

CAPITAL MARKETS DAY

OSLO 2010

Media Norge

Consolidation, profitability and digital growth

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SCHIBSTED



Agenda

Media Norge's position, results and recovery

Current thinking, recent operational achievements and profitability

The online challenge, part 2: Monetizing the subscriber base further

Conclusion

Appendix

Taking advantage of leading media positions in Norway's booming metropolitan areas

KEY FACTS

Where: HQ in Bergen, Norway

What: Top Media Houses and leading in online classifieds.

How much:
 Circulation: 472.654 (2009)
 Print readers: 1.3M (2010)
 Online users(/week): 1.8M (news), 2,3M (classifieds)

Who: 2.298 employees (dec.2009)



MEDIA HOUSES AND FINN



- No. 1 online classifieds player in Norway
- No. 1 in general merch., jobs, automotive and real estate



- Norway's largest newspaper by circulation and revenues
- Two daily paper issues (morning and evening)



- No. 1 media house in Bergen, Norway's second largest city

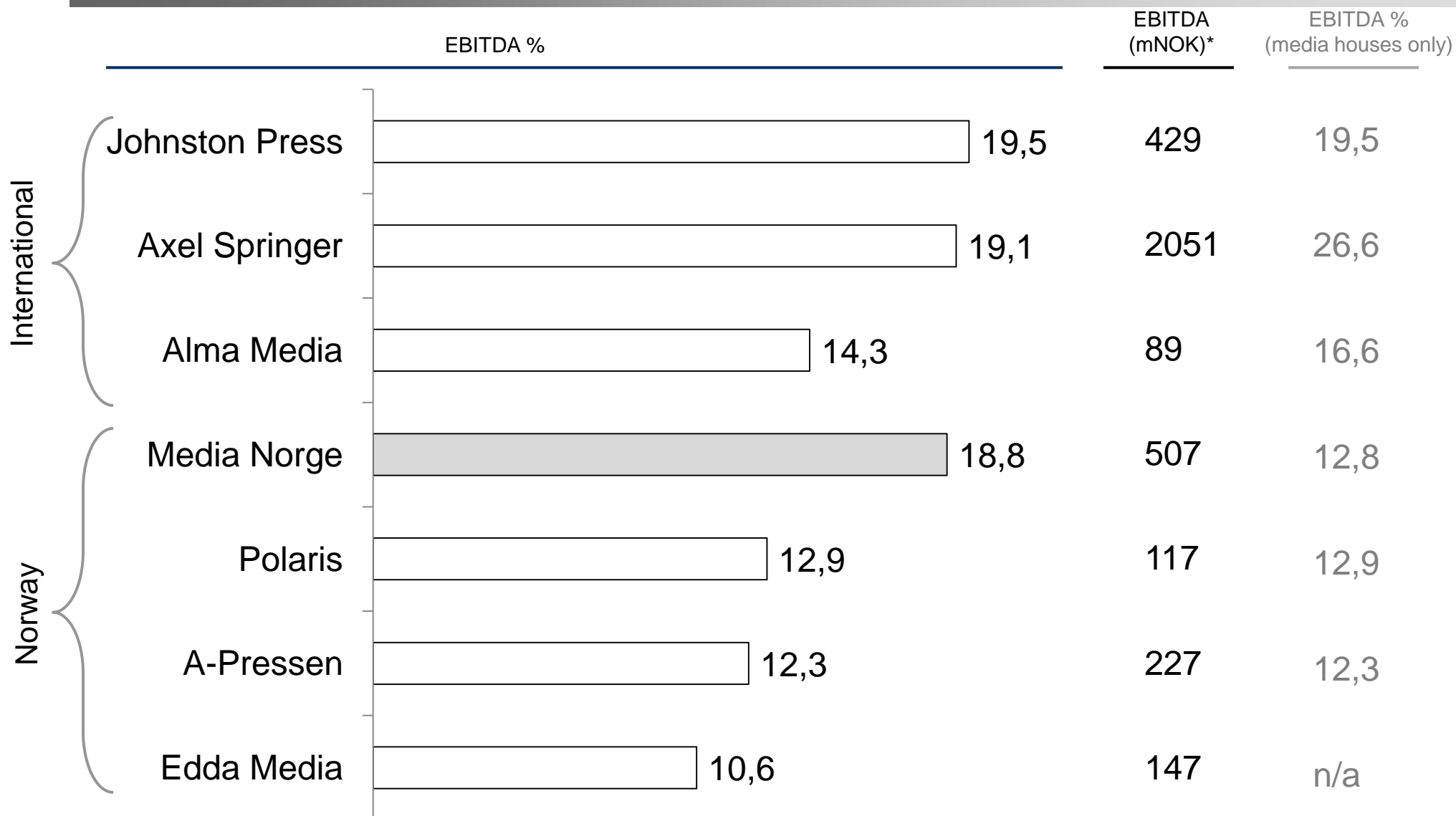


- No. 1 media house in the Stavanger/Sandnes region



- No. 1 media house in Southern Norway

We utilize those positions to deliver profitability



All figures are for first half 2010

Sources: Financial reports. Notes: Axel Springer media houses is the "National Newspapers" segment in their reporting, A-pressen is without TV2, Alma Media media houses is the newspaper business without the Kaupalehti segment, Edda Media is Mecom Norway all inclusive as reported by Mecom.

