

## New CEOs in U.S. and Finland

**MANAGEMENT.** Change in leadership for Bonnier Corporation and MTV.



Eric Zinczenko and Jarkko Nordlund.

TWO OF BONNIER'S largest companies have made changes at the top.

IN THE U.S., Eric Zinczenko was named new CEO of magazine publisher Bonnier Corporation. Zinczenko succeeded Dave Freygang, who retired after 26 years at Bonnier Corporation and its predecessor, World Publications.

Zinczenko was part of Bonnier Corporation's original management team, and led one of the company's largest business units, the Bonnier Men's Group, with top special interest titles *Popular Science*, *Field & Stream* and *Outdoor Life*, among others. Prior to Bonnier, he has held management positions at *Outside*, the *New Yorker*, *Bicycling* and *Scuba Diving* magazines.

IN FINLAND, Jarkko Nordlund has been appointed CEO for MTV, Finland's No. 1 commercial TV network. Most recently, Nordlund has been Managing Director at Universal Music Finland & Baltic.

"With his experience from the Nordic music and pay TV markets, Jarkko Nordlund knows digital transformation," says Casten Almquist, head of Bonnier's business area Broadcasting. "Jarkko's management experiences in reforming business operations will bring a drive to MTV's company culture that will ensure the necessary turnaround in close collaboration with both colleagues, consumers, users and advertisers." Nordlund starts his new job as CEO on January 1, 2016. \*

**T**he previous four months have seen a number of changes with new leadership and a range of acquisitions and investments. I'm pleased to have top talents Eric Zinczenko and Jarkko Nordlund taking over at two of our biggest companies, Bonnier Corporation and MTV. Their experience and savvy are key to driving the digital development within their businesses and contributing to Bonnier becoming a leading digital media house.

THE ACQUISITIONS likewise reflect our digital ambitions. Our investment in Resolution Games, for example, with its focus on virtual reality gaming, gives us a foothold in an exciting arena that's in its early stages.

WHILE THE VAST majority of our investments and acquisitions will have a digital focus in line with our ambition of reaching 50 percent revenue from new sources by 2020, there are and will be rare exceptions. Such as our recent purchase of the Academic Bookstore chain in Finland, which nonetheless is strategic to the development of our significant book business there.

Finally, I'm pleased to welcome two new members to our Board of Directors, Peder Bonnier, founder of Kit.se and Kerstin Mogull, currently Managing Director for the Tate Galleries in London and previously, in leading roles at the BBC. You can read more about them on page 3. \*

*Tomas Franzén*  
CEO, Bonnier AB

## C More & TV2 Seal Deal

NORDIC PAY TV network C More and TV2 in Norway have concluded a structural deal under which C More sells its Norwegian sports operations to TV2 and initiates a long-term cooperation with C More's film and series offering in Norway. \*

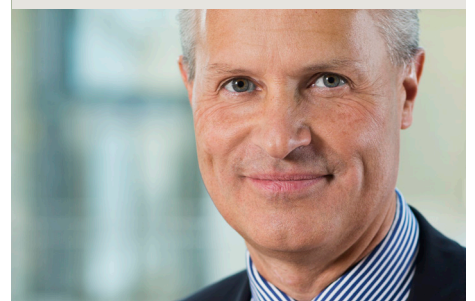


PHOTO: PETER JÖNSSON

## Entering the Virtual Reality Market.

**NEW MARKETS.** Growth Media adds virtual reality, content marketing and podcasting platform companies to its stable of investments.

WITH ITS FOCUS on developing new digital media, Bonnier Growth Media made significant investments in three companies earlier this year: virtual reality game developer Resolution Games, content agency Oh My! and podcasting platform Acast.

### RESOLUTION GAMES

Bonnier Growth Media was among a select group of investors, including Google Ventures, who invested USD 6 million in Resolution Games, the biggest investment round for a virtual reality game developer ever.

"WE FOCUS ON VR over a long time horizon with a small and agile team that can create and develop a range of new concepts, producing game content for a growing market of VR equipment," says Tommy Palm, co-founder and CEO for Resolution Games. Palm was one of the creative minds behind global mobile game hit Candy Crush Saga.

