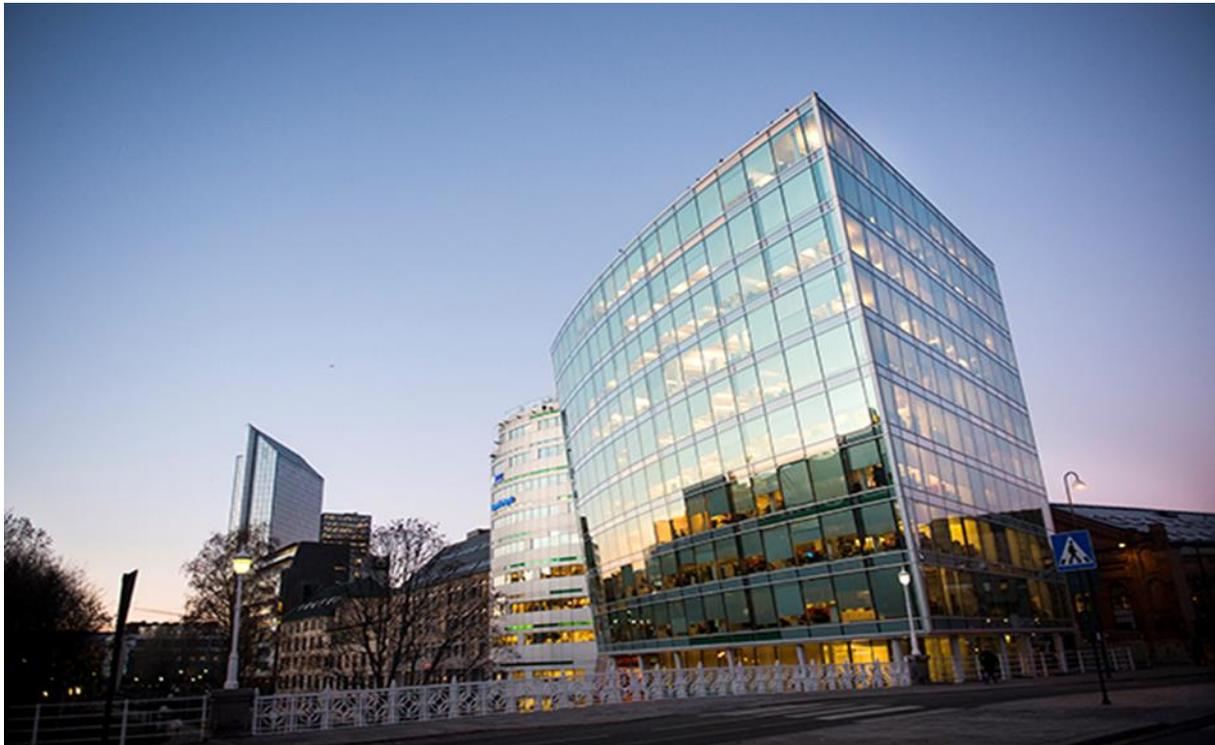


# ***QUARTERLY REPORT 1<sup>st</sup> quarter 2017***



## **Key point for the quarter**

- Revenues for the quarter amounted to MNOK 322, an increase of 5 % from the same period last year.
- Advertising revenue decreased by 12 %, but were compensated by the growth in subscription revenue of 16 %. Subscription revenue now constitutes 60 % of total revenues, up from 55 % in the same quarter last year.
- EBITDA for the quarter was a profit of MNOK 13, which was MNOK 21 up on the same period last year. This was the fourth quarter in a row with improved operating result compared to the same period the previous year. The principal reasons for the improvement in the first quarter were the effects of the productivity program in DN with MNOK 9 and profitable revenue growth in Mynewsdesk with MNOK 8.
- The operating profit for the quarter was MNOK 1, and improvement of MNOK 19.
- The group's media service revenues continue to grow and is now 40 % higher than the group's advertising revenue, against 17 % higher in the same period last year.
- The Group continues to invest in technology development and the resources connected with digitisation, including a launch in Nautisk of its new digital navigation product NaviPlanner in the second quarter

