
Head office - Roeselare

Editorial office - Brussels


Advertising sales office - Zellik

Audiovisual activities
Vlaamse Media Maatschappij - Vilvoorde


RMG in France
Groupe Express-Expansion
Paris

Roularta Media Group

Annual report 2006

RMG continues to develop its multimedia future

FINANCIAL CALENDAR	
General Meeting 2006 Payment of dividend coupon no. 9	15 May 2007 1 June 2007
Periodic statement first quarter 2007 Half year 2007 results Periodic statement third quarter 2007 Full year 2007 results	10 May 2007 30 August 2007 19 November 2007 17 March 2008
General Meeting 2007	20 May 2008

INVESTOR RELATIONS		
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Roularta Media Group's mission

Roularta Media Group, as a multimedia company, sets out to create value for its readers, viewers, listeners, advertising customers, employees and shareholders.

Roularta Media Group's strategy

Roularta Media Group is resolved to be a dynamic and leading publisher and printer of news and niche magazines, newspapers and freesheets, and a key player in audiovisual media and electronic publishing.
For the wider public RMG produces freesheets, open network TV, radio and the vlan.be internet site.
For special target groups RMG produces quality magazines, a TV news station and content-rich portal sites.
Roularta Media Group is constantly looking for opportunities with new titles, marketing initiatives and new media to strengthen its position in Belgium and abroad.
This approach places Roularta Media Group in an outstanding position to offer advertisers a multi-channel mediamix to strengthen their communication.
The group is striving for a balanced complementarity between freesheets and magazines, between new and traditional media, and between print and radio/TV.
At the same time a policy of vertical integration (content, advertising sales, production) and multimedia approach increases flexibility and reduces exposure to economic cyclicality.
Roularta Media Group is commited to a policy of alliances, and has created joint ventures in various fields with domestic and foreign partners that have built up solid positions in their own market sectors and possess extensive experience in their fields of activity.

Roularta in a new constellation

by Rik De Nolf, CEO

In 2006 Roularta Media Group took over the French media group Groupe Express-Expansion (GEE). This radically changes the scope of its business: Roularta now derives 35% of its sales from France, with the various activities of GEE and with Point de Vue, the Studio Press magazines and the A Nous group.

In interpreting the annual results for 2006 the reader should bear in mind that the financial results of Groupe Express-Expansion, of which Roularta Media Group acquired 100% of the shares on 26 September 2006, are included only from the fourth quarter onwards.

Selected financial highlights for 2006:
- **Sales** rose by 22.4% from EUR 497.7 million to EUR 609.2 million.
- *The earnings comparisons below omit the EUR 2.1 million capital gain in 2005 from the sale of the shareholding in Plopsaland.*
- **EBITDA** rose by 34.4% from EUR 53.9 million to EUR 72.5 million, giving a margin of 11.9% compared with 10.8% in 2005.
- **EBIT** increased by 40.2% from EUR 36.4 million to EUR 51.1 million. The EBIT margin was 8.4% (2005: 7.3%).
- **Net Group profit** increased by 23.4% from EUR 20.1 to 24.8 million, giving a margin of 4.1% compared with 4.0% in 2005.
- **Net current profit** rose by 53.3% from EUR 20.2 million to EUR 31.0 million.
- **Current cash flow** was up 33.3% from EUR 37.6 million to EUR 50.1 million.
- **Earnings per share** rose from EUR 2.29 in 2005 to EUR 2.32 in 2006. This limited increase reflects the extraordinary capital gain of EUR 0.22 per share in 2005 from the sale of the Plopsaland shareholding, and the dilutive effect of the capital increases.

With the borrowings for the acquisition of Groupe Express-Expansion and Point de Vue and EUR 25.4 million of lease debt at Roularta Printing to finance new rotary presses, net financial debt has grown to EUR 221.4 million, giving a gearing ratio of 74.4% of shareholders' equity.

Division Printed Media
Sales by the Printed Media division rose by EUR 97.8 million from EUR 339.4 to 437.2 million (+28.8%). EUR 84.4 million of this increase is due, among other things, to the acquisitions of Point de Vue and Groupe Express-Expansion. On top of this sales of existing products increased by 4.0%.

Revenue from our freesheets rose by 13.2%, due to the new acquisitions of A Nous Paris and 't Fonteintje-De Wegwijzer and further growth of De Streekkrant/De Weekkrant, De Zondag and the Steps City Magazines in Belgium and abroad.

Advertising revenue at the Krant van West-Vlaanderen rose by 12%.

Magazine advertising income grew significantly by 39.1%, of which 38.9% from the acquisitions of Groupe Express-Expansion and Point de Vue, and 0.2% from growth of existing titles.

The readers' market advanced by 48.8%, 46.1% from acquisitions (Groupe Express-Expansion and Point de Vue) and 2.7% from growth of existing titles.

Operating profit (EBIT) rose by 27.0% from EUR 30.4 to 38.6 million, with an EBIT margin of 8.8% compared with 9.0% in 2005.

EBIT was impacted by EUR 4.1 million of restructuring costs at Groupe Express-Expansion, an impairment loss of EUR 2.3 million on titles, and goodwill amortization in respect of Point de Vue in an amount of EUR 1.2 million.

EBITDA grew by 27.3% from EUR 41.7 to 53.0 million. Net profit of the Group was EUR 17.4 million against EUR 17.1 million in 2005 (+ 2.1%).

Negatively impacting the net profit of Printed Media were a number of factors. On the one hand there are the higher financing costs attendant on the acquisitions of Point de Vue and Groupe Express-Expansion, partly offset by one-off financial income from a swap contract concluded prior to the US Private Placement in April 2006. On the other hand there is an over-proportional tax burden, due to tax losses that are not recoverable in the short-term, an extraordinary reversal of deferred tax assets (= additional cost) and the impairment loss on titles, on which no deferred tax assets are recorded.

Division Audiovisual Media
Sales in the Audiovisual Media division rose from EUR 165.6 to 179.3 million (8.3%). Most of this increase came from Paratel and Vlaamse Media Maatschappij.

Vlaamse Media Maatschappij saw TV advertising income start to rise again in the fourth quarter (+ 9.2% in the Q4). On an annual basis, TV advertising income was down 2.4% on 2005. Radio Q-Music progressed significantly right through the year. The regional TV channels and Kanaal Z/Canal Z also continued to grow.

Leaving aside the EUR 2.1 million capital gain on the sale of Plopsaland in Q1 2005, EBIT rose from EUR 6.0 to 12.4 million (+ 106.8%). This includes EUR 1.8 million of restructuring costs at VMMa. EBITDA rose from EUR 12.3 to 19.4 million (+ 58.6%).

Net current profit rose from EUR 3.0 to 8.5 million (+183.1%). Current cash flow rose by 67.7% from EUR 9.3 to 15.5 million.

Dividend
The board of directors will be proposing to the general meeting of 15 May 2007 that it declares a dividend of EUR 0.75 per share.

A new milestone for Roularta Media Group

by Baron Hugo Vandamme, chairman of the board of directors

Roularta Media Group's mission as a multimedia company is to create value for its readers, viewers, listeners, advertising customers, employees and shareholders. In 2006 we again succeeded in creating added value for all stakeholders, and as Chairman I would like to thank everyone who has contributed in any way to this for their efforts and congratulate them on the results.

2006 was a new milestone in the history of Roularta Media Group. The multimedia company with its roots in West Flanders is now an international company. The extension into other markets – and in particular France – has been under way for a number of years already. And now with the complete takeover of the French Groupe Express-Expansion, the group has turned decisively international. Today Roularta Media Group generates a third of its sales in France. This internationalization will continue in the coming years.

France will doubtless play a key role in the further growth of Roularta Media Group. With Groupe Express-Expansion and Studio Press we are now active in many and wide-ranging fields. With L'Express we are one of France's leading news magazine publishers. With L'Entreprise, L'Expansion and Mieux Vivre Votre Argent we are at home in the entrepreneurial and financial worlds. L'Etudiant places the entire French student body within our reach, also as potential new readers for our other publications. With Lire, Classica, Studio Pianiste, etc. we are reaching book, film and music lovers. Lifestyle magazines Côté Ouest, Côte Sud and others reach not just French readers but are finding their way more and more into different countries. All this gives us a broad base from which to grow both in depth and breadth. And such diversity within our group can only encourage cross-pollination and the pooling of creative ideas.

International expansion is possible only if backed by excellent production apparatus, from order processing and prepress to printing and distribution. Roularta Media Group sees the integration of magazine and newspaper publishing and printing as one of its strengths. The resulting flexibility, cost management and quality control give our group a sharp competitive edge. We therefore began construction in 2006 on a new printing works on the existing site in Roeselare. The print works, warehouses and offices, are being extended by almost 26,000 m^2. New newsprint presses with almost unlimited colour possibilities will be installed by the end of the year, followed in 2008 by the first new web-offset presses which will gradually take over printing of the French titles.

As a multimedia company Roularta Media Group will be intensifying its efforts on the internet. The Knack website is being extended as our Group's news and portal site. Information from all our newspapers and magazines will be available on Knack.be, single-click links to all other Group sites. Thanks to an integrated media approach of the Knack, Weekend Knack, Trends, Kanaal Z and other editing teams our website is set to become the reference site in Flanders. And of course we shall be developing similar initiatives with our French magazines and freesheets.

Multimedia: from freesheets, newspapers and magazines to websites, radio and TV…
International: from our Belgian home market to France, the Netherlands, Germany, Great Britain, Norway, Sweden and Slovenia…
These are the two pillars of our publishing house's strategic plan on which we shall be continuing to build in the coming years. With all our employees in the different countries we shall be working at meeting these challenges to make sure that 2007 not only provides attractive results, but also lays the foundations for successful and profitable growth in the years to come.

2007 is turning into a year of consolidation

In 2007 Roularta is building a new printing works at Roeselare, where it will be installing the new newsprint presses, which will permit magazine quality colour printing (heatset) on all pages (up to 128 page tabloid). This will represent in late 2007 a major advance for the freesheet division, which is currently struggling with a shortage of colour possibilities. The first new web-offset presses (72 and 16 pages) are also being installed, that from 2008 onwards can gradually take over the printing of the French titles.

Costs at Groupe Express-Expansion have begun to fall in 2007 with reorganizing and restructuring. Other synergies are being developed in the fields of prepress, photogravure, organization, etc.

At the start of 2007, the magazine advertising market is not particularly good. In France too the market is in a wait-and-see mood with the impending presidential elections.

The readers' market on the other hand, is progressing favourably, in terms of both subscription and newsstand sales. The L'Express weekly magazine in France is scoring particularly well here, with newsstand sales up 28% since spring 2006. The new team is providing a new impetus and taking advantage of the election atmosphere.

Radio and TV also got off to a pretty good start. Q-Music continues to grow, and Vlaamse Media Maatschappij is making the necessary cost adjustments.

Roularta continues to work hard on its internet activities, with a clear choice to expand its newssites, where all group editing teams have a role to play. For its classified ads sites in Belgium, Roularta has opted to cooperate with the French-language media group Rossel, which publishes, among others, the Vlan group of weekly freesheets.

Roularta Media Group

Technological innovator

As a multimedia group, Roularta Media Group is active in a number of high-tech sectors. Within its sectors, Roularta Media Group is always searching for new opportunities, giving it the reputation of being an important technological innovator. Roularta Media Group attaches a great deal of importance to Research and Development. These efforts naturally help the Group's internal working procedures, but they also quite often act as the motive force for far-reaching market developments.

In the area of print media, for example, Roularta Media Group did the spadework for a number of Belgian and international standards for describing digital media print preparation methodology and for the electronic exchange of accompanying order information. Standards of this type are fundamentally important in the prepress environment, since technological progress has made it possible to replace traditional analogue plate production via film with fully digital workflows. Extensive standardisation is essential for good quality control with digital workflows of this type. Roularta Media Group's role as a trailblazer in this area is shown by the following and other achievements:

As a founding member of Medibel+, the organisation that combines the Belgian advertising sector (www.medibelplus.be), Roularta Media Group ensured the **breakthrough of the PDF file format in the world of Belgian advertising** as a standard for the delivery of digital advertisements to magazines and newspapers. PDF is desirable in the graphics production workflow because the producer is independent and it has important technical advantages over other file formats. The first PDF standards of Medibel+, describing the specifications that must be met by PDF files to ensure trouble-free prepress processing were launched in February 2001. They were based on the results of a research project by Roularta Media Group, which had already been testing various software packages for the quality control of PDF files in an internal working group since 2000 and had determined recommended procedures for the creation, control and possible adjustment of delivered PDF files. By providing intensive personal support for its advertisers, Roularta Media Group has also made a significant contribution to raising awareness of PDF among a wider public. The PDF standards of Medibel+ are regularly updated.

In the prepress department of Roularta Media Group, 99% of all magazine and newspaper advertisements are now delivered in PDF format. Disciplined compliance with Medibel+ standards by advertisers has produced a high level of uniformity and **98% of the PDF files delivered are processed automatically without any editing** in the prepress stage. Roularta Media Group continues to act as a trailblazer within Medibel+: Erwin Danis (RMG Vice-President Premedia) is currently the Chairman of Medibel+.

Encouraged by Roularta Media Group, Medibel+ was present at the birth of **Ghent PDF Workgroup** (GWG, www.gwg.org) in 2002. This has now become an international organisation of graphics sector associations and suppliers from Europe and the United States that, just like Medibel+, has set itself the aim of stimulating digital co-operation in the PDF production workflow by preparing and disseminating practical specifications and working methods. GWG's work has included the development of international PDF standards for various printing processes. These standards are based on ISO standard PDF/X-1a, but set stricter quality requirements. They are therefore referred to as PDF/X Plus standards, which actually correspond to the Medibel+ PDF standards. Roularta Media Group also continues to accept its responsibilities within the international GWG group, where it plays a managerial role via Erwin Danis (General Chairman) and Peter Maes (Chairman Specifications Subcommittee).

Roularta Media Group is currently making a very timely contribution to the **development of the AdTicket method for digitising the order workflow** between media centres, creative agencies that produce advertisements and publishers/printers. AdTickets make it possible to include information about a specific advertisement delivered in PDF format as metadata in the PDF file. This means that additional information does not need to be sent separately by fax and the client can be certain that the information remains inextricably linked to the PDF contents in the production workflow. Roularta Media Group and Medibel+ launched the first AdTicket in April 2005. Over 100 advertising agencies are already making use of it in Belgium. Roularta Media Group has an electronic form on its website that can be used to directly add the desired metadata during the uploading of PDF advertisements.
GWG, too, has introduced an AdTicket since 1 July 2006. It adopted the existing Medibel+ AdTicket, which is also fully interchangeable with the AdsML-standard, which is mainly popular in other countries. The globalisation of Medibel+ AdTicket is very useful, since the Belgian advertising agencies working with it can now deliver to foreign publishers using the same standard. This project is yet further evidence of Roularta Media Group's technical innovativeness, and the working methods developed by the Group are also being adopted outside Belgium.

On 1 July 2006, Roularta Media Group and Medibel+ launched **the first Belgian standard for delivering digital photographic material**. The purpose of this standard is to ensure that digitally supplied images for publication in magazines or newspapers are of a good basic standard quality. This is the first standard to provide clear instructions to digital photographers and it means that they do not have to manipulate images themselves in order to achieve the best possible print results. Standards have been established for 'News photography' and 'Shootings'.

Roularta Media Group is strongly committed to various research and standardisation projects to **optimise the rotation offset process**. Together with foreign partners in the Color Management Subcommittee of GWG, Roularta Media Group is working on the development of ISO-standardised ICC colour profiles for rotation offset printing and other projects. In Belgium, Roularta Media Group worked with Medibel+ to develop the NOdoG press profile, which is now used by all Belgian newspapers and guarantees advertisers a uniform quality of colour for their printed advertisements, regardless of the publishing title.

MEMBERS OF THE GHENT PDF WORKGROUP:

Associations of the graphic industry:
Cebuco (Netherlands); CITAGM (Spain); DDPFF (Denmark); ERA (Germany); Febelgra (Belgium); FESPA (United Kingdom); FICG (France); FTA (US); IDP Group (Netherlands); IPA (US); Medibel+ (Belgium); Nederlands Uitgeversverbond (Netherlands); PDFX-ready (Switzerland); PPA (United Kingdom); SICOGIF (France); TAGA Italia (Italy); VFG (Austria); VIGC (Belgium); VISKOM (Norway); VSD (Switzerland).

Vendor Members:
Adobe, Adstream, Agfa, Apago, Artwork Systems, Callas, Dalim Software, Enfocus, Esko, Global Graphics, Gradual Software, Heidelberg, OneVision, pub-specs, Quark, Screen Europe.

Consolidated key figures

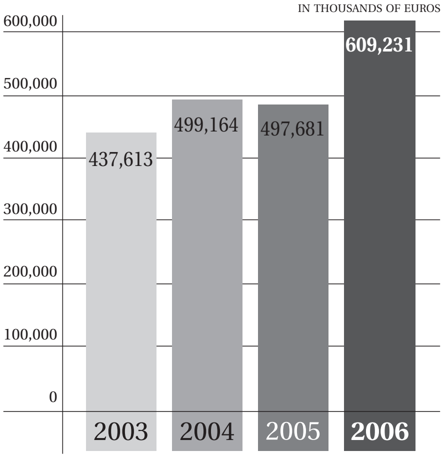
INCOME STATEMENT	2003	2004	2005	2006	Evolution
Sales (1)	**437,613**	**499,164**	**497,681**	**609,231**	**+ 22.4%**
Operating profit (EBIT)	**43,634**	**46,344**	**38,553**	**51,089**	**+ 32.5%**
Net finance costs	-2,335	-1,589	-1,342	-1,993	+ 48.5%
Operating profit after net finance costs	**41,299**	**44,755**	**37,211**	**49,096**	**+ 31.9%**
Income taxes	-15,436	-16,835	-14,882	-23,645	+ 58.9%
Net profit of the consolidated companies	**25,863**	**27,920**	**22,329**	**25,451**	**+ 14.0%**
Share in the profit of the companies accounted for using the equity method	260	324	3	-12	
Minority interests	-556	-1,011	-139	-653	+ 369.8%
Net profit of the Group	**25,567**	**27,233**	**22,193**	**24,786**	**+ 11.7%**
Net profit of the Group - margin	**5.8%**	**5.5%**	**4.5%**	**4.1%**	
EBITDA	59,530	64,850	56,034	72,466	+ 29.3%
EBITDA - margin	13.6%	13.0%	11.4%	11.9%	
EBIT	43,634	46,344	38,553	51,089	+ 32.5%
EBIT - margin	10.0%	9.3%	7.8%	8.4%	
Net current profit (2)	**26,970**	**28,690**	**22,331**	**31,007**	**+ 38.9%**
Current cash flow (3)	**42,448**	**46,014**	**39,674**	**50,053**	**+ 26.2%**

BALANCE SHEET	2003	2004	2005	2006	Evolution
Non current assets	198,602	220,728	274,242	659,205	+ 140.4%
Current assets	206,912	218,438	236,810	326,329	+ 37.8%
Balance sheet total	405,514	439,166	511,052	985,534	+ 92.8%
Equity - Group's share	177,266	200,089	215,616	284,839	+ 32.1%
Equity - minority interests	13,675	14,618	13,297	12,863	- 3.3%
Liabilities	214,573	224,459	282,139	687,832	+ 143.8%
Liquidity (4)	1.3	1.3	1.1	0.8	- 27.3%
Solvency (5)	47.1%	48.9%	44.8%	30.2%	- 32.6%
Net financial debt	22,643	12,243	39,985	221,415	+ 453.7%
Gearing (6)	11.9%	5.7%	17.5%	74.4%	+ 325.1%
Return on equity (7)	14.4%	13.6%	10.3%	8.7%	- 15.5%

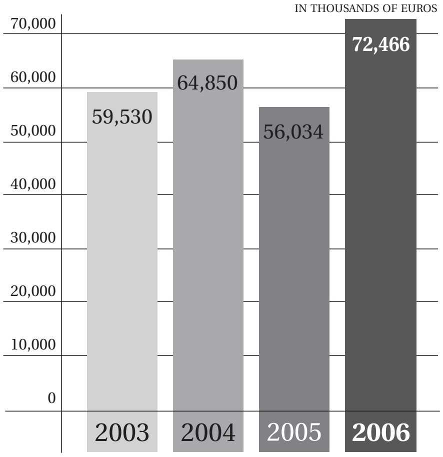
(1) Sales 2005: reclassification to sales of the remuneration for the signal of VMMa: 4,443 KEUR.
(2) Net current profit = net profit of the Group + impairment losses on titles and goodwill + restructuring costs net of taxes.
(3) Current cash flow = net current profit + depreciation on (in)tangible assets, write-downs and provisions.
(4) Liquidity = current assets / current liabilities.
(5) Solvency = equity (Group's share + minority interests) / balance sheet total.
(6) Gearing = net financial debt / equity (Group's share + minority interests).
(7) Return on equity = net profit of the Group / equity (Group's share).

All financial amounts expressed in thousands of euros.

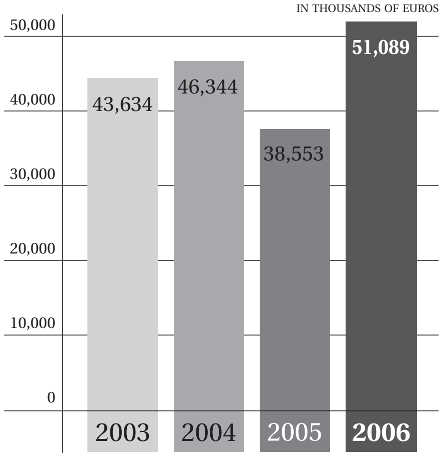
Sales



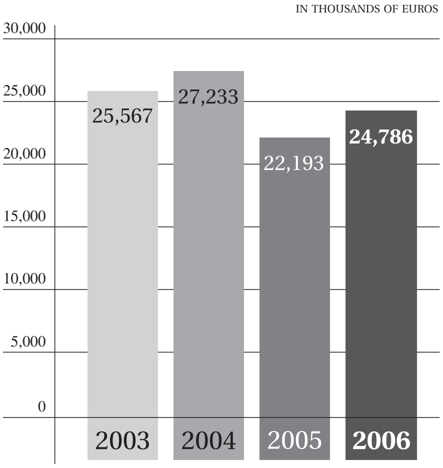
EBITDA



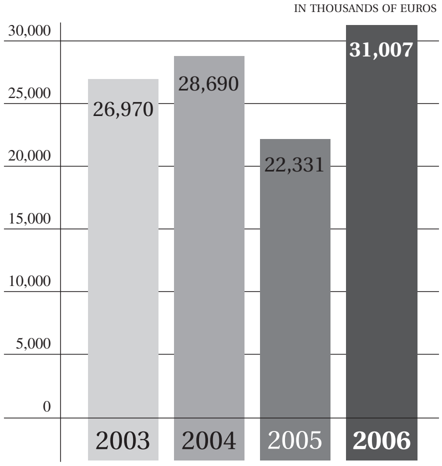
EBIT



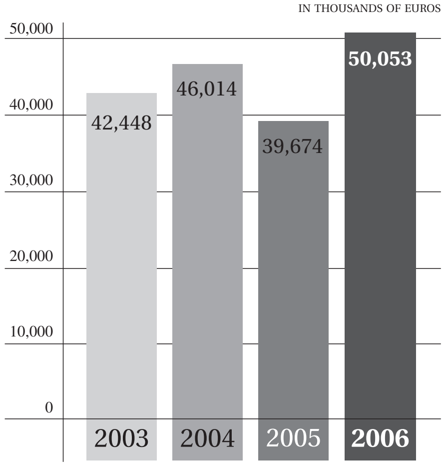
Net profit



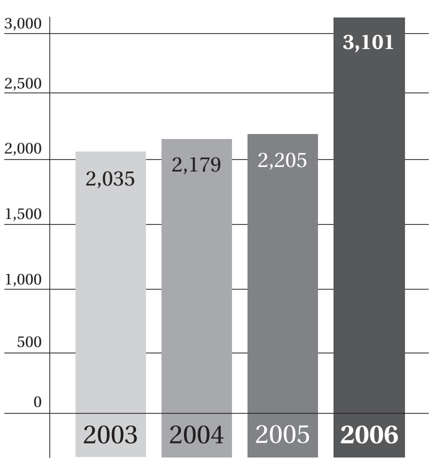
Net current profit



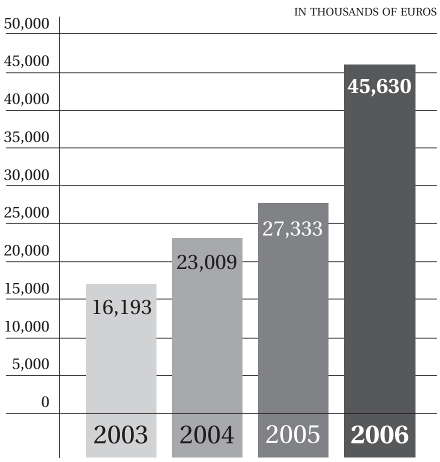
Current cash flow



Personnel at year end



Investments (excl. aquisitions)



Key figures by division

	PRINTED MEDIA					AUDIOVISUAL MEDIA				
	2003	**2004**	**2005**	**2006**	**Evol.**	**2003**	**2004**	**2005**	**2006**	**Evol.**
Sales (1)	**291,204**	**331,656**	**339,391**	**437,218**	**+28.8%**	**153,134**	**174,270**	**165,611**	**179,285**	**+8.3%**
Operating profit (EBIT)	**28,719**	**28,657**	**30,425**	**38,643**	**+27.0%**	**14,915**	**17,687**	**8,128**	**12,446**	**+53.1%**
Net finance costs	-1,286	-1,010	-859	-1,482	+72.5%	-1,049	-579	-483	-511	+5.8%
Operating profit after net finance costs	**27,433**	**27,647**	**29,566**	**37,161**	**+25.7%**	**13,866**	**17,108**	**7,645**	**11,935**	**+56.1%**
Income taxes	-9,317	-10,655	-12,087	-18,836	+55.8%	-6,119	-6,180	-2,795	-4,809	+72.1%
Net profit of the consolidated companies	**18,116**	**16,992**	**17,479**	**18,325**	**+4.8%**	**7,747**	**10,928**	**4,850**	**7,126**	**+46.9%**
Share in the profit of the companies accounted for using the equity method	23	0	8	-12		237	324	-5	0	
Minority interests	-592	-549	-413	-888	+115.0%	36	-462	274	235	+14.2%
Net profit of the Group	**17,547**	**16,443**	**17,074**	**17,425**	**+2.1%**	**8,020**	**10,790**	**5,119**	**7,361**	**+43.8%**
Net profit of the Group - margin	**6.0%**	**5.0%**	**5.0%**	**4.0%**		**5.2%**	**6.2%**	**3.1%**	**4.1%**	
EBITDA	38,708	39,984	41,663	53,027	+27.3%	20,823	24,865	14,371	19,440	+35.3%
EBITDA - margin	13.3%	12.1%	12.3%	12.1%		13.6%	14.3%	8.7%	10.8%	
EBIT	28,719	28,657	30,425	38,643	+27.0%	14,915	17,687	8,128	12,446	+53.1%
EBIT - margin	9.9%	8.6%	9.0%	8.8%		9.7%	10.1%	4.9%	6.9%	
Net current profit	**18,950**	**17,900**	**17,212**	**22,491**	**+30.7%**	**8,020**	**10,790**	**5,119**	**8,516**	**+66.4%**
Current cash flow	**28,521**	**28,045**	**28,312**	**34,544**	**+22.0%**	**13,928**	**17,968**	**11,362**	**15,510**	**+36.5%**

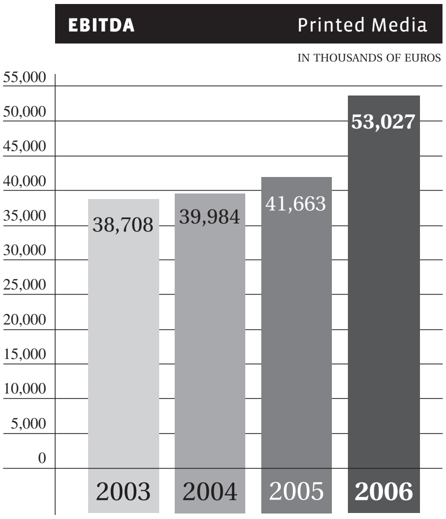
(1) Sales 2005 Audiovisual Media: reclassification to sales of the remuneration for the signal of VMMa: 4,443 KEUR.

