

# Half year results 2010

19 August 2010



## Roularta Media Group

Rik De Nolf, Chief Executive Officer

Jan Staelens, Chief Financial Officer

## Introductory remark

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Half year results are unaudited, a limited review has been executed.

All comparisons are made relative to the figures of the first half year of 2009.

*This document contains forward-looking information that involves risks and uncertainties. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies. Roularta Media Group, nor any other person, assumes any responsibility for the accuracy of these forward-looking statements. The company undertakes no obligation to publicly update any forward-looking statements.*

Rik De Nolf,  
Chief Executive Officer

- **Highlights**
- Business review
- Financials
- Key challenges & Outlook

- **Consolidated (corrected) sales** of €361,7 million (+0.8%)
- **EBIT** of €27,2 million compared with € - 7,2 million
- **REBIT** of €29.8 million compared with €10.4 million
- ***REBIT margin on sales*** of 8.2% compared with 2.8%
- **REBITDA margin on sales** of 12.1%(\*) compared with 6,5%
- **EPS** : between 2 to 3 on yearly basis
- **P/E** : between 7 to 8 on yearly basis

(\*) corrected with rent sale and rent back

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## Strategy and persistency delivers record performance

Strategy :

a persistent focus on brands with the highest quality of execution (content & printing), innovation (internet, i-phone, i-pad...) and diversification combined with cost-awareness, delivers excellent results, despite non-growth in sales.

Belgium

1. Adapting structures : integration databases and multimedial journalists
2. Kanaal Z/Canal Z : analogue -> digital
3. New brands and activities: T'chin, Econopolis,
4. Internet growth is spectacular : I-pod, I-pad
5. End of crisis in Job advertising business

## Strategy and persistency delivers record performance

### France

1. Sale of Guitar Part, Guitar Classique en Guitar Unplugged to Les Editions Duchâteau-Voisin
2. Horizontal integration : acquisition of Fiscap en Forum de l'Investissement (Win)

### Emerging markets :

1. Nearly signs of break-even,
2. Fusion of management of Croatia and Slovenia

### Printing :

1. Persistency in commercial printing
2. Decision to further invest in replacement of older print installations
3. Outlook : printing German magazines



## Strategy and persistency delivers record performance

### Audiovisual

1. Strong first semester 2010
2. Further growth in line extensions

### Internet and line extensions

Jan Staelens,  
Chief Financial Officer

# Roularta Media Group in Europe

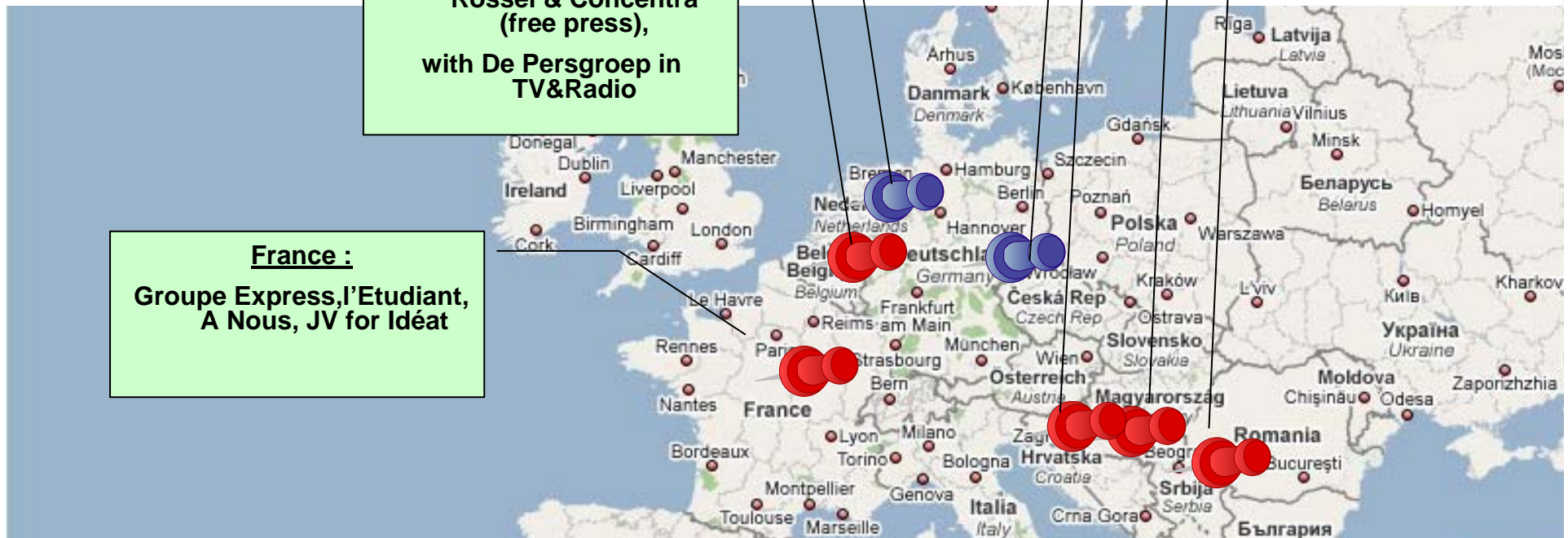
**Netherlands :**  
JV with Bayard Press :  
Senior magazines