## FIRST QUARTER 2017

MNOK	Quarter		
	Accounts	Last year	deviation
Subscription income	139,6	121,5	15 %
Advertising revenue	65,9	74,7	-12 %
Sales of goods and services	25,1	24,7	2 %
<b>Sum newpublications</b>	<b>230,6</b>	<b>220,9</b>	<b>4 %</b>
Subscription income	54,6	46,4	18 %
Sales of goods and services	37,1	40,7	-9 %
<b>Sum other mediaservices</b>	<b>91,6</b>	<b>87,1</b>	<b>5 %</b>
<b>Totale revenue</b>	<b>322,2</b>	<b>308,0</b>	<b>5 %</b>
	-	-	
Operating expenses	321,7	326,6	-2 %
EBITDA before onetime effects	13,2	-7,9	NA
EBITDA	13,2	-7,9	NA
Profit/loss before tax	0,6	-18,6	NA

Morgenbladet was consolidated from the second quarter of 2016. In the first quarter of 2017, Morgenbladet contributed MNOK 18 of the revenues and MNOK 2 of the operating result. The net effect of Morgenbladet, and acquired and sold activities in 2016, on the first quarter of 2017 was a positive contribution of MNOK 14 on the increase in revenues and MNOK 3 of the improvement in the operating result.

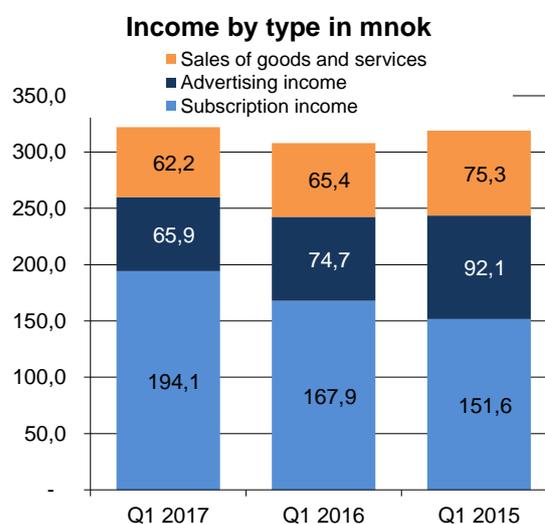
### NHST Group

- **Continued growth in subscription revenue supported by price increases**
- **Media service revenue 1.4 times higher than advertising revenue**
- **The cost-cutting measures are making themselves felt, but the net effect is affected by digitisation investments**
- **Accelerating result improvement in the past four quarters**

The Group's total revenues for the first quarter were up MNOK 14 compared with the same period last year. The increase is due to growth in Mynewsdesk and the inclusion of Morgenbladet. The increase would have been MNOK 9 higher without negative foreign exchange effects. In addition, revenues in the first quarter was positively affected by Easter being in April, and not March as last year.

Subscription revenue increased by 16 % in the first quarter against 13 % in the fourth quarter of 2016. Subscription revenue now constitutes nearly 2/3 of the Group's revenue base.

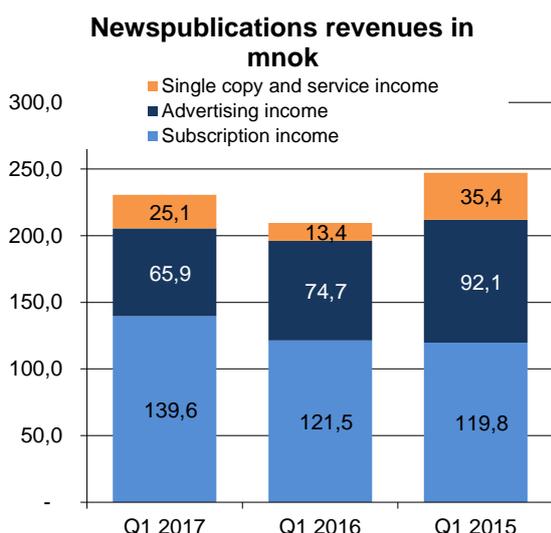
The number of subscribers in the Group is increasing as a result of the growth in Mynewsdesk and new subscription customers in Nautisk Forlag.



Revenue from the Group's news publications increased by 4 % to MNOK 231. Adjusted for acquired and sold enterprises and foreign exchange effects, there was a revenue decrease of MNOK 4, equal to 2 %. The future growth rate in the news publications will depend on the advertising market development.

Subscription revenue continues to grow as a result of price adjustments. The development in the number of subscribers is relatively stable, but with slight growth in Norwegian publications. In turn, there has been a corresponding decrease in the global publications. The changes in the first quarter are much less significant than at the same time last year.