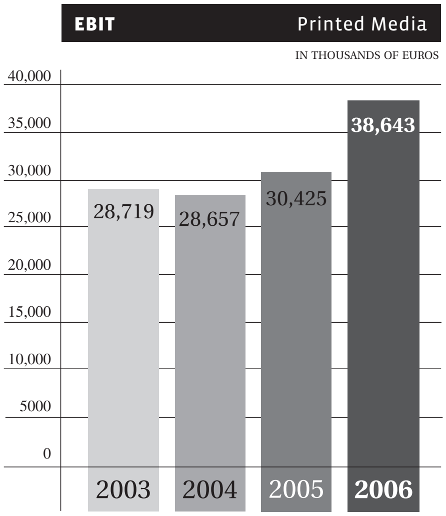
All financial amounts expressed in thousands of euros.

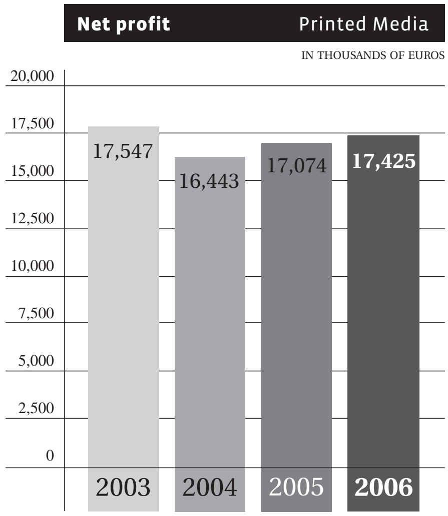
Highlights per share (1)

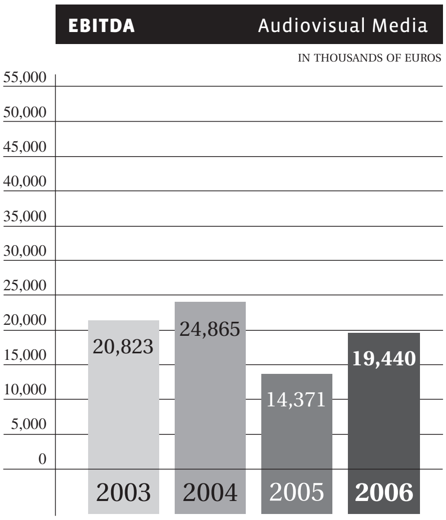
DESCRIPTION in euro	**2003**	**2004**	**2005**	**2006**
Equity - Group's share	18.74	20.76	22.26	26.70
EBITDA	6.29	6.73	5.78	6.79
EBIT	4.61	4.81	3.98	4.79
Net profit of the Group	2.70	2.83	2.29	2.32
Net profit of the Group after dilution	2.66	2.76	2.25	2.30
Net current profit	2.85	2.98	2.31	2.91
Current cash flow	4.49	4.77	4.10	4.69
Gross dividend	0.50	0.75	0.75	0.75
Price/Earnings (P/E) (2)	**12.98**	**17.05**	**22.62**	**20.59**
Price/Cash flow (P/CF) (3)	**8.25**	**10.63**	**12.73**	**12.76**
Number of shares at 31/12	9,884,986	9,928,611	9,956,961	11,005,485
Weighted average number of shares	9,459,960	9,638,716	9,687,603	10,667,825
Weighted average number of shares after dilution	9,623,395	9,873,900	9,881,386	10,797,661
Highest share price	39.00	52.05	61.95	59.90
Share price at year-end	37.00	50.75	52.15	59.85
Market capitalisation in mill. EUR at 31/12	365.74	503.88	519.26	658.68
Yearly volume in million EUR	32.95	82.06	119.59	134.90
Yearly volume in number	1,130,821	1,787,219	2,349,284	2,519,919

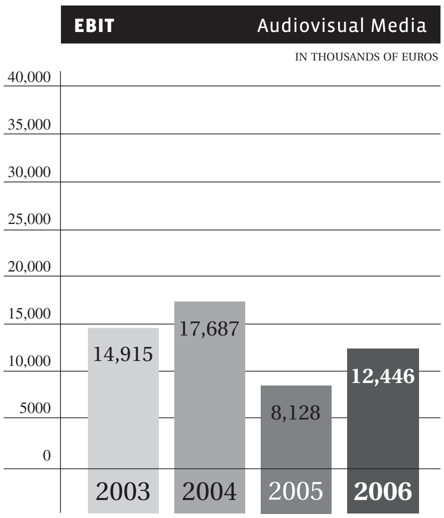
(1) On the basis of the weighted average number of shares.
(2) Earnings = net current profit.
(3) Cash flow = current cash flow.

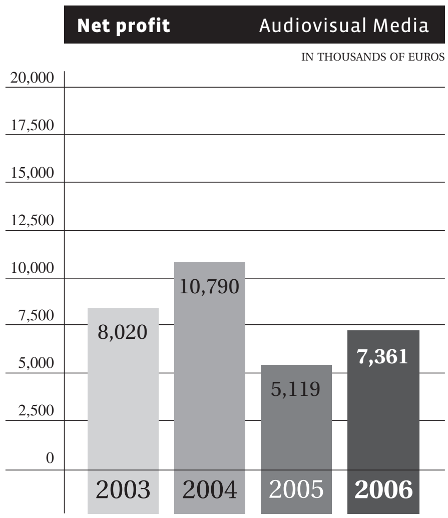

EBITDA
Printed Media
IN THOUSANDS OF EUROS
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
38,708
39,984
41,663
53,027
2003
2004
2005
2006


EBIT
Printed Media
IN THOUSANDS OF EUROS
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5000
0
28,719
28,657
30,425
38,643
2003
2004
2005
2006


Net profit
Printed Media
IN THOUSANDS OF EUROS
20,000
17,500
15,000
12,500
10,000
7,500
5,000
2,500
0
17,547
16,443
17,074
17,425
2003
2004
2005
2006


EBITDA
Audiovisual Media
IN THOUSANDS OF EUROS
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
20,823
24,865
14,371
19,440
2003
2004
2005
2006


EBIT
Audiovisual Media
IN THOUSANDS OF EUROS
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5000
0
14,915
17,687
8,128
12,446
2003
2004
2005
2006


Net profit
Audiovisual Media
IN THOUSANDS OF EUROS
20,000
17,500
15,000
12,500
10,000
7,500
5,000
2,500
0
8,020
10,790
5,119
7,361
2003
2004
2005
2006

Group structure Roularta Media Group at 31 December 2006

NEWSPAPERS

- 100% West-Vlaamse Media Groep

FREESHEETS

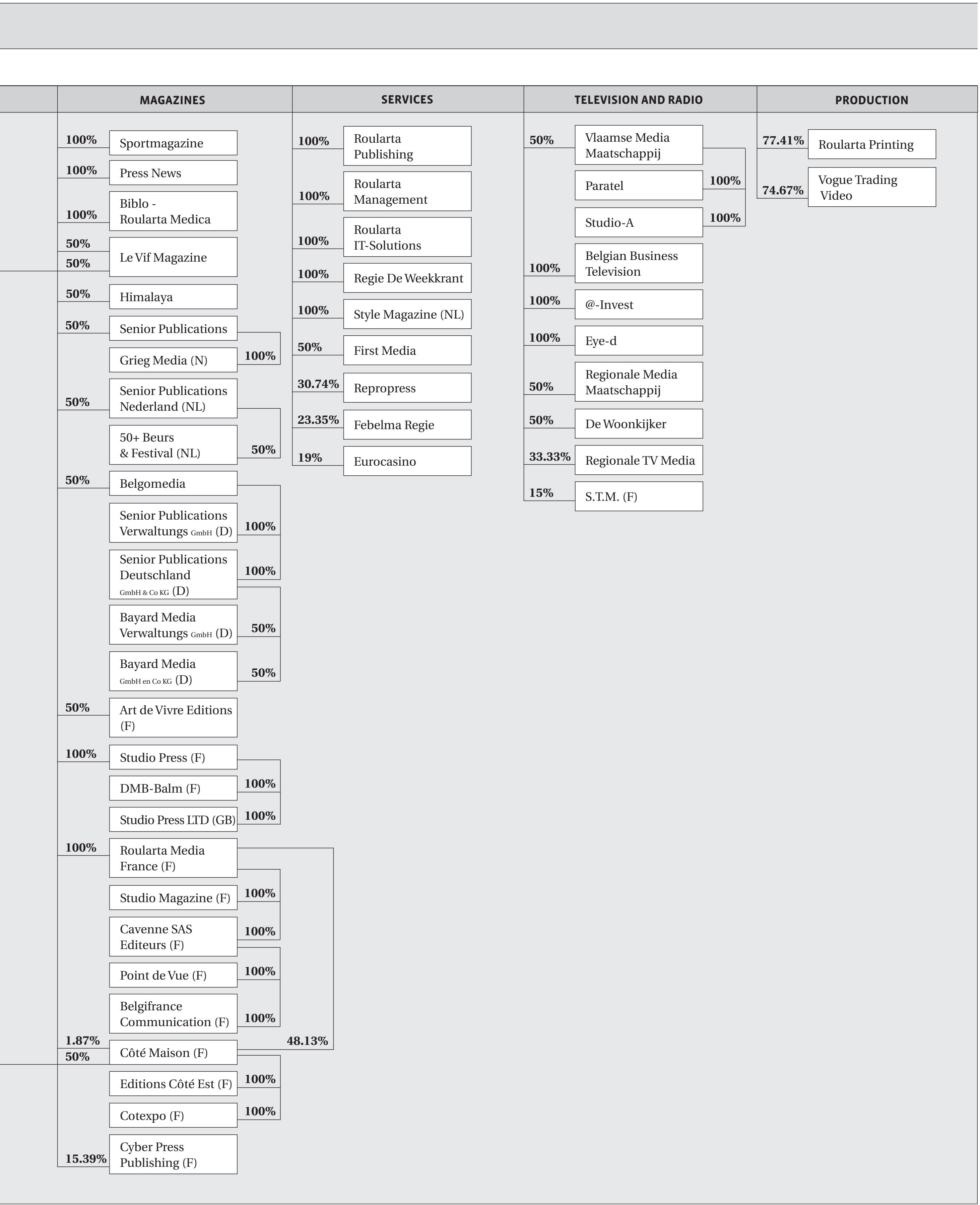
- 80% De Streekkrant-De Weekkrantgroep
  - 51% Zeeuws Vlaams Mediabedrijf (NL)
  - 100% Tam-Tam
  - 100% Drukkerij Leysen
  - 100% Automatch
  - 100% 't Fonteintje - De Wegwijzer
- 50% Liefde voor het Leven
- 50% Algo Communication (F)
- 50% A Nous Province (F)
- 99.59% A Nous Paris (F)
- 92% Mestne Revije (SL)
- 40% Paginas Longas (PT)

BOOKS AND ANNUALS

- 100% Roularta Books
- 50% Academici Roularta Media
- 65% Follow The Guide
  - 100% Media Office
- 100% Hippos Vademecum (in liquidation)
- 50% Cap Publishing

MAGAZINES

- 100% Groupe Express-Expansion (F)
- 100% Editions Génération (F)
  - 100% Animotion (F)
  - 50% Voix du Nord L'Etudiant (F)
- 100% Prélude et Fugue (F)
  - 100% Solrémi (F)
- 100% CD Services (F)
- 100% Groupe Express Editions (F)
  - 50% Dicos D'Or (F)
- 100% Mieux Vivre (F)
- 100% Job Rencontres (F)
- 50% Zefir Web (F)
- 25% Partenaire Développement (F)


MAGAZINES
100% Sportmagazine
100% Press News
100% Biblo - Roularta Medica
50% 50% Le Vif Magazine
50% Himalaya
50% Senior Publications
100% Grieg Media (N)
50% Senior Publications Nederland (NL)
50% 50+ Beurs & Festival (NL)
50% Belgomedia
100% Senior Publications Verwaltungs GmbH (D)
100% Senior Publications Deutschland GmbH & Co KG (D)
50% Bayard Media Verwaltungs GmbH (D)
50% Bayard Media GmbH en Co KG (D)
50% Art de Vivre Editions (F)
100% Studio Press (F)
100% DMB-Balm (F)
100% Studio Press LTD (GB)
100% Roularta Media France (F)
100% Studio Magazine (F)
100% Cavenne SAS Editeurs (F)
100% Point de Vue (F)
100% Belgifrance Communication (F)
1.87% 50% 48.13% Côté Maison (F)
100% Editions Côté Est (F)
100% Cotexpo (F)
15.39% Cyber Press Publishing (F)
SERVICES
100% Roularta Publishing
100% Roularta Management
100% Roularta IT-Solutions
100% Regie De Weekkrant
100% Style Magazine (NL)
50% First Media
30.74% Repropress
23.35% Febelma Regie
19% Eurocasino
TELEVISION AND RADIO
50% Vlaamse Media Maatschappij
100% Paratel
100% Studio-A
100% Belgian Business Television
100% @-Invest
100% Eye-d
50% Regionale Media Maatschappij
50% De Woonkijker
33.33% Regionale TV Media
15% S.T.M. (F)
PRODUCTION
77.41% Roularta Printing
74.67% Vogue Trading Video

Board of directors and management team

Baron Hugo Vandamme

Rik De Nolf

Leo Claeys

Lieve Claeys

Caroline De Nolf

Iwan Bekaert

Jean Pierre Dejaeghere

Clement De Meersman

Dirk Meeus

Eddy Brouckaert

Jo Bruneel

Jan Cattrysse

Erwin Danis

Katrien De Nolf

Hugues De Waele

William Metsu

Dirk Vandekerckhove

Carlos Van den Bossche

Dirk Van Roy

Board of directors

Baron Hugo Vandamme
Permanent representative of HRV NV
Eden Roc, Fairybankhelling, 8670 Oostduinkerke
Independent director
Chairman - 2009

Rik De Nolf
Permanent representative of De Publigraaf NV
Krasselhoekstraat 12, 8890 Moorslede
Managing director - 2010

Leo Claeys
Permanent representative of De Meiboom NV
Meiboomlaan 110, 8800 Roeselare
Non-executive director
Vice-chairman - 2010

Lieve Claeys
Permanent representative of Fraka-Wilo NV
Kasteelhoekstraat 1, 8800 Roeselare
Executive director - 2008

Caroline De Nolf
Permanent representative of Verana NV
Meiboomlaan 110, 8800 Roeselare
Non-executive director - 2008

Iwan Bekaert
Ph. de Denterghemlaan 32, 9831 St.-Martens-Latem
Non-executive director - 2007

Jean Pierre Dejaeghere
Oude Iepersestraat 43, 8870 Izegem
Executive director - 2012

Clement De Meersman
Permanent representative of Clement De Meersman BVBA
Leffingestraat 17, 8000 Brugge
Independent director - 2009

Dirk Meeus
Sint-Christinastraat 17, 9200 Dendermonde
Independent director - 2009

Management team

Rik De Nolf	Chairman
Jean Pierre Dejaeghere	Director finance
Eddy Brouckaert	Director newspapers
Jo Bruneel	Director freesheets
Jan Cattrysse	Director administration
Erwin Danis	Director premedia
Katrien De Nolf	Director human resources
Hugues De Waele	Director foreign media
William Metsu	Director printing
Dirk Vandekerckhove	Director magazines
Carlos Van den Bossche	Director IT
Dirk Van Roy	Director national advertising

Audit committee

Clement De Meersman	Chairman
Leo Claeys	
Dirk Meeus	

Appointments and remuneration committee

Baron Hugo Vandamme	Chairman
Rik De Nolf	
Leo Claeys	
Dirk Meeus	

Corporate Governance

INTRODUCTION

Roularta Media Group, as a multimedia company, sets out to create value for its readers, viewers, listeners, advertising customers, employees and shareholders.

In the light of this task Roularta Media Group subscribes to the principles set out in the Belgian Corporate Governance Code of 9 December 2005. The 'best practices' with regard to proper company management, which Roularta Media Group has already applied in the past, have been extended by the principles of the Belgian Corporate Governance Code and laid down in the Corporate Governance Charter approved by the board of directors on 18 November 2005.

The board of directors of NV Roularta Media Group feels that by adhering as closely as possible to the principles set out in the Corporate Governance Charter, it is contributing to a more efficient, transparent administration and a better risk and control management of the company. Through this more efficient, transparent administration and good risk and control management, the board can achieve its aim of maximising value for shareholders, stakeholders and also institutional investors.

The Corporate Governance Charter published on the company's website[1] contains:
- a description of the company's corporate governance structure, with the internal rules of the board of directors;
- the policy adopted by the board of directors for transactions and other contractual links between the company, including its associated companies, and its directors and members of the executive management staff not covered by the conflict of interests rules;
- the remuneration policy for the members of the board of directors and executive management;
- the measures that the company has introduced to comply with EC Directive 2003/6 concerning trading with prior knowledge and market manipulation (market abuse);
- the internal rules of the audit committee;
- the internal rules of the appointments and remuneration committee;
- the internal rules of the executive management (role and responsibilities of the CEO and management team).

In this chapter of the annual report, the board of directors will provide more factual information, also in accordance with annex F to the Belgian Corporate Governance Code, regarding corporate governance, including any changes in the company's corporate governance policy, the appointment of new directors, the appointment of members to board committees and the annual remuneration of members of the board of directors and members of the executive management.

COMPOSITION OF AND REPORT BY THE BOARD OF DIRECTORS AND THE PERSONAL ATTENDANCE RATIO OF ITS MEMBERS

The board of directors of NV Roularta Media Group consists of nine members:
- six directors representing the reference shareholder, in accordance with the proposal rights under the articles of association: Mr Rik De Nolf, permanent representative of NV De Publigraaf (2010), Mr Leo Claeys, permanent representative of NV De Meiboom (2010), Mrs Lieve Claeys, permanent representative of NV Fraka-Wilo (2008), Mrs Caroline De Nolf (2008), Mr Iwan Bekaert (2007), and Mr Jean Pierre Dejaeghere (2012).

  Mrs Caroline De Nolf resigned from her office of director on 24 June 2006. In accordance with article 15 of the articles of association, the board decided to co-opt NV Verana, with Mrs Caroline De Nolf as its permanent representative, as director. A proposal will be put forward to the general meeting to confirm this appointment.

- Three independent directors, each of them holding an executive corporate position: Mr Clement De Meersman, permanent representative of BVBA Clement De Meersman (2009) and managing director of NV Deceuninck, Mr Dirk Meeus (2009), partner of Allen & Overy LLP, and Baron Hugo Vandamme, permanent representative of NV HRV (2009), chairman of the board of directors of NV Kinepolis Group, vice-chairman of the board of directors of NV Picanol and member of the supervisory board of Sara Lee DE International B.V.

The board of directors met seven times in the past year. Besides the customary meetings of the board of directors to discuss the company's results and the annual meetings for considering the multi-year plan and budget for the following financial year, there was also a meeting of the board of directors to approve the terms of the US Private Placement.

Board of Directors	10/03	24/04	12/05	23/06	01/09	17/11	21/12
Baron Hugo Vandamme	P	P	P	P	P	P	P
Rik De Nolf	P	P	P	P	P	P	P
Leo Claeys	P	P	P	P	P	P	P
Lieve Claeys	P	P	P	P	P	P	E
Caroline De Nolf	P	P	P	P	P	P	P
Iwan Bekaert	P	P	P	P	P	P	P
Jean Pierre Dejaeghere	P	P	P	P	P	P	P
Clement De Meersman	P	P	P	P	P	P	E
Dirk Meeus	P	P	E	P	P	P	P

P: present - E: excused

In the past year there was also a meeting of the independent directors.
Six board meetings are scheduled for 2007.

COMPOSITION AND REPORT OF THE AUDIT COMMITTEE AND INDIVIDUAL ATTENDANCE OF ITS MEMBERS

The audit committee is formed in accordance with the Belgian Corporate Governance Code of exclusively non-executive directors (3), including two independent directors.
The audit committee met four times in 2006. During these meetings, the audit committee has monitored the integrity of the company's financial information and supervised the activities of the internal and external auditors, and where it considered it necessary, the audit committee made recommendations on this to the board of directors.

Audit commitee	06/03	10/05	30/08	16/11
Clement De Meersman	P	P	P	P
Leo Claeys	P	P	P	E
Dirk Meeus	P	P	E	P

P: present - E: excused

By invitation of the chairman, the audit committee was attended by the auditor (Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Mr Jos Vlaminckx and Mr Mario Dekeyser), Mr Jean Pierre Dejaeghere (CFO) and the internal auditor.

COMPOSITION AND REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE AND INDIVIDUAL ATTENDANCE OF ITS MEMBERS

The board has decided to entrust implementation of the fourth *(the company has a rigorous, transparent procedure for appointing and assessing its board and its members)*, and seventh principle *(the company remunerates directors and members of the executive management in an equitable and responsible way)* of the Belgian Corporate Governance Code to a committee, namely the appointments and remuneration committee. Roularta Media Group here departs from the Belgian Corporate Governance Code, which provides for two separate committees. However, the board of directors feels that the appointment and remuneration of directors and members of the executive management are matters that are very closely interlinked, so that they can be dealt with by the same committee without any problem. Having regard also to the busy agenda of all directors, there is good reason for combining these two remits within one committee.

Departing from the Belgian Corporate Governance Code, the board of directors decided to make the CEO a member of the committee. The reason for this di-

[1] *www.roularta.be/en/investor_info*

vergent composition is that the committee must in principle consider the recruitment and remuneration policy for members of the executive management, namely matters where the CEO's opinion, which closely follows that of the executive management, is very valuable.

The appointments and remuneration committee met twice during 2006 with the organisation of the executive management as main item on the agenda.

	10/03	12/05
Baron Hugo Vandamme	P	P
Rik De Nolf	P	P
Leo Claeys	P	P
Dirk Meeus	P	E

P: present - E: excused

COMPOSITION OF EXECUTIVE MANAGEMENT

The Chief Executive Officer together with the Company's management team forms NV Roularta Media Group's executive management. The following positions are part of NV Roularta Media Group's management team:

- Director finance
- Director newspapers
- Director freesheets
- Director administration
- Director premedia
- Director human resources
- Director foreign media
- Director IT
- Director printing
- Director magazines
- Director national advertising

In principle, the management team meets monthly on the basis of a previously fixed calendar. Additional meetings can be convened at any time on the initiative of the Chief Executive Officer. Each member of the management team may put forward agenda items for meetings.

POLICY CONCERNING TRANSACTIONS AND OTHER CONTRACTUAL LINKS BETWEEN THE COMPANY, INCLUDING ASSOCIATED COMPANIES, AND ITS DIRECTORS AND MEMBERS OF THE EXECUTIVE MANAGEMENT NOT COVERED BY THE CONFLICT OF INTERESTS RULES

Allowing for the principles and guidelines contained in the Belgian Corporate Governance Code, the company has drawn up a policy for transactions and other contractual links between the company, including associated companies, and its directors and members of the executive management not covered by the statutory conflict of interests rules.

A transaction or any other contractual link arises between the company, its directors and/or members of its executive management when:
- a director or member of the executive management has a significant personal interest in the corporate body with which Roularta Media Group NV wishes to conclude a transaction;
- if the director or member of the executive management or his or her spouse, co-habiting partner, child or blood or other relative to the second degree are members of the board of directors or the executive management of the corporate body with which Roularta Media Group NV wishes to conclude an important transaction;
- the board of directors considers that such conflict exists with regard to the proposed transaction.

The director or member of the executive management concerned will provide the board of directors with all possible relevant information concerning the conflict of interests. The director or the executive management member concerned will refrain from participating in the discussion and resolution on this agenda item.
The board of directors confirms that in the past financial year no such transaction has occurred or situation has arisen that gives rise to the application of the above procedure.