**Belgium :**  
Own titles + JV's : with  
Rossel & Concentra  
(free press),  
with De Persgroep in  
TV&Radio

**France :**  
Groupe Express, l'Etudiant,  
A Nous, JV for Idéat

**Germany :**  
JV with Bayard:  
Senior + specialised  
magazines

**Slovenia – Croatia -  
Serbia**  
Start-up: City  
Magazines



- Highlights
- Business review
- **Financials**
- Key challenges & Outlook

## Consolidated Key Figures (in '000 EUR)

INCOME STATEMENT FIRST HALF YEAR	H1/2009	H1/2010	Trend
<b>Sales</b>	<b>365.718</b>	<b>361.725</b>	<b>- 1,1 %</b>
<i>Corrected Sales</i>	<i>358.793</i>	<i>361.725</i>	<i>+ 0,8 %</i>
<b>EBITDA</b>	<b>11.380</b>	<b>37.688</b>	<b>+ 231,2 %</b>
<i>EBITDA margin</i>	<i>3,1 %</i>	<i>10,4 %</i>	
<b>REBITDA</b>	<b>23.604</b>	<b>39.853</b>	<b>+ 68,8 %</b>
<i>REBITDA margin</i>	<i>6,5 %</i>	<i>11,0 %</i>	
<b>EBIT</b>	<b>- 7.226</b>	<b>27.204</b>	<b>+ 476,5 %</b>
<i>EBIT margin</i>	<i>- 2,0 %</i>	<i>7,5 %</i>	
<b>REBIT</b>	<b>10.370</b>	<b>29.842</b>	<b>+ 187,8 %</b>
<i>REBIT margin</i>	<i>2,8 %</i>	<i>8,2 %</i>	
Financial Result	- 6.516	- 1.026	- 84,3 %
<b>Operating Result before taxes</b>	<b>- 13.742</b>	<b>26.178</b>	<b>+ 290,5 %</b>
<b>Current Operating Result before taxes</b>	<b>3.854</b>	<b>28.816</b>	<b>+ 647,7 %</b>
Income taxes	2.423	- 10.616	+ 538,1 %
Share in the profit of the companies with equity method	- 49	- 58	
<b>Net Result</b>	<b>- 11.368</b>	<b>15.504</b>	<b>+ 236,4 %</b>
Minority interest	- 571	388	
<b>Attributable to the GROUP</b>	<b>- 10.797</b>	<b>15.116</b>	<b>+ 240,0 %</b>
<i>Net profit attributable to the GROUP – margin</i>	<i>- 3,0 %</i>	<i>4,2 %</i>	
<b>Current Net Result of the consolidated companies</b>	<b>2.346</b>	<b>18.065</b>	<b>+ 670,0 %</b>
<i>Current net profit of the consolidated companies – margin</i>	<i>0,6 %</i>	<i>5,0 %</i>	

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<i>Corrected Sales</i>	Corrected with Sale & Leaseback operation : + 4.1 mio EUR, REBITDA margin on sales = 12.1%	<b>358.793</b>	<b>361.725</b>	<b>+ 0,8 %</b>
<b>EBITDA</b>		<b>11.380</b>	<b>37.688</b>	<b>+ 231,2 %</b>
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# Consolidated Key Figures *(in '000 EUR)*

