

# QUARTERLY REPORT 4<sup>th</sup> Quarter 2016



## Main highlights in the quarter

- Revenues for the quarter were MNOK 337 which is comparable with last year
- As in previous quarters there are significant variations between revenue categories. Subscription revenue increased 13% while advertising revenue fell 15 % and media service revenues declined 7 %.
- There were also substantial differences between the segments with 16 % growth in Mynewsdesk and 7 % in Norwegian Publications, while Nautisk was down 24 % and Global Publications declined 7 %.
- The EBITDA for the quarter was a profit of MNOK 23, which was MNOK 19 up on the same period last year. EBITDA for the full year was MNOK 76, an improvement of MNOK 22
- The operating profit was MNOK 10 for the quarter, an improvement of MNOK 16. For the full year, the operating profit was MNOK 27, an increase with MNOK 14 over last year.
- The main reasons for the increase in the quarter were lower costs in Dagens Næringsliv and profitable revenue growth in Mynewsdesk. On the other hand, Nautisk increased their operating loss significantly in the quarter.

## Other highlights

- The current development in the different revenue categories has led to subscription revenue comprising 56 % of total revenues, while media service revenue is equalling advertising revenue.
- Both print and digital advertising declined in the fourth quarter.
- The productivity improvement programme made a significant positive contribution to the increase in profitability. The goal of gross annual productivity gains of MNOK 75 by the end of 2016 was reached with cost reductions as of the fourth quarter and full effects in 2017.
- The Group continues to invest in digital product development and upgrades of digital platforms and systems to support of this development. Investments in the form of capitalised development costs amounted to MNOK 15 in the fourth quarter.
- Based on the improved profitability and cash position, and in line with the Group's dividend policy, the Board of Directors will propose a dividend of NOK 3 per share, total MNOK 4, for 2016

## FOURTH QUARTER 2016

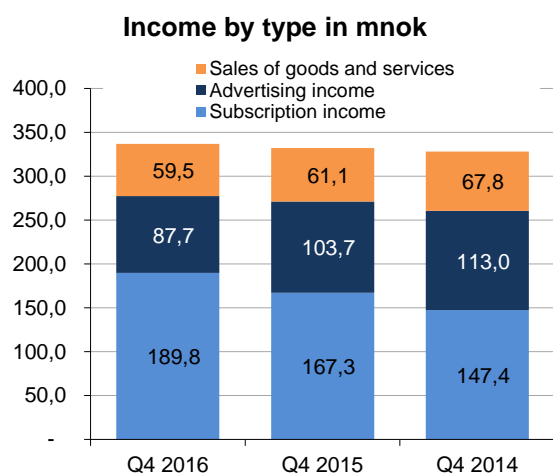
MNOK	Quarter			Accumulated		
	Accounts	Last year	deviation	Accounts	Last year	deviation
Subscription income	138,1	122,7	13 %	530,6	475,8	12 %
Advertising revenue	87,7	103,7	-15 %	332,0	377,2	-12 %
Sales of goods and services	30,3	22,9	32 %	132,0	113,9	16 %
<b>Sum news publications</b>	<b>256,1</b>	<b>249,3</b>	<b>3 %</b>	<b>994,6</b>	<b>966,9</b>	<b>3 %</b>
Subscription income	51,6	44,6	16 %	193,3	154,6	25 %
Sales of goods and services	29,5	38,2	-23 %	137,5	150,5	-9 %
<b>Sum other mediaservices</b>	<b>81,1</b>	<b>82,8</b>	<b>-2 %</b>	<b>330,9</b>	<b>305,0</b>	<b>8 %</b>
<b>Totale revenue</b>	<b>337,1</b>	<b>332,2</b>	<b>1 %</b>	<b>1 325,5</b>	<b>1 271,9</b>	<b>4 %</b>
Operating expenses	327,2	337,9	-3 %	1 298,3	1 258,9	3 %
EBITDA before onetime effects	23,2	4,7	394 %	71,0	40,6	75 %
<b>EBITDA</b>	<b>23,4</b>	<b>4,7</b>	<b>399 %</b>	<b>75,8</b>	<b>54,2</b>	<b>40 %</b>
<b>Operating profits</b>	<b>10,0</b>	<b>-5,8</b>	<b>-273 %</b>	<b>27,2</b>	<b>13,0</b>	<b>109 %</b>