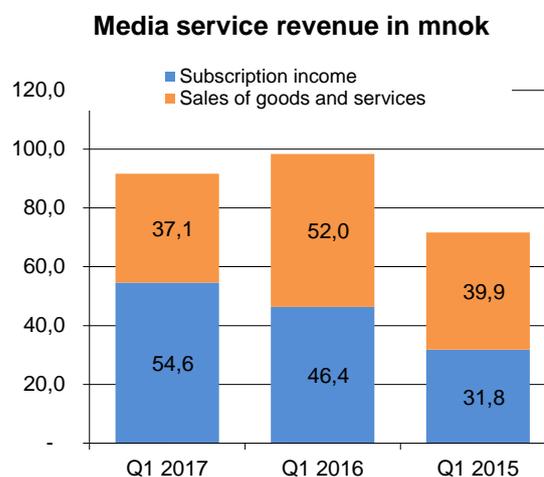
Advertising revenue decreased by MNOK 9 from the same quarter last year. There was continued decline in both the Norwegian and global publications. The underlying rate of decrease was lower than in 2016. The advertising market opened the year on a weak note, but recovered during the quarter.



The revenue development from single copy sales and services was stable. Conference activities in Norwegian Publications offset a lower activity level in Global Publications.

Revenue from single copy sales continued its declining trend.

Media service revenue consists of Nautisk Forlag and Mynewsdesk.



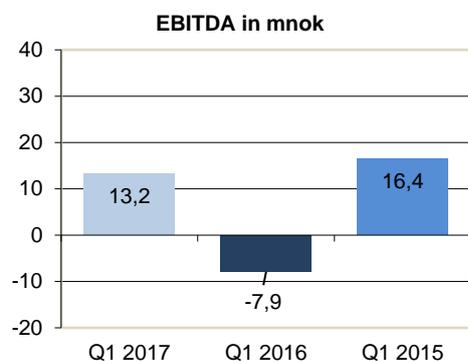
Total media service revenue was MNOK 92, up 5 % on the same period last year. There was again good growth in Mynewsdesk, which has increased its growth rate in the past two quarters. Nautisk Forlag had a revenue decrease, but at a lower rate than in the last part of 2016. Adjusted for negative foreign exchange effects, the growth would have been MNOK 8 higher. The revenue growth rate would then have been 15 %.

Subscription revenue is also increasing in media services and now constitutes 60 % of this revenue segment. The corresponding figure one year ago was 53 % and two years ago 44 %. Mynewsdesk has primarily subscription revenues and due to the digitisation in Nautisk Forlag, subscription revenues increase also here.

Operating costs in the Group decreased by MNOK 5, corresponding to 2 %, in the first quarter. The cost-cutting measures implemented in 2016 made a positive contribution to the underlying cost reductions of MNOK 16 for comparable activities. DN achieved cost reductions of MNOK 9 and was

the biggest contributor to the total cost reductions.

EBITDA ended the quarter at MNOK 13, which was MNOK 21 up on the same period last year. This was an improvement in line with the fourth quarter of 2016.



The first quarter saw an operating profit of MNOK 0.6, which is MNOK 19 up on the previous year. This was the fourth consecutive quarter with an improvement in profitability. All the business areas, except Global Publications, reached operating profits in the first quarter.

## The business areas in the first quarter

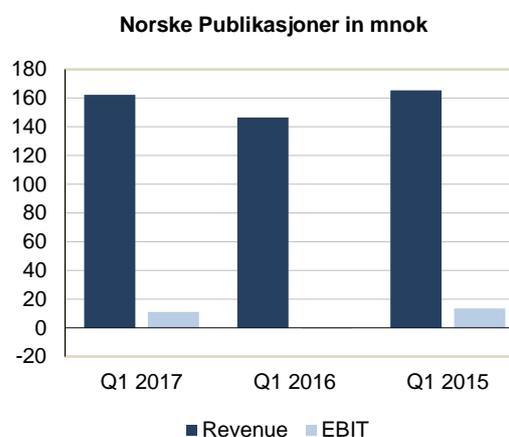
### The Norwegian Publications business area

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

- **Subscription revenue is up 11 %**
- **The number of digital subscribers is growing rapidly**
- **The decline in property advertisements impacts advertising revenue negatively**
- **Implemented cost-cutting measures had a significant effect in the first quarter**
- **Operating result improved MNOK 11**

Revenues amounted to MNOK 162 in the quarter, which is an increase of MNOK 16, equal to 11 %. The full increase has been generated by Morgenbladet, whereas the revenue development in DN was stable. Revenues in the first quarter was helped by Easter being in April and not in March as last year.

Both print and digital advertising saw a decline, 15 % and 12 % respectively. The decrease was in the line with the previous quarter. Advertising revenue ended the quarter at MNOK 46.



