 December | 369.9 | 113.0 | 153.3 | 0.6 | 636.8 |
| Depreciation and impairment losses at 1 January | 40.4 | 25.0 | 115.9 | 0.0 | 181.4 |
| Depreciation and impairment losses in the year | 7.9 | 11.9 | 14.1 | 0.0 | 34.0 |
| Disposals in the year | 0.0 | 0.2 | 1.9 | 0.0 | 2.1 |
| Depreciation and impairment at 31 December | 48.3 | 36.8 | 128.1 | 0.0 | 213.3 |
| Carrying amount at 31 December | 321.6 | 76.2 | 25.2 | 0.6 | 423.5 |
| Depreciated over (years) | 35-50 | 5-10 | 3-5 | - | - |

| | 2009 DKKkm | 2008 DKKkm |
|--|---------------|---------------|
| 48 Investments in subsidiaries | | |
| Net assets value at 1 January | 123.2 | 171.3 |
| Currency adjustments | 1.0 | -10.7 |
| Additions in the year | 51.9 | 60.1 |
| Disposals in the year | 0.0 | -29.1 |
| Share of loss before tax | -45.2 | -26.9 |
| Share of tax | 10.3 | 2.7 |
| Dividend | -62.4 | -44.1 |
| Impairment receivables from the subsidiaries | 10.0 | 0.0 |
| Net assets value at 31 December | 88.7 | 123.2 |

49 Investments in associates

| | | |
|--|------------|------------|
| Net assets value at 1 January | 9.8 | 3.5 |
| Currency adjustments | 0.7 | -0.8 |
| Additions in the year | 2.2 | 11.3 |
| Disposals in the year | 2.5 | 0.0 |
| Share of loss before tax | 3.9 | -2.5 |
| Share of tax | -2.0 | -0.3 |
| Dividend | -9.2 | -1.3 |
| Net assets value at 31 December | 8.0 | 9.8 |

| | Registered office | Ownership | |
|---|-------------------|-------------|-------------|
| Associates | | 2009 | 2008 |
| A/S Vestsjællandske Distriktsblade | Slagelse | 50% | 50% |
| LokalAvisen Holdning ApS, Sold May 2009 | Frederikssund | - | 50% |
| Gratistidningar i Sverige AB (GISAB) | Stockholm | 33% | 33% |

| | 2009 DKKkm | 2008 DKKkm |
|--|---------------|---------------|
| 50 Deferred tax | | |
| Deferred tax at 1 January | -0.6 | 3.4 |
| Deferred tax for the year included in the net profit/losses for the year | 4.8 | -2.3 |
| Deferred tax for the year included in equity | 0.0 | -1.7 |
| Deferred tax at 31 December, net | 4.2 | -0.6 |

50 Deferred tax, continued

Specification of deferred tax

| DKKm | 2009 | | | 2008 | | |
|---|------------|-------------|-------------|------------|-------------|------------|
| | Assets | Liabilities | Total | Assets | Liabilities | Total |
| Intangible assets | 0.0 | 3.7 | -3.7 | 0.0 | 7.2 | -7.2 |
| Property, plant and equipment | 0.3 | 0.0 | 0.3 | 8.3 | 0.0 | 8.3 |
| Current assets | 0.9 | 0.0 | 0.9 | 1.2 | 0.0 | 1.2 |
| Non-current liabilities | 0.0 | 1.7 | -1.7 | 0.0 | 1.7 | -1.7 |
| Total | 1.2 | 5.4 | -4.2 | 9.5 | 8.9 | 0.6 |
| Set off deferred tax assets and deferred tax liabilities within the same legal tax entities and jurisdictions | -1.2 | 1.2 | 0.0 | -8.9 | 8.9 | 0.0 |
| Deferred tax assets/deferred tax at 31 December | 0.0 | 4.2 | -4.2 | 0.6 | 0.0 | 0.6 |

| | 2009 DKKm | 2008 DKKm |
|---|--------------|--------------|
| 51 Financial institutions | | |
| Due within 1 year | 3.1 | 5.1 |
| Current | 3.1 | 5.1 |
| Due within 1 and 5 years | 14.1 | 13.0 |
| Due after 5 years | 67.8 | 72.4 |
| Non-current | 81.9 | 85.4 |
| Total debt to financial institutions | 85.1 | 90.5 |

52 Fair value interest-rate swap

See description under note 25 to the consolidated Annual Report.

53 Income taxes payable

| | | |
|--|------------|------------|
| Income taxes payables at 1 January | 0.4 | -5.4 |
| Current tax for the year | 2.2 | 0.2 |
| Income taxes received/paid in the year | 0.0 | 5.6 |
| Income taxes payable at 31 December | 2.6 | 0.4 |

| | 2009 DKKm | 2008 DKKm |
|--|--------------|--------------|
| 54 Other payables | | |
| A-tax (PAYE), etc. payable to public authorities | 5.6 | 10.4 |
| VAT liability | 2.4 | 3.2 |
| Absence pay provision | 20.1 | 21.1 |
| Other debt | 22.8 | 26.7 |
| Other payables | 50.9 | 61.3 |
| 55 Operating leases and rent obligations | | |
| Operating leases | | |
| Future minimum expenses related to operating leases: | | |
| Due within 1 year | 0.2 | 0.2 |
| Due within 1 and 5 year | 0.1 | 0.3 |
| Total | 0.3 | 0.5 |
| For operating leases the following amounts have been recognised in the income statement: | 0.4 | 0.2 |
| Rent obligations | | |
| Future minimum expenses related to rent obligations: | | |
| Due within 1 year | 2.4 | 2.4 |
| Due within 1 and 5 years | 1.9 | 3.3 |
| Total | 4.2 | 5.7 |
| For the rent obligations the following amounts have been recognised in the income statement: | 3.7 | 4.2 |

56 Contingent assets and liabilities, and guarantee obligations

Søndagsavisen a-s has submitted a letter of comfort to its subsidiary, Ofir a-s. The total liabilities in Ofir a-s amount to DKKm 81.0 of which DKKm 81.0 is to other group companies.