BALANCE SHEET	31/12/09	30/06/10	Trend
Non current assets	633.152	629.232	- 0,6 %
Current assets	312.662	298.651	- 4,5 %
<b>Balance sheet total assets</b>	<b>945.814</b>	<b>927.883</b>	<b>- 1,9 %</b>
Equity – Group’s share	311.851	328.406	+ 5,3 %
Equity – Minority inerests	12.995	13.208	+ 1,6 %
Liabilities	620.968	586.269	- 5,6 %
<b>Balance sheet total liabilities</b>	<b>945.814</b>	<b>927.883</b>	<b>- 1,9 %</b>
Liquidity	1,0	1,0	+ 0,0 %
Solvency	34,3 %	36,8 %	+ 7,3 %
Net financial debt	126.435	128.080	+ 1,3 %
Gearing	38,9 %	37,5 %	- 3,6 %



## Restructuring- and non-recurring costs H1/2010

<b>RESTRUCTURING &amp; NON-RECURRING COSTS H1/2010</b>			
<u>Restructuring costs</u>			2.974
Severance pay	France	2.189	
	Belgium	785	
<u>Withdrawal of social security debt VMMA</u>			-809
		<b>Effect on EBITDA</b>	<b>2.165</b>
<u>Restructuring costs as provision</u>			-637
Severance pay	France	-888	
	Belgium	251	
<u>Impairment titles</u>			1.110
		<b>Effect on EBIT</b>	<b>2.638</b>
<u>Tax effect</u>			-77
		<b>Effect on net result</b>	<b>2.561</b>

**Trends**  
GAZELLEN  
2009





## Bank Covenants (in '000 EUR)

Covenants	EBITDA	REBITDA
<b>Leverage</b> (Net Financial Debt / (R)EBITDA) < 3.75	1.97	1.79
<b>Intrest Coverage Ratio</b> ((R)EBITDA / intrests) > 2.50	7.16	7.87
<b>Fixed Charge Coverage Ratio</b> > 1.50	2.92	3.14
<b>Equity</b> (in '000 EUR, min. 280.000)	350.307	350.307
<b>Gearing</b> (Net Financial Debt/Equity) < 80%	36.1%	36.1%
<b>Solvency</b> (Equity/Balance sheet total) Min. 25.0%	37.8%	37.8%



# CAPEX 2010 (in 'mln EUR)

	CAPEX
On Balance (*) :	
- Titles	0,5
- Software	2,3
- Buildings	0,7
- Machines & equipment	0,9
- Other	0,4
	4,8
Off Balance	
- IT equipment	0,6
(*) Of which VMMA 1,2	
<b>TOTAL</b>	<b>5,4</b>