Subscription revenue increased to MNOK 96. Both Morgenbladet and DN increased their readers' market revenue. There was minor growth in the number of subscribers during the quarter. Growth in digital subscribers remains high.

Costs increased by MNOK 5, equal to 3 %, but DN's costs decreased by MNOK 9. The profit increase of MNOK 11 was primarily a result of the cost reductions in DN. The quarter saw an operating profit of MNOK 11.

### **The Global Publications business area**

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

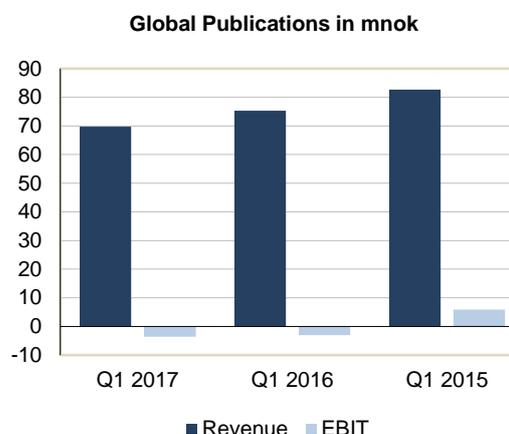
- ***Subscription revenue is down due to a declining number of subscribers during 2016, especially in the energy segment***
- ***Advertising revenue decreased by 10 % as a result of a weak start to the year in Upstream***
- ***Tradewinds, Intrafish and recharge increased their advertising revenue***
- ***Cost-cutting measures are having an effect, offsetting much of the negative revenue development from the energy segment***
- ***Strong focus on digital development, and the implementation of a joint production system has commenced***

Revenues in the quarter amounted to MNOK 70, which was a decrease of MNOK 5. All revenue types saw a decline. Of the business areas, Tradewinds and Intrafish generated revenue growth, whereas revenues were down in the energy segment.

Advertising revenue decreased for both print and digital advertising, to MNOK 20. The decrease of 10 % in the first quarter was lower than the decrease of 17 % in the fourth quarter of 2016. After moderate growth in the third quarter of 2016, there have consequently again been two consecutive quarters with decreasing advertising revenue.

Subscription revenue was down 5 % in the quarter, to MNOK 45. The development in the number of subscribers showed a slight decline in the quarter. The trend in the past two quarters has been much more positive than in the first half of last year. The reduction in the number of subscribers through the first three quarters in 2016 is now having an effect on

revenue. In addition, there were no positive foreign exchange effects in the first quarter to offset the negative revenue effect of the declining number of subscribers.



Costs decreased by MNOK 5 in the quarter, which is a decline of 6 % against the same period last year. Gross cost reductions are higher, but the net effect is affected by the continued increase in resources spent on digitisation.

Profitability remains variable in the different publications. After three consecutive quarters with a profit, Global Publications again posted a loss for the first quarter, which is normally a quarter with a low activity level for these publications. Tradewinds contributed with a profit, whereas the other publications posted a loss in the first quarter. There was a result improvement for Tradewinds and Recharge, whereas the development in Upstream was particularly weak.

The operating result was down MNOK 1 and ended with an operating loss of MNOK 4. Foreign exchange effects of MNOK 3 had a positive impact on the development.

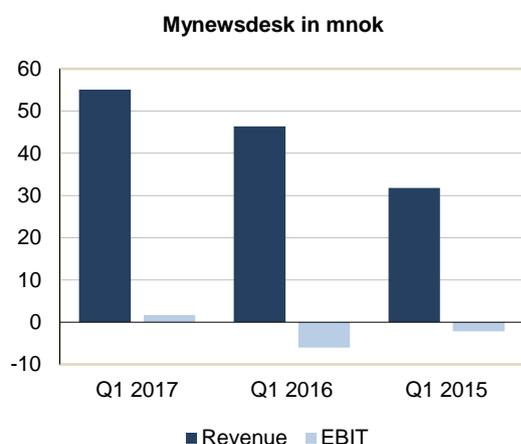
### **The Mynewsdesk business area**

The business area comprises the software-as-a-service activities under the Mynewsdesk brand. The principal product is a work platform for PR and communication in all types of organisations.

- **Continued revenue growth – with a growth rate of 28 % before foreign exchange effects**
- **Third consecutive quarter with accelerating revenue growth**
- **Germany as the first non-Nordic market with considerable improvement**
- **The number of customers is increasing and the retention rate remains stable**
- **Increased revenue has a direct effect on profitability – the result improvement is MNOK 8**

Revenues amounted to MNOK 55 in the quarter, which is an increase of MNOK 8. The growth rate in NOK was 19 % in the first quarter, against 16 % in the fourth quarter and 15 % in the third quarter.