*Morgenbladet contributed with MNOK 16 in revenue and MNOK 17 in operating costs in the fourth quarter. For the full year the corresponding figures were MNOK 40 and MNOK 49.*

*No significant one-time effects have affected the result in the fourth quarter. The effects of acquired and sold enterprises earlier in the year have had a net positive impact on revenues of MNOK 16 and a negative impact on the profit of MNOK 0.3 in the fourth quarter.*

*The accumulated operating profit year-to-date before one-time effects would have been MNOK 22, against a corresponding operating profit of MNOK 2 in 2015. In 2016, the accumulated net effect of positive sales gains and negative restructuring costs on the operating profit amounts to MNOK 5.*

The Group's total revenues for the fourth quarter were up MNOK 5 compared with the same quarter last year. For comparable activities, before acquisition and sale of enterprises this year, there was a decrease of MNOK 5, equal to 2 %.

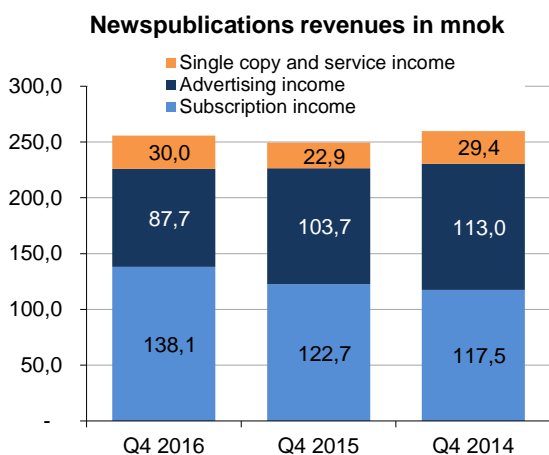


Revenue from the Group's news publications increased by 3 % in the fourth quarter. Adjusted for both acquired and sold enterprises and foreign exchange effects, the decrease was MNOK 9, equal to 4 %.

Subscription revenue, which constitutes the largest revenue type, increased by 13 % in the quarter. Subscription revenue increased by MNOK 1 in Global Publications and by MNOK 15 in Norwegian Publications. As at the end of the quarter, the total number of subscribers was approximately the same as at the beginning of the year. There has been an underlying decrease in the global publications and a corresponding increase in the Norwegian publications. In the fourth quarter, there were only small changes overall, and the

decrease in Global Publications consequently levelled off.

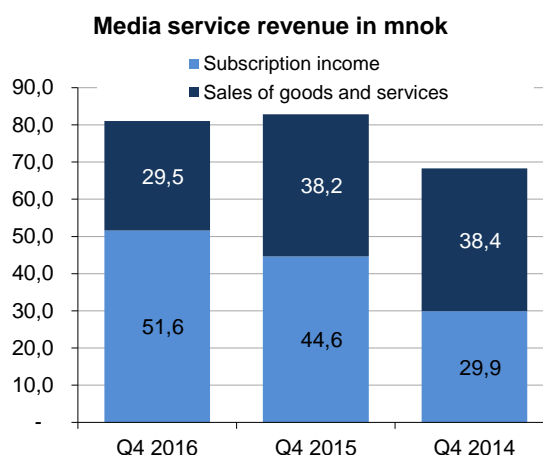
Advertising revenue decreased by MNOK 16 compared with the same quarter last year. There was a decrease in both the Norwegian publications and the global publications. After only a minor decline in advertising revenue in the third quarter, the decrease in the fourth quarter was 15 %, which is on level with the decrease in the first and second quarters, which experienced declines of 19 and 10 per cent respectively. There were few large events for the global publications in the fourth quarter, and this has also affected advertising revenue.



The number of digital subscription customers continued to increase in the quarter, and use of the Group's digital products is increasing.

Revenue from single copy sales and services is still developing positively. There was a higher level of conference activities in the Norwegian publications in the fourth quarter than in the same period last year. This had a positive effect on revenue. In turn, revenue from single copy sales continued to decrease, although the decrease in sales was partly off set by price increases.

Media service revenues consists of revenue from Nautisk Forlag and Mynewsdesk, but also includes some third-party revenue in the Group's parent company.