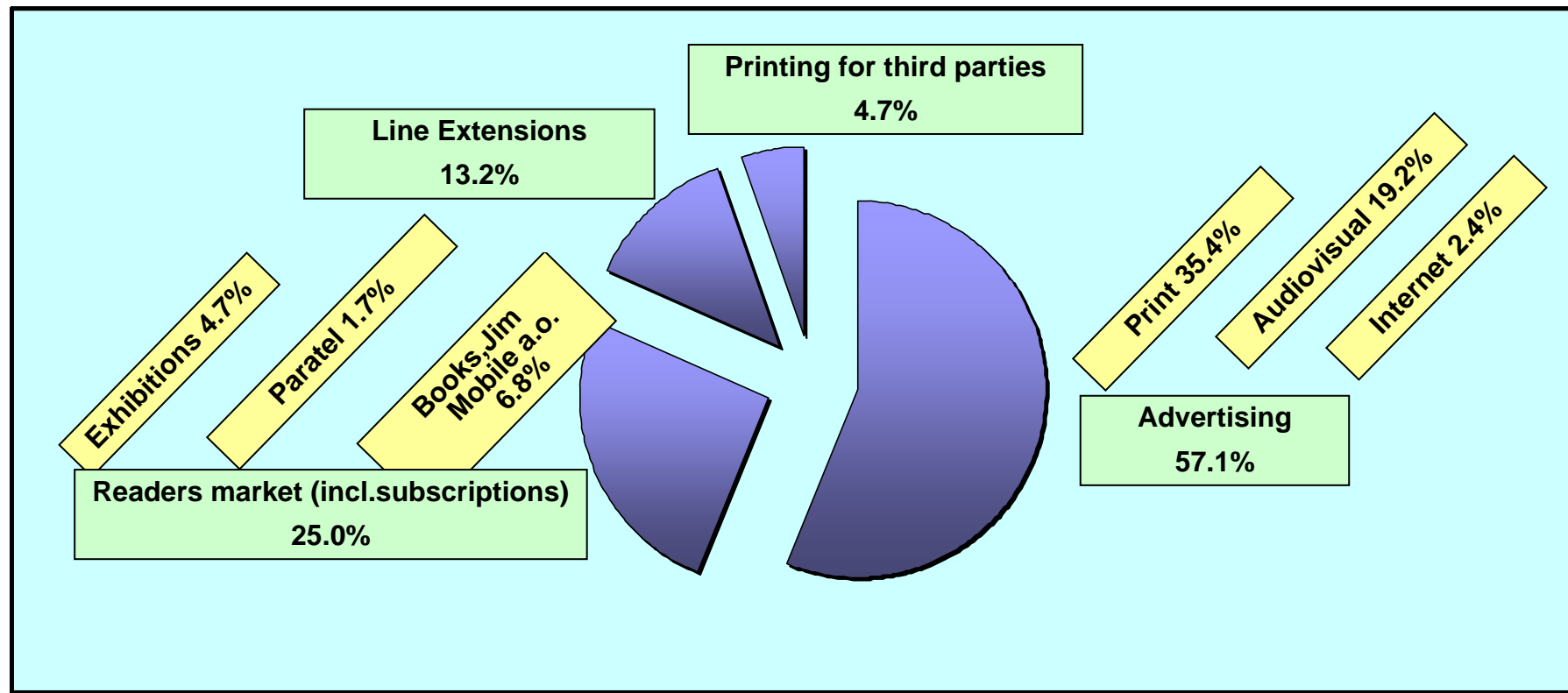


# Sales H1/2010 – Breakdown (in '000 EUR)

	30/06/2009	30/06/2010	Difference	Trend
Advertising	202.548	206.307	+ 3.759	+ 1,9%
Readers market (incl.subscriptions)	89.448	90.517	+ 1.069	+ 1,2%
Printing for third parties	18.814	17.138	- 1.676	- 8,9%
Line Extensions	47.983	47.763	- 220	- 0,5%
<b>Corrected Sales</b>	<b>358.793</b>	<b>361.725</b>	<b>+ 2.932</b>	<b>+ 0,8%</b>
<i>Changes in perimeter</i>	<b>+ 4.633</b>		<b>- 4.633</b>	
<i>Sale Optical Discs business</i>	<b>+ 2.292</b>		<b>- 2.292</b>	
<b>Consolidated Sales</b>	<b>365.718</b>	<b>361.725</b>	<b>-3.993</b>	<b>- 1,1%</b>