Reference is made to note 34 to the consolidated Annual Report concerning other guarantee obligations and contingent liabilities.

| | 2009 DKKm | 2008 DKKm |
|---|--------------|--------------|
| 57 Security for loan | | |
| Søndagsavisen a-s has furnished security to the Group enterprise Ofir a-s for a maximum of | 20.0 | 20.0 |
| Reference is made to note 35 to the consolidated Annual Report concerning other securities. | | |
| 58 Related parties | | |
| Transactions with associates | | |
| LokalAvisen Holding ApS, revenue | 1.8 | 6.2 |
| A/S Vestsjællandske Distriktsblade, revenue | 6.0 | 6.0 |
| Total transactions | 7.8 | 12.2 |
| LokalAvisen Holdning ApS | 0.0 | 0.5 |
| A/S Vestsjællandske Distriktsblade | 0.7 | 0.5 |
| Receivables/payables from/to associates | 0.7 | 1.0 |

Reference is made to note 38 to the consolidated Annual Report for a description of related party transactions.



| Parent Company: Søndagsavisen a-s | |
|---|---|
| Søndagsavisen Gladsaxe Møllevej 28 DK-2860 Søborg Phone: +45 39 57 75 00 Fax: +45 39 57 75 80 www.sondagsavisen.dk | Forbruger-Kontakt Bredebjergvej 6 DK-2630 Taastrup Phone: +45 43 43 99 00 Fax: +45 43 43 90 22 www.fk.dk |

| Subsidiaries | | | |
|---|--|--|---|
| Distribution Danmark a-s Gladsaxe Møllevej 28 DK-2860 Søborg | Dansk Distributions Center P/S Bredebjergvej 6 DK-2630 Taastrup Phone: +45 36 48 80 00 Fax: +45 36 48 88 0 0 www.d-d-c.dk | H.A. Grafisk Reklame A/S Bødkervej 11 DK-7100 Vejle Phone: +45 75 85 84 11 Fax: +45 75 85 96 26 www.ha-grafisk.dk | Tryksagsomdelingen Fyn P/S Ryttermarken 17 B DK-5700 Svendborg Phone: +45 62 22 22 22 Fax: +45 62 20 10 78 www.tof.dk |
| | UA/FK Distribution A/S Bødkervej 11-13 DK-7100 Vejle Phone: +45 75 85 84 11 Fax: +45 75 85 96 26 www.uadistribution.dk | Distribution Syd A/S Energivej 8 DK- 6700 Esbjerg Phone: +45 75 13 34 33 Fax: +45 75 13 34 66 www.distribution-syd.dk | |
| Helsingør Dagblad A/S Klostermosevej 101 DK-3000 Helsingør Phone: +45 49 22 21 10 Fax: +45 49 26 65 05 www.helsingordagblad.dk | Nordsjællands Avis A/S Klostermosevej 101 DK-3000 Helsingør Phone: +45 49 22 21 10 Fax: +45 49 26 65 05 www.nsnet.dk | | |
| Ofir a-s Gladsaxe Møllevej 26 DK-2860 Søborg Phone: +45 39 57 77 00 Fax: +45 39 66 46 67 www.ofir.com | Ofir Danmark a-s Gladsaxe Møllevej 26 DK-2860 Søborg Phone: +45 39 57 78 00 Fax: +45 39 57 78 01 www.ofir.dk | Ofir Services A/S Gladsaxe Møllevej 26 DK-2860 Søborg Phone: +45 88 20 98 00 Fax: +45 88 20 98 01 www.forum.dk | MatchWork World Wide A/S Gladsaxe Møllevej 26 DK-2860 Søborg Phone: +45 36 95 95 95 Fax: +45 36 95 95 37 www.matchwork.com |
| | Boligportal.dk ApS Helsingforsgade 27 DK-8200 Århus N Phone: +45 70 20 80 82 Fax: +45 88 88 69 08 www.boligportal.dk | | |
| Min Reklame ApS Dronning Olgas Vej 39B DK-2000 Frederiksberg Phone: +45 28 95 70 33 Fax: +45 38 34 02 86 www.minreklame.dk | | | |

| Associated companies |
|---|
| A/S Vestsjællandske Distriktsblade Klingeberg 14 DK-4200 Slagelse Phone: +45 58 53 32 22 Fax: +45 58 52 90 88 |

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2019

Søndagsavisen a-s

Gladsaxe Møllevej 28 • DK - 2860 Søborg
 Phone: +45 39 57 75 00 • Fax +45 39 66 74 15
 Internet: www.son.dk
 E-mail: investor@sondagsavisen.dk