Says Ulrika Saxon, CEO for Bonnier Growth Media: "Every single person with a smart phone today has what it takes



Resolution Games' Tommy Palm; Bonnier Growth Media's Ulrika Saxon

to start experiencing a revolutionary virtual reality experience, once the headset begins being distributed widely, which will be soon. The Resolution Games team has shown that they have the creativity, knowledge and entrepreneurial spirit needed to create success, and we're happy to be part of the investor group behind this new journey. It's very much in line with our strategy to invest in local tech startups



that are on the cutting edge of digital media development."

### OH MY!

Bonnier Growth Media also has acquired a 20 percent stake in digital content agency Oh My!, which has offices in Stockholm, Piteå, Halmstad and Malmö. The acquisition is part of Bonnier's strategy to grow in content marketing. Bonnier Growth Media's portfolio already in-

cludes content agency Spoon, which today cooperates with Oh My! on tech development and digital production.

Existing investor Universum, as well as founders Niclas Wikström, Christian Albinsson and Mark Tiburzi will remain as shareholders in the company.

"CONTENT MARKETING is a prioritized area within Bonnier and with the acquisition of Oh My!, we will have an even stronger commercial position," says Ulrika Saxon.

### ACAST

In May, Bonnier Growth Media announced it was part of an investment round of USD 5 million for podcasting platform Acast, together with MOOR Capital. Acast is a full-service platform that allows users to discover and share on-demand audio content enhanced with videos, images and links, with bases in Stockholm and London. The funding will be used to expand in Europe and the U.S. \*

PHOTO: ELIN ERIKSSON

## Bookstore Chain Acquired.

**BOOKS.** Finland's Academic Bookstore goes to Bonnier.

BONNIER BOOKS has signed a deal to acquire the operations of Finnish bookstore chain Akateeminen Kirjakauppa (Academic Bookstore) from

Stockmann. The deal includes six bookstores. With the acquisition, Academic Bookstore will be a separate subsidiary of Bonnier Books,

which consists of businesses within publishing, e-commerce, distribution and book clubs.

"WITH OUR BOOK publishers Tammi and WSOY and our successful establishment of Adlibris as the premier Finnish online book retailer, Fin-

land is an important market for us in the long term," says Jacob Dalborg, head of Bonnier Books.

"We want to be a part of developing the Finnish book market. We believe in literature and Academic Bookstore, with its impressive history, is a good fit for us."

The deal was concluded in September following approval by competition authorities. \*



# Fiction Publisher Totally Entwined Group Acquired.

**BOOKS.** The British book publisher now a part of Bonnier Publishing.

COMMERCIAL fiction publishing house Totally Entwined Group has been acquired by U.K.-based Bonnier Publishing.

THE TOTALLY ENTWINED GROUP will join Bonnier Publishing's rapidly expanding fiction division. Bonnier Publishing Fiction will acquire the whole of Totally Entwined Group, including its flagship erotic romance publishing house Totally Bound Publishing, Pride Publishing (GLBTQI fiction), Finch Books (YA literature), Evidence Press (crime/thriller) and Celebri-tease (celebrity authors).



Mark Smith, Bonnier Publishing Fiction CEO.

"This move is the first of several acquisitions we anticipate on the fiction side of our

business," says Mark Smith, Bonnier Publishing Fiction CEO.

"Totally Entwined is a great fit for us: a highly entrepreneurial business, working with high profile authors to produce fantastic titles in several different fiction markets."

The recent Igloo Books acquisition together with Totally Entwined and organic growth put Bonnier Publishing at No. 4 in the British book market. \*



PHOTO: BONNIER PUBLISHING

# Odla.nu to Adlibris.

**GARDENING.** The Nordic online retailer acquires Sweden's biggest gardening site.

THE ADLIBRIS GROUP, one of the Nordic region's leading e-commerce groups, continues to grow with the acquisition of Odla.nu, Sweden's biggest gardening site. The acquisition is part of Adlibris Group's development strategy, via acquisitions and organic growth, to become the Nordic region's most inspiring and affordable e-commerce group with a focus on books, hobbies and lifestyle. Among the group's companies are Adlibris, Discshop and Bamba.