## Sales H1/2010 – Breakdown (in '000 EUR)



## Consolidated Key Figures per Division (in '000 EUR)

	PRINTED MEDIA			AUDIOVISUAL MEDIA		
INCOME STATEMENT FIRST HALF YEAR	H1/2009	H1/2010	Trend	H1/2009	H1/2010	Trend
<b>Sales</b>	<b>285.567</b>	<b>278.308</b>	<b>- 2,5 %</b>	<b>82.499</b>	<b>85.208</b>	<b>+ 3,3 %</b>
<i>Corrected Sales</i>	<i>280.934</i>	<i>278.308</i>	<i>- 0,9 %</i>	<i>80.002</i>	<i>85.208</i>	<i>+ 6,5 %</i>
<b>EBITDA</b>	<b>1.141</b>	<b>17.974</b>	<b>+1475,3 %</b>	<b>10.239</b>	<b>19.714</b>	<b>+ 92,5 %</b>
EBITDA margin	0,4 %	6,5 %		12,4 %	23,1%	
<b>REBITDA</b>	<b>11.618</b>	<b>20.871</b>	<b>+ 79,6 %</b>	<b>11.986</b>	<b>18.982</b>	<b>+ 58,4 %</b>
REBITDA margin	4,1%	7,5 %		14,5 %	22,3 %	
<b>EBIT</b>	<b>- 14.654</b>	<b>10.332</b>	<b>+170,5%</b>	<b>7.428</b>	<b>16.872</b>	<b>+127,1 %</b>
EBIT margin	- 5,1 %	3,7 %		9,0 %	19,8 %	
<b>REBIT</b>	<b>1.158</b>	<b>13.702</b>	<b>+ 1083,2 %</b>	<b>9.212</b>	<b>16.140</b>	<b>+ 75,2 %</b>
REBIT margin	0,4 %	4,9 %		11,2 %	18,9 %	
Financial Result	- 6.094	- 686	- 88,7 %	- 422	- 340	- 19,4 %
<b>Operating Result before taxes</b>	<b>- 20.748</b>	<b>9.646</b>	<b>+146,5%</b>	<b>7.006</b>	<b>16.532</b>	<b>+136,0 %</b>
<b>Current Operating Result before taxes</b>	<b>- 4.936</b>	<b>13.016</b>	<b>+363,7%</b>	<b>8.790</b>	<b>15.800</b>	<b>+ 79,7 %</b>
Income taxes	5.195	- 5.235	+ 200,8%	- 2.772	- 5.381	+ 94,1%
Share in the profit of companies with equity method	- 49	- 58		0	0	
<b>Net Result</b>	<b>- 15.602</b>	<b>4.353</b>	<b>+127,9 %</b>	<b>4.234</b>	<b>11.151</b>	<b>+163,4%</b>
Minority interest	- 230	397		- 341	- 9	
<b>Attributable to the GROUP</b>	<b>- 15.372</b>	<b>3.956</b>	<b>+125,7 %</b>	<b>4.575</b>	<b>11.160</b>	<b>+143,9 %</b>
Net profit attributable to the GROUP – margin	- 5,4%	1,4 %		5,5 %	13,1%	
<b>Current Net Result</b>	<b>- 3.294</b>	<b>7.397</b>	<b>+324,6%</b>	<b>5.640</b>	<b>10.668</b>	<b>+ 89,1 %</b>
Current net profit – margin	- 1,2 %	2,7 %		6,8 %	12,5%	

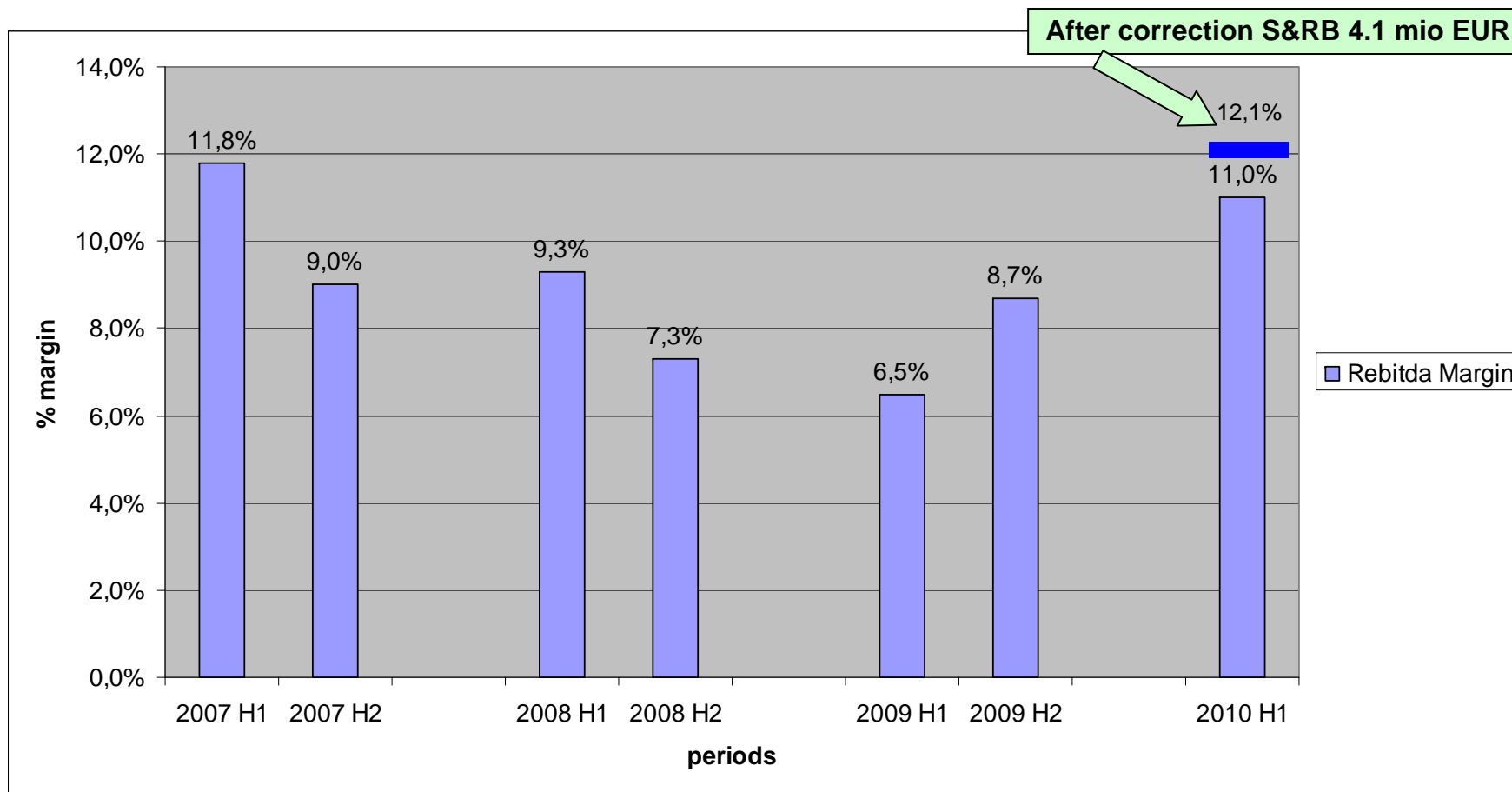
# Roularta Media Group Internet

BELGIUM	Metriweb Unique visitors/month
Roularta Media Online	2.695.000
News	1.200.000
Business	980.000
Lifestyle	660.000
Vlan.be	2.350.000

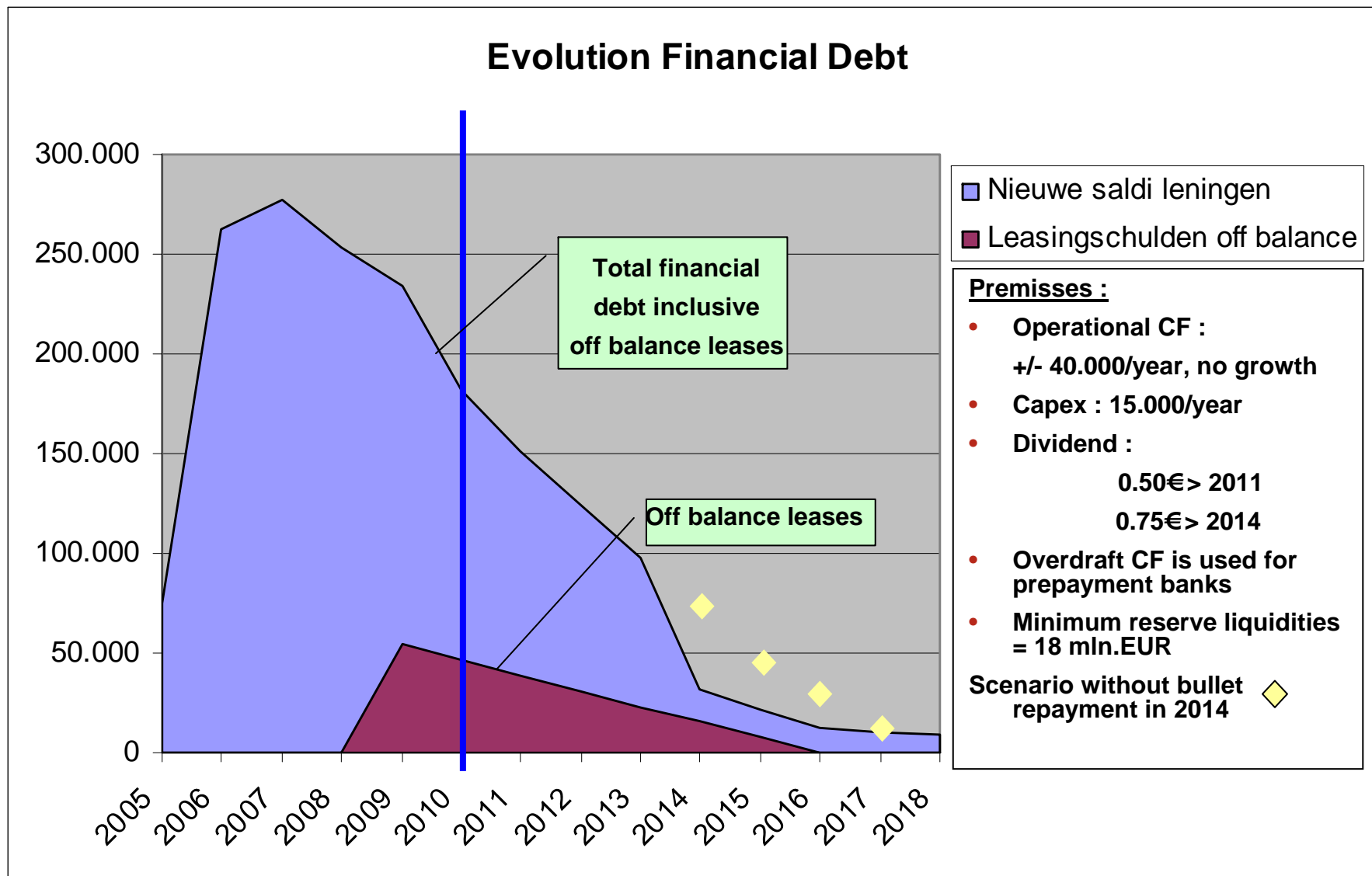
FRANCE	Unique visitors/month
L'Express	4.530.000
Décoration	810.000
L'Etudiant	2.150.000
L'Expansion	1.430.000



# REBITDA margins (in % of total sales)



# Debt Management sensitivity analysis (in '000 EUR)





# Taxes (in '000 EUR)

<b>1. Corrections on Result before Taxes</b>	<b>26.178</b>
Loss Carry Forward ( <i>non recuperable!</i> , without Deferred Tax Assets)	5.407
Impairment on titles	1.110
Other	1.248
<b>New Result before Taxes</b>	<b>33.943</b>
<b>2. Corrections on Taxes</b>	<b>10.616</b>
Notional Intrest Deduction	835
Other	0
<b>New Taxes</b>	<b>11.451</b>
	33,7%
	(1H/2009 = 33,1%)



# Hedges

<b>1. US Dollar :</b>	<b>66.2 mln USD</b>	<b>100% IRCS</b>
<b>2. ORA :</b>	<b>86.0 mln EUR</b>	<b>Fixed interest rate</b>
<b>3. Other loans :</b>	<b>92,1 mln EUR</b>	
- Loans with fixed interest rate :		<b>48%</b>
- Loans with variable interest rate, but hedged		<b>52%</b>

**Result of financial instruments: +3 mln EUR net impact due to change in market values of financial instruments and sale of one financial instrument.**



- Slight recovery possible in publicity earnings, job advertising
- Visibility remains low
- Further pressure on Break Even Point
- Strengthening of printing plant
- 2010 : impact of small economic recovery and impact of former restructuring
- Multitasking : use of centralised content for print / audiovisual / internet !





# Roularta Media Group



## Questions & Answers



# Financial Calendar

**19/08/2010**

**Publication of 1H 2010 results**

07:30 : press release on website

11:00 : press conference (Zellik)

13:00 : meeting analysts (Zellik)

**20/08/2010**

10:30 : press conference (Paris)

12:30 : meeting analysts (Paris)

**19/11/2010**

**Interim declaration - Q3 2010**

17:45 : press release on website

**21/03/2011**

**Publication of full year 2010 results**

07:30 : press release on website

11:00 : press conference (Zellik)

13:00 : meeting analysts (Zellik)

**22/03/2011**

11:00 : press conference (Paris)

13:00 : meeting analysts (Paris)

**16/05/2011**

**Interim declaration - Q1 2011**

07:30 : press release on website

**17/05/2011**

**General Meeting of Shareholders**

11:00 : Roeselare



[www.roularta.be](http://www.roularta.be)

Roularta Media Group is pleased to answer all your questions.

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# Roularta Media Group share versus BEL 20 2008-2010