MEASURES ADOPTED TO COMPLY WITH EC DIRECTIVE 2003/6 CONCERNING TRADING WITH PRIOR KNOWLEDGE AND MARKET MANIPULATION

The protocol to avoid misuse of insider information prohibits directors, members of the management team and other members of personnel or co-workers, who through the nature of the their duties come into contact with confidential information, from trading directly or indirectly in financial instruments issued by Roularta Media Group on the basis of their prior knowledge.

REMUNERATION OF DIRECTORS AND MEMBERS OF THE EXECUTIVE MANAGEMENT

Remuneration of members of the board of directors
Remuneration of non-executive directors on an annual basis:

Non-executive directors	Fixed	Variable
Hugo Vandamme (permanent representative of NV HRV) – Chairman of the Board	80,000.00 euros	_
Leo Claeys (permanent representative of NV De Meiboom) – Vice-chairman of the Board	58,500.00 euros	_
Clement De Meersman (permanent representative of BVBA Clement De Meersman)	25,000.00 euros	_
Dirk Meeus	25,000.00 euros	_
Iwan Bekaert	25,000.00 euros	_
Caroline De Nolf (permanent representative of NV Verana)	25,000.00 euros	_

Remuneration of executive directors on an annual basis:

Executive directors	Fixed	Variable
Rik De Nolf (permanent representative of NV De Publigraaf) – Managing Director	80,000.00 euros	_
Lieve Claeys (permanent representative of NV Fraka-Wilo)	25,000.00 euros	_
Jean Pierre Dejaeghere	25,000.00 euros	_

Remuneration of the executive management
Fixed remuneration of EUR 539,420.92 gross was granted to the CEO, NV De Publigraaf, represented by Mr Rik De Nolf.

The other members of the executive management together received fixed remuneration of EUR 1,290,616.11, variable remuneration of EUR 283,493.33 and other components of EUR 171,459.99 (gross amounts).

In November 2006 the company has issued a new share option plan, in the course of which 67,000 share options have been awarded begin January 2007 to the members of the executive management. Each share option gives the right to obtain one share of Roularta Media Group providing the payment of the exercise price of EUR 53.53. A first portion of 40% of the share options can be exercised as of 1 January 2010. The share options cannot be exercised after 31 December 2016.

During the past financial year, the composition of the company's executive management changed as follows: by mutual agreement the collaboration between the company and Mr Hugo De Vidts, director IT and Mr Jan Van Lindt, director freesheets has been terminated. They have been replaced by Mr Alain Guillemyn (IT) and Mr Jo Bruneel (freesheets). In August 2006 Mrs Mieke Verhelst passed away unexpectedly. Within the management team she was followed up by Mr Dirk Van Roy, former director projects and processes.

Environment, prevention and welfare

ENVIRONMENT

Roularta Media Group continues to build on an environmentally and energy-friendly production process. Considerable investments in the recent past ensure that Roularta Media Group not only complies with legislative emission standards, but that production is also more energy-efficient than it was a few years ago.

The interaction of a number of devices and/or techniques with associated control system technology permits cooling and heating equipment requirements to be perfectly harmonised, to such an extent that an **energy saving** of roughly 55% is currently achievable. More specifically this means:
- A thermal regenerative reheating installation (70% less gas consumption compared to conventional systems);
- Optimal recuperation of reheated heat by means of a heat exchanger buffer tank;
- Absorption refrigeration (production of refrigeration using residual heat from a re-heater);
- High-output cooling tower (free cooling) that provided approx 6800 hours of ‘free’ cooling in 2006;
- A high-output electrical cooling group that guarantees the energy-efficient production of cooling during the period between season and off-season.

It is our intention to refine the interaction of cooling and heating requirements in the near future and to develop it in a systematic manner. In 2006 a study was carried out into two important projects that are planned for completion in 2007. The HVAC (Heating, Ventilation and Air Conditioning) installation will be further optimised. The intention is to develop two separate cooling circuits, which will enable ‘free cooling’ throughout the year for an important part of the cooling of the presses. In addition, investment will be made in a new high-output centrifugal cooling machine.

In 2007 a second identical re-heater system will be installed for the new printing press. Both re-heaters will be adapted to each other to provide improved heat recovery.

Audit agreement for energy
Just like 220 other Flemish companies Roularta Media Group has signed up to the ‘Energy’ audit agreement of the Flemish authorities. This audit agreement aims to obtain the maximum contribution of medium sized energy-intensive companies (annual consumption between 0.1 and 0.5 Pjoule) to the ‘rational energy consumption’ project organised by the government. It also aims to ensure compliance with targets for the reduction of greenhouse emissions in the Kyoto protocol.

Companies that accede to the ‘Energy audit agreement’ undertake to submit an energy plan to the verification office and to implement the measures laid down in the plan within four years. In addition, a report must be submitted to the office every year concerning energy consumption, reduced CO_2 emissions and implemented measures.

The energy plan of Roularta Media Group was submitted on 23 November 2006 to the competent governmental body. In the meantime the verification office of the province of Flanders has approved the energy plan. This means that the Roularta Media Group is one of ten Flemish companies that have an approved energy plan.

Rational consumption of water
During the past few years Roularta Media Group has made an effort via all kinds of important investments and measures to reduce water consumption and emissions:
- In this respect the installation of open cooling towers (the principle of ‘free cooling’) is not only very important from the point of view of energy, but ensures considerably lower water consumption;
- Continuous oxygenation of the cooling tower installation permits a higher condensation factor which also delivers a considerable saving in water (approx 1500 m^3 annually);
- Systematic optimisation of the cooling parameters and well thought out implementation of the chiller cooling machine;
- Emissions are reduced by use of a separate wastewater network and an underground storage tank conforming to requirements for waste solvents and oils;
- If products are introduced that could affect water management the composition of these products is thoroughly examined by all parties concerned.

These and other measures ensured that water consumption was around 20% lower than about ten years ago despite the increased number of machines and continually rising production.

New building project
During the new building project, which was planned in 2006 and will be fully developed in 2007 at the Roeselare site, various ‘best suited techniques’ of energy-saving/environmentally-friendly measures will be implemented. Roularta Media Group is therefore investing in:
- Light paths in the roof (expensive because of extra noise reduction requirements, but a considerable saving in lighting costs);
- Automatic dimming lights in the hall (saving in lighting costs);
- Heating of the production hall with recovered heat from re-heaters and compressed air installations;
- Frequency controlled compressors and printing presses with frequency controlled motors (energy saving);
- Motors with energy label A for intermittent operation;
- Watertight piste with a cooling water separator for the collection of accidentally spilled liquids.

During the preparatory study for the new construction a well-known expert carried out a thorough noise investigation with a view to limiting noise emissions. The recommendations of that study, walls of the printing press room in 15 cm cellular concrete and noise insulation of the new production building of at least 38 dB, have been implemented.

It was also decided to use rainwater for the new building project, which means that water consumption will be considerably reduced. Rainwater also has a lower leakage rate than mains water, so that less will need to be drained off. In addition to minimum consumption as a result of using rainwater there is less requirement for replacement water in order to obtain the required conductance necessary for our systems.

The new presses will be equipped with newer, more sophisticated filter systems which require less frequent changing of condensation water and which produce fewer emissions.

In consultation with the government and with the industrial sector federation (Febelgra), Roularta Media Group will also make great efforts in the future to seek out construction companies and suppliers with better products and improved integration of systems (in short the ‘best available technologies’) in order to optimise operational management.
Roularta Media Group naturally attaches great importance to an advanced environmental and energy policy as an answer to the prevailing environmental and energy issues.

PREVENTION AND WELFARE

In 2006 Roularta Media Group focussed on a wide range of aspects and domains within the field of prevention and welfare such as:

Fire and explosion prevention
In the new building project on the Roeselare site, two special points of interest are the expansion of the sprinkler system and the fire detection system. Over the past few years legislation on the one hand and technical possibilities on the other have changed considerably. Contacts with the various services concerned (fire service, insurers, architects, producers/suppliers) resulted in the new production hall being equipped with an ESFR sprinkler ring (high-density sprinklers), smoke curtains, fire walls/fire doors and a storage location for combustible chemicals conforming to legislation, etc.

Since the Royal Decree of 26 March 2003 the legislation (Atex legislation) concerning protection against explosions has changed considerably. All zones where the risk of explosion could arise must be designed in accordance with a detailed risk analysis. In 2006 this risk analysis and the explosion prevention document that resulted were completed. According to the zone class of the respective locations an examination is made of the apparatus used, the safety systems and the organisational response to the regulations.

Elevated working
The recent Royal Decree about ‘Elevated working’ modifies the existing legislation concerning the working environment for temporary elevated working in a radical manner. In addition to a number of general provisions (i.e. material and organisational measures) there are specific regulations applicable for three categories of working methods, i.e. ladders, scaffolding and systems with ropes. In 2006 an investigation was carried out to determine the impact of this legislation on the elevated working activities within our group. Technical adaptations/inter-

ventions were essential as well as new agreements that fundamentally changed the approach to some tasks. A great deal of attention was also focussed on the training of personnel and services affected.

Violence, harassment and undesired sexual attention
The legislation concerning the approach to violence, harassment and undesired sexual attention in the workplace requires the employer to appoint an authorised prevention adviser (and also counsellors if necessary) and to investigate the circumstances that underlie inappropriate behaviour or behaviour that goes beyond the bounds of what is deemed reasonable. In 2006 the required risk analysis document was completed.

Training
In addition to the annual practical refresher sessions for the internal fire team and the annual refresher training for the first aid teams in the various establishments, there was a particular emphasis on the continued expansion of the training programme within the production environment. This meant that a number of technical training courses were set up and new brochures were produced, e.g. special care when using solvents and chemicals, introductory brochures for college students, on the job training, etc.

Biological monitoring
In 2006, in conjunction with the company doctor, a biological monitoring project was started, which investigated the extent to which specific components of chemical products were absorbed into the body. After making an inventory of the chemical products used in the printing environment and taking periodic atmospheric measurements this is a logical step in the continuing optimisation of industrial medical monitoring. The results of random urine and blood analyses have meanwhile resulted in a slight lessening of medical supervision. The lists of names with risk codes and associated workplace cards have also been adapted.

Information for the shareholders

THE ROULARTA MEDIA GROUP SHARE

Number of shares
The number of shares rose in the course of 2006 from 9,956,961 to 11,005,485 as the result of a conversion of warrants in the month of January (+39,090 shares) and June (+19,825 shares) and a capital increase by means of a private placement (+989,609 shares) in the month of February.
• The number of shares at 31/12/2006 is 11,005,485.
• The number of VVPR strips at 31/12/2006 is 2,594,608.

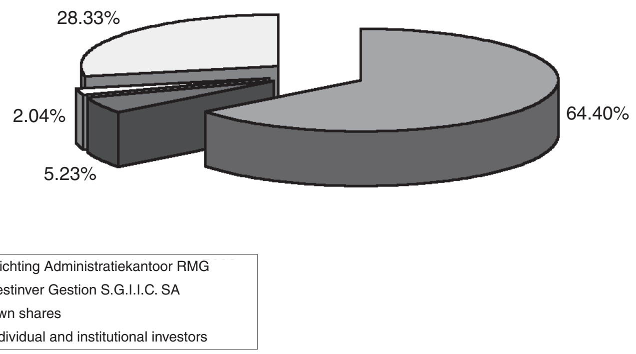
Registered and bearer shares
Securities are bearer or registered securities, according to preference of the holder.The company may issue dematerialised shares, either by means of a capital increase or by exchanging existing bearer or registered shares for dematerialised shares. Any holder of securities may request the exchange of his/her securities, either for registered securities or for dematerialised securities.

Purchase of own shares
The statutory autorisation to purchase own company shares was renewed by the general meeting of 16 May 2006.
In the course of 2006 no own shares were purchased. At 31 December 2006 the company had 224,156 own shares in portfolio.

Shareholding structure
On 31 December 2006, 7,087,704 of the outstanding shares were registered shares. The shareholding structure is as follows:

Stichting Administratiekantoor RMG	7,087,700
Bestinver Gestion S.G.I.I.C. SA	575,605
Own shares	224,156
Individual and institutional investors	3,118,024

RMG shareholder structure



Number of shares and potential voting rights (denominator) at 31/12/2006

Effective voting rights attached to shares representing the capital (= number of outstanding shares)	11,005,485
Future, potential or not, voting rights resulting from rights and commitments at the conversion into or the subscription for shares to be issued	102,060
Total	**11,107,545**

Disclosure statements
According to Belgian law, every shareholder or group of shareholders holding 5% or more of the shares of a Belgian listed company must furnish written notice to that company and to the Banking, Finance and Insurance Commission. At 31/12/2006 the Company received a notification from the following shareholders.

Date of notification	Name of shareholder	Number of shares and warrants held according to the notification	Shareholding according to the notification in % of the number of outstanding shares and warrants on Dec. 31, 2006
09/02/2006	Stichting Administratie-kantoor RMG	7,087,700	63.81%
17/03/2006	Bestinver Gestion S.G.I.I.C. SA	575,605	5.18%

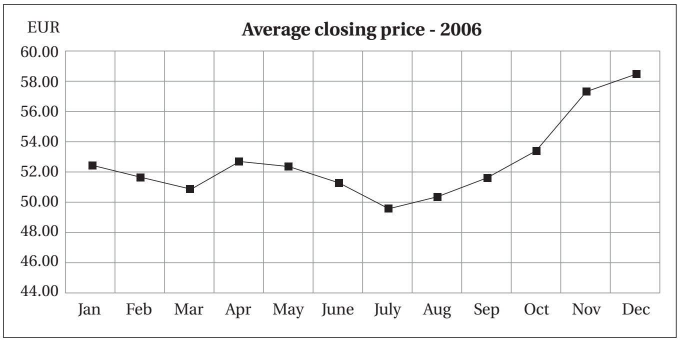
STOCK MARKET TREND

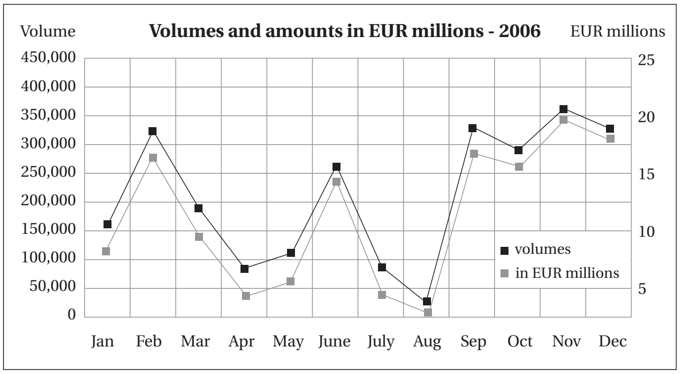
Roularta Media Group's shares have been listed on Euronext Brussels since December 1998.
They form part of Euronext's NextPrime quality segment, under the section Media & Photography - Printing & Publishing'.

Roularta share	ISIN	BE0003741551	MEP	BRU
	Euronext code	BE0003741551	Mnemo	ROU
Roularta-VVPR-strip	ISIN	BE0005546172	MEP	BRU
	Euronext code	BE0005546172	Mnemo	ROUS

Closing prices and volumes in 2006

Month	Average closing price	Volumes	In EUR millions
Jan 06	52.44	153,452	8.01
Feb 06	51.98	323,701	16.79
Mar 06	51.29	192,826	9.86
Apr 06	52.51	76,083	3.99
May 06	52.05	109,889	5.79
June 06	51.29	257,489	13.33
July 06	49.66	82,667	4.09
Aug 06	50.02	25,835	1.30
Sep 06	51.92	330,324	16.99
Oct 06	53.12	291,955	15.61
Nov 06	57.22	353,264	20.70
Dec 06	58.01	322,434	18.47
		2,519,919	134.93





The highest price during 2006 was EUR 59.90 on 22 November. The lowest price during 2006 was EUR 48.00 on 21 July.
The largest daily trading volume was 209,069 shares on 22 November 2006.

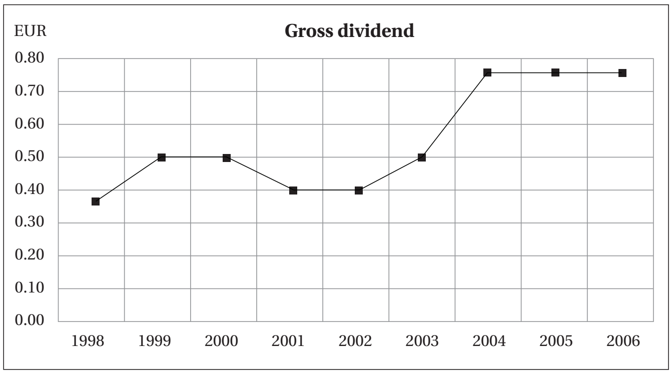
Indexes
The Roularta share is included in the MSCI small cap index and in the BEL MID index of Euronext Brussels (BE0389856130).
Since June 2006 Roularta Media Group is also included in the Kempen/SNS Smaller Europe Socially Responsible Investment (SRI) Index.
The Kempen SNS Smaller Europe SRI Index is the first index to track the performance of SRI smaller companies in Europe. The SRI Index is an initiative of Kempen Capital Management and is only available to companies with the very highest standards and practices in the three areas of business ethics, human resources and the environment.

Liquidity of the share
A market-making agreement has been concluded with KBC Securities to promote the share's liquidity.
The company has a proactive investor relations policy, aimed at increasing the visibility of the share and in this way supporting its liquidity.

Dividend policy
Based on proposals by the board of directors, the general meeting maintains a policy aimed at distribution of dividends,subject to maintaining a sound balance between distribution of dividends and investment flexibility. The company targets a pay-out ratio of around 30% of the consolidated net profit.

Evolution of gross dividend

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Gross dividend	0.37	0.50	0.50	0.40	0.40	0.50	0.75	0.75	0.75



IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 5 January 2007, following an exercise of 9,340 warrants, the capital of NV Roularta Media Group was increased up to 170,439,000.00 euros represented by 11,014,825 shares of which 2,603,948 shares with a VVPR character.

THE COMPANY'S CAPITAL

Roularta Media Group was founded on 11 May 1988 as Roularta Financieringsmaatschappij. The table below lists the events that since then have affected the company's capital and the securities representing it.

Year-month	Transaction	Number of shares	Capital	BEF / EUR
1988 - May	Foundation as Roularta Financieringsmaatschappij	12,510	381,000,000	BEF
1993 - July	Merger - capital increase	13,009	392,344,000	BEF
1997 - December	Split - capital increase	18,137	546,964,924	BEF
1997 - December	Merger - capital increase	22,389	675,254,924	BEF
1997 - December	Capital increase	24,341	734,074,465	BEF
1997 - December	Name changed into Roularta Media Group			
1998 - June	Issue of 300,000 warrants - amendment of articles of association	2,434,100	734,074,465	BEF
1998 - June	Merger - capital increase	2,690,400	1,545,457,541	BEF
1998 - June	Contribution of debt receivable - capital increase	8,277,700	2,496,457,541	BEF
1998 - December	Contribution of debt receivable - capital increase	9,611,034	4,479,791,791	BEF
2001 - June	Conversion of capital into euros - capital increase by conversion of 61,950 warrants	9,672,984	111,743,000.00	EUR
2001 - October	Destruction of 119,305 own shares	9,553,679	111,743,000.00	EUR
2002 - June	Capital increase by conversion of 35,350 warrants	9,589,029	112,138,000.00	EUR
2003 - June	Capital increase by conversion of 43,475 warrants	9,632,504	112,623,000.00	EUR
2003 - July	Capital increase by contribution in kind	9,884,986	118,463,000.00	EUR
2004 - June	Capital increase by conversion of 43,625 warrants	9,928,611	118,950,000.00	EUR
2005 - June	Capital increase by conversion of 28,350 warrants	9,956,961	119,267,000.00	EUR
2006 - January	Capital increase by conversion of 39,090 warrants	9,996,051	120,054,000.00	EUR
2006 - February	Capital increase by contribution in cash	10,985,660	131,939,204.09	EUR
2006 - May	Incorporation of issue premium	10,985,660	170,029,300.00	EUR
2006 - June	Capital increase by conversion of 19,825 warrants	11,005,485	170,250,500.00	EUR

Annual report of the board of directors

to the Ordinary General Meeting of shareholders of 15 May 2007 concerning the consolidated financial statements for the period ended 31 December 2006

Dear shareholders,

This annual report should be read in conjunction with the audited financial statements of Roularta Media Group NV (hereinafter 'the Group') and the accompanying notes. These consolidated financial statements were approved by the board of directors on 16 March 2007.

Comments on the consolidated financial statements
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the IASB's International Financial Reporting Interpretation Committee (IFRIC, formerly SIC), which have been ratified by the European Commission.

The consolidated financial statements give a general overview of the Group's activities and the results obtained. They give a true and fair view of the entity's financial position, financial performance, and cash flows, and have been prepared on the assumption that continuity is guaranteed.

Main changes in the Group during the 2006 financial year
- Takeover of Studio-A NV and 't Fonteintje-De Wegwijzer NV in Q1 2006;
- 50% reduction in the shareholdings in A Nous Province SAS and Algo Communication SARL in Q1 2006;
- Sale of the shareholding in Publiregiões Lda in Q2 2006;
- Takeover of Groupe Express-Expansion (GEE) at the end of September 2006.

With regard to the annual results for 2006, it must be borne in mind that GEE's results, which company the Group took over on 26 September, have only been included as from Q4.

Consolidated income statement
In 2006 Roularta Media Group realised a net profit of the Group of € 24.8 million, compared with € 22.2 million in 2005. In the Printed Media division, net profit of the Group rose from € 17.1 million to € 17.4 million, or by 2.1%, while in the Audiovisual Media division, it jumped from € 5.1 million to € 7.4 million, or by 43.8%.

Compared with the previous year, sales rose by € 111.6 million, or 22.4%. Firstly, in the Printed Media division, sales increased by € 97.8 million, € 84.4 million of which was attributable to the acquisitions of Point de Vue (acquired at the end of 2005) and GEE. Organic growth of 4% was also observed. Secondly, in the Audiovisual Media division sales rose by 8.3%, mainly generated by Paratel and Vlaamse Media Maatschappij.

EBITDA rose from € 56.0 million to € 72.5 million, while EBIT increased from € 38.6 million to € 51.1 million. The EBITDA margin rose from 11.4% to 11.9%, while the EBIT margin increased from 7.8% to 8.4%.

In the Printed Media division, EBIT was affected by the € 4.1 million restructuring costs at GEE, an exceptional write-down on titles of € 2.3 million, and the goodwill amortisation of Point de Vue amounting to € 1.2 million. In the Audiovisual Media division, restructuring costs of € 1.8 million were booked at Vlaamse Media Maatschappij.

Net current profit rose from € 22.3 million to € 31 million, or by 38.9%, in 2006. Current cash flow rose from € 39.7 million to € 50 million, or by 26.2%.

Net profit was adversely affected by a number of factors. These included the high charges incurred for financing the Point de Vue and GEE takeovers, which were partly offset by non-recurring financial income generated by a swap contract entered into prior to the US Private Placement in April 2006. In addition, the tax burden was more onerous than in 2005, owing to fiscal losses not being recoverable in the short term, an exceptional reversal in deferred tax assets (additional cost), and an exceptional write-down on titles. Disregarding these exceptional items gives us a tax burden of 37.4% under IFRS.

Earnings per share rose from € 2.29 in 2005 to € 2.32 in 2006. This limited increase was due to the exceptional capital gain realised on the sale of the holding in Plopsaland in 2005, which had an impact on earnings per share to the tune of € 0.22, and to the rise in the number of shares following the capital increases.

Balance sheet
On 26 September 2006 Roularta Media Group definitively acquired 100% of the shares of Groupe Express-Expansion. Consequently, all GEE's assets and liabilities have been included in the consolidated balance sheet as at 31 December 2006. The results have been included as from Q4 2006.

Intangible fixed assets rose by € 321.6 million, € 293.5 million of which was attributable to the takeover of GEE titles. As the fair market value of these titles was greater than the accounting value on the acquisition date, a deferred tax liability of € 97.9 million was booked for the latent capital gains in accordance with IFRS 3.

Equity amounted to € 297.7 million on 31 December 2006, compared with € 228.9 million the previous year. Capital was increased by € 51 million following a series of capital increases. Net reserves rose by € 17.8 million, i.e. 2006's profit of € 24.8 million less paid-out dividends of € 8 million and a transfer from minority interests.

Net financial debt increased to € 221.4 million following the financing of the GEE and Point de Vue takeovers and the inclusion of € 25.4 million in leasing debt for Roularta Printing to finance new rotation presses. Compared with equity, this gives a gearing ratio of 74.4%.

Investments (CAPEX)
Total investment amounted to € 239.1 million in 2006, including € 45.7 million spent on tangible and intangible fixed assets and € 193.4 million on acquisitions.

Investments in intangible assets mainly related to software amounting to € 3.5 million and those in tangible assets mainly related to the leasing of new printing presses amounting to € 25.4 million, the building under construction in Roeselare amounting to € 4.6 million, and various machinery and office equipment.

Main events after the balance sheet date
The following main events took place after the balance sheet date, which have a considerable impact on the company's results and financial position:
- the capital of Roularta Media Group NV was increased by € 188,014.20 by exercising 9,340 warrants in a notarial deed executed on 5 January 2007, then by € 485.80 by incorporating available reserves, bringing it to € 170,439,000, represented by 11,014,825 shares, including 2,603,948 with VVPR strips (giving entitlement to a reduced rate of withholding tax);
- in January 2007, Roularta Media Group NV took over Academici Roularta Media NV, a former 50/50 joint venture between Roularta Media Group NV and Ron Maes;
- in March 2007, Roularta Media Group took over 100% of Medical Integrated Communication NV, publisher of the bilingual trade journal for the dentistry profession De Tandartsenkrant/Le Journal du Dentiste;
- at the end of March 2007, Roularta Media Group took over the trade journals Datanews and Texbel from VNU Business Publications, together with the associated websites.