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And we have a strong underlying cash generating ability

CAPEX/DEPRECIATION LAST FOUR QUARTERS:

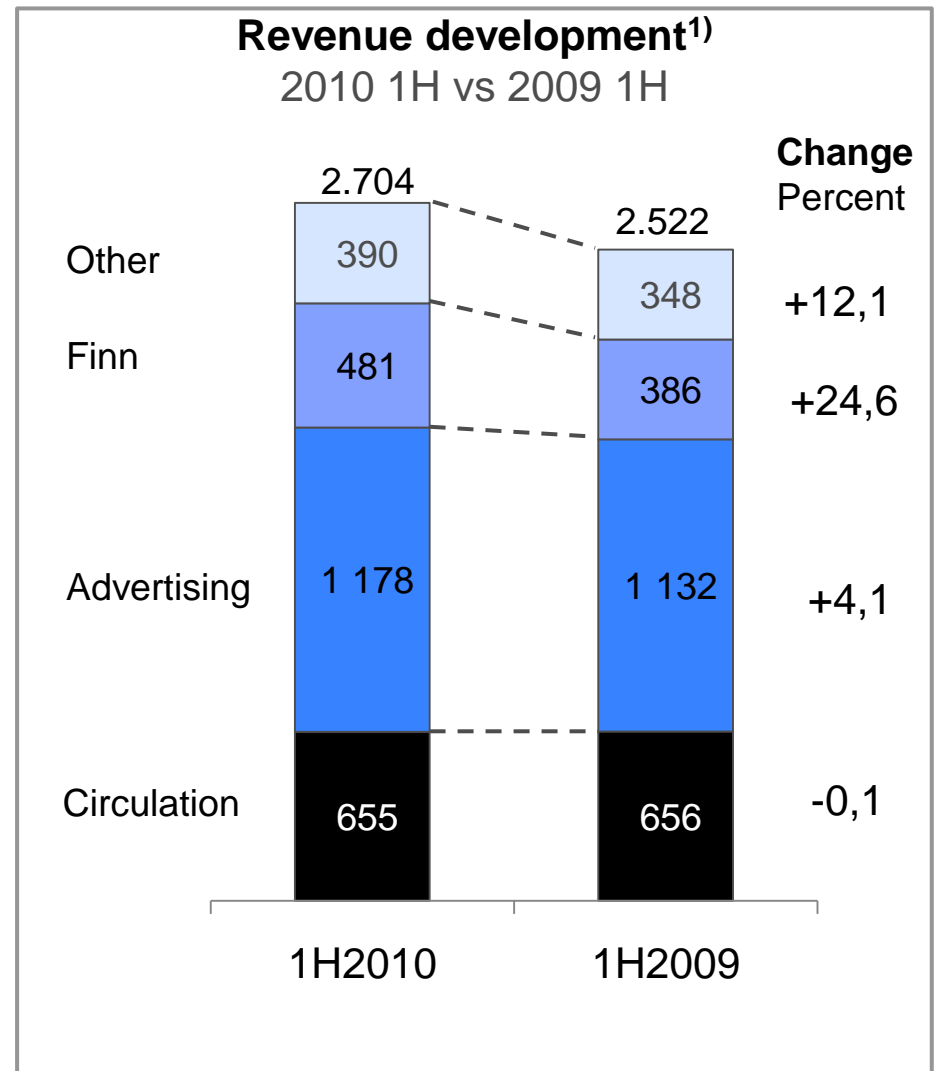
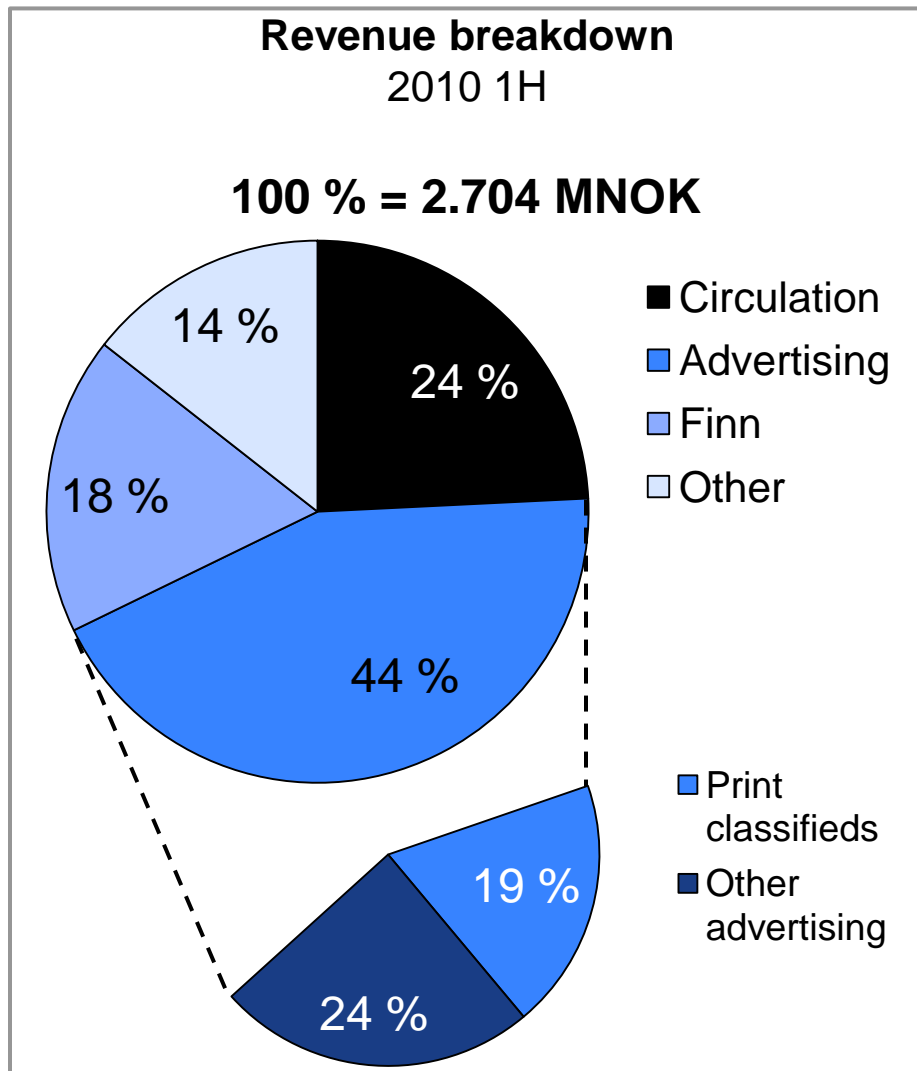
~50%