The price and package changes that were implemented at the end of 2016 made a positive contribution to the development in the first quarter. The changes have been positively received on the market.



Costs increased by MNOK 1 in the quarter, equal to 2 %. This constitutes a halving of the growth rate in the fourth quarter. The trend of increasing revenue growth and declining cost growth continues. Continued revenue growth will lead to higher cost throughout the year.

The first quarter ended with an operating profit of MNOK 2, up MNOK 8 on the same period last year. This is the third consecutive quarter with a result improvement.

### **The Nautisk Forlag business area**

The business area includes the Group's global distribution of navigation products for the commercial shipping industry.

- **Digital products are continuing their strong development**
- **New digital products will be launched in the second quarter to strengthen the digital development further**
- **The decrease in paper maps continues, whereas print publications have stabilised**
- **Gross margins are stable**
- **Continued cost adjustments in the logistics organisation will be reinvested in digitisation**
- **Several new big customer contracts have been landed with start-up in the first and second quarters of 2017**

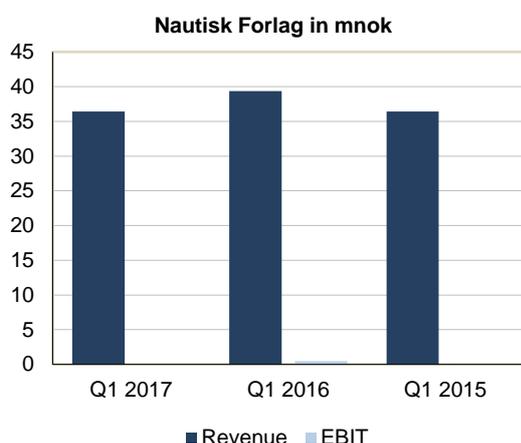
Revenues were down MNOK 3 in the first quarter, equal to 7 %, and ended at MNOK 36. The decrease was consequently significantly lower than the decrease of 24 % in the fourth quarter. The decline was fully attributable to foreign exchange effects, before which there was growth of MNOK 1.

Digital products constituted 30 % of the revenue in the quarter. The corresponding interim figure one year ago was 25%. Digital

revenue constituted 47 % of print revenue in the first quarter, against 36 % one year ago.

In the first quarter, gross margins were back on a level with the start of 2016, after poorer margins in the fourth quarter. Other operating costs decreased by MNOK 1.

The operating result was MNOK 0. This is a marginal decrease from the same period last year. Foreign exchange effects had a positive impact of MNOK 0.4 on the development in operating result. Profitability in Nautisk is not satisfactory and a number of both revenue generating and cost reducing measures are implemented.



## Prospects

The implemented productivity programme will continue to positively impact profitability. At the same time, there is still uncertainty about the advertising market development and the digitisation in Nautisk Forlag.

A higher activity level is expected on the conferences and events market during the second quarter. This will add further impetus to alternative revenue segments and have a positive effect on the advertising market for the global publications. The growth in media service revenue is also expected to increase going forward.

The Group focuses on profitable growth. Digitisation and standardisation in the publishing enterprises will continue to offer a potential for further efficiency gains. The global publications will implement a joint standardised production software in the second quarter. Further measures are being implemented in Nautisk Forlag's logistics operation aimed at improving profitability. The positive development in Mynewsdesk is expected to continue.