Statement regarding the company's use of financial instruments where significant for the assessment of its assets, liabilities, financial position, and profit or loss

The Group uses exchange rate contracts to hedge the risk of changes in the fair market value of a recognised asset or liability, or an unrecognised definite commitment, within the scope of its commercial activities. These contracts are regarded as fair value hedges as defined in International Accounting Standard (IAS) 39; they have been stated at market value and booked as long-term liabilities under the 'hedging instruments' heading.

The Group entered into a US Private Placement denominated in US dollars in 2006. To hedge the exchange rate and interest rate risks inherent in this US-dollar-denominated loan, the Group has entered into a cross currency swap (IRCS) contract which matures on the same date as that on which the repayment and related interest must be paid. This contract is treated as a cash flow hedge (see IAS 39).

To hedge risks with respect to adverse interest rate fluctuations, the Group has used financial instruments, namely interest rate swap (IRS) contracts, cap-floor contracts, and the above-mentioned IRCS contract. In accordance with the requirements defined in IAS 39, one of the IRS contracts is regarded as a cash flow hedging contract. The other contracts are not regarded as hedging contracts under the conditions set forth in IAS 39.

Environment, Prevention and Welfare
Please refer to the chapter Environment, Prevention and Welfare in the 2006 annual report.

Staff
As at 31 December 2006, the Group had 3,101 full-time equivalent (FTE) employees. Compared with the previous year, this signifies an increase of 896 FTEs, or 40.6%. These figures include joint ventures on a proportional basis. 853 of these FTEs are attributable to new acquisitions, including 766 from GEE.

The Group booked € 5.8 million in restructuring costs in 2006, divided between GEE as a result of the 'clause de cession' and Vlaamse Media Maatschappij.

Main risks and uncertainties
In addition to the traditional risks for any company, the Group tracks market developments in the media world so that it can capitalise at all times on changes and new trends in the environment in which the company operates. Thanks to the Group's multimedia offer, it can suitably respond to a shift in focus in the advertising world and on the part of its readership from one form of media to another. The fact that the Group derives its income from both the advertising and the reader markets ensures that it can adequately spread its risk if a negative trend emerges in either market.

The various costs that to a large extent determine the total cost in the Printed Media division, such as printing, distribution, staff, and promotion costs, are scrutinised. The trend in international paper prices is uncertain and requires our special attention.

The profit generated by the Audiovisual Media division is largely determined by two major components: the advertising market and viewing and listening figures. Programming costs, for both domestic productions and international film material, are determined a long time in advance and so are inflexible. Conversely, the advertising market can change in the short term.

Roeselare, 16 March 2007.
The board of directors

KEY FINANCIAL DATA

Income statement in € '000	**31/12/05**	**31/12/06**	**% change**
Sales (1)	**497,681**	**609,231**	**+ 22.4%**
Operating profit (EBIT)	**38,553**	**51,089**	**+ 32.5%**
Net finance costs	-1,342	-1,993	+ 48.5 %
Operating profit after net finance costs	**37,211**	**49,096**	**+ 31.9%**
Income taxes	-14,882	-23,645	+ 58.9%
Net profit of the consolidated companies	**22,329**	**25,451**	**+ 14.0%**
Share in the profit of the companies accounted for using the equity method	3	-12	
Minority interests	-139	-653	+ 369.8%
Net profit of the Group	**22,193**	**24,786**	**+ 11.7%**
EBITDA	56,034	72,466	+ 29.3%
EBITDA (margin)	11.4%	11.9%	
EBIT	38,553	51,089	+ 32.5 %
EBIT (margin)	7.8%	8.4%	
Net profit of the Group	22,193	24,786	+ 11.7%
Net profit of the Group (margin)	4.5%	4.1%	
Net current profit (2)	22,331	31,007	+ 38.9%
Current cash flow (3)	39,674	50,053	+ 26.2%
Balance sheet	**31/12/05**	**31/12/06**	**% change**
Fixed assets	274,242	659,205	+ 140.4%
Current assets	236,810	326,329	+ 37.8%
Balance sheet total	511,052	985,534	+ 92.8 %
Equity - Group's share	215,616	284,839	+ 32.1%
Equity - minority interests	13,297	12,863	- 3.3%
Liabilities	282,139	687,832	+ 143.8%
Liquidity (4)	1.1	0.8	- 27.3%
Solvency (5)	44.8%	30.2%	- 32.6%
Net financial debt	39,985	221,415	+ 453.7%
Gearing (6)	17.5%	74.4%	+ 325.1%
Return on equity (7)	10.3%	8.7%	- 15.5 %

(1) Sales 2005: reclassification to sales of the remuneration for the signal of VMMa (4,443 KEUR).
(2) Net current profit = net profit of the Group + impairment losses on titles and goodwill + restructuring costs, net of taxes.
(3) Current cash flow = net current profit + depreciation of (in)tangible assets, write-downs and provisions.
(4) Liquidity = current assets / current liabilities.
(5) Solvency = equity (Group's share + minority interests) / balance sheet total.
(6) Gearing = net financial debt / equity (Group's share + minority interests).
(7) Return on equity = net profit of the Group / equity (Group's share).

Consolidated financial statements

1. CONSOLIDATED INCOME STATEMENT

	Note	2006	2005
Sales	3	609,231	497,681
Raw materials, consumables and goods for resale		-173,910	-161,209
Services and other goods	4	-209,673	-162,075
Personnel	5	-148,497	-120,238
Depreciation, write-down and provisions		-21,377	-17,481
Depreciation and write-down of intangible and tangible assets		*-19,436*	*-16,594*
Write-down of trade debtors and inventories	*6*	*1,311*	*-1,445*
Provisions		*-921*	*696*
Impairment losses on titles and goodwill	*13*	*-2,331*	*-138*
Other operating income	7	11,060	9,067
Other operating expenses	7	-9,893	-7,192
Restructuring costs	8	-5,852	
Operating profit - EBIT		**51,089**	**38,553**
Interest income	9	3,805	1,075
Interest expenses	9	-5,798	-2,417
Operating profit after net finance costs		**49,096**	**37,211**
Income taxes	10	-23,645	-14,882
Net profit of the consolidated companies		**25,451**	**22,329**
Share in the profit of the companies accounted for using the equity method		-12	3
Minority interests		-653	-139
Net profit of the Group		**24,786**	**22,193**
Earnings per share			
Basic earnings per share	11	2.32	2.29
Diluted earnings per share	11	2.30	2.25

2. CONSOLIDATED BALANCE SHEET

ASSETS	Note	2006	2005
Non current assets		**659,205**	**274,242**
Intangible assets	13	428,417	106,820
Goodwill	14	56,422	25,298
Property, plant and equipment	15	158,420	124,835
Investments accounted for using the equity method	16	78	30
Financial assets	17	6,945	8,335
Hedging instruments	29		590
Trade and other receivables	18	2,173	850
Deferred tax assets	19	6,750	7,484
Current assets		**326,329**	**236,810**
Inventories	20	52,431	48,619
Trade and other receivables	18	221,881	146,240
Financial assets	17	3,142	4,061
Cash and cash equivalents	18	38,464	30,950
Deferred charges and accrued income		10,411	6,940
Total assets		**985,534**	**511,052**

All financial amounts expressed in thousands of euros.

LIABILITIES	**Note**	**2006**	**2005**
Equity		**297,702**	**228,913**
Group's Equity		284,839	215,616
Issued capital	*21*	*170,251*	*119,267*
Treasury shares	*21*	*-4,920*	*-5,487*
Capital reserves		*-253*	*408*
Revaluation reserves		*18*	*-514*
Reserves		*119,675*	*101,831*
Translation differences		*68*	*111*
Minority interests		12,863	13,297
Non current liabilities		**284,639**	**72,149**
Provisions	22	12,289	3,914
Employee benefits	24	7,582	3,501
Deferred tax liabilities	19	134,656	36,046
Financial liabilities	25	127,557	27,417
Trade payables	25	2,097	536
Other payables	25	227	735
Hedging instruments	29	231	
Current liabilities		**403,193**	**209,990**
Financial liabilities	25	135,464	47,579
Trade payables	25	146,188	93,617
Advances received	25	52,755	24,222
Social debts	25	38,115	24,638
Taxes	25	18,054	10,668
Other payables	25	4,032	2,869
Accrued charges and deferred income	26	8,585	6,397
Total liabilities		**985,534**	**511,052**

3. CONSOLIDATED CASH FLOW STATEMENT

	2006	**2005**
Cash flow relating to operating activities		
Net profit of the consolidated companies	25,451	22,329
Income tax expense / income	23,645	14,882
Interest expenses	5,798	2,417
Interest income (-)	-3,805	-1,075
Losses / gains on disposal of intangible assets and property, plant and equipment	-228	139
Losses / gains on disposal of non current financial assets	36	-2,351
Non-cash items	21,419	17,503
Depreciation of (in)tangible assets	*19,436*	*16,594*
Impairment losses	*2,331*	*138*
Share-based payment expense	*84*	*104*
Increase / decrease in provisions	*921*	*-696*
Unrealized exchange loss / gain	*-42*	*-82*
Other non-cash items	*-1,311*	*1,445*
Gross cash flow relating to operating activities	**72,316**	**53,844**
Increase / decrease in trade receivables	-19,739	-5,136
Increase / decrease in hedging instruments, other receivables and deferred charges and accrued income	-5,183	-2,504
Increase / decrease in inventories	4,666	344
Increase / decrease in trade payables	11,145	-3,566
Increase / decrease in other current liabilities	-5,593	1,734
Other increases / decreases in working capital (a)	10,694	2,364
Increase / decrease in working capital	**-4,010**	**-6,764**
Income taxes received / paid	-15,793	-14,769
Interest paid	-4,096	-2,268
Interest received	3,837	1,072
Net cash flow relating to operating activities (A)	**52,254**	**31,115**

All financial amounts expressed in thousands of euros.

Cash flow relating to investing activities		
(In)tangible assets - acquisitions	-50,235	-27,332
(In)tangible assets - other movements	483	1,615
Net cash flow relating to acquisition of subsidiaries	-215,190	-26,860
Net cash flow relating to disposal of subsidiaries	68	529
Financial assets - acquisitions	-1,373	-1,678
Financial assets - other movements	474	8,342
Net cash used in investing activities (B)	**-265,773**	**-45,384**
Cash flow relating to financing activities		
Dividends paid	-7,940	-7,189
Movement in capital	50,984	317
Treasury shares	567	666
Other changes in equity	-247	-1,980
Proceeds from non current financial debts	186,501	40,910
Redemption of non current financial debts	-9,112	-11,240
Proceeds from (+), redemption of (-) non current receivables	-651	698
Increase / decrease in current financial assets	931	-3,061
Net cash provided by (+), used in (-) financing activities (C)	**221,033**	**19,121**
Net decrease / increase in cash (A+B+C)	**7,514**	**4,852**
Cash and cash equivalents, beginning balance	30,950	26,098
Cash and cash equivalents, ending balance	38,464	30,950
Net decrease / increase in cash	**7,514**	**4,852**

(a) Increases and decreases in provisions, employee benefits, other non current payables, deferred tax assets and liabilities, and accrued charges and deferred income.

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2006	Issued capital	Treasury shares	Capital reserves	Re-valuation reserves	Accu-mulated profit of previous years	Profit of the period	Trans-lation reserves	Minority interests	TOTAL EQUITY
Balance as of 1/1/2006	**119,267**	**-5,487**	**408**	**-514**	**101,831**	**0**	**111**	**13,297**	**228,913**
Issuance of shares (*all kind of issuances*)	12,894		38,090						**50,984**
Costs of issuance and equity increase			-745						**-745**
Equity increase resulting from incorporating capital reserves	38,090		-38,090						**0**
Profit / loss of the period						24,786			**24,786**
Operations with own shares		567							**567**
Foreign currency translation effect							-43		**-43**
Dividends					-8,049				**-8,049**
Gain / loss on available-for-sale financial assets				-91					**-91**
Cash flow hedge gains / losses				623					**623**
Recognition of share-based payments			84						**84**
Profit / loss of the period attributable to minority interest								653	**653**
Transfer from one heading to another					1,107			-1,107	**0**
Other increase / decrease								20	**20**
Balance as of 31/12/2006	**170,251**	**-4,920**	**-253**	**18**	**94,889**	**24,786**	**68**	**12,863**	**297,702**

All financial amounts expressed in thousands of euros.

2005	Issued capital	Treasury shares	Capital reserves	Re-valuation reserves	Accu-mulated profit of previous years	Profit of the period	Trans-lation reserves	Minority interests	TOTAL EQUITY
Balance as of 1/1/2005	**118,950**	**-6,153**	**306**	**0**	**86,868**	**0**	**118**	**14,618**	**214,707**
Issuance of shares (*all kind of issuances*)	316								**316**
Equity increase resulting from incorporating reserves available for distribution	1				-1				**0**
Profit / loss of the period						22,193			**22,193**
Operations with own shares		666							**666**
Foreign currency translation effect							-7		**-7**
Dividends					-7,229				**-7,229**
Gain / loss on available-for-sale financial assets				-514					**-514**
Recognition of share-based payments			104						**104**
Profit / loss of the period attributable to minority interest								139	**139**
Other increase / decrease			-2					-1,460	**-1,462**
Balance as of 31/12/2005	**119,267**	**-5,487**	**408**	**-514**	**79,638**	**22,193**	**111**	**13,297**	**228,913**

All financial amounts expressed in thousands of euros.

Notes to the consolidated financial statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Presentation basis
The consolidated financial statements are prepared in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC formerly SIC) of the IASB approved by the European Commission.
The consolidated financial statements give a general overview of our Group's activities and the results achieved. They represent fairly, the financial position, financial performance and cash flows of the entity, and have been prepared on a going concern basis.
The consolidated financial statements were approved by the board of directors of 16 March 2007 and can be amended until the shareholders' meeting of 15 May 2007.

New and revised standards and interpretations
Became applicable for 2006:
- IAS 19 Employee Benefits - Amendment - Actuarial Gains and Losses, Group Plans and Disclosures (applicable for accounting years beginning on or after 1 January 2006)
- IAS 21 The Effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation (applicable for accounting years beginning on or after 1 January 2006)
- IAS 39 Financial Instruments: Recognition and Measurement - Amendment – The Fair Value Option (applicable for accounting years beginning on or after 1 January 2006)
- IAS 39 Financial Instruments: Recognition and Measurement - Amendment – Financial Guarantee Contracts (applicable for accounting years beginning on or after 1 January 2006)
- IFRIC 4 Determining whether an Arrangement contains a Lease (applicable for accounting years beginning on or after 1 January 2006)
- IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitations Funds (applicable for accounting years beginning on or after 1 January 2006).

These standards and interpretations have not affected the consolidated financial statement of the Group.

Issued but not yet effective
The Group does not adopt early following standards and interpretations, which were issued but not effective yet at date of issuance of the financial statements:
- IFRS 7 Financial Instruments: Disclosures (applicable for accounting years beginning on or after 1 January 2007)
- IFRS 8 Operating Segments (applicable for accounting years beginning on or after 1 January 2009)
- IAS 1 Presentation of Financial Statements - Amendment - Capital Disclosures (applicable for accounting years beginning on or after 1 January 2007)
- IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (applicable for accounting years beginning on or after 1 March 2006)
- IFRIC 8 Scope of IFRS 2 (applicable for accounting years beginning on or after 1 May 2006)
- IFRIC 9 Reassessment of Embedded Derivatives (applicable for accounting years beginning on or after 1 June 2006)
- IFRIC 10 Interim Financial Reporting and Impairment (applicable for accounting years beginning on or after 1 November 2006)
- IFRIC 11 IFRS 2 Group and Treasury share Transactions (applicable for accounting years beginning on or after 1 March 2007)
- IFRIC 12 Service Concession Arrangements (applicable for accounting years beginning on or after 1 January 2008).

At the present time the Group does not expect that the first-time adoption of these standards and interpretations will significantly affect the financial statements of the Group.

Consolidation principles
The consolidated financial statements consolidate the financial information of Roularta Media Group NV, its subsidiaries and joint ventures, after elimination of all material transactions within the Group.

Subsidiaries are those companies over which the parent company has control, i.e. has the power to direct the financial and operational policy of a company in order to acquire benefits from its activities. These companies are included in accordance with the full consolidation method.

Joint ventures are contractual agreements whereby Roularta Media Group NV together with one or more parties set up an economic activity over which they exercise joint authority. This means that strategic, financial and operational decisions require the unanimous agreement of the parties sharing the authority. These companies are accounted for by the proportional consolidation method.

The financial statements of subsidiaries and joint ventures are included in the consolidated financial statements from the date on which the parent company acquires control until the date on which the control ceases.
Acquisitions of subsidiaries and joint ventures are accounted for by applying the purchase method.
The financial statements of subsidiaries and joint ventures are prepared for the same financial year as that of the parent company and using uniform accounting policies for like transactions and other events in similar circumstances.

Associated companies are companies in which the Group has a significant influence and which are not a subsidiary company or joint venture. They are incorporated in the consolidation in accordance with the equity method from the date on which the significant influence begins until the date on which the significant influence ceases. If the Group's share in the loss exceeds the book value of the associated company, the book value is reduced to nil and any further losses are no longer entered, unless the Group has guaranteed commitments made by the associated company.

Foreign currency
Transactions in foreign currency
Transactions in foreign currency are recorded on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of transaction. At each balance sheet foreign currency monetary items are translated using the closing rate. Non monetary items are translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition are recognised in profit or loss as other operating income or costs in the period in which they arise.

Financial statements of foreign entities
Monetary and non monetary assets and liabilities of foreign entities whose functional currency are not the currency of a hyperinflationary economy and are different from the euro are translated at the closing rate at the date of the balance sheet. Income and expenses for each income statement (including comparatives) are translated at exchange rates at the dates of the transactions. All resulting exchange differences are recognised as a separate component of equity.

Intangible assets other than goodwill
Intangible assets consist of titles, software, concessions, copyrights, property rights and other rights etc. acquired from third parties or by contribution in kind, as well as any internally generated software.

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised as an expense when it is incurred.

Expenditures on development activities, whereby the research findings are applied to a plan or design for the production of new or substantially improved products and processes, are only included in the balance sheet, if the product or process is technically and commercially feasible, the Group has sufficient resources available to complete the development and it is possible to demonstrate that the asset will generate probable future economic benefits.

Capitalised expenditure comprises the costs of materials, direct labour costs and a proportionate part of the overheads.

Intangible assets are measured at their cost, less any accumulative amortisation and any accumulated impairment losses.

Amortisation
Intangible assets are amortised in accordance with the straight-line methods starting when the asset is available for use over their expected useful life.
The following useful lives are applied:

- Software	3 to 5 years
- Concessions, copyrights, property rights and similar rights:	
- Graphics and generics	3 years
- Scenarios	2 years
- Other rights	according to their expected useful life

By virtue of the modification of IAS 38.107, titles are considered as assets with indefinite useful lives which are not amortised but tested yearly for impairment.

Goodwill
Goodwill is the difference between the cost of a business combination and the Group's share in the fair value of the assets acquired and liabilities and contingent liabilities assumed of the subsidiary, joint venture or associated entity at the time of acquisition.
By virtue of the application of IFRS 3 goodwill is not amortised but tested yearly for impairment.

Property, plant and equipment
Property, plant and equipment are recognised at cost less any accumulative depreciation and any impairment losses. The cost comprises the initial purchase price plus other direct purchase costs (such as non-refundable tax, transport). The cost of self-constructed property, plant and equipment comprises the cost of materials, direct labour costs and a proportional part of the production overheads.

The Group uses the exception provided for in IFRS 1 to treat the fair value of some of the property, plant and equipment as deemed cost on the date of transition to IFRS, being 1 January 2003. This fair value is based on the value in going concern as determined by third party experts and was applied to all of the Group's land and buildings, as well as to NV Roularta Printing's printing presses and finishing lines.

Leases
Lease arrangements whereby the Group has substantially all rewards and risks incidental to ownership are classified as finance leases. At the commencement of the finance lease term, finance leases are recognised as assets and liabilities in the balance sheet at amounts equal to the fair value of the leased property, or, if lower, the present value of the minimum lease payments each determined at the inception of the lease.

Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents shall be charged as expenses in the periods in which they are incurred.

Leasing of property whereby substantially all rewards and risks remain with the leasing company is classified as operating lease. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Depreciation
The depreciable amount of an item of property, plant and equipment (i.e. the cost less its residual value) is recognised in the income statement on a straight line basis from the date the asset is available for use over the expected useful life.

The following depreciation percentages are applied:

Buildings	
- revalued	20 years
- not revalued	33 years
- buildings on leasehold land	term of lease
- improvements with valuable appreciation	10 years
Installations, machines and equipment	
- printing presses and finishing lines	3 to 20 years
- broadcast material	5 years
- TV stages	3 years
- others	5 years
Furniture and office equipment	5 to 10 years
Electronic equipment	3 to 5 years
Vehicles	4 to 5 years
Other property, plant and equipment	5 to 10 years
Assets under construction and advance payments	no depreciation
Property held under a finance lease	
- printing presses and finishing lines	3 to 20 years
- broadcast material	5 years

Land is not depreciated since it is assumed that it has an indefinite useful life.

Financial assets
Criteria for the initial recognition and the derecognition of financial assets
The purchase or sale of financial assets is recognised using the settlement date. This implies that the asset is recognised on the date it is received by the Group, and it is derecognised on the date it is delivered by the Group; at this date any gain or loss on disposal is recognised.

Criteria for the measurement of financial assets
(a) Available-for-sale financial assets
At initial recognition all available-for-sale financial assets are recognised at fair value, plus transaction costs directly attributable to the acquisition of the financial asset. A gain or loss arising from a change in fair value is recognised directly in equity as revaluation reserve until the financial asset is derecognised, or until there is objective evidence that a financial asset incurred impairment losses. Investments in equities that are classified as assets available for sale but for which no price quotation on an active market is available, and the fair value of which cannot be reliably determined by other valuation methods, are recognised at their historical cost.

(b) Financial assets at fair value through profit or loss
At initial recognition these financial assets are recognised at fair value. A gain or loss arising from a change in fair value of the financial asset is recognised through profit or loss. If the fair value cannot be measured reliably, its cost is considered to approach its fair value.

(c) Loans and receivables
These non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are measured at amortised cost. A gain or loss is recognised in profit or loss when the financial asset is impaired.

Inventories
Inventories are measured at cost (purchase or manufacturing cost) in accordance with the FIFO method or if lower, at net realisable value.
Manufacturing cost includes all direct and indirect costs necessary to bring the inventories to their present location and condition.
The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.
Ageing or slowly rotating inventories are systematically written down.

Broadcasting rights VMMa
Broadcasting rights are also measured the lower of cost or net realisable value. They are consumed on the basis of the expected number of broadcasts (maximum 2) in combination with the expected revenue so as to match the broadcasting cost and revenue. The following indicative percentages are taken into consideration for this:

Type	Run 1	Run 2
Humour	70%	30%
Documentary series	80%	20%
Fiction	80%	20%
Kids	50%	50%
Films	70%	30%
Series bought in	80%	20%
Remainder	100%	0%

Trade and other receivables
Short term trade receivables and other receivables are measured at cost less appropriate allowances for estimated irrecoverable amounts.

At the end of the financial year an estimate is made of doubtful debts on the basis of an evaluation of all outstanding amounts. Doubtful debts are written off in the year in which they were identified as such.

Cash and cash equivalents
Cash and cash equivalents consist of cash and sight deposits, short term deposits (under 3 months) and highly liquid investments which are easily convertible into a known cash amount and where the risk of a change in value is negligible.

Equity
Treasury shares
Treasury shares (i.e. own shares) are presented as deduction of equity and reported in the statement of changes in equity. No gain or loss is recognised in the income statement on the sale, issuance or cancellation of treasury shares.

Provisions
A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

If the Group expects that some or all of the expenditure required settling a provision will be reimbursed, the related asset is recognised once it is virtually certain that the reimbursement will be received.

Restructuring
A provision for restructuring is created when the Group approves a detailed and formalised restructuring plan and when the implementation of the restructuring plan has been started or the main features of the plan have been announced to those affected by it.

Employee benefits
Pension commitments
Several defined contribution plans exist within the Group. These plans are funded by both employer and employee contributions. Contribution commitments in the pension schemes with a fixed contribution payable by the Group are included in the income statement of the year to which they relate.

The necessary amounts are recognised in the profit and loss account to cover the actuarial and investment risk of the defined benefit plans.

The Group also recognises a provision for early retirement pensions. The amount of the provision is equal to the present value of future benefits promised to the employees involved.

Remuneration in shares and related benefits
Different share option programmes and warrant plans allow employees and senior management to acquire shares in the company. The exercise price of an option is equal to the fair value of the underlying shares on the grant date. No compensation cost or commitment whatsoever are recognised in the financial statements, but are disclosed in the notes. If the options are exercised, the equity is increased by the amount of the proceeds.

Other long term employee benefits
This mainly concerns both future allocations of preferential subscriptions, as the Julien Victor Premium which is awarded to the employee on retirement. The amount of these provisions equals the present value of these future obligations.

Financial liabilities
Financial debts, other than derivative financial instruments, are initially recorded at the fair value of the financial resources received, less transaction costs. In subsequent periods, they are stated at amortized cost using the effective interest-rate method. Where financial debts are hedged by derivative financial instruments that function as fair value hedging, these debts are valued at fair value.

Trade payables
Trade payables are recognised at their cost.

Tax
Tax expense (tax income) on the profit for the financial year is the aggregate amount included in the profit or loss for the period in respect of current tax and deferred tax. Taxes are recognised as income or as expense and included in profit or loss for the period except to the extent that the tax arises from a transaction or event which is recognised directly in equity. In that case the taxes are also recognised directly to the equity.

Current taxes for current and previous periods are, to the extent unpaid, recognised as a liability. If the amount already paid exceeds the amount due for those periods, the excess is recognised as an asset. For calculating the current tax for the current and prior periods the tax rates that have been enacted or substantively enacted by the balance sheet date are used.

Deferred taxes are accounted for using the “liability” method for all temporary differences between the taxable basis and the book value for financial reporting purposes and this for both assets and liabilities. For calculation purposes the tax rates used are those that have been enacted or substantively enacted by the balance sheet date.