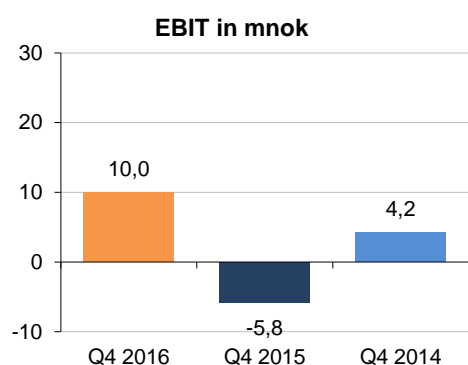
Total media service revenues amounted to MNOK 81, down 2 % from the fourth quarter last year. There was good growth in Mynewsdesk – and in nearly all the countries in which Mynewsdesk operates. Nautisk Forlag experienced a challenging fourth quarter, and the second half of the year consequently ended weaker for this business area. Media service subscription revenues increased by MNOK 7, whereas revenues from sales of goods and services decreased by MNOK 9.

The Group's operating costs decreased by MNOK 11 in the fourth quarter, equal to 3 %. The productivity improvement programme, which aims to increase productivity in the Group by a minimum annual rate of 5 % and MNOK 75 in full year effects by the end of 2016, developed as planned and had significant effects in the fourth quarter. Adjusted for acquired and sold activities, operating costs were down in all the segments in the fourth quarter compared with the same period last year. In terms of NOK, the cost base was MNOK 23 lower, exclusive of Morgenbladet, Intermedium and TDN Finans. In the fourth quarter, an updated pension

liability calculation reduced operating cost by MNOK 3.

EBITDA ended the quarter at MNOK 23, which was MNOK 19 up on the same period last year.

The fourth quarter ended with operating profits of MNOK 10, which was MNOK 16 up on last year. Based on the underlying result, Norwegian Publications and Mynewsdesk contributed to the increase in operating profit, whereas Global Publications and Nautisk Forlag had weaker results in the fourth quarter than last year, but only Nautisk Forlag ended with an operating loss.



#### Other factors in the quarter

Foreign exchange effects on revenues and operating profits in the fourth quarter were lower for Global Publications. Mynewsdesk had a negative foreign exchange contribution to its revenues in the fourth quarter, whereas the net effect was insignificant. Adjusted for foreign exchange effects, revenues amounted to MNOK 337 against MNOK 332 last year.

Operating costs before foreign exchange effects ended the quarter at MNOK 327. Adjusted for foreign exchange effects, costs amounted to MNOK 332 against MNOK 338 last year.

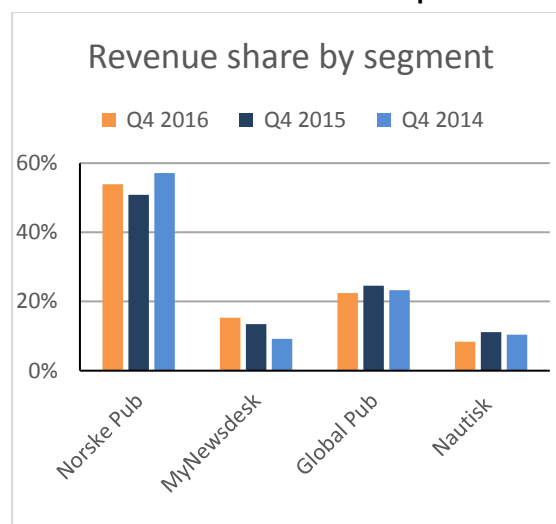
#### Accumulated year-to-date

Revenues after four quarters amounted to MNOK 1,326. Adjusted for one-time gains from sale of enterprises in 2015 and 2016 and sale of the lease in London in 2015, revenues were up 4 % from MNOK 1,258 to MNOK 1,306. For comparable activities, the increase amounted to MNOK 9 or 1 %.

The cost base for comparable activities was MNOK 42 lower in 2016 than in 2015. Including Morgenbladet and the restructuring charge in the second quarter operating cost were down MNOK 25. In total, including currency adjustments of MNOK 18, the operating costs in 2016 ended at MNOK 1 298 which was an increase of 3 %.

Full year EBITDA ended at MNOK 76 and the accumulated operating profit was MNOK 27. This is an increase in EBITDA of MNOK 20 and an increase in operating profit of MNOK 14.

#### The business areas in the fourth quarter



#### The Norwegian Publications business area

The business area comprises the activities in Dagens Næringsliv and Morgenbladet.