"Broadening our offering to customers is one of the key elements for our growth, and Odla.nu will be a welcome addition to the Adlibris Group,"



Johan Kleberg, CEO of the Adlibris Group.

says Johan Kleberg, CEO. "Gardening is a segment with a strong local flavor where

e-commerce is still underdeveloped, which makes it an exciting area for us. It's also an area that's totally in line with our other segments, since like books and DIY, it's about products where customers share our passion and engagement."

Odla.nu was founded in 1998 and today is Sweden's biggest meeting place and inspiration site for gardening enthusiasts. \*



PHOTO: HENRIK MORTENSSON

# New Board Members

IN JUNE, two new members were appointed to the Board of Directors for Bonnier AB: Peder Bonnier, founder and CEO of media startup KIT and Kerstin Mogull, Managing Director for the Tate Galleries in the U.K.



PEDER BONNIER is the CEO and co-founder of KIT, a digital media startup focused on high-quality journalism. Prior to that, most recently he ran the digital business division at Bonnier Tidskrifter. He has held marketing and digital media roles at Unilever and NBC Universal, among others. He currently serves on the board of Bonnier Corporation in the U.S., Mediafy, Beckmans College of Design and IAB Sweden.



KERSTIN MOGULL has been Managing Director since January 2014 for the Tate Galleries, with headquarters in London. She has had a lengthy international career with a focus on strategy and digital media development in management positions, principally at the BBC, but also as director of strategy at the global outdoor advertising group Clear Channel.

PHOTOS: TOP: PETER JÖNSSON; BOTTOM: OLIVIA HEMINGWAY/TATE PHOTOGRAPHY



# 8-month Report

EBITA amounted to SEK -46 million, which was SEK 366 million lower compared to the previous year. Adjusted for C More, profits were SEK 253 million lower than the previous year. The business area that had it the toughest financially compared to the previous year was Magazines. Furthermore, we continue to have many projects underway within the group, which contribute to keeping profit levels lower. We saw no growth; rather organic income decreased by 3.4 percent.

PROFITS before taxes were SEK -26 million, which was SEK 30 million lower than the previous year.

NET DEBT amounted to SEK 7.2 billion, which was SEK 1.4 billion more than at the end of August 2014. Shareholder equity was SEK 5.9 billion, which was SEK -360 million lower than the same period last year. The gearing ratio was 1.21 (0.93). Net debt included pension liabilities of SEK 2.1 billion, which were at the same level as end of August 2014.

CASH FLOW before dividends and acquisitions/divestments was SEK -665 million, which was SEK 1.2 billion lower than the previous year. C More accounted for SEK -347 million, lower cash flow from other businesses for SEK -318 million. During the previous year, a substantial project was undertaken which aimed at reducing funds tied up in working capital. The project had significant positive effects during the previous year, which we haven't seen anything comparable to this year.

AVAILABLE LIQUIDITY amounted to SEK 5.6 billion, which was SEK 1.2 billion lower than end of December 2014.

EARNINGS	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2015	2014	AUG 15	AUG 14	2014	2013
SEK M						
Net Sales	15 887	14 280	25 310	23 526	23 702	24 354
EBITA	-46	320	737	1 223	1 103	1 172
Operating Profit	-65	208	619	1 106	892	2 888
Net Financial Items	39	-204	-122	-319	-365	-297
Profit/loss after financial items	-26	4	497	787	527	2 591
Profit/loss for the year	-23	-44	331	384	310	2 204

NET SALES BY SEGMENT	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2015	2014	AUG 15	AUG 14	2014	2013
SEK M						
Books	3 902	3 558	6 815	6 207	6 472	6 254
Broadcasting	4 920	3 938	7 430	6 427	6 448	6 388
Growth Media	1 265	1 165	2 062	1 980	1 962	2 054
Magazines	2 614	2 525	4 033	4 009	3 944	4 342
Business to Business	801	699	1 244	1 137	1 142	1 111
News	3 002	2 953	4 754	4 604	4 705	4 582
Other/elim/divested	-617	-558	-1 028	-838	-971	-377
Bonnier AB total	15 887	14 280	25 310	23 526	23 702	24 354