In accordance with this method, the Group must in case of a business combination recognise deferred taxes on the difference between the fair value of the acquired assets and the liabilities and contingent liabilities assumed and their taxable basis.

Deferred tax assets are only recognised when it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets are derecognised when it is no longer probable that the related tax advantage will be realised.

Government grants
Government grants that relate to assets are recognised at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The government grant is presented as deferred income.

Government grants to compensate costs incurred by the Group are systematically recognised as operating income in the same period in which these costs are incurred.

Sales
Revenue from sales is recognised when following conditions are met:
(a) the significant risks and rewards of ownership are transferred
(b) the Group has no continuing managerial involvement or control usually associated with ownership anymore
(c) the amount of revenue can be measured reliably
(d) it is probable that the economic benefits associated with the transaction will flow to the Group
(e) the costs incurred or to be incurred can be measured reliably

Advertising income in Printed Media is recognised upon publication of the issue in which the advertisement is placed. Advertising income in Audiovisual Media is recognised at the time of broadcasting. Income from newsstand and subscription sales is recognised at publication date of the issue.

Financing costs
Financing costs are recognised as an expense in the period in which they are incurred.

Impairment losses
For the book value of the Group's assets, in application of IAS 36, on each balance sheet date it is assessed whether there are any indications that an asset may be impaired. If such indication exists, the recoverable amount of the asset has to be estimated. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. An impairment loss is recognised when the book value of an asset, or the cash-generating unit to which the asset belongs, is higher than the recoverable amount. Impairment losses are included in the income statement.

Financial instruments
The group uses financial instruments to hedge the exposure to changes in fair value of a recognised asset or liability, or an unrecognised firm commitment. These financial instruments accounted for as fair value hedges are measured at fair value and presented in the line 'hedging instruments'.

The financial instruments which do not meet the recognition criteria to be recognised as a hedging instrument, are measured at fair value: the gain or loss arising from a change in fair value of the instrument is directly recognised in profit or loss.

Hedging and hedging reserve
To limit the effect of exchange rate fluctuations on foreign currency loans and the effect of interest rate fluctuations on loans in general, financial instruments are concluded.

Cash flow hedging
Changes in the fair value of a hedging instrument that qualifies as an effective cash flow hedge are processed in equity, more specifically in the hedging reserve.

Derivatives that do not qualify as hedging instruments
Certain hedging transactions do not qualify for hedge accounting treatment according to the specific criteria of IAS 39 'Financial Instruments: Recognition and Measurement', although they offer economic hedging according to the Group's risk policy. Changes in the fair value of such instruments are recognised directly in the income statement.

Crucial assessments and main sources of estimating uncertainties
Preparing annual financial statement under IFRS rules requires management to make judgements, estimates and assumptions that influence the amounts included in the annual financial statements.

The estimates and related assumptions are based on past experience and on various other factors that are considered reasonable in the given circumstances. The outcomes of these form the basis for the judgment as to the carrying value of assets and liabilities where this is not evident from other sources. The actual outcomes can differ from these estimates. The estimates and underlying assumptions are regularly reviewed.

Important sources of valuation uncertainties:
- impairment losses on titles and goodwill: the group tests titles and goodwill annually for impairment, and also in between where indications exist that the value of the titles or goodwill could be impaired.
- deferred tax assets relating to tax losses carried forwards and tax deductions are recognised only to the extent that it is probable that sufficient taxable profit will exist in the future to recover the carried-forward tax losses and tax deductions.

NOTE 2. SEGMENT REPORTING

I. PRIMARY SEGMENT REPORTING: BUSINESS SEGMENTS

For management purposes, Roularta Media Group is organised into two operating divisions according to their business segment: Printed Media and Audiovisual Media. These divisions are the basis on which Roularta Media Group reports its primary segment information. Segment results, and assets and liabilities comprise items which can be attributed directly or on a reasonable basis to a segment. Segment investments comprise the cost incurred during the period to acquire intangible assets and property, plant and equipment that are expected to be used during more than one period. Intersegment pricing is determined on an arm's length basis.

Printed Media includes the sale of publicity, and the production and sale of all printed publications of the Group, such as free sheets, newspaper, magazines, newsletters and books, as well as all related services. Audiovisual Media includes spot advertising on TV and Radio, production and broadcasting, as well as all related services.

We refer to the product brochure for comments on the segment results.

2006	Printed Media	Audiovisual Media	Intersegment elimination	Consolidated total
Sales of the segment	437,218	179,285	-7,272	609,231
Sales to external customers	*435,195*	*174,036*		*609,231*
Sales from transactions with other segments	*2,023*	*5,249*	*-7,272*	*0*
Depreciation, amortisation and provisions	-12,053	-6,993		-19,046
Impairment loss on titles and goodwill	-2,331			-2,331
Operating profit (EBIT)	**38,643**	**12,446**		**51,089**
Net finance costs	-1,482	-511		-1,993
Income taxes	-18,836	-4,809		-23,645
Net profit of the consolidated companies	**18,325**	**7,126**		**25,451**
Share in the profit of the companies accounted for using the equity method	-12			-12
Minority interests	-888	235		-653

All financial amounts expressed in thousands of euros.

Net profit of the Group	**17,425**	**7,361**		**24,786**
EBITDA	53,027	19,440		72,466
Net current profit (1)	22,491	8,516		31,007
Current cash flow (2)	34,544	15,510		50,053
Assets	**921,209**	**179,854**	**-115,529**	**985,534**
- of which carrying amount of investments accounted for using the equity method	78			78
- of which investments in intangible assets and property, plant and equipment	42,722	7,513		50,235
Liabilities	**642,330**	**76,746**	**-31,244**	**687,832**

2005	**Printed Media**	**Audiovisual Media**	**Intersegment elimination**	**Consolidated total**
Sales of the segment	339,391	165,611	-7,321	497,681
Sales to external customers	*337,272*	*160,409*		*497,681*
Sales from transactions with other segments	*2,119*	*5,202*	*-7,321*	*0*
Depreciation, amortisation and provisions	-11,100	-6,243		-17,343
Impairment loss on titles and goodwill	-138			-138
Operating profit (EBIT)	**30,425**	**8,128**		**38,553**
Net finance costs	-859	-483		-1,342
Income taxes	-12,087	-2,795		-14,882
Net profit of the consolidated companies	**17,479**	**4,850**		**22,329**
Share in the profit of the companies accounted for using the equity method	8	-5		3
Minority interests	-413	274		-139
Net profit of the Group	**17,074**	**5,119**		**22,193**
EBITDA	41,663	14,371		56,034
Net current profit (1)	17,212	5,119		22,331
Current cash flow (2)	28,312	11,362		39,674
Assets	**451,850**	**162,800**	**-103,598**	**511,052**
- of which carrying amount of investments accounted for using the equity method	30			30
- of which investments in intangible assets and property, plant and equipment	19,259	8,073		27,332
Liabilities	**234,433**	**68,620**	**-20,914**	**282,139**

(1) Net current profit = net profit + impairment losses on titles and goodwill + restructuring costs net of taxes.
(2) Current cash flow = net current profit + depreciation of (in)tangible assets, write-downs and provisions.

II. SECONDARY SEGMENT REPORTING: GEOGRAPHICAL SEGMENTS

The secondary segment information is divided into three geographical markets in which RMG is active: Belgium, France and other countries (Germany, Netherlands, Great Britain, Slovenia, Portugal and Norway). The following schedules of sales and assets are divided up according to the geographical location of the subsidiary, unlike last year, where sales were divided up according to the client's geographical location. This change has been undertaken in order to align the segment information better with management supervision. Given our Group's recent expansion into France with the take-over of the Groupe Express-Expansion, the operating company's geographical location has been the key criterion in the secondary segment reporting. The comparative figures for 2005 have been restated accordingly.

2006	**Belgium**	**France**	**Other countries**	**Intersegment elimination**	**Consolidated total**
Sales of the segment	480,987	118,892	22,424	-13,072	609,231
Assets	748,656	537,355	17,293	-317,770	985,534
of which investments in intangible assets and property, plant and equipment	44,357	5,757	121		50,235
2005					
Sales of the segment	450,554	36,663	20,934	-10,470	497,681
Assets	475,729	110,133	15,621	-90,431	511,052
of which investments in intangible assets and property, plant and equipment	26,855	430	47		27,332

All financial amounts expressed in thousands of euros.

NOTE 3. SALES

An analysis of the Group's sales is as follows:

	2006	2005
Advertising	365,341	313,216
Subscriptions and sales	118,536	79,673
Other services and goods	125,354	104,792
Total sales	**609,231**	**497,681**

Bartering contracts included in sales amount to € 32,156 (2005: € 28,649). Royalties included in sales amount to € 3,160 (2005: € 1,949).

Total sales rose by € 111,550 or 22.4%. The Printed Media division increased its sales by 28.8%, the Audiovisual Media division by 8.3%. 76% of the sales growth (€ 84,850) is from new acquisitions (primarily Groupe Express-Expansion and Point de Vue), and € 26,700 from the growth of existing products, giving organic growth of 5.4%. 'Other services and goods' consist primarily of income from organising fairs and seminars, the sale of books and magazine by-products, income from interactive communication and services for third parties. In 2005 remuneration for the signal from VMMa was reclassified from other operating income to sales. This reclassification impacted 'other services and goods' by € 4,443. This reclassification was undertaken because remuneration for digital TV is from now on included in the company's core activities.

NOTE 4. SERVICES AND OTHER GOODS

An analysis of the Group's services and other goods is as follows:

	2006	2005
Transport and distribution costs	-31,288	-22,210
Marketing and promotion costs	-49,267	-37,779
Fees	-49,452	-39,088
Subcontractors and other deliveries	-36,411	-28,722
Remuneration members of the board of directors	-2,213	-2,074
Other services and other goods	-41,042	-32,202
Total services and other goods	**-209,673**	**-162,075**

NOTE 5. PERSONNEL

	2006	2005
Wages and salaries	-105,172	-83,999
Social security contributions	-35,788	-31,153
Post employment benefit charges	-2,662	-1,806
Other personnel charges	-4,875	-3,280
Total personnel charges	**-148,497**	**-120,238**

Post employment benefit charges in 2006 consist mainly of expenses recognised related to the defined contribution plans of € 2,618 (2005: € 1,768).

Employment in Full Time Equivalents	2006	2005
Average number of staff	2,524	2,179
Total employment at the end of the accounting year	3,101	2,205

NOTE 6. WRITE-DOWN OF TRADE DEBTORS AND INVENTORIES

	2006	2005
Write-down of trade debtors	-1,939	-2,867
Reversal of write-down of trade debtors	1,923	1,404
Write-down of inventories	-228	-1,881
Reversal of write-down of inventories	1,555	1,899
Total write-down of trade debtors and inventories	**1,311**	**-1,445**

All financial amounts expressed in thousands of euros.

The lower write-down of trade debtors follows last year's one-off write-down by NV Vogue Trading Video on receivables from Union Film Group (€ 1,055).
The lower write-down of inventories relates mainly to the inventory of broadcasting rights at NV VMMa. In 2006, € 1,130 of write-downs of broadcasting rights were reversed. With more efficient programme planning, no additional write-downs were recorded in 2006 on broadcasting rights.

NOTE 7. OTHER OPERATING INCOME / EXPENSES

	2006	2005
Profit resulting from cooperation contracts	1,185	1,022
Transfer liability games of chance (in the current year posted as provision)	1,240	
Government grants	1,179	958
Sale Plopsaland and Total Music		2,350
Gains on disposal of intangible assets and property, plant and equipment	240	223
Capital grants	204	148
Exchange differences and discounts	708	398
Miscellaneous cross-charges	1,772	1,155
Other operating income	4,532	2,813
Total other operating income	**11,060**	**9,067**
Other taxes	-3,376	-3,075
Losses on disposal of intangible assets and property, plant and equipment	-12	-362
Losses on trade receivables	-692	-649
(Reversal of) less values / (less values) on other receivables	-47	98
Share association	-2,888	-1,502
Exchange differences, discounts and bank charges	-1,033	-769
Other operating expenses	-1,845	-933
Total other operating expenses	**-9,893**	**-7,192**

Compared with 2005, other operating income and costs have risen primarily through new participations, which have increased other operating income by € 1,648 and other operating costs by € 1,538.

NOTE 8. RESTRUCTURING COSTS

	2006	2005
Redundancy costs	-5,555	
Studies consultants	-297	
Total restructuring costs	**-5,852**	**0**

Restructuring costs relate on the one hand to redundancy costs of the group Groupe Expess-Expansion (€ 4,102), on the other hand to restructuring costs at VMMa (€ 1,750).

NOTE 9. NET FINANCE COSTS

	2006	2005
Interest income	3,805	1,075
Interest expenses	-5,798	-2,417
Total net finance costs	**-1,993**	**-1,342**

Financial income has risen since 2005 on the one hand with non-recurring financial income from a swap contract concluded prior to the April 2006 US Private Placement as well as with the market value of other financial instruments concluded to cover interest risks (€ 1,346) and on the other hand with credit interest received on investments.
Financing costs have risen compared with 2005, mainly as a result of additional borrowings to finance the new participations.

All financial amounts expressed in thousands of euros.

NOTE 10. INCOME TAXES

I. INCOME TAX EXPENSE / INCOME - CURRENT AND DEFERRED

	2006	2005
A. Income tax expense / income - current		
Current period tax expense	-13,922	-13,508
Adjustments to current tax expense / income of prior periods	-174	-422
Total current tax expense, net	**-14,096**	**-13,930**
B. Income tax expense / income - deferred		
Related to the origination and reversal of temporary differences	-5,648	-162
Related to tax losses carried forward & tax credits of the current period	2,705	2,569
Related to tax losses: reversal and utilisation	-2,578	-1,416
Related to the non-recoverability of deferred tax assets (*)	-4,028	-1,943
Total deferred tax expense, net	**-9,549**	**-952**
Total current and deferred tax expense, net	**-23,645**	**-14,882**

(*) € 1,691 of the increase compared with 2005 is due to the reversal of deferred tax assets at SAS Studio Press.

II. RECONCILIATION OF STATUTORY TAX TO EFFECTIVE TAX

	2006	2005
Profit before taxes	49,096	37,211
Statutory tax rate	33.99%	33.99%
Tax expense using statutory rate	**-16,688**	**-12,648**
Adjustments to current tax of prior periods (+/-)	-174	-422
Tax effect of non tax deductible expenses (-)	-2,364	-1,468
Tax effect of non taxable revenues (+)	1,162	1,850
Tax effect of not recognising deferred taxes on losses of the current period (-)	-2,352	-1,917
Tax effect from the reversal (utilisation) of deferred tax assets from previous years	-3,184	-407
Tax effect of recognising deferred taxes on tax losses of previous periods (+)	31	5
Other increase / decrease in tax charge (+/-)	-76	125
Tax expense using effective rate	**-23,645**	**-14,882**
Profit before taxes	49,096	37,211
Effective tax rate	48.16%	39.99%
Total effective tax expense	**-23,645**	**-14,882**

III. IMPACT OF CHANGE IN TAX RATE

In 2005 tax rates were changed in the Netherlands and France, with a negative effect of € 21 on income taxes. In 2006 there were no changes in tax rates.

NOTE 11. EARNINGS PER SHARE

Ordinary shares	2006	2005
I. MOVEMENTS IN NUMBER OF SHARES		
Number of shares, beginning balance	9,956,961	9,928,611
Number of shares issued during the period	1,048,524	28,350
Number of shares, ending balance	**11,005,485**	**9,956,961**
- of which issued and fully paid	11,005,485	9,956,961
II. OTHER INFORMATION		
Number of shares owned by the company or related parties	224,156	252,862
Shares reserved for issue under options	80,614	111,445
III. EARNINGS PER SHARE CALCULATION		
1. Number of shares		
1.1. Weighted average number of shares, basic	10,667,825	9,687,603
1.2. Adjustments to computed weighted average number of shares, diluted	129,836	193,783
subscription right plans	*77,981*	*121,951*
stock option plans	*51,855*	*71,832*
1.3. Weighted average number of shares, diluted	10,797,661	9,881,386

All financial amounts expressed in thousands of euros.

2. Calculation
The calculation of the basic earnings and diluted earnings per share are based on the following:

$$\frac{\text{Net profit available to common shareholders}}{\text{Weighted average number of shares, basic}} = \frac{24{,}786}{10{,}667{,}825} = 2.32$$

$$\frac{\text{Net profit available to common shareholders}}{\text{Weighted average number of shares, diluted}} = \frac{24{,}786}{10{,}797{,}661} = 2.30$$

NOTE 12. DIVIDENDS

	2006	2005
Amount of dividends proposed or declared after the balance sheet date but before authorisation of the financial statements (1)	8,093	8,050
Gross dividend per share in €	0.75	0.75
(1)		
Number of shares entitled to dividend on 31/12	11,005,485	9,956,961
Number of own shares on 31/12	-224,156	-252,862
New shares due to capital increase	9,340	1,028,699
	10,790,669	**10,732,798**

NOTE 13. INTANGIBLE ASSETS

2006	Development costs	Titles	Software	Concessions, copyrights, property rights and similar rights	Total
AT COST					
Balance at the end of the preceding period	**0**	**94,834**	**14,732**	**12,207**	**121,773**
Movements during the period:					
- Acquisitions	131	4,605	3,585	306	8,627
- Acquisitions through business combinations		313,683	5,496	5,157	324,336
- Sales and disposals (-)			-610		-610
- Disposals through business divestiture (-)			-13		-13
- Transfers from one heading to another		232	127	-231	128
- Foreign currency exchange increase / decrease		-29			-29
- Other increase / decrease		-14			-14
At the end of the period	**131**	**413,311**	**23,317**	**17,439**	**454,198**
DEPRECIATION AND IMPAIRMENT					
Balance at the end of the preceding period	**0**	**1,214**	**9,910**	**3,829**	**14,953**
Movements during the period:					
- Depreciation	4		2,162	2,719	4,885
- New consolidations		6	3,943	277	4,226
- Impairment loss / reversal recognised in income		2,332			2,332
- Written down after sales and disposals (-)			-607		-607
- Disposals through business divestiture (-)			-6		-6
- Transfers from one heading to another		2	-2	-2	-2
At the end of the period	**4**	**3,554**	**15,400**	**6,823**	**25,781**
Net carrying amount at the end of the period	**127**	**409,757**	**7,917**	**10,616**	**428,417**

Development costs, software and concessions, copyrights, property rights and similar rights are depreciated based on their useful life, which is determined based on the expected use of the asset by the Group (also see valuation rules). Titles have an indefinite useful life because they are not subjected to economical devaluation and are therefore not depreciated but subjected annually to an impairment test. In accordance with IAS 36 on 'Impairment of assets', the carrying amount of titles has been compared to their net sales value. The net sales value is the market value, which has been derived by ways of an empirical method, which is based on turnover and return criteria.

All financial amounts expressed in thousands of euros.

The net carrying amount of titles at 31 December 2006 consists mainly of titles of the group Groupe Express-Expansion (L'Express, L'Expansion, Lire, L'Entreprise, Mieux Vivre Votre Argent, L'Etudiant, Atmosphères...), including the titles of the Côté Maison Group (Côté Sud, Côté Est, Côté Ouest, Maison Française, Maison Magazine) for a total amount of € 327,230, of Point de Vue for a total amount of € 32,400, of the Biblo Group (newsletters, medical magazines, Top, Tendances, ...) for a total amount of € 15,275, of A Nous Paris for a total amount of € 7,226, of Studio Magazine (Studio Magazine and Ciné Live) for a total amount of € 6,000, of the Studio Press Group (Pianiste, Guitar Part, Hifi/Vidéo, Prestige, ...) for a total amount of € 4,153, of Press News (Royals, Dynasty, ...) for the total amount of € 2,665, of Het Wekelijks Nieuws (€ 2,450), of 't Fonteintje-De Wegwijzer (€ 2,244), of Zeeuws-Vlaams-Mediabedrijf for a total amount of € 2,083, of Grieg Media (VI over 60) for a total amount of € 1,967, of Tam-Tam (€ 1,887) and of DMB-BALM (Actua Vidéo, Vidéo Futur, ...) (€ 1,515).

The following titles are controlled by the Group, but are not recognised as assets because they are internally generated and as a consequence do not meet the recognition criteria of IAS 38: Knack, Weekend Knack, Le Vif/L'Express, Weekend Le Vif/L'Express, Sport/Voetbalmagazine, Sport/Foot Magazine, Trends, Cash, Bizz, Nest, Télépro, Grande, Plus Magazine, De Streekkrant, De Zondag, Steps City Magazine, Jornal Da Região, Style, Krant van West-Vlaanderen, De Weekbode, De Zeewacht, Kortrijks Handelsblad, Go, Bouwen (N/F), ... Other internally generated trade marks are Media Club, easy.be, Focus Televisie, WTV, Kanaal Z/Canal Z, JIMtv, VTM, KANAALTWEE, Q-Music, ...

The net carrying amount of internally generated software is € 2,952. We refer to Note 30 for more information on the acquired titles.

2005	**Development costs**	**Titles**	**Software**	**Concessions, copyrights, property rights and similar rights**	**Total**
AT COST					
Balance at the end of the preceding period	**0**	**52,376**	**13,496**	**4,452**	**70,324**
Movements during the period:					
- Acquisitions		1,017	2,145	1,676	4,838
- Acquisitions through business combinations		41,166	336	5,391	46,893
- Sales and disposals (-)		-15	-1,134	-124	-1,273
- Disposals through business divestiture (-)		-95	-38		-133
- Transfers from one heading to another		24	-139	799	684
- Foreign currency exchange increase / decrease		29			29
- Other increase / decrease		332	66	13	411
At the end of the period	**0**	**94,834**	**14,732**	**12,207**	**121,773**
DEPRECIATION AND IMPAIRMENT					
Balance at the end of the preceding period	**0**	**1,182**	**8,548**	**3,272**	**13,002**
Movements during the period:					
- Depreciation			2,148	680	2,828
- New consolidations			280		280
- Impairment loss / reversal recognised in income		138			138
- Written down after sales and disposals (-)		-15	-1,117	-124	-1,256
- Disposals through business divestiture (-)		-95	-4		-99
- Transfers from one heading to another		4	-5	1	0
- Foreign currency exchange increase / decrease			60		60
At the end of the period		**1,214**	**9,910**	**3,829**	**14,953**
Net carrying amount at the end of the period	**0**	**93,620**	**4,822**	**8,378**	**106,820**

NOTE 14. GOODWILL

	2006	**2005**
AT COST		
Balance at the end of the preceding period	**25,298**	**24,380**
Movements during the period:		
- Acquisitions through business combinations	31,124	
- Transfers from one heading to another		-684
- Other increase / decrease		1,602
At the end of the period	**56,422**	**25,298**
Net carrying amount at the end of the period	**56,422**	**25,298**

The increase in goodwill relates to Groupe Express-Expansion and Studio-A. Other goodwill relates to the business combinations with VMMa, Paratel, VTV and Biblo.

All financial amounts expressed in thousands of euros.

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

2006	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Leasing and other similar rights	Other property, plant and equipment	Assets under construction	Total
AT COST							
Balance at the end of the preceding period	**89,201**	**75,205**	**17,450**	**20,654**	**2,664**	**22**	**205,196**
Movements during the period							
- Acquisitions	1,492	6,219	1,645	26,287	332	5,632	41,607
- Acquisitions through business combinations	2,099	1,641	7,133		5,021	130	16,024
- Sales and disposals (-)	-81	-8,086	-1,669		-177		-10,013
- Disposals through business divestiture (-)			-32				-32
- Transfers from one heading to another		307	307		-613	-130	-129
- Foreign currency exchange increase / decrease			-9				-9
- Other increase / decrease		-45	4			-22	-63
At the end of the period	**92,711**	**75,241**	**24,829**	**46,941**	**7,227**	**5,632**	**252,581**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at the end of the preceding period	**12,450**	**48,239**	**13,881**	**3,734**	**2,057**	**0**	**80,361**
Movements during the period							
- Depreciation	3,428	7,189	1,246	2,364	323		14,550
- New consolidations		1,549	5,287		1,633		8,469
- Written down after sales and disposals (-)		-7,305	-1,606		-174		-9,085
- Disposals through business divestiture (-)			-16				-16
- Transfers from one heading to another		190	436		-626		0
- Foreign currency exchange increase / decrease			-7				-7
- Other increase / decrease		-114	3				-111
At the end of the period	**15,878**	**49,748**	**19,224**	**6,098**	**3,213**	**0**	**94,161**
Net carrying amount at the end of the period	**76,833**	**25,493**	**5,605**	**40,843**	**4,014**	**5,632**	**158,420**

Other information	Land and buildings
Amount of tangible assets pledged as security for liabilities (mortgage included)	27,140

The heading ‘leasing and other similar rights’ comprises machines with a carrying amount of € 38,148 (Roularta Printing), machines of NV Vogue Trading Video with a carrying amount of € 2,560, machines with a carrying amount of € 81 (Regionale Media Maatschappij) and office equipment of Studio-A with a carrying amount of € 54. The heading ‘assets under constructions’ relates to buildings under construction of Roularta Printing (€ 4,288) and RMG (€ 324), machinery under construction of VMMa (€ 986), machinery under construction of Studio-A (€ 10) and advance payments of Studio Magazine (€ 23).

2005	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Leasing and other similar rights	Other property, plant and equipment	Assets under construction	Total
AT COST							
Balance at the end of the preceding period	**78,146**	**84,343**	**17,802**	**12,562**	**1,981**	**6,060**	**200,894**
Movements during the period							
- Acquisitions	10,827	9,248	1,461	1,193	107	22	22,858
- Acquisitions through business combinations		5	182		1,237		1,424
- Sales and disposals (-)	-88	-8,853	-2,454		-545	-3	-11,943
- Disposals through business divestiture (-)			-56		-24		-80
- Transfers from one heading to another	316	-12,232	324	6,899	-141	-6,057	-10,891
- Foreign currency exchange increase / decrease			7				7
- Other increase / decrease		2,694	184		49		2,927
At the end of the period	**89,201**	**75,205**	**17,450**	**20,654**	**2,664**	**22**	**205,196**

All financial amounts expressed in thousands of euros.

DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at the end of the preceding period	**9,415**	**56,970**	**14,534**	**2,076**	**1,590**	**0**	**84,585**
Movements during the period							
- Depreciation	3,096	7,828	1,093	1,658	137		13,812
- New consolidations		3	154		946		1,103
- Written down after sales and disposals (-)	-61	-8,073	-2,302		-535		-10,971
- Disposals through business divestiture (-)			-33		-18		-51
- Transfers from one heading to another		-11,036	256		-111		-10,891
- Foreign currency exchange increase / decrease			6				6
- Other increase / decrease		2,547	173		48		2,768
At the end of the period	**12,450**	**48,239**	**13,881**	**3,734**	**2,057**	**0**	**80,361**
Net carrying amount at the end of the period	**76,751**	**26,966**	**3,569**	**16,920**	**607**	**22**	**124,835**

Other information	**Land and buildings**
Amount of tangible assets pledged as security for liabilities (mortgage included)	19,841

NOTE 16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

I. PARTICIPATING INTEREST	**2006**	**2005**
AT COST		
At the end of the preceding period	**30**	**2,097**
Movements during the period		
- Acquisitions	56	22
- Disposals through business divestiture (-)		-2,092
At the end of the period	**86**	**27**
MOVEMENTS IN CAPITAL AND RESERVES		
Share in the result for the financial period	-12	3
Other	4	
At the end of the period	**-8**	**3**
Net carrying amount at the end of the period	**78**	**30**

II. AMOUNTS RECEIVABLE	**2006**	**2005**
At the end of the preceding period	**0**	**191**
Movements during the period		
- Additions		
- Other		-191
Net carrying amount at the end of the period	**0**	**0**

A list of the investments accounted for using the equity method, including the name, country of incorporation and proportion of ownership interest is given in note 36 of the consolidated financial statements.

The Group's share of assets and liabilities and of the profit of the associated companies is summarised below:

Summarised financial information	**2006**	**2005**
Total assets	1,483	586
Total liabilities	1,405	556
Sales	1,028	620
Net profit	-12	3

All financial amounts expressed in thousands of euros.

NOTE 17. FINANCIAL ASSETS - CURRENT AND NON CURRENT

I. PARTICIPATING INTERESTS AND SHARES	2006	2005
AT COST		
At the end of the preceding period	**2,504**	**4,486**
Movements during the period		
- Acquisitions	57	
- Acquisitions through business combinations	3	3
- Disposals (-)	-5	-1,985
- Transfer from one heading to another	-3	
At the end of the period	**2,556**	**2,504**
FAIR VALUE ADJUSTMENTS		
At the end of the preceding period	**-514**	**0**
Movements during the period		
- Decrease from fair value adjustments	-91	-514
At the end of the period	**-605**	**-514**
Net carrying amount at the end of the period	**1,951**	**1,990**

All participating interests are regarded as being available for sale and are shown at their fair value. Changes in fair value are included in the revaluation reserve under equity. The fair value of NV Cyber Press Publishing is based on the market price recorded as at the balance sheet date (€ 6.30), while the loss (€ 605) was included in the revaluation reserve in equity. Because it is impossible to reliably estimate the fair value of other shares, financial assets for which there is no active market have been valued at cost. This mainly concerns the investment of NV Roularta Media Group in NV Omroepgebouw Flagey (€ 522), CPP-INCOFIN (€ 124) and Eurocasino (€ 47), and of SA Job Rencontres in SAS Alphadistri (€ 57).

II. OTHER FINANCIAL ASSETS	2006	2005
AT COST		
At the end of the preceding period	**10,309**	**7,254**
Movements during the period		
- Additions	1,891	2,053
- Acquisitions through business combinations	383	1,963
- Disposals through business divestiture (-)	-2,175	
- Reimbursements	-2,416	-961
At the end of the period	**7,992**	**10,309**
FAIR VALUE ADJUSTMENTS		
At the end of the preceding period	**97**	**0**
Movements during the period		
- Increase from fair value adjustments	82	62
- Decrease from reimbursements	-35	
- Acquisitions through business combinations		35
At the end of the period	**144**	**97**
Net carrying amount at the end of the period	**8,136**	**10,406**

Other financial fixed assets partly consist of the non eliminated portion of receivables from proportionally consolidated companies (€ 3,739) and guarantees (€ 1,255). Market interest has been charged on these outstanding loans. Other financial fixed assets also consist of short-term investments (€ 2,998), which are regarded as financial assets recognised at their fair value, with changes in fair value being included in profit and loss. In 2006, € 82 was recognised in profit and loss after determination of the fair value of such short-term investments. The reduction in business combinations relates to a receivable on Groupe Express-Expansion, that has been eliminated now that this enterprise is part of the Group.

NOTE 18. OTHER NOTES ON ASSETS

I. TRADE AND OTHER RECEIVABLES, NON CURRENT	2006	2005
Other receivables	2,173	850
Total trade and other receivables - non current	**2,173**	**850**

Other receivables mainly relate to loans granted to third parties, with whom trading relations exist. Interest rates at arm's length are applied on the outstanding amounts receivable. The increase here is due to the loan granted by NV Roularta Media Group to BVBA Marmont Film Production for the production of 'Crusade in Jeans'. The other receivables also relate to employers' mandatory contribution in France to employee housing. The increase in the mandatory contribution since last year is entirely due to Groupe Express-Expansion.

All financial amounts expressed in thousands of euros.

II. TRADE AND OTHER RECEIVABLES, CURRENT	2006	2005
Trade receivables, gross	210,888	140,031
Allowance for bad and doubtful debts, current (-)	-5,712	-4,733
Other receivables	16,705	10,942
Total trade and other receivables - current	**221,881**	**146,240**

III. CASH AND CASH EQUIVALENTS	2006	2005
Bank balances	32,599	25,590
Short-term deposits	5,812	5,328
Cash at hand	49	27
Other cash and cash equivalents	4	5
Total cash and cash equivalents	**38,464**	**30,950**

NOTE 19. DEFERRED TAX ASSETS AND LIABILITIES

I. OVERVIEW DEFERRED TAX ASSETS - LIABILITIES

Recognised deferred tax assets and liabilities are attributable to:

	2006		2005	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Intangible assets	481	112,716	747	11,884
Property, plant and equipment	128	22,169	72	23,157
Financial non current assets	204	1,291	198	306
Inventories		2,229		1,754
Trade and other receivables	1	12		163
Financial current assets		26	12	23
Deferred charges and accrued income		380	2	236
Treasury shares		6		5
Capital reserves	278			
Reserves		708		711
Provisions	29	13	451	21
Employee benefits	900	164	771	
Non current financial liabilities	827			
Current financial liabilities	185			
Social debts				1
Taxes	17			
Other payables	167	4,288		
Accrued charges and deferred income	742	4	1	
Total deferred taxes related to temporary differences	**3,959**	**144,006**	**2,254**	**38,261**
Tax losses	12,120		7,049	
Tax credits	21		396	
Set off tax	-9,350	-9,350	-2,215	-2,215
Net deferred tax assets/liabilities	**6,750**	**134,656**	**7,484**	**36,046**

Deferred tax assets have not been recognised in respect of tax losses for an amount of € 10,982 (2005: € 7,014) and in respect of temporary differences of € 139 (2005: € 196) because it is not probable that future taxable profit will be available against which they can be utilised.

Roularta Media Group recognised deferred tax assets amounting to € 4,609 (2005: € 4,601) of affiliates which suffered losses in the current or previous period. Budgets, however, indicate that these affiliates will generate sufficient taxable profit in the near future to utilise the recognised deferred tax assets.

All financial amounts expressed in thousands of euros.

II. DEFERRED TAXES ON TAX LOSSES CARRIED FORWARD AND TAX CREDITS

	2006		2005	
	Tax losses carried forward	Tax credits	Tax losses carried forward	Tax credits
Beyond 5 years	236		43	
Without expiration date	11,884	21	7,006	396
Total deferred tax asset	**12,120**	**21**	**7,049**	**396**

NOTE 20. INVENTORIES

	2006	2005
Gross amount		
Broadcasting rights	44,996	47,622
Raw materials	6,252	3,807
Work in progress	925	1,099
Finished goods	812	341
Goods purchased for resale	5,009	2,970
Contracts in progress	1,672	155
Total gross amount (A)	**59,666**	**55,994**
Write-downs and other reductions in value (-)		
Broadcasting rights	-4,810	-5,940
Raw materials	-193	-20
Finished goods	-33	
Goods purchased for resale	-2,199	-1,415
Total write-downs (B)	**-7,235**	**-7,375**
Carrying amount		
Broadcasting rights	40,186	41,682
Raw materials	6,059	3,787
Work in progress	925	1,099
Finished goods	779	341
Goods purchased for resale	2,810	1,555
Contracts in progress	1,672	155
Total carrying amount at cost (A+B)	**52,431**	**48,619**

NOTE 21. EQUITY

ISSUED CAPITAL
At 31 December 2006, the issued capital amounts to € 170,251 (2005: € 119,267) and is represented by 11,005,485 (2005: 9,956,961) fully paid ordinary shares. These shares have no par value.

TREASURY SHARES
At 31 December 2006 the Group owns 224,156 own shares (2005: 252,862).

SUBSCRIPTION RIGHTS
Overview of the subscription rights offered to the management and executive employees:

Year of offering	Subscription rights offered	Subscription rights granted	Subscription rights to be exercised	Exercise price in €	First exercise period	Last exercise period
1998	300,000	300,000	39,600	11.15	15/5 - 15/6/2001	15/4 - 6/5/2008
2001	200,000	114,600	62,460	20.13	1/12 - 30/12/2005	10/9 - 10/10/2014
	500,000	**414,600**	**102,060**			

At 21 June 2006, 19,825 of the subscription rights offered in 1998 were exercised. At 6 January 2006, 39,090 of the subscription rights offered in 2001 were exercised.

Details of the subscription rights outstanding during the year are as follows:

	2006 Subscription rights to be exercised	2005 Subscription rights to be exercised
Outstanding at the beginning of the year	**163,475**	**196,975**
Forfeited during the year	-2,500	-5,150
Exercised during the year	-58,915	-28,350
Outstanding at the end of the year	**102,060**	**163,475**

STOCK OPTION PLANS

The Appointments and Remuneration Committee decides on the allocation of the option plans as a function of executives' and managers' performance, their contribution to achieving group objectives and their commitment to the long-term development of group strategy.
Overview of the stock option plans offered to the management and executive employees:

Year of offering	Options offered	Options granted	Options to be exercised	Exercise price in €	First exercise period	Last exercise period
2000	125,500	119,305	99,472	65.00	1/1 - 30/4/2004	1/1 - 22/5/2013
2001	82,125	73,575	26,664	18.20	1/1 - 26/6/2005	1/1 - 25/8/2014
2002	25,000	25,000	0	18.50	15/5 - 15/6/2006	15/5 - 15/6/2006
2002	10,000	10,000	10,000	20.00	1/1 - 31/12/2006	1/1 - 3/10/2012
2002	50,000	33,500	20,200	21.93	1/1 - 30/6/2006	1/7 - 31/12/2015
2003	10,000	10,000	10,000	27.00	1/1 - 31/12/2007	1/1 - 10/10/2013
2003	10,000	10,000	10,000	26.00	1/1 - 31/12/2007	1/1 - 31/12/2007
2003	12,500	12,500	2,500	26.00	1/1 - 31/12/2007	1/1 - 2/7/2013
2003	2,500	2,500	1,250	28.62	1/1 - 31/12/2007	1/1 - 31/12/2008
	327,625	**296,380**	**180,086**			

At 6 November 2006, 300,000 stock options were offered to the management and executive employees, of which 272,050 stock options were exercised at 5 January 2007.

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Share options are exercisable at a price equal to the average quoted market price of the company's shares on the date of grant. The vesting period of the share options is stated in the schedule above-mentioned. If the share option remains unexercised during the last exercise period, the share option expires. The share options which are not yet exercisable are forfeited if a member of management or a executive employee leaves the company before the last exercise period, except in case of retirement or decease.

Details of the share options outstanding during the year are as follows:

	2006		2005	
	Number of share options	Weighted average exercise price in €	Number of share options	Weighted average exercise price in €
Outstanding at the beginning of the year	**211,751**	**42.04**	**263,838**	**38.13**
Forfeited during the year	-2,959	36.42	-15,457	31.78
Exercised during the year	-28,706	19.81	-36,630	18.20
Outstanding at the end of the year	**180,086**	**45.67**	**211,751**	**42,04**
Exercisable at the end of the year	67,358		51,803	

The weighted average share price at the date of exercise for share options exercised during the year was € 52.21. The share options outstanding at the end of the year have a weighted average remaining term of 6 years and 7 months. In 2006 no share options were granted.

The fair values were calculated using the Black-Scholes option pricing model. To incorporate the effects of expected early exercise, the volatility was based on the historical volatility. The inputs into the model were as follows:

Weighted average share price in € on the date of grant	25.9
Weighted average exercise price	24.3
Expected volatility	80%
Expected life of the share option (in years)	6
Risk free rate	3.6%
Expected dividend yield	1.5%

In 2006 the Group recognised € 84 as personnel cost relating to equity-settled share-based payment transactions.

NOTE 22. PROVISIONS

2006 Provisions, non current	Legal proceeding provisions	Environmental provisions	Restructuring provisions	Other provisions	Total
At the end of the preceding period	**3,146**	**157**	**0**	**611**	**3,914**
Movements during the period					
- Additional provisions	485		1,589	3,471	**5,545**
- Increase / decrease to existing provisions				170	**170**
- Interests					**0**
- Acquisitions through business combinations	4		5,751	568	**6,323**
- Amounts of provisions used (-)	-1,800	-28	-1,403	-379	**-3,610**
- Unused amounts of provisions reversed (-)	-12			-41	**-53**
At the end of the period	**1,823**	**129**	**5,937**	**4,400**	**12,289**

Provisions for pending disputes relate largely to disputes at NV De Streekkrant-De Weekkrantgroep and NV Roularta Books and other pending disputes. The environmental provisions relate totally to provisions for soil decontamination. The restructuring provisions relate primarily to the 'clause de cession' and the restructurings in the Groupe Express-Expansion group and to the second phase of the restructuring at VMMa. The other provisions relate largely to the provision at VMMa for taxes on games of chance.

2005 Provisions, non current	Legal proceeding provisions	Environmental provisions	Restructuring provisions	Other provisions	Total
At the end of the preceding period	**3,351**	**325**	**0**	**402**	**4,078**
Movements during the period					
- Additional provisions	73			480	**553**
- Increase / decrease to existing provisions				6	**6**
- Interests	193				**193**
- Acquisitions through business combinations	251			81	**332**
- Amounts of provisions used (-)	-575	-168		-358	**-1,101**
- Unused amounts of provisions reversed (-)	-147				**-147**
At the end of the period	**3,146**	**157**	**0**	**611**	**3,914**

NOTE 23. SIGNIFICANT LITIGATION

NV De Streekkrant-De Weekkrantgroep is involved in a legal dispute with NV Kempenland in which damages of € 7,551 have been demanded for failure to fulfil a printing contract. A provision of € 1,000 has already been set up for these proceedings, of which € 450 has already been paid to NV Kempenland.
NV Roularta Books is involved in proceedings before the trade court with its former business partner Bookmark. A provision of € 578 has been set up in respect of these proceedings.

NOTE 24. EMPLOYEE BENEFITS

I. GENERAL OVERVIEW

	2006	2005
At the end of the preceding period	**3,501**	**2,875**
Additional provisions	408	767
Amounts of provisions used or provisions reversed (-)	-1,004	-350
Increase through business combinations	4,677	209
At the end of the period	**7,582**	**3,501**

Employee benefits refer primarily to € 1,531 of future tariff benefits on subscriptions, € 488 of provisions for redundancy payments, € 488 of provisions for employee retirement premiums, € 815 of other personnel remuneration and € 4,261 in respect of agreed defined benefit pension plans at Roularta Media Group, Mestne Revije, the Point de Vue group, Grieg Media and the Express-Expansion Group.

All financial amounts expressed in thousands of euros.

II. DEFINED BENEFIT PLANS

Various defined benefit pension plans exist within the Group, whereby remuneration is dependent on the number of years' service and salary levels. For each plan the pension costs are calculated separately by an actuary based on the 'projected unit credit' method. Using this method obligations in respect of previous years' service and built-up fund investments are calculated, with the difference between the two (net value) shown by the Group in the balance sheet.

	2006	2005
A. Amounts recognised in the balance sheet		
1. Net funded defined benefit plan obligation (asset)	908	479
1.1. Present value of funded or partially funded obligation	2,487	1,227
1.2. Fair value of plan assets (-)	-1,579	-748
2. Present value of wholly unfunded obligation	3,441	356
3. Unrecognised actuarial gains / losses	-94	-104
4. Other components	6	8
Defined benefit plan obligation, total	**4,261**	**739**
B. Net expense recognised in income statement		
1. Current service cost	446	116
2. Interest cost	303	43
3. Expected return on plan assets (-)	-1,572	-28
4. Net actuarial (gain) loss recognised	306	118
5. Past service cost		14
6. Loss (gain) on curtailments and settlements	15	
Net expense recognised in income statement	**-502**	**263**
C. Movements in the present value of the defined benefit plan obligation		
Present value of the defined benefit plan obligation, beginning balance	**1,584**	**949**
1. Current service cost	434	137
2. Interest cost	305	14
3. Net actuarial (gain) loss recognised	-535	261
4. Increases through business combinations	4,163	210
5. Foreign currency exchange increase (decrease)	-15	12
6. Other increase (decrease)	-8	
Present value of the defined benefit plan obligation, ending balance	**5,928**	**1,583**
D. Movements in the fair value of plan assets		
Fair value of plan assets, beginning balance	**748**	**410**
1. Expected return on plan assets	75	27
2. Actuarial gains (losses)	653	124
3. Contributions by employer	118	183
4. Foreign currency exchange increase (decrease)	-11	8
5. Benefits paid (-)	-4	-4
Fair value of plan assets, ending balance	**1,579**	**748**
E. Principal actuarial assumptions		
1. Discount rate	4.5%	4.2%
2. Expected return on plan assets	5.0%	5.5%
3. Expected rate of salary increase	3.0%	3.5%
4. Future defined benefit increase	2.5%	2.5%

	2006	2005	2004	2003
Present value of defined benefit obligation	5,928	1,583	483	311
Fair value of plan assets	1,579	748	240	177
Surplus / (deficit)	**4,349**	**835**	**243**	**134**

For defined benefit pension plans a defensive investment strategy is applied, with investment mainly in fixed-income securities, so as to guarantee the safety, return and liquidity of the investments, with judicious diversification and spread of investments.

III. DEFINED CONTRIBUTION PLANS

There exist several defined contribution plans within the Group. Except for the guaranteed contributions paid to the insurance company, the Group has no liabilities. When an employee has rendered service to an entity during a period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service. The expenses recognised related to the defined contribution plans amount to € 2,618 (2005: € 1,768).

IV. STOCK OPTIONS AND SUBSCRIPTION RIGHTS

We refer to note 21.

All financial amounts expressed in thousands of euros.

NOTE 25. FINANCIAL LIABILITIES AND PAYABLES

2006	CURRENT	NON CURRENT			
	Up to 1 year	2 years	3 to 5 years	over 5 years	Total
Financial liabilities					
Debentures (1)				60,386	**60,386**
Finance leases	2,591	8,446	9,386	12,487	**32,910**
Credit institutions (2)	132,162	3,345	24,065	7,056	**166,628**
Other loans	711	139	1,899	348	**3,097**
Total financial liabilities according to their maturity	**135,464**	**11,930**	**35,350**	**80,277**	**263,021**
Other Information					
Finance leases, minimum lease payments payable, present value	**2,591**	**8,446**	**9,386**	**12,487**	**32,910**
- Minimum lease payments payable, gross	3,967	10,393	11,416	13,650	**39,426**
- Minimum lease payments payable, interest	1,376	1,947	2,030	1,163	**6,516**
Non-cancellable future minimum operating lease payments	**3,463**	**2,623**	**2,954**	**48**	**9,088**
Trade and other payables					
Trade payables	146,188	2,097			**148,285**
Advances received	52,755				**52,755**
Social debts	38,115				**38,115**
- of which payables to employees	*24,809*				***24,809***
- of which payables to Public Administrations	*13,306*				***13,306***
Taxes	18,054				**18,054**
Other payables	4,032	174	9	44	**4,259**
Accrued charges and deferred income	8,585				**8,585**
Total amount of payables according to their maturity	**267,729**	**2,271**	**9**	**44**	**270,053**

2005	CURRENT	NON CURRENT			
	Up to 1 year	2 years	3 to 5 years	over 5 years	Total
Financial liabilities					
Finance leases	2,087	2,299	3,760	704	**8,850**
Credit institutions	41,325	7,041	5,201	6,367	**59,934**
Other loans	4,167	25	78	1,942	**6,212**
Total financial liabilities according to their maturity	**47,579**	**9,365**	**9,039**	**9,013**	**74,996**
Other Information					
Finance leases, minimum lease payments payable, present value	**2,087**	**2,299**	**3,760**	**704**	8,850
- Minimum lease payments payable, gross	2,431	2,675	4,172	723	**10,001**
- Minimum lease payments payable, interest	344	376	412	19	**1,151**
Non-cancellable future minimum operating lease payments	**3,650**	**2,366**	**2,938**	**153**	**9,107**
Trade and other payables					
Trade payables	93,617	536			**94,153**
Advances received	24,222				**24,222**
Social debts	24,638				**24,638**
- of which payables to employees	*11,048*				***11,048***
- of which payables to Public Administrations	*13,590*				***13,590***
Taxes	10,668				**10,668**
Other payables	2,869	287	429	19	**3,604**
Accrued charges and deferred income	6,397				**6,397**
Total amount of payables according to their maturity	**162,411**	**823**	**429**	**19**	**163,682**

(1) US Private Placement in USD.
On the time of recognition in the accounts these items were translated at the transaction exchange rate. At the balance sheet closing date they were revalued at the balance sheet exchange rate. The difference on the loan between the original translation rate and that at balance sheet date amounts to € -4,858 (negative).
At the same time the value was adapted (+ € 3,923) by the fair value of the related IRCS.
(2) Including € 117,000 short-term debts, following the financing of the takeover of Groupe Express-Expansion, which will be converted into long-term loans in 2007.

All financial amounts expressed in thousands of euros.

NOTE 26. OTHER NOTES ON LIABILITIES

ACCRUED CHARGES AND DEFERRED INCOME	2006	2005
Accrued charges and deferred income	8,199	5,699
Carrying amount of government grants recognised	386	698
Total accrued charges and deferred income	**8,585**	**6,397**

The increase relates both to the change in group structure, and to the transferred income, primarily at NV VMMa in respect of an intervention received deferred in time.

NOTE 27. FINANCE AND OPERATING LEASES

I. FINANCE LEASES

All finance lease arrangements held by the Group relate to machines. Regionale Media Maatschappij holds finance lease arrangements for editing cells and broadcasting material, for which purchase options exist at 1% of the gross investment. The terms of renewal of these arrangements are fixed at 0.75% of the gross investment for the first and second year, and at 0.1% for the third and following years. A purchase option exists at 3% of the gross investment for the finance lease of studio equipment.

Roularta Printing holds several finance lease arrangements. The lease arrangements of the printing press, the assembly line and packaging machine include a purchase option fixed at 1% of the gross investment, the terms of renewal were fixed at 0.75% for the first and second year, and 0.1% for the following years. The finance lease arrangement of 2 printing presses, include a purchase option fixed at 2% of the gross amount. The terms of renewal of these arrangements are fixed at 1.75% of the gross investment for the first and second year, and at 0.1% for the third and following years.

Vogue Trading Video concluded a sale & lease back agreement for a DVD-production line. The purchase option was set at 16% of the gross investment.

	2006	2005
Interest recognised as an expense in the period related to finance lease	615	292

Finance leases interests are expressed in the income statement on a straight-line basis over the lease term. The increase compared to last year is due to the new finance lease of NV Roularta Printing of 2 printing presses and of a DVD-production line at NV Vogue Trading Video.

II. OPERATING LEASES

	2006	2005
Lease payments recognised as an expense in the period	4,457	4,349

The Group mainly rents company cars and office equipment. Operating lease payments are expressed in the income statement on a straight-line basis over the lease term.

NOTE 28. CONTINGENT LIABILITIES

The Group provides securities for obligations totalling € 11,482, of which € 1,953 relate to joint ventures. Pledges totalling € 5,975 were given on business assets, € 2,000 of which related to joint ventures.
There is uncertainty concerning the tax debt to be recorded in connection with two Group companies. The figures as at 31/12/2006 include the best possible estimate.
In the case of Vlaamse Media Maatschappij NV, the uncertainty relates to the regulations and no assessment has been received to date. A provision of € 3,122 (RMG share) has been entered. The uncertainty cannot be quantified with any greater accuracy.
In the case of Belgomedia SA, the uncertainty relates to what we consider to be an incorrect interpretation by the tax authority, even though agreement had been reached on the case. An objection to this assessment has been filed.

NOTE 29. FINANCIAL RISK MANAGEMENT

In the exercise of its business activity the Group is exposed to currency, interest rate, credit and market risks. Derivatives are used to reduce the currency exchange rate and interest rate risks.

A. FOREIGN CURRENCY RISK

Operating activities

The Group uses foreign exchange contracts to cover the risk of changes in the fair value of an asset or liability taken up or of a certain undertaking not taken up as part of its commercial activities. Hedge accounting as defined in IAS 39 is used for this purpose. Forward contracts are regarded as fair value hedges and have been shown at their market value (€ 231) and entered under 'hedging instruments' under non current liabilities.

Financing activities
In 2006 the Group undertook a US Private Placement in USD.
To hedge the exchange rate and interest rate risk on this USD loan, the Group concluded an IRCS contract maturing on the same date as the repayment and the related interest payment. This contract is treated as cash flow hedging. The fair value of this contract amounted to - € 3,923 at 31 December 2006.
The above-mentioned cash flow hedge on the currency and interest risk on this USPP relates to a nominal amount of € 60,386, maturing after more than five years, and on which interest is payable half-yearly.