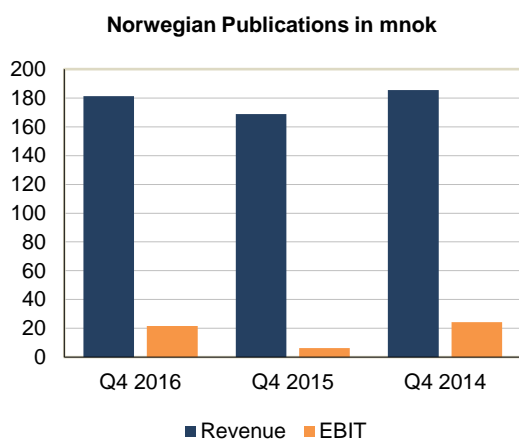
Comparative figures have not been revised.

Morgenbladet was included and consolidated in the Group as from the second quarter, while TDN no longer formed part of the Group from the same quarter.

Revenues amounted to MNOK 181 in the quarter, which is an increase of MNOK 12, equal to 7%.

Advertising revenue decreased by 15% to MNOK 64. There was a decrease in both print and digital advertising.

Subscription revenue increased by MNOK 16, equal to a growth rate of 21%. During the quarter, the number of subscribers developed at a relatively stable rate. The number of subscribers is higher as at the end of the year than as at the same time last year. Growth in digital subscriptions remains high. Morgenbladet also continued its positive development.

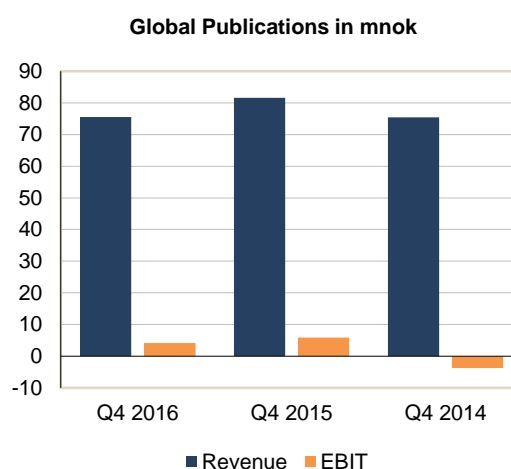


The operating profit for the quarter was MNOK 22. In the corresponding quarter last year, the operating profit was MNOK 6. The result improvement of MNOK 17 in Dagens Næringsliv was due to the measures implemented in the productivity improvement programme during 2016. Operating costs decreased by MNOK 3 in the quarter, equal to 2% compared with the same period last year.

### The Global Publications business area

The business area comprises the enterprises Tradewinds, Upstream, Intrafish Media, Recharge and Europower.

Revenues in the quarter amounted to MNOK 76, which was a decrease of MNOK 6. This is primarily a reflection of a decrease in advertising revenues. Differences between the publications continued also in the fourth quarter. Tradewinds and Intrafish had growth, while Upstream and Recharge declined.



Advertising revenue decreased by MNOK 5 in the fourth quarter. The decrease of 17% thus replaced a growth rate of 6% in the third quarter. There was a decrease in both print and digital advertising revenue in the fourth quarter. The decrease was largest for print, but print and digital are now developing in parallel. In the fourth quarter, advertising revenue was also affected by the absence of large conferences or events during the quarter.

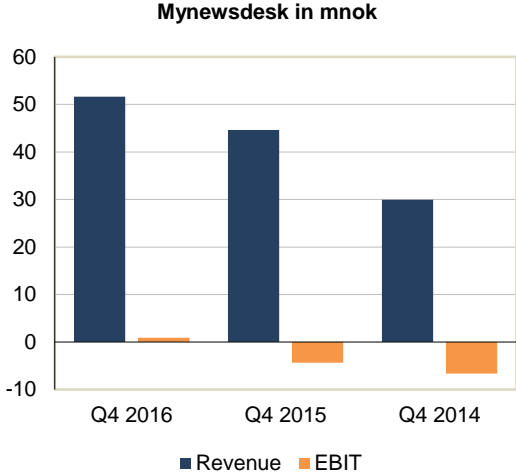
Subscription revenue decreased by MNOK 0.6 in the quarter, equal to 1%. The development in the number of subscribers was stable during the quarter, which replaced a declining trend earlier in the year. The positive foreign exchange effects from previous quarters were absent in the in the fourth quarter.