EBITA BY SEGMENT	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2015	2014	AUG 15	AUG 14	2014	2013
SEK M						
Books	-22	-1	416	352	437	402
Broadcasting	13	159	444	494	589	770
Growth Media	-60	-65	-184	-68	-189	-47
Magazines	106	188	228	337	310	306
Business to Business	88	71	149	120	132	88
News	157	154	336	335	332	240
Divested	0	0	0	-112	0	-202
Other	-328	-186	-652	-235	-508	-385
Bonnier AB total	-46	320	737	1 223	1 103	1 172

EBITA MARGIN BY SEGMENT %	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2015	2014	AUG 15	AUG 14	2014	2013
Books	-0.6 %	0.0 %	6.1 %	5.7 %	6.8 %	6.4 %
Broadcasting	0.3 %	4.0 %	6.0 %	7.7 %	9.1 %	12.1 %
Growth Media	-4.7 %	-5.6 %	-8.9 %	-3.4 %	-9.6 %	-2.3 %
Magazines	4.1 %	7.4 %	5.7 %	8.4 %	7.9 %	7.0 %
Business to Business	11.0 %	10.2 %	12.0 %	10.6 %	11.6 %	7.9 %
News	5.2 %	5.2 %	7.1 %	7.3 %	7.1 %	5.2 %
Other	n/a	n/a	n/a	n/a	n/a	n/a
Bonnier AB total	-0.3 %	2.2 %	2.9 %	5.2 %	4.7 %	4.8 %

NET SALES BY COUNTRY	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2015	2014	AUG 15	AUG 14	2014	2013
SEK M						
Sweden	8 795	8 134	14 105	13 587	13 444	14 123
Finland	1 918	1 979	3 186	3 224	3 246	3 257
Norway	814	656	1 213	1 037	1 054	1 163
Denmark	1 169	902	1 706	1 457	1 438	1 550
USA	1 127	901	1 666	1 406	1 440	1 559
Germany	1 049	998	1 859	1 651	1 807	1 557
Other markets	1 015	710	1 575	1 164	1 273	1 145
Bonnier AB total	15 887	14 280	25 310	23 526	23 702	24 354

CASH FLOW	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2015	2014	AUG 15	AUG 14	2014	2013
SEK M						
Funds generated internally	2 324	1 774	4 117	3 643	3 567	3 776
Change in working capital	-33	368	168	232	569	246
Net investments in operations	2 291	2 142	4 285	3 875	4 136	4 022
Free cash flow	-2 957	-1 608	-3 877	-2 482	-2 528	-2 475
Net acquisitions/divestments, shareholdings and participations	-666	534	408	1 393	1 608	1 547
Cash flow after acquisitions and divestments	-527	1 307	-893	848	941	928
Group contributions, dividends, etc.	-1 193	1 841	-485	2 241	2 549	2 475
Adj. Other comprehensive income	-608	-336	-608	-326	-336	-71
Translation difference, revaluation derivatives	115	-619	90	-1 244	-644	-300
Change in net debt	-105	-193	-350	-212	-438	-56
Change in net debt	-1 791	693	-1 353	459	1 131	2 048

Operating capital, SEK M	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2015	2014	AUG 15	AUG 14	2014	2013
Tangible & intangible fixed assets, excl. goodwill			3 281	3 298	3 043	3 477
Working capital			975	878	754	868
Other financial assets			525	480	389	1 822
Goodwill			8 336	7 468	7 816	7 387
Operating capital			13 117	12 124	12 002	13 554
Net debt			7 186	5 833	5 395	6 526
Shareholders equity and minority interest			5 931	6 291	6 607	7 028
Financing of operating capital			13 117	12 124	12 002	13 554
Gearing ratio (Net debt/shareholder's equity)			1.21	0.93	0.82	0.93
Cash available			5 627	9 645	6 865	8 189