B. INTEREST RISK
Loans of credit institutions and towards joint ventures have a fixed interest rate which is revisable after three or five years.
Loans from financial institutions have fixed or variable interest rates.
In order to hedge the risks of unfavourable interest rate fluctuations the Group used financial instruments (IRS contracts, Cap-Floor contracts and the IRCS contract mentioned under the currency risk).
One of these IRS contracts is viewed as a cash flow hedging contract in accordance with IAS 39. The fair value of this IRS amounted to € 9 at 31 December 2006.
This cash flow hedging contract relates to a debt with a nominal amount of € 1,600, maturing within the year and with quarterly interest payments.
The other contracts are not viewed as hedging contracts under the terms of IAS 39.
At 31 December 2006 the total fair value (marked-to-market value) of these hedging contracts amounted to € 1,227.

C. CREDIT RISK
To manage credit risk, credit evaluations are performed for clients requiring significant credit facilities. In addition, the Group also uses trade finance instruments, such as letters of credit, to cover its credit risk.

D. MARKET RISK
To manage the paper price risk, the Group uses price agreements. There are annual contracts concluded for newspaper, and periodical contracts for magazine paper.

NOTE 30. CASH FLOW RELATING TO ACQUISITION OF SUBSIDIARIES

The following major acquisitions with effect on the consolidated financial statements took place in 2006:

On 26 September 2006, 100% of the shares of the Groupe Express-Expansion group were acquired for a cost of € 185,472.
Other acquisitions during the financial year: as at 1 January 2006 the group acquired 80% of 't Fonteintje-De Wegwijzer through De Streekkrant-De Weekkrantgroep for a total price of € 1,562 and 50% of Studio-A was acquired through VMMa at a total cost price of € 402.
The group also acquired 50% of Liefde voor het Leven. Under the take-over arrangements, no payment was made before the end of 2006.

The fair value of the assets and liabilities of the acquired subsidiaries on the date of acquisition is presented as follows:

	2006					2005
Assets	**Groupe Express-Expansion**	**'t Fonteintje-De Wegwijzer**	**Studio-A**	**Liefde voor het Leven**	**Total**	**Total**
Non current assets	**361,334**	**2,251**	**4,144**	**0**	**367,729**	**47,146**
Intangible assets	317,172	2,248	20		319,440	46,612
Goodwill	29,742		1,382		31,124	
Property, plant and equipment	5,357		2,192		7,549	344
Financial assets	445	3	2		450	
Trade and other receivables	672				672	103
Deferred tax assets	7,946		548		8,494	87
Current assets	**58,726**	**627**	**4,103**	**55**	**63,511**	**11,924**
Inventories	4,317		2,833		7,150	43
Receivables within one year	49,546	559	820		50,925	6,856
Financial assets	12				12	1,963
Cash and cash equivalents	1,787	68	336	55	2,246	2,722
Deferred charges and accrued income	3,064		114		3,178	340
Total assets	**420,060**	**2,878**	**8,247**	**55**	**431,240**	**59,070**

Liabilities						
Non current liabilities	**143,049**	**581**	**300**	**0**	**143,930**	**14,841**
Provisions	6,850		250		7,100	323
Employee benefits	4,692		9		4,701	209
Deferred tax liabilities	97,826	581			98,407	13,027
Financial liabilities	33,681		41		33,722	1,282

All financial amounts expressed in thousands of euros.

Current liabilities	**91,539**	**735**	**7,545**	**55**	**99,874**	**12,684**
Financial liabilities	8,986		589		9,575	2,203
Trade payables	40,248	361	1,303	1	41,913	5,065
Advances received	21,776		5,016		26,792	2,371
Social debts	13,231	29	446		13,706	1,003
Taxes	6,571	57	180	19	6,827	911
Other payables	633	287	11	34	965	1,004
Accrued charges and deferred income	94	1		1	96	127
Total liabilities	**234,588**	**1,316**	**7,845**	**55**	**243,804**	**27,525**
Total net assets acquired	185,472	1,562	402	0	187,436	31,545
Loan take-over (additional cash outflow)	30,000				30,000	
Deposits and cash and cash equivalents acquired	-1,787	-68	-336	-55	-2,246	-4,685
Net cash outflow	**213,685**	**1,494**	**66**	**-55**	**215,190**	**26,860**

The acquiree's result since the acquisition date included in the net profit of the Group is as follows:

	Profit of the period
Groupe Express-Expansion (group)	4,288
Studio-A	193
't Fonteintje-De Wegwijzer	172
Liefde voor het Leven	6
	4,659

The acquiree's sales since the acquisition date included in the total sales of the Group is as follows:

	Sales of the period
Groupe Express-Expansion (group)	58,939
't Fonteintje-De Wegwijzer	1,923
Studio-A	469
Liefde voor het Leven	10
	61,341

NOTE 31. CASH FLOW RELATING TO DISPOSAL OF SUBSIDIARIES

During the financial year the Group divested 50% of the shares of A Nous Province and of Algo Communication (from 1 January 2006) and its 40% participating interest in Publiregiões (from 1 April 2006).
The fair value of the assets and liabilities of the disposed subsidiaries on the date of disposal is presented as follows:

Assets	**2006**	**2005**
Non current assets	**31**	**85**
Intangible assets	8	34
Property, plant and equipment	15	26
Financial assets	8	
Deferred tax assets		25
Current assets	**935**	**1,165**
Inventories		703
Receivables within one year	717	298
Cash and cash equivalents	218	141
Deferred charges and accrued income		23
Total assets	**966**	**1,250**

All financial amounts expressed in thousands of euros.

Liabilities		
Non current liabilities	**0**	**1**
Financial liabilities		1
Current liabilities	**684**	**928**
Financial liabilities	21	
Trade payables	445	736
Social debts	40	101
Taxes	58	91
Other payables	2	
Accrued charges and deferred income	118	
Total liabilities	**684**	**929**
Total disposed net assets	282	321
Gain on disposal	3	349
Cash consideration received	286	670
Deposits and cash and cash equivalents disposed of	-218	-141
Net cash inflow	**68**	**529**

NOTE 32. INTEREST IN JOINT VENTURES

A list of joint ventures, including the name, country of incorporation, proportion of ownership interest is given in note 36 of the consolidated financial statements. The major joint ventures of the Group are VMMa NV (broadcasting station and radio) and other publishing companies.
The share of all joint ventures in assets, liabilities, sales and net profit of the Group are as follows:

	2006	**2005**
Non current assets	58,954	64,375
Current assets	108,027	97,793
Non current liabilities	16,656	12,587
Current liabilities	51,162	52,259
Share in the Group's sales	186,812	175,543
Share in the Group's net profit	12,545	10,819

NOTE 33. EVENTS AFTER THE BALANCE SHEET DATE

The following main events took place after the balance sheet date, which have a considerable impact on the company's results and financial position:

- the capital of Roularta Media Group NV was increased by € 188 by exercising 9,340 warrants in a notarial deed executed on 5 January 2007, then by € 0.5 by incorporating available reserves, bringing it to € 170,439, represented by 11,014,825 shares, including 2,603,948 with VVPR strips (giving entitlement to a reduced rate of withholding tax);
- in January 2007, Roularta Media Group NV took over Academici Roularta Media NV, a former 50/50 joint venture between Roularta Media Group NV and Ron Maes;
- in March 2007, Roularta Media Group took over 100% of Medical Integrated Communication NV, publisher of the bilingual trade journal for the dentistry profession De Tandartsenkrant/Le Journal du Dentiste;
- at the end of March 2007, Roularta Media Group took over the trade journals Datanews and Texbel from VNU Business Publications, together with the associated websites.

NOTE 34. FEES TO THE AUDITOR AND TO PERSONS RELATED TO THE AUDITOR

The auditor's fees amount to € 123. The fees payable to the auditor for additional auditing tasks amount to € 15. The fees payable to persons with whom the auditor is associated amount to € 11 for specific tax-related tasks and to € 120 for other tasks.

All financial amounts expressed in thousands of euros.

NOTE 35. RELATED PARTY TRANSACTIONS

2006	Joint ventures	Associated companies	Other related parties	Total
I. ASSETS WITH RELATED PARTIES	**10,782**	**462**	**207**	**11,451**
Other financial assets	**3,739**	**0**	0	**3,739**
Loans	3,739			**3,739**
Receivables	**7,043**	**462**	**207**	**7,712**
Trade receivables	7,043	462	207	**7,712**
II. LIABILITIES WITH RELATED PARTIES	**5,804**	**3**	**322**	**6,129**
Financial debts	**269**	**0**	**0**	**269**
Other loans	250			**250**
Other payables	19			**19**
Payables	**5,535**	**3**	**322**	**5,860**
Trade payables	3,420	3	322	**3,745**
Other payables	2,115			**2,115**
III. TRANSACTIONS WITH RELATED PARTIES				
Sale of goods	7,713		40	**7,753**
Purchases of goods (-)	-1,409		-135	**-1,544**
Rendering of services	11,050	656	352	**12,058**
Receiving of services (-)	-3,446	-123	-1,884	**-5,453**
Transfers under finance arrangements	182			**182**
IV. KEY MANAGEMENT PERSONNEL REMUNERATIONS (INCLUDING DIRECTORS)				
				2,951
- of which short-term employee benefits				2,401
- of which post-employment benefits				253
- of which redundancy remuneration				297

2005	Joint ventures	Associated companies	Other related parties	Total
I. ASSETS WITH RELATED PARTIES	**8,712**	**118**	**251**	**9,081**
Other financial assets	**3,313**	**0**	**0**	**3,313**
Loans	3,313			**3,313**
Receivables	**5,399**	**118**	**251**	**5,768**
Trade receivables	5,394	118	251	**5,763**
Other receivables	5			**5**
II. LIABILITIES WITH RELATED PARTIES	**5,596**	**20**	**87**	**5,703**
Financial debts	**250**	**0**	**0**	**250**
Other loans	250			**250**
Payables	**5,346**	**20**	**87**	**5,453**
Trade payables	4,327	20	87	**4,434**
Other payables	1,019			**1,019**
III. TRANSACTIONS WITH RELATED PARTIES				
Sale of goods	10,007	2	7	**10,016**
Purchases of goods (-)	-1,466	-4	-284	**-1,754**
Rendering of services	3,589	534	938	**5,061**
Receiving of services (-)	-7,912	-62	-1,911	**-9,885**
Transfers under finance arrangements	125			**125**
IV. KEY MANAGEMENT PERSONNEL REMUNERATIONS (INCLUDING DIRECTORS)				
				2,701
- of which short-term employee benefits				2,433
- of which post-employment benefits				268

The Group has no assets, liabilities nor transactions with her parent Stichting Administratiekantoor RMG, nor with her certificate holders NV Koinon and NV Cennini.
Assets, liabilities and transactions with subsidiaries are fully eliminated in consolidation.
Assets, liabilities and transactions with joint ventures are proportionally eliminated. The not-eliminated part is included in this heading.

All financial amounts expressed in thousands of euros.

Assets, liabilities and transactions with associated companies are not eliminated in consolidation and are consequently fully included in this heading.

The list with all subsidiaries, joint ventures and associated companies is to be found in Note 36.
All other related parties are entities which are controlled by the key management of the Group or members of their close family, or entities in which these persons have a significant influence. Key management personnel remunerations were separately mentioned.
There exist no guarantees related to the assets or liabilities towards the related parties, nor are write-downs registered.
All receivables and payables concern short-term receivables and payables which are settled at expiry date. All transactions concern normal commercial operations.

Sales of the Group to these related parties are charged at normal tariffs. Purchases follow the usual procedure concerning selection of the supplier and applied prices.

There are no unsettled receivables nor payables with the key management.

NOTE 36. GROUP STRUCTURE

The ultimate parent of the Group is Roularta Media Group NV, Roeselare, Belgium. As of 31 December 2006, 77 subsidiaries, joint ventures and associated companies are consolidated.

Name of the company	Location	Effective interest %
1. Fully consolidated companies		
ROULARTA MEDIA GROUP NV	Roeselare, Belgium	100.00%
@-INVEST NV	Roeselare, Belgium	100.00%
ANIMOTION SARL	Paris, France	100.00%
A NOUS PARIS SAS	Neuilly-sur-seine, France	100.00%
BELGIAN BUSINESS TELEVISION NV	Brussels, Belgium	100.00%
BELGIFRANCE COMMUNICATION SARL	Paris, France	100.00%
BIBLO-ROULARTA MEDICA NV	Kalmthout, Belgium	100.00%
CAVENNE SAS ÉDITEURS	Paris, France	100.00%
CD SERVICES SARL	Paris, France	100.00%
CÔTÉ MAISON SA	Paris, France	100.00%
COTEXPO SARL	Paris, France	100.00%
DMB-BALM SAS	Paris, Saint-Ouen, France	100.00%
ÉDITIONS CÔTÉ EST SA	Paris, France	100.00%
ÉDITIONS GÉNÉRATION L' ÉTUDIANT SA	Paris, France	100.00%
EYE-D NV	Roeselare, Belgium	100.00%
GROUPE EXPRESS-EXPANSION SA	Paris, France	100.00%
GROUPE EXPRESS ÉDITIONS SNC	Paris, France	100.00%
GROUPE MIEUX VIVRE SA	Paris, France	100.00%
HIPPOS VADEMECUM NV in liquidation	Bruges, Belgium	100.00%
JOB RENCONTRES SA	Paris, France	100.00%
LE VIF MAGAZINE SA	Brussels, Belgium	100.00%
POINT DE VUE SARL	Paris, France	100.00%
PRÉLUDE ET FUGUE SARL	Paris, France	100.00%
PRESS NEWS NV	Gent, Belgium	100.00%
REGIE DE WEEKKRANT NV	Roeselare, Belgium	100.00%
ROULARTA BOOKS NV	Brussels, Belgium	100.00%
ROULARTA IT-SOLUTIONS NV	Roeselare, Belgium	100.00%
ROULARTA MANAGEMENT NV	Roeselare, Belgium	100.00%
ROULARTA MEDIA FRANCE SA	Paris, Saint-Ouen, France	100.00%
ROULARTA PUBLISHING NV	Brussels, Belgium	100.00%
SOLRÉMI SARL	Paris, France	100.00%
SPORTMAGAZINE NV	Brussels, Belgium	100.00%
STUDIO MAGAZINE SA	Paris, Saint-Ouen, France	100.00%
STUDIO PRESS LTD	Peterborough, Great Britain	100.00%
STUDIO PRESS SAS	Paris, Saint-Ouen, France	100.00%
STYLE MAGAZINE BV	Breda, the Netherlands	100.00%
WEST-VLAAMSE MEDIA GROEP NV	Roeselare, Belgium	100.00%
MESTNE REVIJE D.O.O.	Ljubliana, Slovenia	92.00%
AUTOMATCH BVBA	Roeselare, Belgium	80.00%
DE STREEKKRANT-DE WEEKKRANTGROEP NV	Roeselare, Belgium	80.00%
DRUKKERIJ LEYSEN NV	Mechelen, Belgium	80.00%
TAM-TAM NV	Knokke, Belgium	80.00%
'T FONTEINTJE-DE WEGWIJZER NV	Roeselare, Belgium	80.00%
ROULARTA PRINTING NV	Roeselare, Belgium	75.66%
VOGUE TRADING VIDEO NV	Kuurne, Belgium	74.67%
FOLLOW THE GUIDE NV	Antwerp, Belgium	65.00%
MEDIA OFFICE NV	Antwerp, Belgium	65.00%
ZEEUWS VLAAMS MEDIABEDRIJF BV	Terneuzen, the Netherlands	40.80%

2. Proportionally consolidated companies		
ACADEMICI ROULARTA MEDIA NV	Antwerp, Belgium	50.00%
A NOUS PROVINCE SAS	Roubaix, France	50.00%
ALGO COMMUNICATION SARL	Roubaix, France	50.00%
ART DE VIVRE ÉDITIONS SA	Paris, France	50.00%
BELGOMEDIA SA	Verviers, Belgium	50.00%
CAP PUBLISHING NV	Bruges, Belgium	50.00%
DE WOONKIJKER NV	Antwerp, Belgium	50.00%
DICOS D'OR SNC	Paris, France	50.00%
FIRST MEDIA SA	Brussels, Belgium	50.00%
GRIEG MEDIA AS	Bergen, Norway	50.00%
HIMALAYA NV	Zaventem, Belgium	50.00%
LIEFDE VOOR HET LEVEN BVBA	Roeseare, Belgium	50.00%
PARATEL NV	Vilvoorde, Belgium	50.00%
REGIONALE MEDIA MAATSCHAPPIJ NV	Roeselare, Belgium	50.00%
SENIOR PUBLICATIONS SA	Brussels, Belgium	50.00%
SENIOR PUBLICATIONS DEUTSCHLAND GMBH & CO KG	Cologne, Germany	50.00%
SENIOR PUBLICATIONS NEDERLAND BV	Bussum, the Netherlands	50.00%
SENIOR PUBLICATIONS VERWALTUNGS GMBH	Cologne, Germany	50.00%
STUDIO-A NV	Boortmeerbeek, België	50.00%
VLAAMSE MEDIA MAATSCHAPPIJ NV	Vilvoorde, Belgium	50.00%
VOIX DU NORD L' ÉTUDIANT SA	Lille, France	50.00%
ZEFIR WEB SNC	Paris, France	50.00%
REGIONALE TV MEDIA NV	Zellik, Belgium	33.33%
50+ BEURS & FESTIVAL BV	Arnhem, The Netherlands	25.00%
BAYARD MEDIA GMBH & CO KG	Augsburg, Germany	25.00%
BAYARD MEDIA VERWALTUNGS GMBH	Augsburg, Germany	25.00%
3. Consolidated using the equity method		
PAGINAS LONGAS LDA	Lissabon, Portugal	40.00%
REPROPRESS CVBA	Brussels, Belgium	30.74%
PARTENAIRE DÉVELOPPEMENT SARL	Lyon, France	25.00%
FEBELMA REGIE CVBA	Brussels, Belgium	23.35%
4. Companies of minor importance not included in the consolidated financial statements		
EUROCASINO NV	Brussels, Belgium	19.00%
CYBER PRESS PUBLISHING SA	Clichy, France	15.39%
S.T.M. SA	Saint-André, France	15.00%

DURING 2006 THE FOLLOWING CHANGES OCCURRED IN THE CONSOLIDATED GROUP:

New participations in:

- 't Fonteintje-De Wegwijzer NV through De Streekkrant-De Weekkrantgroep NV as of 1/1/2006
- Studio-A NV through Vlaamse Media Maatschappij NV as of 1/1/2006
- Paginas Longas Lda as of 1/7/2006
- Liefde voor het Leven BVBA as of 1/10/2006
- *Groupe Express-Expansion as of 1/10/2006:*
  - Groupe Express-Expansion SA
  - Animotion SARL through Editions Génération SA
  - CD Services SARL through Groupe Express-Expansion SA
  - Editions Génération L'Étudiant SA through Groupe Express-Expansion SA
  - Groupe Express Editions SNC through Groupe Express-Expansion SA
  - Groupe Mieux Vivre SA through Groupe Express-Expansion SA
  - Job Rencontres SA through Groupe Express-Expansion SA
  - Prélude et Fugue SARL through Groupe Express-Expansion SA
  - Solrémi SARL through Prélude et Fugue SARL
  - Dicos d'or SNC through Groupe Express Editions SA
  - Voix du Nord L'Étudiant SA through Editions Génération SA
  - Zéfir Web SNC through Groupe Express-Expansion SA
  - Partenaire Développement SARL through Groupe Express-Expansion SA

Decreased ownership with change of consolidation method:

- A Nous Province SAS from 100% to 50% as of 1/1/2006
- Algo Communication SARL from 100% to 50% as of 1/1/2006

Increased ownership with change of consolidation method:

Groupe Express-Expansion:

- Côté Maison SA through Groupe Express-Expansion SA from 50% to 100% as of 1/10/2006
- Cotexpo SARL through Côté Maison SA from 50% to 100% as of 1/10/2006
- Editions Côté Est SA through Côté Maison SA from 50% to 100% as of 1/10/2006
- Le Vif Magazine SA through Groupe Express-Expansion SA from 50% to 100% as of 1/10/2006

Increased ownership without change of consolidation method:

- Mestne Revije d.o.o. from 79.59% to 92% as of 1/4/2006

Liquidations and mergers:

- Band a Part SARL: dissolution without settlement by sole partner Studio Press SAS as of 27/11/2006
- Régies et Services Cavenne SARL: dissolution without settlement by sole partner Belgifrance Communication SARL as of 27/11/2006
- Studio Participations SNC: liquidation closed on 5/12/2006

Sold participations:

- Publiregiões Lda as of 1/4/2006

Auditor's report

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2006

To the shareholders,

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

Unqualified audit opinion on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Roularta Media Group NV ('the company') and its subsidiaries (jointly 'the group'), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2006, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 985,534 (000) EUR and a consolidated profit (group share) for the year then ended of 24,786 (000) EUR.

The financial statements of several significant entities included in the scope of consolidation have been audited by other auditors. Our opinion on the accompanying consolidated financial statements, insofar as it relates to the amounts contributed by those entities, is based upon the reports of those other auditors.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated 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.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated 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 group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, together with the reports of other auditors on which we have relied, provides a reasonable basis for our opinion.

In our opinion, and based upon the reports of other auditors, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2006, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

Additional comment

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

10 April 2007

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises BV
o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Jos Vlaminckx and Mario Dekeyser

Annual report of the board of directors

to the Ordinary General Meeting of shareholders of 15 May 2007 on the annual accounts for the year ending 31 December 2006.

Dear shareholders,

We are pleased to report to you, in accordance with articles 95 and 96 of the Commercial Companies' Code, on the activities of our company and our management over the past financial year ending on 31 December 2006.

Notes to the annual accounts
These comments are based on the balance sheet after appropriation of the profits, and are therefore subject to the approval by the annual general meeting of the appropriation proposed.

The draft annual accounts have been drawn up in accordance with the provisions of the royal decree of 30 January 2001 implementing the Commercial Companies Code, and in particular book II, title I, on corporate annual accounts, and comply with the specific statutory and regulatory provisions that apply to the company.

The main activities of Roularta Media Group NV (RMG) are in the printed media sector. RMG NV also has participating interests in a number of printed media, audiovisual media and printing companies and in companies providing services to companies within the Group.

The annual accounts provide you with a general overview of our company's activities and of the results achieved. The profit for the past financial year was € 3,523,748.53, as compared with € 18,052,590.10 for the previous financial year.

Balance sheet after appropriation (in € '000)

Assets	31/12/06	%	31/12/05	%
Fixed assets	485,520	83.73	263,051	74.62
Current assets	94,346	16.27	89,447	25.38
Total assets	**579,866**	**100**	**352,498**	**100**

Liabilities	31/12/06	%	31/12/05	%
Shareholders' equity	243,636	42.02	197,280	55.97
Provisions and deferred taxes	840	0.14	2,255	0.64
Amounts payable after 1 year	90,616	15.63	13,891	3.94
Permanent equity	335,092	57.79	213,426	60.55
Amounts payable within 1 year	242,075	41.75	137,126	38.90
Accrued charges and deferred income	2,699	0.46	1,946	0.55
Total liabilities	**579,866**	**100**	**352,498**	**100**

From the above data, we derive the following ratios:

	31/12/06	31/12/05
1. Liquidity (current assets/short-term payables)	0.39	0.65
2. Solvency (shareholders' equity/total assets)	42.02%	55.97%

Investments in intangible fixed assets in the financial year relate primarily to the purchase of software packages and the development of specific software for administration, editing and commercial services.

The principal investments in tangible fixed assets relate to the construction of a new parking area next to the head office in Roeselare, maintenance work on own premises and rented buildings, and the purchase of office equipment and vehicles.

Changes in financial fixed assets relate primarily to:
- the acquisition of all of the shares of Groupe Express-Expansion SA;
- an increase in the capital of Roularta Printing NV through the contribution of land, combined with an increase in the participating interest from 75.67% to 77.41%;
- an increase in the capital of A Nous Province SAS through a cash injection and by incorporating a loan into reserves, combined with a reduction in the participating interest from 100% to 50%;
- an increase in the capital of Algo Communication SARL by incorporating a loan into reserves, combined with a reduction in the participating interest from 100% to 50%;
- an increase in the capital of Studio Press SAS by incorporating a loan into reserves, without any change to the participating interest;
- an increase in the percentage holding in Mestne Revije d.o.o. from 80% to 92%;
- a full and final payment for shares in Roularta Media France SA (previously, Aguesseau Communication) without any change in the participating interest;
- the acquisition of half of the shares of Liefde voor het Leven BVBA;
- the sale of a holding in Publiregiões Lda;
- the incorporation of Paginas Longas Lda with a participating interest of 40%;
- the takeover of a debenture loan to Groupe Express-Expansion linked to the takeover of the shares in this company;
- the financing, in the form of loans, of a number of subsidiary companies;
- the booking of an additional write-down on the shareholding in Studio Press SAS and of a write-down on the shareholding of Press News NV;

All financial amounts expressed in thousands of euros.

- the booking of an additional write-down on the loan to Belgian Business Television NV and of a write-down on the loan to Studio Press SAS.

Current investments consist of 224,156 own shares held by the company at 31 December 2006. The shares allocated to stock option plans for employees were valued at the option exercise price. The other shares were valued at their acquisition price, given that it was lower than the closing price on the balance sheet date.

On 6 January 2006, the capital was increased by € 786,881,70 through the creation of 39,090 new shares with the corresponding VVPR strips following an exercise of warrants. The board of directors, drawing on the authorised capital, then increased the capital by € 118.30 by incorporating reserves available for distribution in the same amount, without issuing new shares, in order to bring the share capital to € 120,054,000.00.