Operating costs decreased by MNOK 4 in the quarter, which is a decline of 6 % against the same period last year. Cost reduction measures have made an increasing impact during the year, but this effect was reduced in the fourth quarter. Tradewinds and Upstream were the primary contributors to lower costs. The operating profit decreased by MNOK 2, and the fourth quarter ended with an operating profit of MNOK 4. Reduced costs consequently did not fully compensate for the decrease in revenue. This was nevertheless the third consecutive quarter with a profit. The profitability in shipping is satisfactory, whereas it is still challenging in the energy and seafood area.

The Mynewsdesk business area

The business area comprises the SaaS (software-as-a-service) activities under the Mynewsdesk brand. The principal product is a work platform for PR and communications in enterprises and organisations.

Revenues amounted to MNOK 52 in the quarter, which is an increase of MNOK 7. The growth rate was 16 % (22 % before foreign exchange effects) in the fourth quarter, whereas it was 25 % for the year as a whole. The number of subscription customers is increasing on all the markets. Germany saw the greatest increase, but there was still good growth on the main market in Sweden. The product is undergoing a significant new development, including with media monitoring now forming part of the principal product. In December, price and package changes were made that reflect the improved range offered to the customers. This had a positive effect on the results in the last month of the year and will make a positive contribution in 2017.

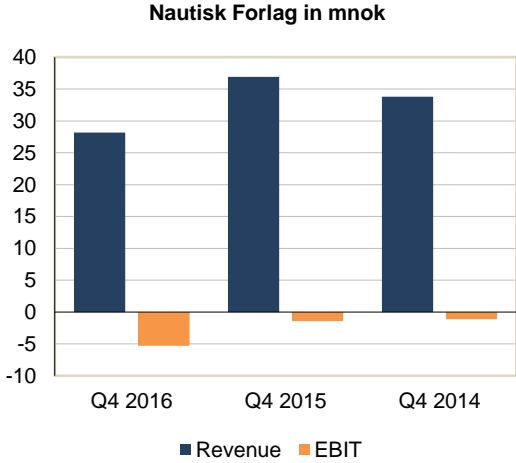


Operating costs in the quarter were up by 4 % compared with the same period last year. This amounts to a cost increase of MNOK 2, and the cost growth rate has consequently slowed down in line with the implementation of the business plan 2017.

The fourth quarter ended with an operating profit of MNOK 1, which is an increase of MNOK 5 from the same period last year. This is the second consecutive quarter with a profit increase of this size.

The Nautisk Forlag business area

The business area includes the Group’s global distribution of navigation products for the commercial shipping industry under the Nautisk Forlag brand.



Revenues decreased in the quarter and ended at MNOK 28. The decrease was of 24 %. The negative trend continued during the quarter. In addition, gross margins also decreased somewhat in the fourth quarter compared with previous periods and with the same period last year. The increasing digitisation of the market continued. The digital products have revenue growth of nearly 30 %, but this is not sufficient to compensate for the decrease in print products.

Operating costs decreased by 13 % in the quarter, which is equal to MNOK 5, and which consequently only compensates for half the decrease in revenues. Structural measures in the warehouse and logistics part of the organisation with resulting employee and office rent reductions. These measures will reduce the cost base into 2017. However, in the short term, significant profitability improvements will also depend on a more stable revenue development.

Revenues from digital product are increasing, and Navitab has gained a good foothold on the market. New digital products will be launched in the first half of 2017, which will further strengthen Nautisk digital position.

The quarter ended with an operating loss of MNOK 5, which was a deterioration of MNOK 4 from the same quarter last year. The decrease is primarily due reduced sales volumes which was not compensated by reduced operating costs of MNOK 1, not including costs of goods sold.

## Prospects

The Group generally has leading market positions in its activities going into 2017, but is experiencing pressure on profits and sales due to structural changes. There is still substantial market uncertainty.

The implementation of the productivity improvement programme is expected to produce full-year effects from the first quarter of 2017. Added to this are a number of new cost reducing measures, such as the conclusion of a new lease with lower rent for the head office in Oslo and reduced working capital in Nautisk Forlag.

The Group's revenues are increasingly generated by subscription products. The subscription products in the publications constituted 40 % of the total revenue in 2016, and when the media services subscription products are included, the share was over 56 %. This trend is expected to continue and will, over time, provide the Group with a greater degree of predictability in its activities.

Growth in media services revenue has stagnated in the second half of the year as a result of the challenges in Nautisk Forlag. The Group is implementing measures in both Nautisk Forlag and Mynewsdesk, which, in turn, can increase the growth rate in media services again.