UNDERLYING CASH FLOW LAST QUARTER

~300MNOK

All figures are FOR LAST QUARTER OR LAST FOUR QUARTERS

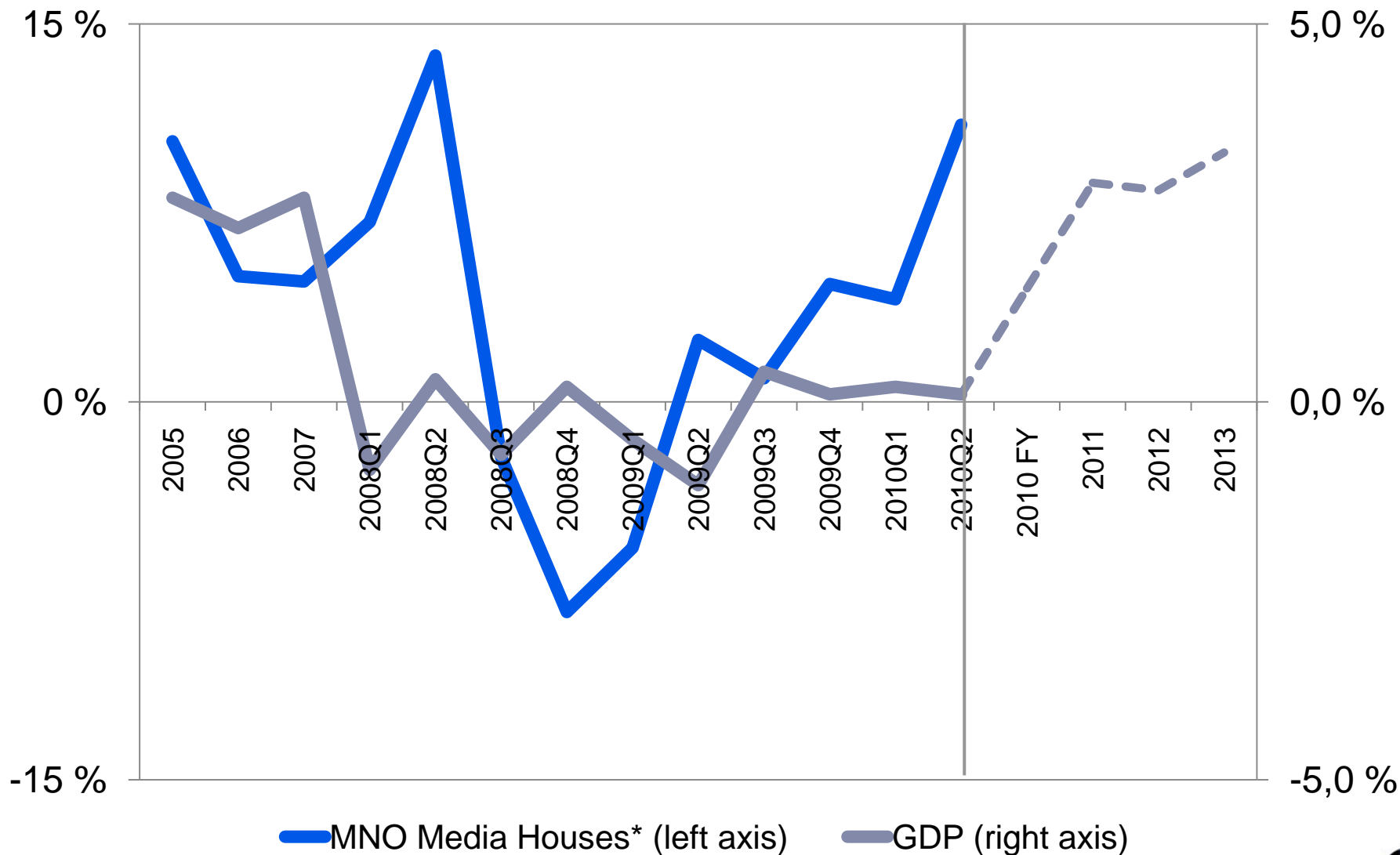
Revenue breakdown and development



All figures are for first half 2010 and 2009

Margins vary with business cycles, changes effectuated in 2008-10 aim to stabilize our margins at higher levels

MNO MARGINS VS GDP CHANGE



* MNO Media Houses without Finn.no. Pro Forma prior to finalization of merger in Q2 2009.

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Media Norge has a track record of rapid and adequate response to risk factors in the media market

ADVERTISING STARTS ONLINE SHIFT 1995-present

- Lowered barriers to entry, challenging print classifieds revenues
- Lower prices

2000



- We created Finn.no

INCREASED DOWNWARD STRUCTURAL PRESSURE 2008-present