On 1 February 2006, the board of directors increased the capital by € 11,885,204.09 by issuing and privately placing 989,609 new shares with their corresponding VVPR strips. The capital increase was notarised on 6 February 2006. Following this increase, the capital amounted to € 131,939,204.09. With this increase in capital, the share premium account in the amount of € 38,090,050.41, which was booked to a reserve not available for distribution was subsequently incorporated in the capital by the annual general meeting on 16 May 2006, bringing the share capital to € 170,029,254.50, without new shares being issued. The annual general meeting decided to increase the capital by a further € 45.50 by incorporation of reserves available for distribution, bringing the capital to a round figure of € 170,029,300.00, without issuing new shares.

On 21 June 2006, the capital was increased following the exercise of warrants by € 221,151.84 through the creation of 19,825 new shares with their corresponding VVPR strips. The board of directors, drawing on the authorised capital, then increased the capital by € 48.16 by incorporating reserves available for distribution in the same amount, without issuing new shares, in order to bring the share capital to € 170,250,500.00.

Long-term financial debts have significantly increased, mainly due to a US private placement amounting to € 61.8 million and a loan from a credit institution of € 20 million, both of which were concluded to finance the takeover of Groupe Express-Expansion.

Short-term financial debts have also considerably increased, primarily due to the conclusion of temporary straight loans to finance the takeover of Groupe Express-Expansion. These straight loans were converted into long-term loans in 2007. Other amounts payable in the short term rose following recognition of temporary cash assets in the form of a current account by a number of subsidiaries and a joint venture.

Income statement
The net profit for the current and previous financial years consist of the following:

in € '000	31/12/2006	31/12/2005
Sales	283,751	265,814
Other operating income	18,953	13,602
Goods for resale	-175,946	-159,967
Services and other goods	-64,633	-60,849
Personnel charges	-38,414	-36,246
Depreciations	-4,317	-4,569
Impairments and write-downs	688	-497
Provisions	184	331
Other operating charges	-724	-849
Operating profit	**19,542**	**16,770**
Financial result	2,239	10,080
Extraordinary result	-13,338	-2,539
Transfers from deferred taxation	30	36
Income taxes	-4,998	-6,350
Profit for the financial year	**3,475**	**17,997**
Transfer from (+) / to (-) untaxed reserves	49	56
Profit for the year available for appropriation	**3,524**	**18,053**

Sales have risen primarily due to greater sales of advertising space and subscriptions, a rise in printing sales and by an increase in fees and in the services provided to third parties and to companies within the Group. Other operating income has increased as a result of better results from a joint venture with a subsidiary, De Streekkrant-De Weekkrantgroep NV.

The rise in goods for resale is due to the higher advertising turnover, with management contracts being concluded with subsidiaries and joint ventures. The higher printing sales resulted also in greater printing costs.

Services and other goods have increased primarily due to extraordinary fees incurred on the acquisitions made this year and by higher promotion costs.

The higher personnel costs are attributable to an indexation and an increase in the number of staff.

Write-downs include the write-back of amounts written off the previous year for two subsidiaries under trade debtors.

The combined effect of the above was a net increase of the operating profit of € 2.8 million.

The financial results have fallen significantly, primarily due to the lower dividends received from associated companies and the interest paid as a result of the US private placement and loans with credit institutions.

Extraordinary result consisted primarily of amounts written off on shareholdings and on loans to associated companies.

All financial amounts expressed in thousands of euros.

Appropriation of the results
We propose to appropriate the profit as follows:

A. Profit available for appropriation Consisting of - profit for the financial year available for appropriation - profit brought forward from the previous financial year	 3,523,748.53 8,424.65	**3,532,173.18**
B. Transfer from capital and reserves Consisting of - transfer from reserves	 4,800,000.00	**4,800,000.00**
C. Transfer to capital and reserves Consisting of - transfer to the legal reserve	 -177,000.00	**-177,000.00**
D. Result to be carried forward		**-62,171.43**
F. Distribution of profit Consisting of - dividends	 -8,093,001.75	**-8,093,001.75**

The dividends consist of:

Type of shares	Total gross	Retained withholding tax	Total net	Number of shares	Net/share
Ordinary shares	€ 6,140,040.75	€ 1,535,010.19	€ 4,605,030.56	8,186,721 (8,410,877 - 224,156)[1]	€ 0.563
Ordinary shares with VVPR strips	€ 1,952,961.00	€ 292,944.15	€ 1,660,016.85	2,603,948	€ 0.638

We propose that the dividends become payable from 1 June 2007, on presentation to ING, Bank Degroof or KBC Bank of coupon no. 9 and, where applicable, VVPR strip no. 9.

Conflicting interests relating to directors' personal assets
During the year, no directors had any conflicting interests relating to their personal assets.

Main events after the balance sheet date
The following main events took place after the balance sheet date, which have a considerable impact on the company's results and financial position:
- the capital of Roularta Media Group NV was increased by € 188,014.20 by exercising 9,340 warrants in a notarial deed executed on 5 January 2007, then by € 485.80 by incorporating available reserves, bringing it to € 170,439,000, represented by 11,014,825 shares, including 2,603,948 with VVPR strips (giving entitlement to a reduced rate of withholding tax);
- in January 2007, Roularta Media Group NV took over Academici Roularta Media NV, a former 50/50 joint venture between Roularta Media Group NV and Ron Maes;
- in March 2007, Roularta Media Group took over 100% of Medical Integrated Communication NV, publisher of the bilingual trade journal for the dentistry profession De Tandartsenkrant/Le Journal du Dentiste;
- at the end of March 2007, Roularta Media Group took over the trade journals Datanews and Texbel from VNU Business Publications, together with the associated websites.

Information about circumstances that could significantly affect the company's development
We do not anticipate any particular circumstances that could significantly affect the future development of our company.

Research and development
As a multimedia group, Roularta Media Group is active in a number of hightech sectors. Within these sectors, Roularta Media Group is always on the outlook for new opportunities, giving it the reputation of being a key technological innovator. Roularta Media Group attaches a great deal of importance to research and development. These efforts naturally help the Group's internal working procedures, but they also frequently act as the driving force for far-reaching market developments. In the field of printed media, Roularta Media Group has done the spadework for a number of Belgian and international standards that lay down specifications for digital media print preparation methodology and the electronic interchange of accompanying order information. With digital workflows of this type, extensive standardisation is essential for good quality control. Roularta Media Group wants to continue to play and extend its key pioneering role.

Capital increase and issue of convertible bonds and warrants decided by the board of directors in the course of the financial year
No decisions were taken by the board of directors in the past financial year to issue convertible bonds and/or warrants in relation to the authorised capital.

Drawing on the authorised capital, the board of directors increased:
- the capital by € 118.30 on 6 January 2006, by incorporating reserves available for distribution in the same amount, without issuing new shares, in order to bring the capital to € 120,054,000.000;
- the capital by € 11,885,204.09 on 6 February 2006, by issuing 989,609 new shares with VVPR strips, in order to raise the capital to € 131,939,204.09;
- the capital by € 48.16 on 21 June 2006, by incorporating reserves available for distribution in the same amount, without issuing new shares, in order to bring the share capital to € 170,250,500.00.

Branches
The company does not have any branches.

Own shares
Authorisation for the purchase of own shares was renewed by the annual general meeting of 16 May 2006 in accordance with the Articles of Association. The board of directors made no use of this authorisation in the 2006 financial year.

The 224,156 shares bought back in previous years and still held by the company at 31 December 2006 were acquired at a total cost of € 5,876,932.83. These own shares are recorded in Assets under 'Current investments'.

[1]See below - the dividend on own shares is allocated to the other shares.

The dividend entitlement attaching to own shares has been transferred, in full, to the other shares, the rights of which are not suspended. The corresponding coupons (coupon no. 9 – VVPR strip no. 9) will be destroyed.[2]

Shares owned by a subsidiary
The companies' subsidiaries do not hold any shares in Roularta Media Group NV.

Outlook
Roularta Media Group expects little change in 2007 for Printed Media in the field of magazine advertising but a good year for advertising in freesheets. The readers market is developing strongly, both as regards subscriptions and newsstand sales. Further developing our websites, will, we anticipate, generate higher advertising income within the Internet field.

On the costs side, Roularta Media Group expects to see a rise in paper prices in 2007. Further efforts are being made to achieve permanent cost savings in order to increase overall productivity.

Announcement with regard to the use by the company of financial instruments, insofar as it is of importance in the assessment of its assets, liabilities, financial position and profit
In 2006, Roularta Media Group undertook a US private placement in US dollars. To hedge the exchange-rate and interest-rate risks on this USD loan, RMG concluded an interest rate currency swap (IRCS) that falls due on the same dates as those on which the underlying repayment and interest becomes payable.

To hedge against the risks of unfavourable interest-rate fluctuations, RMG has resorted to financial instruments, namely interest-rate swaps (IRS) and the aforementioned IRCS contract.

Personnel
The company seeks to ensure that its management and employees continue to be motivated and to offer them the opportunity of benefiting from the growth of Roularta Media Group and the increase in the Roularta market share.

The company has therefore developed two warrant plans, one dating from before its market listing, and three stock option plans. Two warrant plans and two stock option plans have reached the exercise period. In November 2006, management and managerial staff were offered the possibility of subscribing to share options. The offer expired on 5 January 2007.

The Human Resources Management (HRM) department within Roularta Media Group has been focusing on proactively and consistently attracting skilled staff and on providing ongoing training and support for such staff to ensure that the organisation can achieve its objectives.

A strategic role in achieving these objectives has been conferred on line management and the central Human Resources department places its know-how, expertise and professionalism at their disposal as part of this process.

All HRM's initiatives are designed to ensure that our current and future staff operate effectively within Roularta Media Group.

Environmental issues
Every effort is constantly being made to enhance the working conditions of employees at work by, for example, installing plasma screens and providing ergonomic office equipment.

The company has no activities that are detrimental to staff or the environment and that are subject to licensing or reporting requirements under Flemish Regulations on Environmental Permits.

Principal risks and uncertainties
Aside from the usual risks incurred by any company, Roularta Media Group monitors closely market developments within the medium world, so that it can, at all times, anticipate any changes and new trends within the environment in which it is operating. Thanks to its multimedia portfolio, Roularta Media Group can react appropriately to shifts in focus in the advertising world and switches by the reading public from one form of media to another. In addition, the fact that Roularta Media Group derives its income from both the advertising market and the readers market means that the risks are spread evenly in the event of a downturn in either of those markets.

[2]*See above - table of dividends*

The type of costs that have an important impact on the total cost price, such as printing costs, distribution costs, staff and promotion costs, are closely monitored. The trend for international paper prices is unpredictable and calls for particular attention on our part.

Appointments
Mr Iwan Bekaert's term of office as a director will come to an end at the annual general meeting on 15 May 2007. The board of directors proposes the annual general meeting that it renews Mr Iwan Bekaert's term of office for one year.

Mrs Caroline De Nolf tendered her resignation as director on 24 June 2006. In accordance with article 15 of the articles of association, the board of directors has decided that NV Verana, which has its registered office at Meiboomlaan 110, 8800 Roeselare and Mrs De Nolf as its permanent representative, should be co-opted to replace Mrs De Nolf. The Annual General Meeting will be asked to confirm this appointment.

Discharge
We request the Annual General Meeting to approve the annual accounts presented to it and to agree to the proposed appropriation of profit, and also to grant discharge to the directors and to the statutory auditor in respect of the exercise of their office over this financial year.

Roeselare, 16 March 2007

The board of directors

Statutory annual accounts

1. STATUTORY BALANCE SHEET AFTER APPROPRIATION

ASSETS	2006	2005
Fixed assets	**485,520**	**263,051**
I. Formation expenses	**1,316**	
II. Intangible assets	**5,138**	**5,286**
III. Tangible assets	**18,202**	**20,847**
A. Land and buildings	15,138	18,367
B. Plant, machinery and equipment	277	188
C. Furniture and vehicles	2,207	2,192
E. Other tangible assets	256	100
F. Assets under construction and advance payments	324	
IV. Financial assets	**460,864**	**236,918**
A. Affiliated enterprises	458,219	233,614
1. Participating interests	360,162	173,918
2. Amounts receivable	98,057	59,696
B. Other enterprises linked by participating interests	1,635	2,294
1. Participating interests	1,535	2,194
2. Amounts receivable	100	100
C. Other financial assets	1,010	1,010
1. Shares	653	653
2. Amounts receivable and cash guarantees	357	357
Current assets	**94,346**	**89,447**
V. Amounts receivable after more than one year	**1,218**	**783**
B. Other amounts receivable	1,218	783
VII. Amounts receivable within one year	**79,287**	**67,962**
A. Trade debtors	76,596	65,106
B. Other amounts receivable	2,691	2,856
VIII. Investments	**6,876**	**7,451**
A. Own shares	5,877	6,452
B. Other investments and deposits	999	999
IX. Cash at bank and in hand	**5,036**	**10,969**
X. Deferred charges and accrued income	**1,929**	**2,282**
TOTAL ASSETS	**579,866**	**352,498**

LIABILITIES	2006	2005
Capital and reserves	**243,636**	**197,280**
I. Capital	**170,251**	**119,267**
A. Issued capital	170,251	119,267
II. Share premium account	**304**	**304**
IV. Reserves	**72,997**	**77,669**
A. Legal reserve	12,103	11,926
B. Reserves not available for distribution	5,877	6,452
1. In respect of own shares held	5,877	6,452
C. Untaxed reserves	2,397	2,446
D. Reserves available for distribution	52,620	56,845
V. Profit carried forward	**62**	**8**
VI. Investment grants	**22**	**32**

All financial amounts expressed in thousands of euros.

Provisions and deferred taxation	**840**	**2,255**
VII. A. Provisions for liabilities and charges	602	1,987
1. Pensions and similar obligations	141	255
4. Other liabilities and charges	461	1,732
B. Deferred taxation	238	268
Creditors	**335,390**	**152,963**
VIII. Amounts payable after more than one year	**90,616**	**13,891**
A. Financial debts	90,554	13,854
2. Unsubordinated debentures	61,820	
4. Credit institutions	27,834	12,954
5. Other loans	900	900
D. Other amounts payable	62	37
IX. Amounts payable within one year	**242,075**	**137,126**
A. Current portion of amounts payable after more than one year	5,675	7,030
B. Financial debts	117,000	29,500
1. Credit institutions	117,000	29,500
C. Trade debts	70,013	61,449
1. Suppliers	70,013	61,449
D. Advances received on contracts in progress	12,152	11,990
E. Taxes, remuneration and social security	8,375	8,051
1. Taxes	1,550	1,517
2. Remuneration and social security	6,825	6,534
F. Other amounts payable	28,860	19,106
X. Accrued charges and deferred income	**2,699**	**1,946**
TOTAL LIABILITIES	**579,866**	**352,498**

2. STATUTORY INCOME STATEMENT

INCOME STATEMENT	2006	2005
I. Operating income	**302,704**	**279,416**
A. Turnover	283,751	265,814
D. Other operating income	18,953	13,602
II. Operating charges	**-283,162**	**-262,646**
A. Raw materials, consumables and goods for resale	175,946	159,967
1. Purchases	175,946	159,967
B. Services and other goods	64,633	60,849
C. Remuneration, social security costs and pensions	38,414	36,246
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	4,317	4,569
E. Increase / decrease in amounts written off stocks, contracts in progress and trade debtors	-688	497
F. Increase / decrease in provisions for liabilities and charges	-184	-331
G. Other operating charges	724	849
III. Operating profit	**19,542**	**16,770**
IV. Financial income	**7,787**	**11,673**
A. Income from financial fixed assets	6,255	11,259
B. Income from current assets	1,479	378
C. Other financial income	53	36
V. Financial charges	**-5,548**	**-1,593**
A. Interests and other debt charges	4,694	1,259
B. Increase / decrease in amounts written off current assets other than those mentioned under II. E	43	-498
C. Other financial charges	811	832
VI. Profit on ordinary activities before taxes	**21,781**	**26,850**
VII. Extraordinary income	**4,652**	**346**
B. Adjustments to amounts written off financial fixed assets	3,155	90
C. Adjustments to provisions for extraordinary liabilities and charges	1,200	
D. Gain on disposal of fixed assets	279	241
E. Other extraordinary income	18	15

All financial amounts expressed in thousands of euros.

VIII. Extraordinary charges	**-17,990**	**-2,885**
A. Extraordinary depreciation of and extraordinary amounts written off formation expenses, intangible and tangible fixed assets	57	
B. Amounts written off financial fixed assets	13,676	1,542
C. Provisions for extraordinary liabilities and charges		1,200
D. Loss on disposal of fixed assets	4,019	100
E. Other extraordinary charges	238	43
IX. Profit for the period before taxes	**8,443**	**24,311**
IX. Bis	**30**	**36**
A. Transfer from deferred taxation	30	36
X. Income taxes	**-4,998**	**-6,350**
A. Income taxes	-4,998	-6,350
XI. Profit for the period	**3,475**	**17,997**
XII. Transfer from untaxed reserves	**49**	**56**
A. Transfer from untaxed reserves	49	56
XIII. Profit for the period available for appropriation	**3,524**	**18,053**

APPROPRIATION ACCOUNT	**2006**	**2005**
A. Profit to be appropriated	**3,532**	**18,090**
1. Profit for the period available for appropriation	3,524	18,053
2. Profit brought forward	8	37
B. Transfers from capital and reserves	**4,800**	
2. From reserves	-4,800	
C. Transfers to capital and reserves	**-177**	**-10,032**
2. To legal reserve	177	32
3. To other reserves		10,000
D. Result to be carried forward	**-62**	**-8**
1. Profit to be carried forward	62	8
F. Distribution of profit	**-8,093**	**-8,050**
1. Dividends	8,093	8,050

All financial amounts expressed in thousands of euros.

Summary of the valuation rules

Formation expenses
Formation expenses are valued at acquisition cost and are charged to income in full in the year occurred. Where these formation expenses include substantial amounts, these are amortised on a straight-line basis over five years.

Intangible assets
Intangible fixed assets include titles, goodwill and software acquired from third parties or contributed to the company.
Titles and goodwill are amortised over 4 to 12 years, depending on the extent of integration of the acquired title or goodwill in existing titles.
Software is amortised at 20% or at 33.33% on a straight-line basis. Existing software that is transferred within the group is amortised on the net book value at 40% or 50% a year.
Scenarios and filmrights are amortised over 3 years.
Research and development costs are charged immediately to the income statement. The board of directors may decide to capitalise significant amounts.

Tangible assets
Tangible fixed assets are recorded at acquisition value, less depreciation and reductions in value. Ancillary costs are entered as asset and amortised in the same way as the acquisition or investment value of the appropriate assets.

Tangible assets are depreciated at the following rates:

	Straight-line		Reducing balance	
	Min.	Max	Min.	Max.
Land		0%		
Buildings	2%	10%	4%	20%
Roadworks			10%	25%
Other installations	5%	20%	10%	40%
Major maintenance	10%	50%	10%	25%
Establishment of buildings	10%	20%	10%	25%
Plant, machinery and equipment	20%	33.33%	20%	50%
Office equipment	10%	33.33%	20%	50%
Vehicles	20%	33.33%		
Leasing of machinery	20%	33.33%	20%	50%
Assets under construction (not prepaid)	0%			

Second-hand equipment and machinery is depreciated at 50% a year.
Works of art that do not reduce in value are not depreciated.

Financial assets
Participating interests and shares are valued at acquisition value. Amounts receivable from companies in which the company has a participating interest are included under financial fixed assets when the board of directors has the intention of permanently supporting the debtor in question. These receivables are recorded at their face value.
In the event of a permanent loss of value, a reduction of value can be recorded.

Stocks
Raw and ancillary materials and goods purchased for resale are valued by the FIFO method. Outdated and slow-moving stocks are systematically written down.
Print work in progress is valued at production costs including indirect production costs.

Amounts receivable
Amounts receivable are recorded at nominal value.
Reductions in value are applied on the basis of either determined losses, or of individual doubtful balances.

Investments and cash at bank and in hand
Own shares are valued as follows: own shares earmarked to cover option plans are valued at either acquisition cost or the lower of exercise price or market value. The remaining own shares are valued at the lower of acquisition cost or market value.
Other securities are valued at acquisition cost.
Term deposits and cash at bank and in hand are recorded at their face value.

Deferred and accrued accounts
Deferred and accrued accounts are recorded and valued at their acquisition value and are included in the balance sheet in respect of the amount that runs over into the following financial year.

Investment grants
This heading contains investment grants actually attributed. These are taken into income pari passu with depreciation on the assets to which they refer.
The amount of deferred taxes on these investment grants is transferred to the ‘deferred taxation’ account.

Provisions for liabilities and charges
Based on an assessment of the situation by the board of directors on the balance sheet closing date, provisions are set up to cover any losses which are probable or certain at the balance sheet date, but to which no precise figure can yet be attached.

Amounts payable
Amounts payable are recorded in the balance sheet at nominal value. The necessary provisions are recorded on the balance sheet date for social security, tax and commercial liabilities.

Foreign currencies
Amounts receivable and payable in foreign currency are originally recorded at the prevailing exchange rate. Amounts receivable and payable expressed in foreign currency are translated at the end of the year at the closing exchange rate, unless specifically hedged. The resulting translation differences are charged to the income statement when the calculation per individual currency gives rise to a negative difference and are included under ‘deferred income’ when the calculation per individual currency gives rise to a positive difference.

Social report

Numbers of joint industrial committees which are competent for the enterprise : 130.00 218.00

I. Statement of the persons employed

	Full-time 2006	Part-time 2006	Total (T) or total full-time equivalents (FTE) 2006	Total (T) or total full-time equivalents (FTE) 2005
A. Employees recorded in the personnel register				
1. During the financial period and during the preceding financial period				
Average number of employees	578.7	164.1	701.1 (FTE)	682.2 (FTE)
Number of actual working hours	903,624	192,853	1,096,477 (T)	1,064,451 (T)
Personnel charges	32,606	5,754	38,360 (T)	36,198 (T)
Amount of the benefits in addition to wages (in thousands of euros)			238 (T)	139 (T)

	Full-time	Part-time	Total full-time equivalents
2. As at closing date of the financial period			
a. Number of employees recorded in the personnel register	587	165	710.7
b. By nature of the employment contract			
Contract of unlimited duration	573	165	696.7
Contract of limited duration	11	-	11.0
Contract regarding substitution	3	-	3.0
c. By sex			
Male	283	21	298.6
Female	304	144	412.1
d. By professional category			
Employees	560	150	672.5
Workers	27	15	38.2

B. Temporary personnel and persons placed at the disposal of the enterprise during the financial period	Temporary personnel
Average number of personnel employed	18.6
Number of actual working hours	35,926
Charges to the enterprise (in thousands of euros)	673

II. List of personnel movements during the financial period			
	Full-time	**Part-time**	**Total full-time equivalents**
A. Entrants			
a. Number of employed persons recorded in the personnel register during the financial period	91	10	95.5
b. By nature of the employment contract			
Contract of unlimited duration	76	9	79.8
Contract of limited duration	10	-	10.0
Contract regarding substitution	5	1	5.7
c. By sex and level of education			
Male :			
Secondary education	12	-	12.0
Higher non-university education	19	1	19.1
University education	10	1	10.5
Female :			
Secondary education	13	-	13.0
Higher non-university education	23	8	26.9
University education	14	-	14.0
B. Leavers			
a. Number of employed persons of which the date of termination of the contracts has been recorded in the personnel register during the financial period	60	13	68.9
b. By nature of the employment contract			
Contract of unlimited duration	58	12	66.4
Contract regarding substitution	2	1	2.5
c. By sex and level of education			
Male :			
Primary education	1	1	1.8
Secondary education	5	1	5.8
Higher non-university education	15	1	15.8
University education	6	-	6.0
Female :			
Primary education	3	2	3.9
Secondary education	7	2	8.6
Higher non-university education	16	5	19.5
University education	7	1	7.5
d. By reason of termination of contract			
Pension	1	-	1.0
Prepension	1	3	3.4
Dismissal	12	4	14.5
Other reason	46	6	50.0

III. Statement concerning the implementation of mesures stimulating employment during the financial period			
	Number of employed persons involved		**3. Amount of the financial profit** (in thousands of euro)
Measures stimulating employment	**1. Number**	**2. In full-time equivalents**	
1. Measures generating financial profit			
1.6. Structural reduction of social security contributions	801	757.1	1,212
1.11. Initial job agreement	64	62.5	13
2. Other measures			
2.2. Successive employment contracts of limited duration	8	8.0	
2.3. Conventional prepension	1	1.0	
2.4. Reduction of employee's social security contribution regarding low-wage workers	226	209.0	
Number of employees involved in one or more measures stimulating employment :			
- Total for the financial period	801	757.1	
- Total for the previous financial period	774	732.9	

IV. Information on vocational training for employed persons during the financial period		
Total of training initiatives at the expense of the employer	**Male**	**Female**
1. Number of employees	249	366
2. Number of training hours	6,335	10,053
3. Charges to enterprise	296	437

Auditor's report

Statutory auditor's report for the year ended 31 December 2006 to the shareholders' meeting

To the shareholders,

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the financial statements together with the required additional comments.

Unqualified audit opinion on the financial statements
We have audited the financial statements of Roularta Media Group NV for the year ended 31 December 2006, prepared in accordance with the accounting principles applicable in Belgium, which show total assets of 579,866 (000) EUR and a profit for the year of 3,475 (000) EUR.

The board of directors of the company is responsible for the preparation of the financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the 'Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren'. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the company's preparation and fair presentation of the 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 company's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the financial statements as of 31 December 2006 give a true and fair view of the company's assets, liabilities, financial position and results in accordance with the accounting principles applicable in Belgium.

Additional comments
The preparation and the assessment of the information that should be included in the directors' report and the company's compliance with the requirements of the Companies Code and its articles of association are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comments which do not change the scope of our audit opinion on the financial statements:

- The directors' report includes the information required by law and is in agreement with the financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the company, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

- No transactions have been undertaken or decisions taken in violation of the company's articles or the Companies Code such as we would be obliged to report to you. The appropriation of the results proposed to the general meeting is in accordance with the requirements of the law and the company's articles.

6 April 2007

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises BV
o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Jos Vlaminckx and Mario Dekeyser

Roularta Media Group

Responsible Publisher: Roularta Media Group - Jean Pierre Dejaeghere - Financial director - Meiboomlaan 33 - 8800 Roeselare