Oslo, 25.04.2017

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

<b>KEY FIGURES NHST MEDIA GROUP</b>				
(MNOK)	<b>YTD Q1 2017</b>	<b>YTD Q1 2016</b>	2016	2015
Revenues	322,2	308,0	1 325,4	1 236,8
Operating expenses	309,1	315,9	1 249,6	1 184,1
Ordinary depreciation	12,6	10,7	48,6	43,6
EBITDA	13,2	-7,9	75,8	52,7
Operating profit / loss (***)	0,6	-18,6	27,2	9,1
Net financial items	-0,4	-3,7	-5,5	-3,5
Profit/loss before tax	0,2	-22,4	21,7	5,6
Profit/loss after tax total (*)	-0,6	-19,1	16,2	-8,2
Minority interests	0,5	0,0	0,7	1,3
Profit/loss after tax majority(*)	-1,0	-19,1	15,5	-9,4
Number of shares	1 243 173	1 243 173	1 243 173	1 287 925
Profit/loss per share in NOK	-0,4	-15,4	13,0	-6,3
Number of employees	767	760	751	736
	<b>31.03.2017</b>	<b>31.12.2016</b>		
Intangible assets	148,0	153,1		
Other fixed assets	154,2	145,1		
Total fixed assets	302,2	298,2		
Inventory	17,4	17,9		
Accounts receivable	101,5	114,2		
Other short term receivables	38,0	18,9		
Cash and cash equivalents	244,6	228,4		
Total short term assets	401,5	379,4		
<b>Total assets</b>	<b>703,7</b>	<b>677,6</b>		
Shareholders' equity	109,2	109,5		
Minority	12,8	14,8		
Total shareholders' equity	122,0	124,3		
Long term debt	17,4	17,1		
Accounts payable	35,7	48,6		
Prepayments	339,3	302,5		
Other short term debt	189,2	185,1		
Total liabilities	581,7	553,3		
<b>Total shareholders' equity and liabil</b>	<b>703,7</b>	<b>677,6</b>		
(*) A 24 % tax rate has been used in calculating the quarterly figures				
<b>The 10 largest shareholders as at March 31</b>				
Bonheur ASA	53,99 %			
Must Invest AS	22,53 %			
Fredrik Olsen AS	2,28 %			
Falck Frås A/S	1,89 %			
Sjøgress AS	1,86 %			
Pareto AS	1,73 %			
MP Pensjon	1,63 %			
Røed Gunvor Jorunn Hammer	1,22 %			
Amble Investment	1,15 %			
Dnb Livsforsikring	1,14 %			

<b>NHST GROUP (MNOK)</b>	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>Diff 17/16</b>
Total revenue	322,245	307,953	5 %
Operating expenses	321,683	326,596	-2 %
Amortisation at group level	2,874	2,545	13 %
Operating profit/loss(-)	0,562	-18,643	N/A
Net financial items	-0,393	-3,743	90 %
Profit/loss(-) before tax	0,169	-22,386	N/A
<b>NORSKE PUBLIKASJONER</b>			
<b>DN TOTAL (MNOK)</b>	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>Diff 17/16</b>
Total revenue	162,201	146,573	11 %
Operating expenses	151,111	146,951	3 %
Operating profit/loss(-) *	11,090	-0,378	N/A
Net financial items	0,351	1,569	-78 %
Profit/loss(-) before tax	11,441	1,191	861 %
<b>GLOBAL PUBLICATIONS</b>			
<b>CONSOLIDATED GLOBAL (MNOK)</b>	<b>Q1 2017</b>	<b>Q1 2016 **</b>	<b>Diff 17/16</b>
Total revenue	69,739	75,355	-7 %
Operating expenses	73,272	78,364	-6 %
Operating profit/loss(-) ***	-3,533	-3,009	-17 %
Net financial items	-0,369	-0,764	52 %
Profit/loss(-) before tax	-3,902	-3,772	-3 %
<b>MYNEWSDESK</b>			
<b>CONSOLIDATED MYNEWSDESK (MNOK)</b>	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>Diff 17/16</b>
Total revenue	55,068	46,355	19 %
Operating expenses	53,364	52,353	2 %
Operating profit/loss(-) *	1,704	-5,998	N/A
Net financial items	0,236	-0,197	N/A
Profit/loss(-) before tax	1,940	-6,195	N/A
* Not including depreciation of group goodwill			
<b>NAUTISK FORLAG</b>			
<b>NAUTICAL CHARTS (MNOK)</b>	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>Diff 17/16</b>
Total revenue	36,426	39,347	-7 %
Operating expenses	36,359	38,870	-6 %
Operating profit/loss(-) *	0,067	0,477	-86 %
Net financial items	0,756	-2,548	N/A
Profit/loss(-) before tax	0,823	-2,070	N/A
<b>GROUP HOLDING</b>			
<b>CONSOLIDATED OTHER (MNOK)</b>	<b>Q1 2017</b>	<b>Q1 2016</b>	<b>Diff 17/16</b>
Total revenue	27,513	23,130	19 %
Operating expenses	33,405	30,321	10 %
Operating profit/loss(-) *	-5,892	-7,191	18 %
Net financial items	-1,367	-1,804	24 %
Profit/loss(-) before tax	-7,259	-8,994	19 %
* Not including depreciation of group goodwill			

## 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>	Licence and distribution model for software under which the software is sold on a subscription basis and is used from a centralised server