In general, the digitisation process was significant in 2016, and is expected to continue even stronger in 2017. Great importance is attached to increasing the usage of digital products and services offered by the Group. This means that resources will increasingly be directed at activities that strengthen the digital products. The continued digitisation and standardisation of systems

and platforms in the news media activities is expected to lead to further productivity gains.

The Board of Directors will propose a dividend of NOK 3 per share for 2016 to the General Meeting. The General Meeting is scheduled for Tuesday 23 May at 14:00.

Oslo, 15.02.2017

The Board of Directors in NHST Media Group AS and the Group CEO



<b>KEY FIGURES NHST MEDIA GROUP</b>				
(MNOK)	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>YTD Q4 2016</b>	<b>YTD Q4 2015</b>
Revenues	337,1	332,2	1 325,5	1 271,9
Operating expenses	313,7	327,5	1 249,6	1 217,7
Ordinary depreciation	13,5	10,5	48,6	41,2
EBITDA	23,4	4,7	75,8	54,2
Operating profit / loss (***)	10,0	-5,8	27,2	13,0
Net financial items	0,9	-4,2	-5,4	-6,5
Profit/loss before tax	10,9	-9,9	21,7	6,5
Profit/loss after tax total (*)	3,3	-9,6	12,2	3,9
Minority interests	-0,0	-0,3	0,7	0,1
Profit/loss after tax majority(*)	3,3	-9,3	11,5	3,8
Number of shares	1 287 925	1 287 925	1 287 925	1 287 925
Profit/loss per share in NOK	2,6	-7,4	9,4	3,0
Number of employees	768	755	762	767
Number of FTEs (**)	757	744	750	755
			<b>31.12.2016</b>	<b>31.12.2015</b>
Intangible assets			148,6	137,7
Other fixed assets			139,4	130,9
Total fixed assets			288,0	268,6
Inventory			17,9	25,5
Accounts receivable			114,2	120,5
Other short term receivables			24,5	28,9
Cash and cash equivalents			228,4	183,5
Total short term assets			385,0	358,5
<b>Total assets</b>			<b>672,9</b>	<b>627,1</b>
Shareholders' equity			103,9	99,8
Minority			14,8	12,0
Total shareholders' equity			118,8	111,8
Long term debt			17,1	19,2
Accounts payable			48,6	40,9
Prepayments			302,6	277,9
Other short term debt			185,9	177,3
Total liabilities			554,2	515,3
<b>Total shareholders' equity and liabilities</b>			<b>672,9</b>	<b>627,1</b>
(*) A 25 % tax rate has been used in calculating the quarterly figures				
(**) Full year figures are the average for the year, quarterly figures are at quarter's end.				
<b>The 10 largest shareholders as at December 31</b>				
Bonheur ASA	53,99 %			
Must Invest AS	21,75 %			
Fredrik Olsen AS	2,20 %			
Falck Frås A/S	1,83 %			
Sjøgress AS	1,80 %			
Pareto AS	1,67 %			
MP Pensjon	1,57 %			
Røed Gunvor Jorunn Hammer	1,18 %			
Amble Investment AS	1,11 %			
Dnb Livsforsikring	1,10 %			