- Acceleration of offline/online structural shifts
- Increased international competition












2009

M:NO
MEDIA NORGE

- We merged to stay ahead

We are pulling all levers at once to transform MNO to a top performing media organization

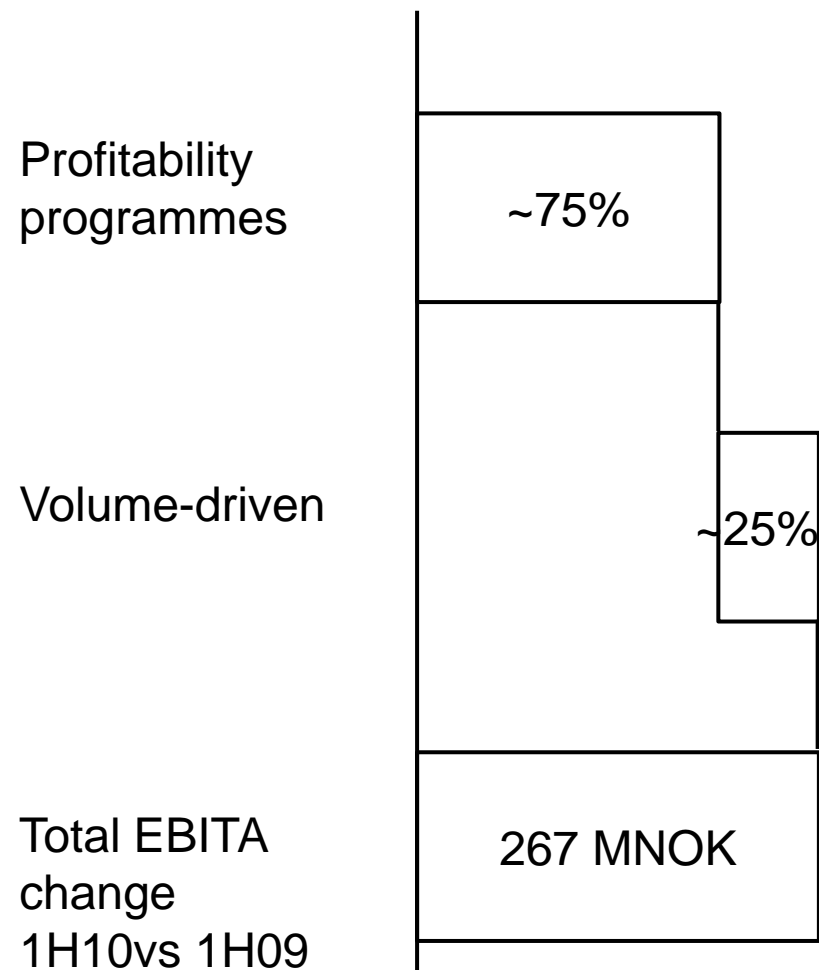
OPERATIONAL STATUS

MEDIA HOUSES	ONLINE CLASSIFIEDS (Finn.no)	SUPPORT	PRINTING
Emphasize operational excellence	Expand online classifieds dominance	Centralize operations and lower cost	Develop national printing champion
 Operational editorial excellence	 Expand mature concepts	 Centralized IT	 Establish no.1 player in printing
 Increase sales activity	 Build new Finn-markets	 Centralized Accounting, payroll & invoicing	
 Circulation best practice sharing		 Centralized customer services	
 Online News Profitability		 Cooperation on ad sales and production	

High sustainability of profit gains, as most are structural – all media houses on track

STRUCTURE OF PROFITABILITY IMPROVEMENTS 1H2010

STATUS PROFITABILITY PROGRAMME (EBITA change)



AHEAD

1H2010: 202

1H2009: 122

Change: 80 MNOK



AHEAD

1H2010: 106

1H2009: 26

Change: 80 MNOK



AHEAD

1H2010: 60

1H2009: -5

Change: 65 MNOK



AHEAD

1H2010: 19

1H2009: -34

Change: 53 MNOK



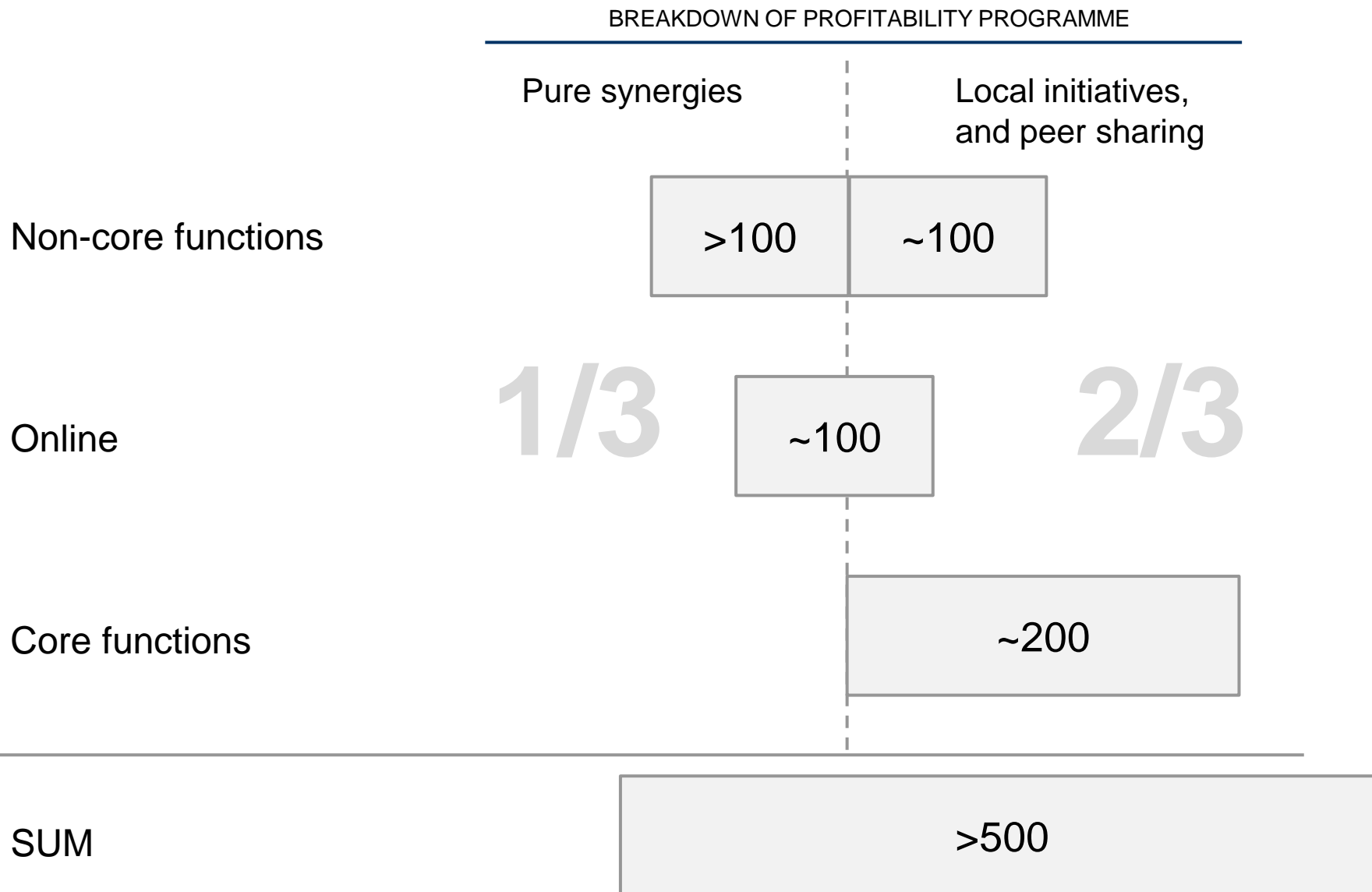
AHEAD

1H2010: 20

1H2009: -3

Change: 23 MNOK

The structure of profitability improvements of >500 MNOK: ~1/3 in locked-in synergies and ~2/3 in decentralized processes



Now: Four operational focus areas will help us deliver improved profitability, and quality to readers, users and advertisers

FOCUS AREAS FOR CHANGE

EDITORIAL

- Planned journalism
- Template-based layout
- Daytime production
- Increased cooperation

CIRCULATION

- Increased retention
- Improved new sales
- Better pricing methodology
- Best practice sharing

SALES

- More activity
- Smarter pricing
- Higher sales competence
- Improved customer insight

SUPPORT

- Lock-in of profitability measures

EFFECTS

USER CENTRED,
QUALITY JOURNALISM THAT ...

MAINTAINS CIRCULATION AND
IMPROVES MONETIZATION OF
USERS ON- AND OFF LINE

... AND A POSITIVE OUTLOOK ON
AD MARKETS

... WHILE LIBERATING
RESOURCES FOR WHAT WE ARE
GOOD AT.

THAT'S CREATING VALUE.

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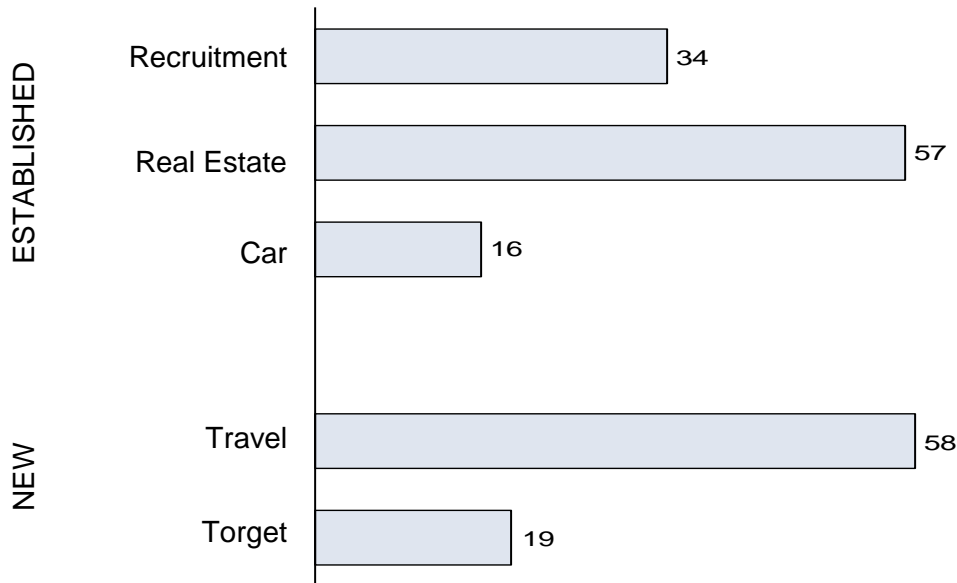
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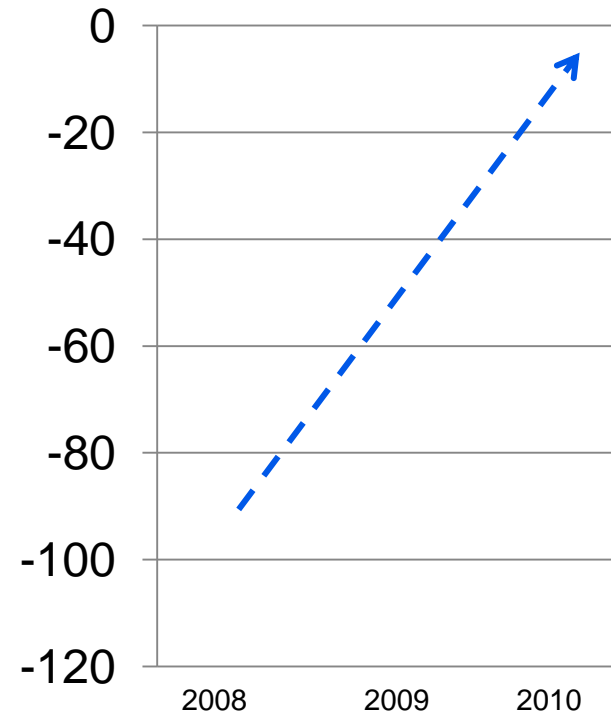
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Status online activities

ONLINE CLASSIFIEDS – GROWTH BY MARKET*



ONLINE NEWS PROFITABILITY (approx)



- Q2 EBITA MARGIN 47% (41%)
- OPERATING REVENUES NOK 258 MILLION, AN UNDERLYING GROWTH OF 32% YoY
- BEST QUARTER ON RECORD

- BIG LOSSES IN 2008 AND 2009
- TURN TO PROFIT NOW
- CENTRALIZED TEAM PROVIDES FOCUS AND POWER IN PRODUCT DEVELOPMENT

The climate for selling content to readers online is improving – Media Norge plans experimentation, launches and enhanced monetization

MORE DISTRIBUTION PLATFORMS



NEW MEANS TO MONETIZE



We plan to make use of our unique, paying relationship with 472.000 Norwegian subscribers to start a gradual monetization of unique content, while keeping generic, traffic volume driving news free

PAYING SUBSCRIBERS – OFFLINE PLATFORM

PRICING PRODUCTS ON MULTIPLE PLATFORMS

472.000

GETTING PAID FOR MORE OF OUR UNIQUE OFFERING

Print (morning)



Print (evening)



Archive



Phone



Tablet



Web



No.1 IN NORWAY
IN TERMS OF
SUBSCRIBERS

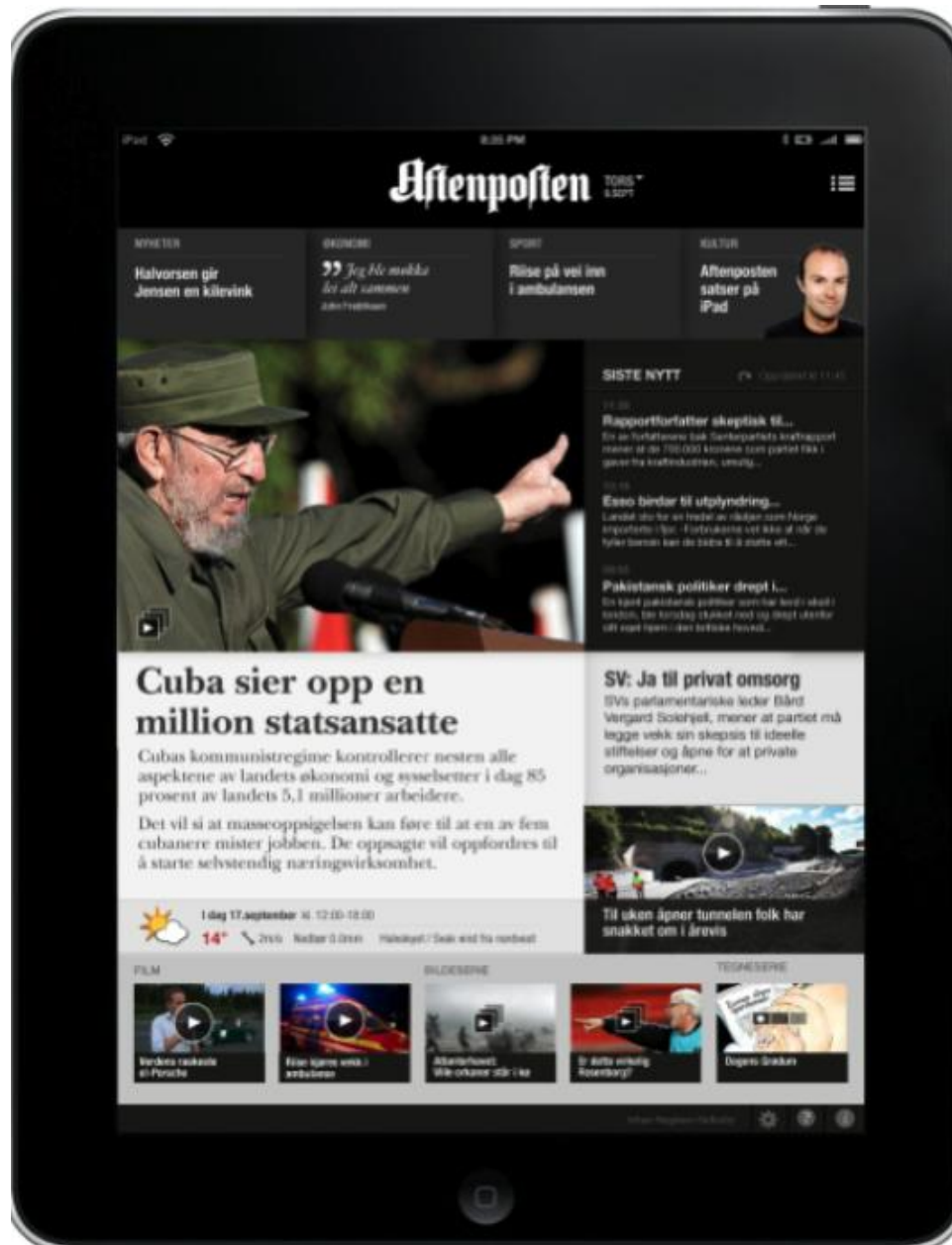
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Expect multiple pricing and packaging schemes across multiple products – and a focus on creating and presenting content that the readers value



Prototype / concept dummy.

Final version may/will be different from what is shown.

Conclusion

Point of departure:

Built on solid editorial traditions, and with just as solid financials.

Profitability programs of 2008-2010 delivered:

Track record of rapid response to structural risk

Management committed to improving MNO integration

New initiatives focus on capturing value from three core processes to extend gains.

Finn.no expanding success formula in mature and new markets,
setting some new record almost weekly.

Online news sites improve profitability and start content monetization – look out for launches.



**Shaping the media of tomorrow.
Today.**



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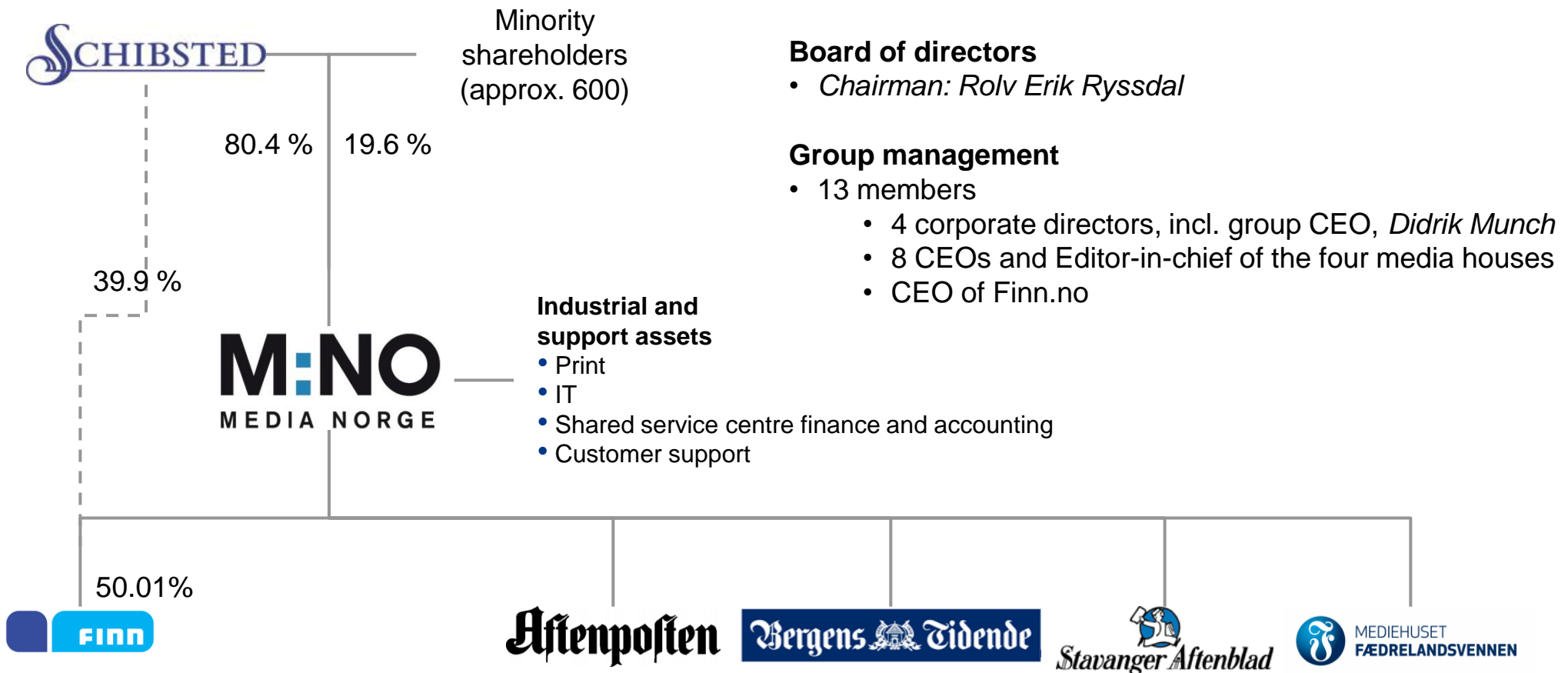
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Group structure and management



Q2 2010 as reported by MNO 13. Aug 2010

Media Norge ASA – corporate (million NOK)	2. quarter		1. half	
	2010	2009*)	2010	2009*)
Revenue	1 401	1 291	2 704	2 526
EBITDA	310	156	507	200
EBITA	243	108	372	105
EBITA%	17,3 %	8,4 %	13,7 %	4,2 %

Business units performance reported for second quarter

Aftenposten:

- Revenues decrease 3 per cent, to NOK 541 mill..
- EBITA NOK 71 mill. (NOK 31 mill.)

Bergens Tidende

- Revenues increase 4 per cent, to NOK 261 mill..
- EBITA NOK 36 mill. (NOK 5 mill.)

Stavanger Aftenblad

- Revenues increase 1 dec, to NOK 165 mill.
- EBITA NOK 18 mill. (loss NOK 15 mill.)

Fædrelandsvennen

- Revenues decrease 1 per cent, to NOK 117 mill.
- EBITA NOK 17 mill. (NOK 7 mill.)

Finn.no

- Revenues increase 32 per cent, to NOK 264 mill..
- EBITA NOK 121 mill. (NOK 75 mill.)

Guiding

Advertising

- Moderate, and still volatile advertising sales growth

Circulation

- Trend from previous quarters expected to continue

Online news sites' profitability

- Expected improved profitability in online new sites

Finn.no

- Positive outlook for online classifieds market and Finn.no's performance to continue

Extended P&L and balance sheet available at www.medianorge.no