<b>NHST GROUP (MNOK)</b>	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>Diff 16/15</b>	<b>YTD Q4 2016</b>	<b>YTD Q4 2015</b>	<b>Diff 16/15</b>
Total revenue (***)	337,134	332,155	1 %	1 325,454	1 271,924	4 %
Operating expenses	327,162	337,925	-3 %	1 298,265	1 258,910	3 %
Amortisation at group level	2,874	3,094	-7 %	11,167	12,828	-13 %
Operating profit/loss(-)	9,971	-5,769	N/A	27,189	13,014	109 %
Net financial items	0,882	-4,171	N/A	-5,445	-6,492	16 %
Profit/loss(-) before tax	10,854	-9,940	N/A	21,745	6,522	233 %
<b>NORWEGIAN PUBLICATIONS</b>						
<b>TOTAL (MNOK)</b>	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>Diff 16/15</b>	<b>YTD Q4 2016</b>	<b>YTD Q4 2015</b>	<b>Diff 16/15</b>
Total revenue	181,366	168,762	7 %	668,649	646,798	3 %
Operating expenses *) *****)	159,691	162,527	-2 %	622,668	597,517	4 %
Operating profit/loss(-)	21,675	6,235	248 %	45,981	49,281	-7 %
Net financial items	-0,676	1,481	N/A	2,120	7,099	-70 %
Profit/loss(-) before tax	20,999	7,717	172 %	48,102	56,380	-15 %
<b>GLOBAL PUBLICATIONS</b>						
<b>TOTAL (MNOK)</b>	<b>Q4 2016</b>	<b>Q4 2015 **</b>	<b>Diff 16/15</b>	<b>YTD Q4 2016</b>	<b>YTD Q4 2015 **</b>	<b>Diff 16/15</b>
Total revenue **)	75,540	81,587	-7 %	313,099	323,294	-3 %
Operating expenses *)	71,413	75,729	-6 %	297,082	304,655	-2 %
Operating profit/loss(-)	4,127	5,859	-30 %	16,017	18,639	-14 %
Net financial items	0,977	-4,865	N/A	-0,395	-5,102	92 %
Profit/loss(-) before tax	5,105	0,993	414 %	15,622	13,537	15 %
<b>MYNEWSDESK</b>						
<b>TOTAL (MNOK)</b>	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>Diff 16/15</b>	<b>YTD Q4 2016</b>	<b>YTD Q4 2015</b>	<b>Diff 16/15</b>
Total revenue	51,613	44,626	16 %	193,324	154,581	25 %
Operating expenses *)	50,680	48,952	4 %	195,132	165,098	18 %
Operating profit/loss(-)	0,933	-4,326	N/A	-1,808	-10,517	83 %
Net financial items	1,107	0,040	2662 %	1,058	-0,008	N/A
Profit/loss(-) before tax	2,040	-4,286	N/A	-0,750	-10,524	93 %
<b>NAUTISK FORLAG</b>						
<b>TOTAL (MNOK)</b>	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>Diff 16/15</b>	<b>YTD Q4 2016</b>	<b>YTD Q4 2015</b>	<b>Diff 16/15</b>
Total revenue	28,187	36,896	-24 %	132,180	145,606	-9 %
Operating expenses *)	33,488	38,332	-13 %	144,042	151,347	-5 %
Operating profit/loss(-) *	-5,301	-1,436	-269 %	-11,861	-5,741	-107 %
Net financial items	-7,456	-10,748	31 %	-13,226	-12,272	-8 %
Profit/loss(-) before tax	-12,757	-12,184	-5 %	-25,088	-18,013	-39 %
<b>GROUP HOLDING</b>						
<b>TOTAL (MNOK)</b>	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>Diff 16/15</b>	<b>YTD Q4 2016</b>	<b>YTD Q4 2015</b>	<b>Diff 16/15</b>
Total revenue	23,710	22,111	7 %	91,568	88,248	4 %
Operating expenses *)	32,482	31,101	4 %	118,517	114,042	4 %
Operating profit/loss(-)	-8,773	-8,990	2 %	-26,949	-25,794	-4 %
Net financial items *****)	-8,995	-8,243	-9 %	12,447	-14,375	N/A
Profit/loss(-) before tax	-17,768	-17,234	-3 %	-14,502	-40,169	64 %
*) Not including amortisation of group goodwill						
**) Include the groups gains from the sale of the lease contract in London in Q1 2015 and Intstream in Q2 2016						
***) Include the groups gains from the sale of the lease contract in London in Q1 2015 and TDN Finans and Intstream in Q2 2016						
****) Include the parent company sales gains from the sale of TDN Finans in Q2						
*****) Includes a restructuring charge in Q2 2016						

## Definitions

<b>News publications</b>	Enterprises that are engaged in activities which primarily consist of production and distribution of own-produced news. Includes the Norwegian Publications and Global Publications business areas
<b>Media service</b>	Enterprises that are engaged in activities which are primarily not based on own production of news, but on sales of products or services. Primarily includes the Mynewsdesk and Nautisk Forlag business areas, but also minor external revenue in the holding company
<b>Advertising revenue</b>	Revenue from advertisements, digital and print, in the Group's news publications
<b>Subscription revenue</b>	Revenue from prepaid products for which the subscription fee must at least cover deliveries for a minimum future period of 3 months
<b>Single copy sales and sales of goods and services</b>	Individual sales of goods, services or products, the delivery of which follows in direct connection with payment of the price
<b>Software as a Service</b>	A software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted