[FINANCIAL INFORMATION]

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

2004

ROULARTA MEDIA GROUP

ANNUAL REPORT 2004

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

[ANNUAL REPORT OF THE BOARD OF DIRECTORS]

to the ordinary general meeting of shareholders of 17 May 2005 concerning the consolidated financial statements for the year ending on 31 December 2004.

Dear shareholders,

This annual report has to be read together with the audited financial statements of NV Roularta Media Group, hereinafter referred to as the Group, and the corresponding notes. These consolidated financial statements were approved by the Board of Directors of 14 March 2005.

COMMENTARY TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. Standards that are not yet effective on the reporting date have been early applied, except for IFRS 2 on share based payments.

The IFRSs are applied for the first time to the consolidated figures of the financial year ending on 31 December 2004. The comparative figures for the financial year 2003 have been restated in compliance with the accounting principles in 2004. This means that the transition date for the first application of the IFRS standards is 1 January 2003 (Opening IFRS balance sheet).

The application of IFRS mainly affects the Group in the following domains:
- the valuation of intangible and tangible assets
- the valuation of broadcasting rights
- deferred tax assets and liabilities

The IFRS 3 standard and the corresponding adaptations of IAS 36 and IAS 38 state that titles and goodwill have an indefinite useful life. These assets are therefore no longer depreciated, and an annual impairment test is applied to see whether impairment losses in value are required.

IMPORTANT CHANGES IN THE GROUP DURING THE FINANCIAL YEAR 2004

- Acquisition of Keesing Professional Information, Media Office NV, Studio Magazine SA, DMB BALM SAS, Press News NV;
- Increase of participating interest percentage in the Studio Press group;
- Decrease of the participating interest in the title 'Lenz' due to a merger with the title 'Frau im Leben';
- Formation of Mestne Revije d.o.o. and A Nous Province SAS;
- Reversal of the sale of the participating interest in A Nous Paris SAS.

FINANCIAL HIGHLIGHTS OF 2004

The following developments took place in comparison with 2003:
- Turnover rose by 14.1% from € 437.6 million to € 499.2 million.
- EBIT increased by 6.2% from € 43.6 million to € 46.3 million. The EBIT margin was 9.3% as compared to 10% in 2003.
- Net profit was up 6.5% from € 25.6 million to € 27.2 million, representing a margin of 5.5% compared with 5.8% in 2003.
- Net current profit rose from € 27.0 million to € 28.7 million, i.e. a 6.4 % increase.
- Current cash flow increased from € 42.4 million to € 46.0 million, i.e. an 8.4% increase.
- Healthy financial structure: net financial debt has fallen from € 22.6 million at 31 December 2003 to € 12.2 million at 31 December 2004. This is a gearing of 5.7% as against 11.9% in 2003.

Two non-recurrent elements distorted the profit at the end of 2004:

Following a change in strategy by the French acquirer, the sale of the A Nous Paris shares was undone in 2004 and the € 1.8 million capital gain recorded in 2003 was taken back. Compared with 2003 this pushes down the profit with € 3.6 million.

In establishing the impairment of broadcasting rights at VMMa, as at 31 December 2004, account was taken for the first time of the broadcasting rights expiring over a three year period. This resulted in a write-down of € 1.8 million in 2004.
The first IFRS reworking in 2003 includes only an estimated inventory correction, and only for one year. This reduction in value was corrected in 2003 in the opening balance at 1 January 2003.

KEY FIGURES

INCOME STATEMENT In thousands of euros	31/12/2003	31/12/2004	% evolution
Sales	**437,613**	**499,164**	**+ 14.1%**
Recurrent operating result (REBIT)	**41,859**	**49,899**	**+ 19.2%**
Operating result (EBIT)	**43,634**	**46,344**	**+ 6.2%**
Interests (net)	- 2,335	- 1,589	- 31.9%
Income taxes	- 15,436	- 16,835	+ 9.1%
Net result of the consolidated companies	**25,863**	**27,920**	**+ 8.0%**
Share in the result of the companies accounted for using the equity method	260	324	+ 24.6%
Minority interests	- 556	- 1,011	+ 81.8%
Recurrent net result	**23,792**	**30,183**	**+ 26.9%**
Net result	**25,567**	**27,233**	**+ 6.5%**
REBITDA (1)	57,755	68,405	+ 18.4%
REBITDA (margin)	13.2%	13.7%	
REBIT	41,859	49,899	+ 19.2%
REBIT (margin)	9.6%	10.0%	
EBITDA	59,530	64,850	+ 8.9%
EBITDA (margin)	13.6%	13.0%	
EBIT	43,634	46,344	+ 6.2%
EBIT (margin)	10.0%	9.3%	
Recurrent net result	23,792	30,183	+ 26.9%
Recurrent net result (margin)	5.4%	6.0%	
Net result	25,567	27,233	+ 6.5%
Net result (margin)	5.8%	5.5%	
Net current result (2)	26,970	28,690	+ 6.4%
Current cash flow (3)	42,448	46,014	+ 8.4%
BALANCE SHEET	**31-12-03**	**31-12-04**	**% evolution**
Non current assets	198,602	220,728	+ 11.1%
Current assets	206,912	218,438	+ 5.6%
Balance sheet total	405,514	439,166	+ 8.3%
Group's equity	177,266	200,089	+ 12.9%
Minority interests	13,675	14,618	+ 6.9%
Liabilities	214,573	224,459	+ 4.6%
Liquidity (4)	1.3	1.3	+ 0.0%
Solvency (5)	47.1%	48.9%	+ 3.8%
Net financial debt	22,643	12,243	- 45.9%
Gearing (6)	11.9%	5.7%	- 52.1%
Return on equity (7)	14.4%	13.6%	- 5.6%

(1) REBITDA = EBITDA + non-recurrent items, i.e. reversal of sale of A Nous Paris shares and one-off reduction in value on the inventory of broadcasting rights.
(2) Net current result = net result + impairment losses on titles and goodwill + restructuring costs net of taxes.
(3) Current cash flow = net current result + depreciations on intangible and tangible assets, depreciations and provisions.
(4) Liquidity = current assets / current liabilities.
(5) Solvency = equity (group + minority interests) / total balance.
(6) Gearing = net financial debt / equity (group + minority interests).
(7) Return on equity = net result / equity (group).

CONSOLIDATED INCOME STATEMENT

Turnover rose by 14.1% from € 437.6 to 499.2 million. € 38.2 million or 8.7% is organic growth and 5.4% comes from acquisitions in the Printed Media division. Just over half of the organic growth came from the Audiovisual Media division, with strongly increased turnover at Vlaamse Media Maatschappij and its subsidiary Paratel, as well as at Vogue Trading Video and at Kanaal Z/Canal Z. The organic growth in Printed Media came both from freesheets and magazines.

EBITDA rose by 8.9% from € 59.5 to € 64.9 million and the **operating result (EBIT)** by 6.2% from € 43.6 to 46.3 million. Taking into account **non-recurrent results, REBITDA** rose by 18.4% from € 57.8 to 68.4 million and **recurrent operating profit (REBIT)** rose by 19.2% from € 41.9 to 49.9 million. The respective margins increased from 13.2% to 13.7% for REBITDA and from 9.6% to 10% REBIT.

Net profit was up 6.5% from € 25.6 to € 27.2 million, representing a margin of 5.5%. Taking into account **non-recurrent results,** the **recurrent net profit** rose from € 23.8 to 30.2 million, i.e. a 26.9% rise, with a margin of 6% compared with 5.4% in 2003.

Net current profit rose from € 27.0 million to € 28.7 million, i.e.; a 6.4% rise. **Net current cashflow** increased by 8.4% from € 42.4 to 46.0 million.

Net current profit per share rose from € 2.85 to € 2.98.

INVESTMENTS

In 2004 € 23.0 million was invested in intangible and tangible assets.

€ 4.3 million was invested in land and buildings, including the construction of an additional floor on the editorial building Brussels Media Centre in Haren-Brussels, the purchase of a building in Roeselare for the regional stations Focus and WTV, the purchase of a production hall for Vogue Trading Video in Kuurne and the purchase of installations for the new frequency plan and the new mast for Q-Music at the Vlaamse Media Maatschappij in Vilvoorde.

€ 13.6 million was invested in machinery and equipment. At Roularta Printing in Roeselare a new tower was built on the current Euro-M press and the second-hand Lithoman press bought in 2003 was completely serviced and started up in 2004. New servers were bought for the IT department in Roeselare which will serve production and administration. The Vlaamse Media Maatschappij mainly invested in technique and broadcasting for digital TV and Vogue Trading Video bought an additional production line for DVD replication.

Other investments related to the purchase of software programs for production, editorial offices and administration and purchases of office supplies and vehicles.

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

Early 2005 the Vlaamse Media Maatschappij NV sold its 50% share in NV Plopsaland to Studio 100, which already held the other 50% of the shares. The profit on this sale is included in the figures of the first quarter of 2005.

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

The Group is concluding forward contracts to protect itself against exchange risks for purchases in dollars.

Done in Roeselare on 11 March 2005
The Board of Directors

1. CONSOLIDATED INCOME STATEMENT (IFRS)

	Notes	2004	2003
Sales	3	499,164	437,613
Raw materials, consumables and goods for resale		- 155,121	- 138,823
Services and other goods		- 161,010	- 132,975
Personnel	4	- 115,555	- 106,688
Depreciation, amortization and provisions		- 18,506	- 15,896
Depreciation and amortization of intangible and tangible assets		*- 14,620*	*- 14,579*
Write-down of trade debtors and inventories	*5*	*- 1,985*	*- 263*
Provisions		*- 719*	*- 636*
Impairment losses on titles and goodwill	*12*	*- 1,182*	*- 418*
Other operating income/expenses (net)	6	- 2,353	1,896
Restructuring costs	7	- 275	- 1,493
OPERATING RESULT - EBIT		**46,344**	**43,634**
Interests (net)	8	- 1,589	- 2,335
Income taxes	9	- 16,835	- 15,436
NET RESULT OF THE CONSOLIDATED COMPANIES		**27,920**	**25,863**
Share in the result of the companies accounted for using the equity method		324	260
Minority interests		- 1,011	- 556
NET RESULT		**27,233**	**25,567**
Earnings per share			
- Basic earnings per share	10	2.83	2.70
- Diluted earnings per share	10	2.76	2.66

All financial amounts expressed in thousands of euros

2. CONSOLIDATED BALANCE SHEET (IFRS)

ASSETS	Notes	2004	2003
NON CURRENT ASSETS		**220,728**	**198,602**
Intangible assets	12	57,322	45,080
Goodwill	13	24,380	24,596
Property, plant and equipment	14	116,309	110,897
Investments accounted for using the equity method	15	2,288	1,773
Financial assets	16	10,740	8,932
Trade and other receivables	17	1,445	1,246
Deferred tax assets	18	8,244	6,078
CURRENT ASSETS		**218,438**	**206,912**
Inventories	19	49,605	54,298
Trade and other receivables	17	137,211	122,073
Financial assets	16	1,000	1,013
Cash and cash equivalents	17	26,098	24,716
Deferred charges and accrued income		4,524	4,812
TOTAL ASSETS		**439,166**	**405,514**

LIABILITIES	Notes	2004	2003
EQUITY		**214,707**	**190,941**
Group's Equity		200,089	177,266
Issued capital	*20*	*118,950*	*118,463*
Treasury shares	*20*	*- 6,153*	*- 5,978*
Share premium account		*306*	*306*
Reserves		*86,868*	*64,434*
Translation differences		*118*	*41*
Minority interests		14,618	13,675
NON CURRENT LIABILITIES		**58,646**	**57,336**
Provisions	21	4,078	4,093
Employee benefits	23	2,875	2,968
Deferred tax liabilities	18	23,283	20,181
Financial liabilities	24	26,368	28,403
Trade payables	24	368	605
Other payables	24	1,674	1,086
CURRENT LIABILITIES		**165,813**	**157,237**
Financial liabilities	24	12,973	19,969
Trade payables	24	92,936	82,484
Advances received	24	21,242	18,868
Social debts	24	22,800	19,674
Taxes	24	10,064	7,947
Other payables	24	1,308	3,162
Accrued charges and deferred income	25	4,490	5,133
TOTAL LIABILITIES		**439,166**	**405,514**

All financial amounts expressed in thousands of euros

3. CONSOLIDATED CASH FLOW STATEMENT (IFRS)		
CASH FLOW RELATING TO OPERATING ACTIVITIES	**2004**	**2003**
Net result of the consolidated companies	27,920	25,863
Income tax expense / income	16,835	15,436
Interest expense	2,524	3,377
Interest income (-)	- 935	- 1,042
Non-cash items	19,176	15,291
Depreciation of (in)tangible assets	*14,620*	*14,579*
Impairment losses	*1,182*	*418*
Unrealized exchange loss / gain	*- 68*	*60*
Other non-cash items	*3,442*	*234*
Gross cash flow relating to operating activities	**65,520**	**58,925**
Increase / decrease in trade receivables	- 13,103	17,054
Increase / decrease in other receivables and deferred charges and accrued income	- 1,631	- 2,733
Increase / decrease in inventories	2,692	- 95
Increase / decrease in financial current liabilities	- 6,997	- 10,975
Increase / decrease in trade payables	10,428	- 19,052
Increase / decrease in other current liabilities	3,581	4,197
Other increases / decreases in working capital (a)	828	- 852
Increase / decrease in working capital	**- 4,202**	**- 12,456**
Income taxes received / paid	- 15,203	- 13,197
Interest paid (-)	- 2,616	- 3,338
Interest received	927	1,040
NET CASH FLOW RELATING TO OPERATING ACTIVITIES (A)	**44,426**	**30,974**
CASH FLOW RELATING TO INVESTING ACTIVITIES		
(In)tangible assets - acquisitions	- 35,562	- 40,626
(In)tangible assets - other movements	2,027	- 2,647
Financial assets - acquisitions	- 6,200	- 4,594
Financial assets - other movements	3,038	1,496
NET CASH USED IN INVESTING ACTIVITIES (B)	**- 36,697**	**- 46,371**
CASH FLOW RELATING TO FINANCING ACTIVITIES		
Dividends paid	- 4,799	- 3,738
Movement in capital	487	6,325
Treasury shares	- 175	- 981
Other changes in equity	10	- 90
Proceeds from (+), redemption of (-) long term debts	- 1,684	10,224
Proceeds from (+), redemption of (-) long term receivables	- 199	- 502
NET CASH PROVIDED BY (+), **USED IN** (-) **FINANCING ACTIVITIES** (C)	**- 6,360**	**11,238**
NET DECREASE/INCREASE IN CASH (A+B+C)	**1,369**	**- 4,159**
Cash and cash equivalents, beginning balance	25,729	29,888
Cash and cash equivalents, ending balance	27,098	25,729
NET DECREASE/INCREASE IN CASH	**1,369**	**- 4,159**

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

All financial amounts expressed in thousands of euros

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

2003	Issued capital	Treasury shares	Share premium account	Accum. result of previous years	Result of the period	Trans-lation reserves	Minority interests	Total equity
BALANCE AS OF 1/1/2003	**112,138**	**- 4,997**	**308**	**42,595**	**0**	**123**	**13,135**	**163,302**
Issuance of shares (all kind of issuances)	3,437		2,888					6,325
Capital increase resulting from incorporating issue premium	2,888		- 2,888					0
Profit / loss of the period					25,567			25,567
Operations with own shares		- 981						- 981
Foreign currency translation effect						- 82		- 82
Paid dividends				- 3,738				- 3,738
Profit / loss of the period attributable to minority interests							556	556
Other increase / decrease			- 2	10			- 16	- 8
BALANCE AS OF 31/12/2003	**118,463**	**- 5,978**	**306**	**38,867**	**25,567**	**41**	**13,675**	**190,941**
2004								
BALANCE AS OF 1/1/2004	**118,463**	**- 5,978**	**306**	**64,434**	**0**	**41**	**13,675**	**190,941**
Issuance of shares (all kind of issuances)	487							487
Profit / loss of the period					27,233			27,233
Operations with own shares		- 175						- 175
Foreign currency translation effect						77		77
Paid dividends				- 4,799				- 4,799
Profit / loss of the period attributable to minority interests							1,011	1,011
Other increase / decrease							- 68	- 68
BALANCE AS OF 31/12/2004	**118,950**	**- 6,153**	**306**	**59,635**	**27,233**	**118**	**14,618**	**214,707**

All financial amounts expressed in thousands of euros

[NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (IFRS)]

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. Standards that are not yet effective on the reporting date have been early applied, except for IFRS 2 on share based payments.

The IFRSs are applied for the first time to the consolidated figures of the financial year ending on 31 December 2004. The comparative figures for the financial year 2003 have been restated in compliance with the accounting principles in 2004. This means that the transition date for the first application of the IFRS standards is 1 January 2003 (Opening IFRS balance sheet).

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 on 14 March 2005 and can be amended until the shareholders' meeting of 17 May 2005.

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 companies in which the parent company together with one or more other parties makes a contractual arrangement to enter into an economic activity over which they have joint control, i.e. have 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 proportionate 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 influences begins until the date on which the significant influences 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 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 is not the currency of a hyperinflationary economy and is 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, graphics and generics, scenarios, 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 amortization and any accumulated impairment losses.

Titles are tested yearly on impairment, since titles have indefinite useful lives and are not amortised.

Subsequent expenditure

Subsequent expenditure on intangible assets is only included in the balance sheet if the probable future economic benefits specific to the asset to which they relate increase. All other expenditure is recognised as costs in the period in which it incurs.

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	5 years
- Graphics and generics	3 years
- Scenarios	2 years

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 early application of IFRS 3 goodwill is not amortised but tested yearly for impairment.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is 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.

Subsequent expenditure

Subsequent expenditure is only capitalised if the probable future economic benefits specific to the item of property, plant and equipment to which it relates increase. Repairs and maintenance costs which do not increase the probable future economic benefits are recognised as costs in the period in which they occur.

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 years
Electronic equipment	3 to 5 years
Vehicles	5 years
Other property, plant and equipment	5 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

All financial assets are initially recognised at fair value which corresponds to the acquisition cost plus transaction costs. An impairment loss is recognised when the carrying amount exceeds the estimated recoverable amount.

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

Film 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 nominal value less appropriate allowances for estimated irrecoverable amounts. Long term receivables are recognised at fair value.

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

Available funds and short-term investments held to maturity are recognised at their cost. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 to settle 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.

For the defined benefit plans the necessary commitments for hedging against the actuarial and investment risks are expensed.

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 market price 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.

TRADE PAYABLES

Trade payables are recognised at their nominal value.

TAX

Tax expense (tax income) on the result 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 extend 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 related to income are recognised as income in the periods in which the costs they are supposed to compensate are recognised.

SALES

Revenue from sales is recognised when:

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.

COSTS OF BORROWINGS

Borrowing costs are charged directly to the income statement.

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. ■

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, the production and sale of all printed publications of the group, such as freesheets, newspapers, 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 report on operations for comments on the segment results.

2004	**Printed Media**	**Audiovisual Media**	**Intersegment Elimination**	**Consolidated Total**
Sales of the segment	331,656	174,270	- 6,762	499,164
Sales to external customers	*329,659*	*169,505*		*499,164*
Sales from transactions with other segments	*1,997*	*4,765*	*- 6,762*	*0*
Depreciation, amortisation and provision	- 10,145	- 7,178		- 17,324
Impairment loss on titles	- 1,182			- 1,182
RECURRENT OPERATING RESULT (REBIT)	**30,432**	**19,467**		**49,899**
OPERATING RESULT (EBIT)	**28,657**	**17,687**		**46,344**
Interests (net)	- 1,010	- 579		- 1,589
Income taxes	- 10,655	- 6,180		- 16,835
NET RESULT OF THE CONSOLIDATED COMPANIES	**16,992**	**10,928**		**27,920**
Share in the result of the companies accounted for using the equity method		324		324
Minority interests	- 549	- 462		- 1,011
RECURRENT NET RESULT	**18,218**	**11,965**		**30,183**
NET RESULT	**16,443**	**10,790**		**27,233**
REBITDA	41,759	26,645		68,405
EBITDA	39,984	24,865		64,850
Net current result	17,900	10,790		28,690
Current cash flow	28,045	17,968		46,014
Assets	**382,812**	**156,206**	**- 99,852**	**439,166**
of which carrying amount of investments accounted for using the equity-method	191	2,097		2,288
of which investments in tangible assets and property, plant and equipment	16,252	6,991		23,243
Liabilities	**180,593**	**65,767**	**- 21,901**	**224,459**

All financial amounts expressed in thousands of euros

2003	Printed Media	Audiovisual Media	Intersegment Elimination	Consolidated Total
Sales of the segment	291,204	153,134	- 6,725	437,613
Sales to external customers	*288,510*	*149,103*		*437,613*
Sales from transactions with other segments	*2,694*	*4,031*	*- 6,725*	*0*
Depreciation, amortisation and provision	- 9,571	- 5,908		- 15,478
Impairment loss on titles	- 418			- 418
RECURRENT OPERATING RESULT (REBIT)	**26,944**	**14,915**		**41,859**
OPERATING RESULT (EBIT)	**28,719**	**14,915**		**43,634**
Interests (net)	- 1,286	- 1,049		- 2,335
Income taxes	- 9,317	- 6,119		- 15,436
NET RESULT OF THE CONSOLIDATED COMPANIES	**18,116**	**7,747**		**25,863**
Share in the result of the companies accounted for using the equity method	23	237		260
Minority interests	- 592	36		- 556
RECURRENT NET RESULT	**15,772**	**8,020**		**23,792**
NET RESULT	**17,547**	**8,020**		**25,567**
REBITDA	36,933	20,823		57,755
EBITDA	38,708	20,823		59,530
Net current result	18,950	8,020		26,970
Current cash flow	28,521	13,928		42,448
Assets	**365,764**	**153,908**	**- 114,158**	**405,514**
of which carrying amount of investments accounted for using the equity-method		1,773		1,773
of which investments in tangible assets and property, plant and equipment	9,070	7,123		16,193
Liabilities	**163,198**	**71,668**	**- 20,293**	**214,573**

II. SECONDARY SEGMENT REPORTING: GEOGRAPHICAL SEGMENTS

The secondary segment reporting information represents Roularta Media Group's two geographical markets: Belgium and other countries (France, Germany, the Netherlands, the UK, Slovenia, Portugal and Norway). The following tables provide an analysis of the sales based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

2004	Belgium	Other countries	Intersegment Elimination	Consolidated Total
Sales of the segment to external customers	407,465	91,699		499,164
Assets	422,874	67,662	- 51,370	439,166
of which investments in intangible assets and property, plant and equipment	22,781	462		23,243
2003				
Sales of the segment to external customers	369,237	68,376		437,613
Assets	403,512	48,655	- 46,653	405,514
of which investments in intangible assets and property, plant and equipment	14,550	1,643		16,193

All financial amounts expressed in thousands of euros

NOTE 3. SALES

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

	2004	2003
Advertising	312,709	288,908
Subscriptions & sales	77,349	64,888
Other services and goods	109,106	83,817
TOTAL SALES	**499,164**	**437,613**

Bartering contracts included in sales amount to € 25,614 (€ 23,495 in 2003), and royalties included in sales amount to € 1,460 (2003: € 1,365).
Turnover rose by 14.1% from € 437,613 to € 499,164. € 38,222 or 8.7% is organic growth and 5.4% comes from acquisitions in the Printed Media division. Slightly more than half of the organic growth came from the Audiovisual Media division, with strongly increased turnover at Vlaamse Media Maatschappij and its Paratel subsidiary, also at Vogue Trading Video and at Kanaal Z/Canal Z. The organic growth in Printed Media came both from freesheets and magazines.

NOTE 4. PERSONNEL

	2004	2003
Wages and salaries	- 80,622	- 75,317
Social security contributions	- 28,141	- 27,085
Post employment benefit charges	- 1,782	- 1,184
Other personnel charges	- 5,010	- 3,102
TOTAL PERSONNEL CHARGES	**- 115,555**	**- 106,688**

Post employment benefit charges in 2004 consist mainly of expenses recognised related to the defined contribution plans of € 1,561 (2003: € 1,111), of expenses recognised for the defined benefit pension plans of Grieg Media and Côté Maison for € 161 (2003: € 45), and of early retirement charges of € 60 (2003: € 28).

Employment in full time equivalents	**2004**	**2003**
Average number of staff	2,123	2,040
Total employment at the end of the accounting year	2,179	2,035

All financial amounts expressed in thousands of euros

NOTE 5. WRITE DOWN OF TRADE DEBTORS AND INVENTORIES

	2004	2003
Write down of trade debtors	- 1,239	- 1,118
Reversal of write down of trade debtors	1,255	1,009
Write down of inventories	- 4,553	- 230
Reversal of write down of inventories	2,552	76
TOTAL WRITE DOWN OF TRADE DEBTORS AND INVENTORIES	**- 1,985**	**- 263**

In establishing the write-down of the inventory of broadcasting rights at VMMa, account was taken for the first time of the broadcasting rights expiring over a three year period. This resulted in a write-down in 2004 of € 1,781.
The first IFRS reworking in 2003 included only an estimated inventory correction, and then only for one year. This reduction in value was corrected in 2003 in the opening balance at 1 January 2003.

NOTE 6. OTHER OPERATING INCOME/EXPENSES

	2004	2003
Profit resulting from cooperation contracts	3,286	2,366
Taxes other than income taxes	- 2,828	- 1,697
(Reversal of) disposal of 'A Nous Paris'	- 1,812	1,812
Loss on trade receivables	- 1,072	- 790
Write-down of other receivables	- 363	- 47
Other operating income / expenses (net)	437	252
TOTAL OTHER OPERATING INCOME / EXPENSES	**- 2,352**	**1,896**

Compared to last year, the other operating result is mainly influenced by the reversal of the sale of the participation interest in A Nous Paris amounting to € 1,812. In addition taxes other than income taxes have risen considerably, mainly due to the liability of VMMa for tax on gambling games.

NOTE 7. RESTRUCTURING COSTS

	2004	2003
Redundancy costs	- 275	- 971
Termination of renting contracts		- 522
TOTAL RESTRUCTURING COSTS	**- 275**	**- 1,493**

Redundancy costs in 2004 relate entirely to the redundancy costs as a result of the termination of the employment contract of five personnel members of Studio Magazine. In 2003 redundancy costs and costs of termination of contracts relate to the new acquisition of the Aguesseau-group (currently Roularta Media France/Côté Maison).

All financial amounts expressed in thousands of euros

NOTE 8. INTERESTS

	2004	2003
Interest income	935	1,042
Interest expense	- 2,524	- 3,377
TOTAL INTERESTS	**- 1,589**	**- 2,335**

NOTE 9. INCOME TAXES

I. INCOME TAX EXPENSE / INCOME - CURRENT AND DEFERRED

A. Income tax expense / income - Current	**2004**	**2003**
Current period tax expense	- 14,430	- 13,340
Adjustments to current tax expense/income of prior periods	- 823	- 200
TOTAL CURRENT TAX EXPENSE, NET	**- 15,253**	**- 13,540**
B. Income tax expense / income - Deferred		
Related to the origination and reversal of temporary differences	- 2,932	- 1,675
Related to tax losses carried forward & tax credits	2,551	937
Related to the non-recoverability of deferred tax assets	- 1,201	- 1,158
TOTAL DEFERRED TAX EXPENSE, NET	**- 1,582**	**- 1,896**
TOTAL CURRENT AND DEFERRED TAX EXPENSE, NET	**- 16,835**	**- 15,436**

II. RECONCILIATION OF STATUTORY TAX TO EFFECTIVE TAX

	2004	2003
Profit before taxes	44,755	41,299
Statutory tax rate	33.99%	33.99%
Tax expense using statutory rate	**- 15,212**	**- 14,038**
Adjustments to current tax of prior periods (+/-)	- 823	- 200
Tax effect of non tax deductible expenses (-)	- 2,106	- 1,497
Tax effect of non taxable revenues (+)	787	547
Tax effect of not recognising deferred taxes on losses of the current period (-)	- 1,439	- 1,147
Tax effect of the use of previously unrecognised tax losses (+)	970	34
Tax effect of recognising deferred taxes on previously unrecognised tax losses (+)	763	640
Other increase / decrease in tax charge (+/-)	225	225
Tax expense using effective rate	**- 16,835**	**- 15,436**
Profit before taxes	44,755	41,299
Effective tax rate	37.62%	37.38%
TOTAL EFFECTIVE TAX EXPENSE	**- 16,835**	**- 15,436**

All financial amounts expressed in thousands of euros

NOTE 10. EARNINGS PER SHARE

I. Movements in number of shares	**Ordinary shares**
Number of shares, beginning balance	9,884,986
Number of shares issued during the period	43,625
Number of shares, ending balance	9,928,611
- of which issued and fully paid	9,928,611
II. Other information	
Number of shares owned by the company or related parties	289,492
Shares reserved for issue under options	160,825
III. Earnings per share calculation	
1. Number of shares	
1.1. Weighted average number of shares, basic	9,638,716
1.2. Adjustments to computed weighted average number of shares, diluted	235,184
- warrant plans	*145,165*
- option plans	*90,019*
1.3. Weighted average number of shares, diluted	9,873,900
2. Income available to common shareholders	27,233

NOTE 11. DIVIDENDS

Amount of dividends proposed or declared after the balance sheet date but before authorisation of the financial statements	7,229
Related amount per share in €	0.75

All financial amounts expressed in thousands of euros

NOTE 12. INTANGIBLE ASSETS

	Develop-ment costs	Titles	Software	Concessions copyrights, property rights and similar rights	Total
AT COST					
Balance at the end of the prec. period	**165**	**0**	**0**	**111,223**	**111,388**
First-time adoption of IFRS	- 165	40,308	11,478	- 107,958	- 56,337
Restated balance at the end of the preceding period	**0**	**40,308**	**11,478**	**3,265**	**55,051**
Movements during the period:					
- Acquisitions		405	2,754	197	3,356
- Acquisitions through business combinations		11,646	4		11,650
- Sales and disposals (-)			- 740		- 740
- Transfers from one heading to another				990	990
- Foreign currency exchange increase / decrease		18			18
- Other increase / decrease		- 1			- 1
At the end of the period	**0**	**52,376**	**13,496**	**4,452**	**70,324**
DEPRECIATION AND IMPAIRMENT					
Balance at the end of the preceeding period	**165**	**0**	**0**	**96,176**	**96,341**
First-time adoption of IFRS	- 165	0	7,408	- 93,613	- 86,370
Restated balance at the end of the preceding period	**0**	**0**	**7,408**	**2,563**	**9,971**
Movements during the period:					
- Depreciation			1,548	619	2,167
- Impairment loss / reversal recognised in income		1,182			1,182
- Written down after sales and disposals (-)			- 408		- 408
- Transfers from one heading to another				90	90
At the end of the period	**0**	**1,182**	**8,548**	**3,272**	**13,002**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**0**	**51,194**	**4,948**	**1,180**	**57,322**
NET CARRYING AMOUNT AT THE END OF THE PRECEDING PERIOD	0	40,308	4,070	702	45,080

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 recoverable amount. The recoverable amount is the market value, which has been derived by ways of an empirical method, which is based on economic criterion. In this respect an impairment of € 1,182 has been posted on following titles: Pianist, Total Music and Safe Publi.
The net carrying amount of titles at 31 December 2004 consists mainly of titles of the Biblo Group (newsletters, medical magazines, Top, Tendances, ...) for a total amount of € 15,275, of the Côté Maison Group (Côté Sud, Côté Est, Côté Ouest, Maison Française, Maison Magazine) for a total amount of € 12,149, of the Studio Press Group (Pianist, Guitar Part, Hifi, Prestige, Radikal, ...) for a total amount of € 4,419, of Studio Magazine (€ 4,143), of Press News (Royals, Dynasty, ...) for the total amount of € 2,915, of Het Wekelijks Nieuws (€ 2,450), of Zeeuws Vlaams Mediabedrijf for a total amount of € 2,083, of Grieg Media (Vi over 60) (€ 1,967), of Tam-Tam (€ 1,887) and of DMB-BALM (Actua Vidéo, Vidéo Futur, ...) (€ 1,665).

All financial amounts expressed in thousands of euros

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, Weekend Le Vif, Voetbal Magazine, 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, de Kijkwoningengids (N/F), Bouwen (N/F), 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 € 1,984. We refer to note 29 'Acquisitions of subsidiaries' for more information on the acquired titles.

NOTE 13. GOODWILL

AT COST	
Balance at the end of the preceding period	**71,735**
First-time adoption of IFRS	- 47,049
Restated balance at the end of the preceding period	**24,686**
Movements during the period:	
- Acquisitions through business combinations	684
- Transfers fronm one heading to another	- 990
At the end of the period	**24,380**
IMPAIRMENT LOSSES	
Balance at the end of the preceding period	**9,387**
First-time adoption of IFRS	- 9,297
Restated balance at the end of the preceding period	**90**
Movements during the period:	
- Transfers fronm one heading to another	- 90
At the end of the period	**0**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**24,380**
NET CARRYING AMOUNT AT THE END OF THE PRECEDING PERIOD	24,596

Goodwill mainly relates to goodwill arising from business combinations with VMMa, Paratel and VTV. The acquisition of the year entirely relates to the goodwill recognized related to the participation in @-Invest NV. The transfer of € 900 entirely relates to the property rights of Drukkerij Leysen.

All financial amounts expressed in thousands of euros

NOTE 14. PROPERTY PLANT AND EQUIPMENT

	Land and buildings	Plant machinery and equipment	Furniture and vehicles	Leasing and other similar rights	Other property, plant and equipment	Assets under con-struction	Total
AT COST							
Balance at the end of the preceding period	**71,841**	**107,350**	**17,527**	**21,779**	**1,397**	**10**	**219,904**
First-time adoption of IFRS	3,563	- 28,568	345	- 9,004	766	0	- 32,898
Restated balance at the end of the preceding period	**75,404**	**78,782**	**17,872**	**12,775**	**2,163**	**10**	**187,006**
Movements during the period							
- Acquisitions	4,326	7,568	1,788		143	6,062	19,887
- Acquisitions through business combinations	534	37	349		261		1,181
- Sales and disposals (-)	- 2,115	- 2,498	- 2,195	- 213	-147	- 12	- 7,180
- Revaluation increase/decrease recognised in income	- 3						- 3
- Transfers from one heading to another		454	- 15		- 439		0
- Foreign currency exchange increase/decrease			3				3
At the end of the period	**78,146**	**84,343**	**17,802**	**12,562**	**1,981**	**6,060**	**200,894**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at the end of the preceding period	**40,687**	**94,263**	**14,506**	**18,483**	**1,043**	**0**	**168,982**
First-time adoption of IFRS	- 34,410	- 42,655	687	- 17,302	807	0	- 92,873
Restated balance at the end of the preceding period	**6,277**	**51,608**	**15,193**	**1,181**	**1,850**	**0**	**76,109**
Movements during the period							
- Depreciation	3,133	7,131	1,032	1,025	132		12,453
- Additions through business combinations	15	24	223		168		430
- Written down after sales and disposals (-)	- 10	- 2,229	- 1,907	- 130	- 134		- 4,410
- Transfers from one heading to another		436	- 10		- 426		0
- Foreign currency exchange increase/decrease			3				3
At the end of the period	**9,415**	**56,970**	**14,534**	**2,076**	**1,590**	**0**	**84,585**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**68,731**	**27,373**	**3,268**	**10,486**	**391**	**6,060**	**116,309**
NET CARRYING AMOUNT AT THE END OF THE PRECEDING PERIOD	69,127	27,174	2,679	11,594	313	10	110,897

Amount of tangible assets (land and buildings) pledged as security for liabilities (mortgage included): € 7,393.
The heading 'leasing and other similar rights' comprises machines with a carrying amount of € 10,306 (Roularta Printing) and machines with a carrying amount of € 180 (Regionale Media Maatschappij). The heading 'assets under construction' relates to printing presses of Roularta Printing. As they were not entirely installed as of year-end, no depreciation was posted. In 2005, a leasing contract related to these printing presses was concluded.

All financial amounts expressed in thousands of euros

NOTE 15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

I. PARTICIPATING INTEREST	
AT COST	
At the end of the preceding period	**1,785**
First-time adoption of IFRS	- 12
At the end of the preceding period, restated	**1,773**
At the end of the period	**1,773**
MOVEMENTS IN CAPITAL AND RESERVES	
Share in the result for the financial period	324
At the end of the period	**324**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**2,097**
II. AMOUNTS RECEIVABLE	
At the end of the preceding period	**0**
First-time adoption of IFRS	0
At the end of the preceding period, restated	**0**
Movements during the period	
- Additions	191
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**191**

A list of the investments accounted for using the equity method, including the name, country of incorporation, proportion of ownership interest is given in note 34 of the consolidated financial statements.
The Group's share of assets and liabilities and result of associates is summarised below:

SUMMARISED FINANCIAL INFORMATION	**2004**	**2003**
Total assets	6,914	5,775
Total liabilities	5,438	3,668
Sales	6,148	4,423
Net result	21	260

Roularta Media Group has discontinued recognition of its share of losses of the associated company A Nous Paris, as the group has no commitment to intervene in the losses of the company. The unrecognised share of losses for the period amounts to € 303, the cumulative share of losses amounts to € 644.

All financial amounts expressed in thousands of euros

NOTE 16. FINANCIAL ASSETS - CURRENT AND NON-CURRENT

I. PARTICIPATION INTERESTS	
AT COST	
At the end of the preceding period	**1,355**
First-time adoption of IFRS	5
At the end of the preceding period, restated	**1,360**
Movements during the period	
- Acquisitions	3,722
- Disposals (-)	- 596
At the end of the period	**4,486**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**4,486**
II. AMOUNTS RECEIVABLE	
At the end of the preceding period	**8,509**
First-time adoption of IFRS	76
At the end of the preceding period, restated	**8,585**
Movements during the period	
- Additions	2,287
- Reimbursements	- 3,618
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**7,254**

Acquisitions mainly relate to NV @-Invest (€ 1,815), which will be fully consolidated as from 1 January 2005 and SA Cyber Press Publishing (€ 1,756), in which the Group has 15.39% participation interest.
Disposals mainly relate to the in 2003 paid advance of € 596 for the additional 50% participation in the Studio Press Group.
Amounts receivable mainly consist of the uneliminated share of receivables on companies that are proportionally consolidated.
Interest rates at arm's length are applied on the outstanding amounts receivable.

NOTE 17. OTHER NOTES ON ASSETS

I. TRADE AND OTHER RECEIVABLES, NON CURRENT	2004	2003
Trade receivables		673
Other receivables	1,445	573
TOTAL TRADE AND OTHER RECEIVABLES - NON-CURRENT	**1,445**	**1,246**

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.

All financial amounts expressed in thousands of euros

II. TRADE AND OTHER RECEIVABLES, CURRENT	2004	2003
Trade receivables, gross	128,491	114,942
Allowance for bad and doubtful debts, current (-)	- 2,724	- 2,387
Other receivables	11,444	9,518
TOTAL TRADE AND OTHER RECEIVABLES - CURRENT	**137,211**	**122,073**
III. CASH AND CASH EQUIVALENTS		
Bank balances	22,090	22,345
Short-term deposits	3,938	2,353
Cash at hand	23	12
Other cash and cash equivalents	47	6
TOTAL CASH AND CASH EQUIVALENTS	**26,098**	**24,716**

NOTE 18. DEFERRED TAX ASSETS AND LIABILITIES

I. OVERVIEW DEFERRED TAX ASSETS - LIABILITIES

Recognised deferred tax assets and liabilities are attributable to:

	2004		2003	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Formation expenses			8	
Intangible assets	1,172	723	866	179
Property, plant and equipment	133	21,041	123	21,668
Financial assets	50	60	3,725	46
Inventories		1,801		1,821
Trade and other receivables	1			
Cash and cash equivalents				25
Treasury shares		5		
Reserves		741		796
Provisions	46	19	53	
Employee benefits	530		494	59
Social debts		12		
Accrued charges and deferred income	5		6	226
TOTAL DEFERRED TAXES RELATED TO TEMPORARY DIFFERENCES	**1,937**	**24,402**	**5,275**	**24,820**
Tax losses	7,162		5,410	
Tax credits	264		32	
Set off tax	- 1,119	- 1,119	- 4,639	- 4,639
NET DEFERRED TAX ASSETS/LIABILITIES	**8,244**	**23,283**	**6,078**	**20,181**

Deferred tax assets have not been recognised in respect of tax losses for an amount of € 6,126 (2003: € 5,458) because it is not probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Roularta Media Group recognised deferred tax assets amounting to € 7,305 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 utilize the recognised deferred tax assets.

All financial amounts expressed in thousands of euros

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

	2004		2003	
Year of expiration	**Tax losses carried forward**	**Tax credits**	**Tax losses carried forward**	**Tax credits**
Beyond 5 years	43			
Without expiration date	7,119	264	5,410	32
TOTAL DEFFERED TAX ASSETS	**7,162**	**264**	**5,410**	**32**

NOTE 19. INVENTORIES

	2004	2003
Gross amount		
Broadcasting rights	47,933	49,796
Raw materials	4,792	4,317
Work in progress	886	2,946
Finished goods	809	683
Goods purchased for resale	1,068	518
Advance Payments	11	1
Contracts in progress	109	17
TOTAL GROSS AMOUNT (A)	**55,608**	**58,278**
Write-downs and other reductions in value (-)		
Broadcasting rights	- 5,959	- 3,980
Raw materials	- 28	
Goods purchased for resale	- 16	
TOTAL WRITE DOWNS (B)	**- 6,003**	**- 3,980**
Carrying amount		
Broadcasting rights	41,974	45,816
Raw materials	4,764	4,317
Work in progress	886	2,946
Finished goods	809	683
Goods purchased for resale	1,052	518
Advance Payments	11	1
Contracts in progress	109	17
TOTAL CARRYING AMOUNT AT COST (A+B)	**49,605**	**54,298**

All financial amounts expressed in thousands of euros

NOTE 20. EQUITY

ISSUED CAPITAL

At 31 December 2004, the issued capital amounts to € 118,950 (2003: € 118,463) and is represented by 9,928,611 (2003: 9,884,986) fully paid ordinary shares. These shares have no par value.

TREASURY SHARES

At 31 December 2004 the Group owns 289,492 own shares (2003: 287,598).

SUBSCRIPTION RIGHTS

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

Year of offering	Subscription rights offered	Subscription rights granted	Subscr.rights to be exercised	Exercise price in €	First exercise period	Last exercise period
1998	300,000	300,000	90,025	11.15	15/5 - 15/6/2001	15/4 - 6/5/2008
2001	200,000	114,600	106,950	20.13	1/12 - 30/12/2005	10/9 - 10/10/2014
	500,000	**414,600**	**196,975**			

At 23 June 2004, 43,625 of the subscription rights offered in 1998 were exercised.

STOCK OPTION PLANS

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	103,013	65.00	1/1 - 30/4/2004	1/1 - 22/5/2013
2001	82,125	73,575	69,825	18.20	1/1 - 26/6/2005	1/1 - 25/8/2014
2002	25,000	25,000	12,500	18.50	15/5 - 15/6/2006	15/5 - 28/6/2012
2002	10,000	10,000	10,000	20.00	1/1 - 31/12/2006	1/1 - 3/10/2012
2002	50,000	33,500	33,500	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 - 10/9/2013
2003	22,500	22,500	22,500	26.00	1/1 - 31/12/2007	1/1 - 2/7/2013
2003	2,500	2,500	2,500	28.62	1/1 - 31/12/2007	1/1 - 2/10/2013
	327,625	**296,380**	**263,838**			

All financial amounts expressed in thousands of euros

NOTE 21. PROVISIONS

	Legal proceeding provisions	Environmental provisions	Other provisions	Total
At the end of the preceding period	**3,147**	**325**	**620**	**4,092**
First-time adoption of IFRS	1	0	0	1
At the end of the preceding period, restated	**3,148**	**325**	**620**	**4,093**
Movements during the period				
- Additional provisions	409		148	557
- Increase / decrease to existing provisions	13		28	41
- Interests	193			193
- Acquisitions through business combinations	91			91
- Amounts of provisions used (-)	- 500		- 97	- 597
- Unused amounts of provisions reversed (-)	- 3		- 297	- 300
AT THE END OF THE PERIOD	**3,351**	**325**	**402**	**4,078**

Legal proceeding provisions mainly relate to interests related to the claim between the Belgian Social Security authorities and VMMa and some other litigations. The environmental provisions entirely relate to provisions for site restorations. Other provisions mainly comprise provisions for rupture compensation.

NOTE 22. SIGNIFICANT LITIGATION

VMMa is involved in two litigations, of which one is related to an ongoing inspection by the Belgian Social Security authorities, for which the claimed amounts not contested by management are recognised as a social liability; the interests on this liability are presented as a provision. The recognised liability is the best management's estimate.
The claim filed by another commercial TV station also remains unsettled; at this stage it is still not possible to precise the possible financial impact of this claim.
The second litigation relates to the potential tax payable on revenue from gambling games. The potential payable is recognised as a tax payable and is considered as the best estimate of the management of VMMa in the given situation.

NOTE 23. EMPLOYEE BENEFITS

I. GENERAL OVERVIEW

	2004	2003
At the end of the preceding period	**2,968**	**3,165**
Additional provisions	561	320
Amounts of provisions used or provisions reversed (-)	- 654	- 517
AT THE END OF THE PERIOD	**2,875**	**2,968**

Employee benefits mainly relate to € 1,300 for future allocation of preferential subscriptions, € 584 provisions for termination benefits, € 210 for bonuses to be awarded on retirement and € 241 related to defined benefit plans of Grieg Media and Côté Maison.

All financial amounts expressed in thousands of euros

II. DEFINED BENEFIT PLANS

	2004	2003
A. Amounts recognised in the balance sheet		
1. Net funded defined benefit plan obligation (asset)	73	70
1.1. Present value of funded or partially funded obligation	313	247
1.2. Fair value of plan assets (-)	- 240	- 177
2. Present value of wholly unfunded obligation	170	64
3. Unrecognised actuarial gains / losses	- 11	0
4. Other components	9	10
DEFINED BENEFIT PLAN OBLIGATION TOTAL	**241**	**144**
B. Net expense recognised in income statement		
1. Current service cost	159	43
2. Interest cost	16	12
3. Expected return on plan assets (-)	- 14	- 10
NET EXPENSE RECOGNISED IN INCOME STATEMENT	**161**	**45**
C. Movements in defined benefit plan obligation (asset)		
Defined benefit plan obligation, beginning balance	144	98
1. Contributions paid (-)	- 66	- 50
2. Expense recognised	161	45
3. Increases through business combinations		64
4. Foreign currency exchange increase / decrease	2	- 13
DEFINED BENEFIT PLAN OBLIGATION, ENDING BALANCE	**241**	**144**
D. Principal actuarial assumptions		
1. Discount rate	6%	6%
2. Expected return on plan assets	7%	7%
3. Expected rate of salary increase	3%	3%
4. Future defined benefit increase	2.5%	2.5%

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 € 1,561 (2003: € 1,111).

IV. STOCK OPTIONS AND SUBSCRIPTION RIGHTS

We refer to note 20.

All financial amounts expressed in thousands of euros

NOTE 24. FINANCIAL LIABILITIES AND PAYABLES

	Current	Non-current			
2004	**Up to 1 year**	**2 years**	**3-5 years**	**> 5 years**	**Total**
FINANCIAL LIABILITIES					
Finance lease	1,447	2,304	2,048	882	6,681
Credit institutions	9,685	7,378	9,457	2,758	29,278
Other loans	1,841	154	298	1,089	3,382
TOTAL FINANCIAL LIABILITIES ACCORDING TO THEIR MATURITY	**12,973**	**9,836**	**11,803**	**4,729**	**39,341**
OTHER INFORMATION					
Finance lease, future minimum lease payments payable, present value	**1,447**	**2,304**	**2,048**	**882**	**6,681**
- Minimum lease payments payable, gross	1,473	2,736	2,388	970	7,567
- Minimum lease payments payable, interest	26	432	340	88	886
Non-cancellable future minimum operating lease payments	**1,951**	**1,949**	**2,764**	**0**	**6,664**
TRADE AND OTHER PAYABLES					
Trade payables	92,936	368			93,304
Advances received	21,242				21,242
Social debts	22,800				22,800
- of which payables to employees	*12,223*				*12,223*
- of which payables to public administrations	*10,577*				*10,577*
Taxes	10,064				10,064
Other payables	1,308	1,505	150	19	2,982
Accrued charges and deferred income	4,490				4,490
TOTAL AMOUNT OF PAYABLES ACCORDING TO THEIR MATURITY	**152,840**	**1,873**	**150**	**19**	**154,882**
2003					
FINANCIAL LIABILITIES					
Finance lease	1,002	1,861	498		3,361
Credit institutions	18,285	7,721	14,357	1,625	41,988
Other loans	682	547	1,722	72	3,023
TOTAL FINANCIAL LIABILITIES ACCORDING TO THEIR MATURITY	**19,969**	**10,129**	**16,577**	**1,697**	**48,372**
OTHER INFORMATION					
Finance leases, future minimum lease payments payable, present value	**1,002**	**1,861**	**498**	**0**	**3,361**
- Minimum lease payments payable, gross	1,157	2,020	522		3,699
- Minimum lease payments payable, interest	155	159	24		338
Non-cancellable future minimum operating lease payments	**1,876**	**1,808**	**2,755**	**0**	**6,439**

All financial amounts expressed in thousands of euros

	Current	Non-current			
	Up to 1 year	2 years	3-5 years	> 5 years	Total
TRADE AND OTHER PAYABLES					
Trade payables	82,484	605			83,089
Advances received	18,868				18,868
Social debts	19,674				19,674
- of which payables to employees	*8,713*				*8,713*
- of which payables to public administrations	*10,961*				*10,961*
Taxes	7,947				7,947
Other payables	3,162	212	855	19	4,248
Accrued charges and deferred income	5,133				5,133
TOTAL AMOUNT OF PAYABLES ACCORDING TO THEIR MATURITY	**137,268**	**817**	**855**	**19**	**138,959**

NOTE 25. OTHER NOTES ON LIABILITIES

ACCRUED CHARGES AND DEFERRED INCOME	2004	2003
Accrued charges and deferred income	3,946	4,349
Carrying amount of government grants recognised	544	784
TOTAL ACCRUED CHARGES AND DEFERRED INCOME	**4,490**	**5,133**

NOTE 26. FINANCE AND OPERATING LEASE

I. FINANCE LEASE

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.

Roularta Printing holds several finance lease arrangements. The arrangement for dry ovens includes a purchase option at 16% of the gross investment. The contract cannot be renewed. The arrangement for two packaging machines includes a purchase option at 2% of the gross investment. The lease arrangement of the Euro-M printing press includes a purchase option fixed at 3% of the gross investment, the terms of renewal were fixed at 1.67% for the first and second year, and 0.05% for the following years. The finance lease arrangement held for Müller-Martini assembly lines and the Lithoman printing press, include a purchase option fixed at 1% of the gross amount. 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.

	2004	2003
Interests related to finance lease recognised as an expense in the period	161	139

Finance lease interests are expressed in the income statement on a straight line basis over the lease term.

All financial amounts expressed in thousands of euros

II. OPERATING LEASE

	2004	2003
Lease payments recognised as an expense in the period	4,192	3,906

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 27. CONTINGENT LIABILITIES

The Group provides securities for debts amounting to € 6,228, of which € 1,953 relates to joint-ventures. Pledges on businesses were granted for a total amount of € 6,514, of which € 1,270 refers to joint-ventures.

NOTE 28. FINANCIAL RISK MANAGEMENT

A. FOREIGN CURRENCY RISK

Roularta Media Group uses forward exchange contracts to hedge its foreign currency risk arising from recognised trade payables denominated in a foreign currency. Where these instruments are used, no hedge accounting as defined in IAS 39 is applied. Changes in fair value are by consequence recognised in the income statement.
At 31 December 2004 the notional amounts of the forward exchange contracts related to US Dollars purchased forward, were as follows:

	2004	2003
Maturing up to 1 year	10,195	635
Maturing from 1 to 2 years	330	
	10,525	**635**

B. INTEREST RISK

Loans of credit institutions and towards joint-ventures have a fixed interest rate which is revisable after three or five years.

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 29. ACQUISITION OF SUBSIDIARIES

The following major acquisitions with effect on the consolidated financial statements took place in 2004:

- With effect from 1 January, the remaining 50% of *Studio Press SAS* was acquired through *Roularta Media Group NV* for € 1,357 (including titles amounting to € 2,707).
- With effect from 1 April, 100% of *Studio Participations SNC* was acquired through *Roularta Media France SA* for € 84.
- With effect from 1 April, 100% of *Studio Magazine SA* was acquired through *Studio Participations SNC* and *Roularta Media France SA* for € 2,138 (including titles amounting to € 4,112).
- With effect from 1 April, 50% of *Media Office NV* was acquired through *Follow The Guide NV* for € 12 (incl. titles amounting to € 247).
- With effect from 1 July, 100% of *Press News NV* was acquired through *Roularta Media Group NV* for € 4,274 (incl. titles amounting to € 2,915).
- With effect from 1 July, 100% of *DMB-BALM SAS* was acquired through *Studio Press SAS* for € 2,385 (incl. titles amounting to € 1,665).

All financial amounts expressed in thousands of euros

The net book value of the assets and liabilities (excluding the fair value of titles) of the acquired subsidiaries on the date of acquisition is presented as follows:

ASSETS	
Non-current assets	**3,224**
Intangible assets	40
Property, plant and equipment	762
Financial assets	1,520
Trade and other receivables	248
Deferred tax assets	654
Current assets	**9,839**
Inventories	658
Receivables within one year	7,518
Financial assets	761
Cash and cash equivalents	744
Deferred charges and accrued income	158
TOTAL ASSETS	**13,063**
LIABILITIES	
Equity	**- 348**
Group's Equity	- 348
Issued capital	341
Share premium account	4
Reserves	- 693
Non current liabilities	**4,988**
Provisions	448
Employee benefits	69
Financial liabilities	4,471
Current liabilities	**8,423**
Financial liabilities	542
Trade payables	3,155
Advances received	69
Social debts	761
Taxes	618
Other payables	2,160
Accrued charges and deferred income	1,118
TOTAL LIABILITIES	**13,063**

Acquired titles	11,646
Acquisition price in cash terms	10,250
Acquired cash and cash equivalents	1,505
Net cash outflow	**8,745**

The acquiree's result since the acquisition date included in the net result of the Group is as follows:	**Result of the period**
Studio Participations SNC	- 1
Studio Magazine SA	- 982
Studio Press SAS	- 1,352
DMB-BALM SAS	63
Media Office NV	- 85
Press News NV	262

All financial amounts expressed in thousands of euros

The acquiree's sales since the acquisition date included in the sales of the Group are as follows:	Sales of the period
Studio Magazine SA	4,128
Studio Press SAS	10,042
DMB-BALM SAS	1,750
Media Office NV	574
Press News NV	1,109

NOTE 30. INTEREST IN JOINT-VENTURES

A list of joint-ventures, including the name, country of incorporation, proportion of ownership interest is given in note 34 of the consolidated financial statements. The major joint-ventures of the Group are VMMa NV (broadcasting station and radio), Côté Maison SA (magazines) and other publishing companies.

The share of all joint-ventures in assets and liabilities, sales and net result of the Group is as follows:

Non current assets	62,380
Current assets	94,748
Non current liabilities	12,878
Current liabilities	49,775
Share in the Group's sales	180,962
Share in the Group's net result	14,890

NOTE 31. EVENTS AFTER THE BALANCE SHEET DATE

The participation of 50% that VMMa holds in Plopsaland (€ 2,013), has been sold as of 4 February 2005 for the amount of € 4,125. The profit on the sale of this participation will be fully recognised in 2005. The investment accounted for using the equity method related to Plopsaland amounts to € 2,013 (valuation without early application of IAS 28 since the planned sale).

All financial amounts expressed in thousands of euros

NOTE 32. RELATED PARTY TRANSACTIONS

2004	Joint-ventures	Associated companies	Other related parties	Total
I. ASSETS WITH RELATED PARTIES	**7,345**	**805**	**252**	**8,402**
Loans	4,627	192	0	4,819
Trade receivables	2,718	613	252	3,583
II. LIABILITIES WITH RELATED PARTIES	**7,205**	**35**	**39**	**7,279**
Other loans	1,189	0	0	1,189
Trade payables	6,016	35	39	6,090
III. TRANSACTIONS WITH RELATED PARTIES				
Sale of goods	8,720	2,194	41	10,955
Purchases of goods (-)			-104	-104
Rendering of services	3,063	139	1,218	4,420
Receiving of services (-)	-10,883	-66	-1,460	-12,409
Transfers under finance arrangements	218	5		223
Key management personnel remunerations (including directors)				**2,535**
- of which short-term employee benefits				2,373
- of which post-employment benefits				113
- of which termination benefits				49
2003				
I. ASSETS WITH RELATED PARTIES	**9,845**	**135**	**457**	**10,437**
Loans	6,759			6,759
Trade receivables	3,086	135	457	3,678
II. LIABILITIES WITH RELATED PARTIES	**6,043**	**0**	**336**	**6,379**
Other loans	1,054			1,054
Trade payables	4,989		336	5,325
III. TRANSACTIONS WITH RELATED PARTIES				
Sale of goods	8,676		78	8,754
Purchases of goods (-)	-9		-163	-172
Rendering of services	3,762	111	1,513	5,386
Receiving of services (-)	-11,128	- 14	-1,057	-12,199
Transfers under finance arrangements	336			336
Key management personnel remunerations (including directors)				**2,397**
- of which short-term employee benefits				2,317
- of which post-employment benefits				80

All financial amounts expressed in thousands of euros

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. There are no assets, liabilities nor transactions with subsidiary @-Invest NV, which was acquired only on 27 December 2004.
Assets, liabilities and transactions with joint-ventures are proportionally eliminated. The not-eliminated part is included in this heading.
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 34.
All other related parties are entities which are controlled by the key management or members of their close family, or entities in which these persons have a significant influence.
There exist no garanties related to the assets or liabilities towards the related parties, nor are depreciations 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 33. EXPLANATION OF TRANSITION TO IFRS

This is the first year Roularta Media Group presents its financial statements under IFRS. The following disclosures are required in the year of transition. The last financial statements under Belgian GAAP were for the year ended 31 December 2003, and therefore the date of transition to IFRS was 1 January 2003.

I. EFFECT OF IFRS ADOPTION ON THE INCOME STATEMENT

	2004 IFRS	2003 IFRS	IFRS adjustments	2003 as reported
Sales	499,164	437,613	1,396	436,217
Raw materials, consumables and goods for resale	- 155,121	- 138,823	2,004	- 140,827
Services and other goods	- 161,010	- 132,975	8,638	- 141,613
Personnel	- 115,555	- 106,688	2,212	- 108,900
Depreciation, amortization and provisions	- 18,506	- 15,896	363	- 16,259
Depreciation and amortization of intangible and tangible assets	*- 14,620*	*- 14,579*	*362*	*- 14,941*
Write-down of trade debtors and inventories	*- 1,985*	*- 263*	*0*	*-263*
Provisions	*- 719*	*- 636*	*419*	*- 1,055*
Impairment losses on titles and goodwill	*- 1,182*	*- 418*	*- 418*	*0*
Other operating income / expenses (net)	- 2,353	1,896	- 11,661	13,557
Restructuring costs	- 275	- 1,493	- 1,493	0
OPERATING RESULT - EBIT	**46,344**	**43,634**	**1,459**	**42,175**
Interests (net)	- 1,589	- 2,335	1,673	- 4,008
Depreciation on consolidation differences			8,781	- 8,781
Extraordinary result			-23	23
Taxes	- 16,835	- 15,436	- 2,115	- 13,321
NET RESULT OF THE CONSOLIDATED COMPANIES	**27,920**	**25,863**	**9,775**	**16,088**
Share in the result of the companies accounted for using the equity method	324	260	-11	271
Minority interests	- 1,011	- 556	- 242	- 314
NET RESULT	**27,233**	**25,567**	**9,522**	**16,045**

All financial amounts expressed in thousands of euros

II. EFFECT OF IFRS ADOPTION ON THE BALANCE SHEET

ASSETS	2004 IFRS	2003 IFRS	IFRS adjustments	2003 Belgian GAAP
NON CURRENT ASSETS	**220,728**	**198,602**	**57,947**	**140,655**
Formation expenses	0	0	-24	24
Intangible assets	57,322	45,080	30,033	15,047
Goodwill	24,380	24,596	- 38,108	62,704
Property, plant and equipment	116,309	110,897	59,975	50,922
Investments accounted for using the equity method	2,288	1,773	- 12	1,785
Financial assets	10,740	8,932	5	8,927
Trade and other receivables	1,445	1,246	0	1,246
Deferred tax assets	8,244	6,078	6,078	
CURRENT ASSETS	**218,438**	**206,912**	**- 7,156**	**214,068**
Inventories	49,605	54,298	5,356	48,942
Trade and other receivables	137,211	122,073	- 6,593	128,666
Financial assets	1,000	1,013	- 8,739	9,752
Cash and cash equivalents	26,098	24,716	2,824	21,892
Deferred charges and accrued income	4,524	4,812	- 4	4,816
TOTAL ASSETS	**439,166**	**405,514**	**50,791**	**354,723**
LIABILITIES	**2004 IFRS**	**2003 IFRS**	**IFRS adjustments**	**2003 Belgian GAAP**
Equity	**214,707**	**190,941**	**40,609**	**150,332**
Group's Equity	200,089	177,266	36,395	140,871
Issued capital	*118,950*	*118,463*	*0*	*118,463*
Treasury shares	*- 6,153*	*- 5,978*	*- 5,978*	*0*
Share premium account	*306*	*306*	*0*	*306*
Reserves	*86,868*	*64,434*	*43,570*	*20,864*
Translation differences	*118*	*41*	*0*	*41*
Consolidation differences	*0*	*0*	*- 356*	*356*
Investment grants	*0*	*0*	*- 841*	*841*
Minority interests	14,618	13,675	4,214	9,461
Non current liabilities	**58,646**	**57,336**	**20,822**	**36,514**
Provisions	4,078	4,093	1	4,092
Employee benefits	2,875	2,968	1,504	1,464
Deferred tax liabilities	23,283	20,181	19,317	864
Financial liabilities	26,368	28,403	0	28,403
Trade payables	368	605	0	605
Other payables	1,674	1,086	0	1,086
Current liabilities	**165,813**	**157,237**	**-10,640**	**167,877**
Financial liabilities	12,973	19,969	0	19,969
Trade payables	92,936	82,484	0	82,484
Advances received	21,242	18,868	0	18,868
Social debts	22,800	19,674	- 6,593	26,267
Taxes	10,064	7,947	9	7,938
Other payables	1,308	3,162	- 4,799	7,961
Accrued charges and deferred income	4,490	5,133	743	4,390
TOTAL LIABILITIES	**439,166**	**405,514**	**50,791**	**354,723**

All financial amounts expressed in thousands of euros

III. EFFECT OF IFRS ADOPTION ON EQUITY

	31/12/2003	01/01/2003
TOTAL EQUITY BELGIAN GAAP	**150,332**	**132,139**
Impact of revaluating land and buildings	28,118	28,118
Impact of revaluating machinery of Roularta Printing	22,068	22,068
Impact of revaluating other property, plant and equipment	2,133	2,133
Impact of changing depreciation of property, plant and equipment	5,131	
Impact of recognising impairment losses on goodwill and titles	- 5,934	- 5,884
Impact of revaluating of other intangible assets	384	421
Impact of changing the cost of inventories (broadcasting rights VMMa)	5,356	3,781
Impact of the recognition of dividends to shareholders	4,799	3,738
Impact of recognising own shares in equity	- 5,978	- 4,997
Impact of recognising employee benefits	- 1,504	- 1,602
Impact of derecognising capital grants	-841	- 372
Impact of other adjustments	684	- 69
Tax effect	- 13,807	- 16,172
Total adjustment to equity	**40,609**	**31,163**
TOTAL EQUITY IFRS	**190,941**	**163,302**

IV. EFFECT OF IFRS ADOPTION ON THE CASH FLOW STATEMENT

	2004 IFRS	2003 IFRS	IFRS adjustments	2003 Belgian GAAP
CASH FLOW RELATING TO OPERATING ACTIVITIES				
Net result of the consolidated companies	27,920	25,863	9,775	16,088
Income tax expense/income	16,835	15,436	0	15,436
Interest expense	2,524	3,377	0	3,377
Interest income (-)	- 935	- 1,042	0	- 1,042
Non-cash items	19,176	15,291	- 7,540	22,831
Depreciation of (in)tangible assets	*14,620*	*14,579*	*- 730*	*15,309*
Impairment losses	*1,182*	*418*	*418*	*0*
Unrealized exchange loss/gain	*- 68*	*60*	*0*	*60*
Amounts written off goodwill	*0*	*0*	*- 9,387*	*9,387*
Other non-cash items	*3,442*	*234*	*2,159*	*- 1,925*
Gross cash flow relating to operating activities	**65,520**	**58,925**	**2,235**	**56,690**

All financial amounts expressed in thousands of euros

	2004 IFRS	2003 IFRS	IFRS adjustments	2003 Belgian GAAP
Increase/decrease in trade receivables	- 13,103	17,054	-15	17,069
Increase/decrease in other receivables and deferred charges and accrued income	- 1,631	- 2,733	1,657	- 4,390
Increase/decrease in inventories	2,692	- 95	- 1,575	1,480
Increase/decrease in financial current liabilities	- 6,997	- 10,975	0	- 10,975
Increase/decrease in trade payables	10,428	- 19,052	0	- 19,052
Increase/decrease in other current liabilities	3,581	4,197	- 2,239	6,436
Other increases/decreases in working capital (a)	828	- 852	- 5,509	4,657
Increase/decrease in working capital	**- 4,202**	**- 12,456**	**- 7,681**	**- 4,775**
Income taxes received/paid (-)	- 15,203	- 13,197	2,239	- 15,436
Interest paid	- 2,616	- 3,338	39	- 3,377
Interest received	927	1,040	- 2	1,042
NET CASH FLOW RELATING TO OPERATING ACTIVITIES (A)	**44,426**	**30,974**	**-3,170**	**34,144**
CASH FLOW RELATING TO INVESTING ACTIVITIES				
(In)tangible assets - acquisitions	- 35,562	- 40,626	5,546	- 46,172
(In)tangible assets - other movements	2,027	- 2,647	- 3,094	447
Financial assets - acquisitions	- 6,200	- 4,594	7	- 4,601
Financial assets - other movements	3,038	1,496	291	1,205
NET CASH USED IN INVESTING ACTIVITIES (B)	**- 36,697**	**- 46,371**	**2,750**	**- 49,121**
CASH FLOW RELATING TO FINANCING ACTIVITIES				
Dividends paid	- 4,799	- 3,738	1,061	- 4,799
Movement in capital	487	6,325	0	6,325
Treasury shares	- 175	- 981	52	- 1,033
Other changes in equity	10	- 90	- 1,702	1,612
Proceeds from (+), redemption of (-) long term debts	- 1,684	10,224	0	10,224
Proceeds from (+), redemption of (-) short term debts	- 199	- 502	0	- 502
NET CASH PROVIDED BY (+), USED IN (-) FINANCING ACTIVITIES (C)	**- 6,360**	**11,238**	**-589**	**11,827**
NET DECREASE/INCREASE IN CASH (A+B+C)	**1,369**	**- 4,159**	**- 1,009**	**- 3,150**
Cash and cash equivalents, beginning balance	25,729	29,888	- 4,906	34,794
Cash and cash equivalents, ending balance	27,098	25,729	- 5,915	31,644
NET DECREASE/INCREASE IN CASH	**1,369**	**- 4,159**	**- 1,009**	**- 3,150**

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

All financial amounts expressed in thousands of euros

V. COMMENTS ON THE EFFECT OF TRANSITION TO IFRS

1. FORMATION EXPENSES

In accordance with Belgian GAAP, the formation expenses including substantial amounts, were depreciated over five years. In accordance with IFRS the cost related to start-up activities, training activities, publicity and promotion activities, removal and reorganization costs are charged to the income statement. Only exception relates the start-up activities relating to property, plant and equipment, which are capitalized together with the related property, plant and equipment.

Impact on equity per	31 December 2002: € - 89
	31 December 2003: € - 24

2. INTANGIBLE ASSETS AND GOODWILL

A. Development costs

In accordance with Belgian GAAP, important amounts for research and development were activated. In accordance with IFRS only development costs are recorded when there is an intention and ability to complete and to use or sell the intangible asset, and when it is probable that future economic benefits will be generated. As the costs for research and development did not comply with these conditions, the net book value of these costs was included in equity.

Impact on equity per	31 December 2002: € - 9
	31 December 2003: € - 0

B. Intangible assets with indefinite useful lives

In accordance with Belgian GAAP intangible assets were depreciated over their estimated economical useful life. In accordance with IFRS some intangible assets have an indefinite useful life and are therefore not depreciated. They are however tested yearly for impairment. To do so, the recoverable amount of the asset is compared with the net book value. The recoverable amount is the market value, which has been derived by ways of an empirical method, which is based on economic criterion (EBIT, EBITDA, sales). In addition the Group verified whether all intangible assets met the identifiability criterion. In this respect impairment losses have been posted on several titles and property rights.

Impact on equity per	31 December 2002: € - 4,513
	31 December 2003: € - 4,513

C. Goodwill

In accordance with Belgian GAAP goodwill is depreciated over 5 years, 10 years and 20 years. In accordance with IFRS the goodwill is initially recorded at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. The goodwill is annually subjected to an impairment test. The recoverable amount is compared to the net book value. In this respect impairment losses have been recorded on goodwill.

Impact on equity per	31 December 2002: € - 1,371
	31 December 2003: € - 1,421

D. Intangible assets with definite useful lives

In accordance with Belgian GAAP, depreciation over the first year of use was calculated over the full year. In accordance with IFRS, depreciation over the first year of use is only performed on a "pro rata temporis" basis. The depreciation of remaining intangible assets was recalculated retrospective and the net book value was adjusted accordingly.

Impact on equity per	31 December 2002: € + 421
	31 December 2003: € + 384

3. PROPERTY, PLANT AND EQUIPMENT

A. Land and buildings

In accordance with IFRS 1, the Group uses the exception to treat the fair value of land and buildings as deemed cost on the date of transition. All land and buildings are revalued by third party experts at date of transition.

Impact on equity per	31 December 2002: € + 28,118
	31 December 2003: € + 28,118

B. Machines and leasing Roularta Printing

In accordance with IFRS 1, the Group uses the exception to treat the machinery (printing presses and assembly lines – including leasing) as deemed cost on the date of transition. This machinery was revalued by third party experts at date of transition.

Impact on equity per	31 December 2002: € + 22,068
	31 December 2003: € + 22,068

C. Other property, plant and equipment (other machines, broadcasting material, furniture, vehicles, ...)

In accordance with Belgian GAAP, depreciation over the first year of use was calculated over the full year. In accordance with IFRS, depreciation over the first year of use is only performed on a 'pro rata temporis' basis. The depreciation of remaining tangible assets was recalculated retrospectively and the net book value was adjusted accordingly.

Impact on equity per	31 December 2002: € + 2,133
	31 December 2003: € + 7,264

The impact as per 31 December 2003 includes not only the revaluation of the other property, plant and equipment, but also relates to the impact of the change in depreciation method.

4. DEFERRED TAX ASSETS AND LIABILITIES

In accordance with Belgian GAAP, deferred tax liabilities were recorded on government grants and on gains of disposals of assets. In accordance with IFRS deferred tax assets and liabilities are recorded on temporary differences (difference between the net book value and the fiscal value of an asset of liability), on tax losses carried forward (when it is probable that taxable profit will be available in the near future) and on tax credits.

Impact on equity per	31 December 2002: € - 16,172
	31 December 2003: € - 13,807

All financial amounts expressed in thousands of euros

5. INVENTORIES

Inventories mainly relate to the proportionate share of broadcasting rights of the Vlaamse Media Maatschappij NV. In accordance with Belgian GAAP, the cost of broadcasting rights was recognised at 100% in the income statement. As a result of the implementation of IFRS the broadcasting rights were revalued using the following percentages for first run and second run:

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 %

As a consequence of this change in valuation method the value of the stock has increased on transition date.

Impact on equity per 31 December 2002: € + 3,781
31 December 2003: € + 5,356

6. OWN SHARES

In accordance with IFRS own shares are presented in the consolidated financial statements as a deduction of equity. Both the acquisition of purchased own shares as the received amounts on sale are by consequence recorded as movement of equity.

Impact on equity per 31 December 2002: € - 4,997
31 December 2003: € - 5,978

7. GOVERNMENT GRANTS

In accordance with Belgian GAAP, the government grants not yet recognised in the income statement, were included in equity. In accordance with IFRS, the government grants are either deducted from the net book value of the assets for which the government grant is received, or recognised as deferred income. The Group has recognised the government grants as deferred income.

Impact on equity per 31 December 2002: € - 372
31 December 2003: € - 841

8. EMPLOYEE BENEFITS

In accordance with Belgian GAAP, the cost recognised as employee benefits are recorded in the period the benefits are either paid or become payable. In accordance with IFRS the cost recognised as employee benefits are recognised in the period that an employee has rendered service to an entity during a period. By consequence employee benefits are recorded relating to bonuses to be awarded on retirement and related to the future allocation of preferential subscriptions. In the framework of defined benefit plans, liabilities are recognised in the balance sheet based on the difference between the net obligation and the fair value of plan assets. Benefits related to the termination of an employee's employment are recognised in the balance sheet when the Group has committed itself to terminate an employee's employment before the normal retirement date or when termination benefits are provided as a result of an offer made in order to encourage voluntary redundancy. In this respect, provisions were derecognised, as they did not fulfill these conditions.

Impact on equity per 31 December 2002: € - 1,602
31 December 2003: € - 1,504

9. PROVISIONS

Some provisions were, in accordance with Belgian GAAP, recorded, whereas these can no longer be recorded according to IFRS. In addition, the value of some provisions has increased compared to Belgian GAAP to be in conformity with the definition as defined in IAS 37.

Impact on equity per 31 December 2002: € + 29
31 December 2003: € - 1

10. DIVIDENDS

In accordance with Belgian GAAP dividend payments proposed by the Board of Directors to the General Meeting were recorded as other payables. In accordance with IFRS the dividend was recorded in equity.

Impact on equity per 31 December 2002: + € 3,738
31 December 2003: + € 4,799

11. IMPAIRMENT LOSSES

Impairment losses were recognised related to intangible assets that did not comply with the conditions imperative to be considered as intangible assets.

12. EXCEPTIONS IFRS 1

In accordance with IFRS 1 'First-time adoption of International Financial Reporting Standards' all standard are to be applied retrospectively on the date of transition. This implies that on the one hand the goodwill is to be determined retrospectively for all business combinations. IFRS 1 provides in an exception for business combinations which were raised before the date of transition. Roularta Media Group uses the exception and no longer depreciates goodwill, but tests their goodwill yearly for impairment. The intangible assets included in goodwill are presented separetely as a result of the first-time adoption.

On the other hand a retrospective recalculation of depreciation was performed pro rata for all tangible assets as of acquisition date, based on the cost, including those which are directly attributable, after deducting the residual value. IFRS 1 provides in an exception to treat the fair value of some intangible assets as deemed cost on the date of transition. Roularta Media Group uses this exception and has revalued all land and buildings and all machines of Roularta Printing at fair value. The fair value is based on the value in going concern of the assets as determined by third party experts. For other tangible assets a retroactive calculation of depreciation was performed and the net book values were adjusted accordingly.

All financial amounts expressed in thousands of euros

NOTE 34. GROUP COMPANIES

The ultimate parent of the group is Roularta Media Group NV, Roeselare, Belgium.
As of 31 December 2004, 59 subsidiaries, joint-ventures and associated companies are consolidated.

Name of the company	Location	Effective interest %
I. Fully consolidated companies		
ROULARTA MEDIA GROUP NV	Roeselare, Belgium	100.00%
A NOUS PROVINCE SAS	Roubaix, France	100.00%
ALGO COMMUNICATION SARL	Roubaix, France	100.00%
BAND A PART SARL	Paris, Saint-Ouen, France	100.00%
BELGIAN BUSINESS TELEVISION NV	Brussels, Belgium	100.00%
BIBLO-ROULARTA MEDICA NV	Kalmthout, Belgium	100.00%
DMB-BALM SAS	Paris, Saint-Ouen, 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%
SPORTMAGAZINE NV	Brussels, Belgium	100.00%
STUDIO MAGAZINE SA	Paris, Saint-Ouen, France	100.00%
STUDIO PARTICIPATIONS SNC	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%
TOTAL MUSIC SARL	Paris, Saint-Ouen, France	100.00%
WEST-VLAAMSE MEDIA GROEP NV	Roeselare, Belgium	100.00%
DE STREEKKRANT - DE WEEKKRANTGROEP NV	Roeselare, Belgium	80.00%
DRUKKERIJ LEYSEN NV	Mechelen, Belgium	80.00%
OOST-VLAAMSE MEDIA GROEP NV	Roeselare, Belgium	80.00%
TAM-TAM NV	Knokke, Belgium	80.00%
ROULARTA PRINTING NV	Roeselare, Belgium	75.66%
MESTNE REVIJE D.O.O.	Ljubliana, Slovenia	70.00%
VOGUE TRADING VIDEO NV	Kuurne, Belgium	66.67%
HIPPOS VADEMECUM NV	Brugge, Belgium	52.00%
ZEEUWS VLAAMS MEDIABEDRIJF BV	Terneuzen, the Netherlands	40.80%
CAP PUBLISHING NV	Brugge, Belgium	26.00%
2. Proportionally consolidated companies		
ACADEMICI ROULARTA MEDIA NV	Antwerp, Belgium	50.00%
ART DE VIVRE EDITIONS SA	Paris, France	50.00%
BELGOMEDIA SA	Verviers, Belgium	50.00%
COTE MAISON SA	Paris, France	50.00%
COTEXPO SARL	Paris, France	50.00%
DE WOONKIJKER NV	Antwerp, Belgium	50.00%
EDITIONS COTE EST SA	Paris, France	50.00%

EYE-D NV	Roeselare, Belgium	50.00%
FOLLOW THE GUIDE NV	Antwerp, Belgium	50.00%
GRIEG MEDIA AS	Bergen, Norway	50.00%
HIMALAYA NV	Zaventem, Belgium	50.00%
LE VIF MAGAZINE SA	Brussels, Belgium	50.00%
MEDIA OFFICE	Antwerp, 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	Köln, Germany	50.00%
SENIOR PUBLICATIONS NEDERLAND BV	Bussum, the Netherlands	50.00%
SENIOR PUBLICATIONS VERWALTUNGS GMBH	Köln, Germany	50.00%
TOP CONSULT SA	Brussels, Belgium	50.00%
VLAAMSE MEDIA MAATSCHAPPIJ NV	Vilvoorde, Belgium	50.00%
PUBLIREGIOES LDA	Lisbon, Portugal	40.00%
REGIONALE TV MEDIA NV	Zellik, Belgium	33.33%
BAYARD MEDIA GMBH & CO KG	Augsburg, Germany	25.00%
BAYARD MEDIA VERWALTUNGS-GMBH	Augsburg, Germany	25.00%
3. Consolidated using the equity method		
CORPORATE MEDIA SOLUTIONS NV (in liquidation)	Roeselare, Belgium	50.00%
A NOUS PARIS SAS	Paris, France	30.00%
PLOPSALAND NV	Adinkerke, Belgium	25.00%
4. Companies of minor importance not included in the consolidated financial statements		
EUROCASINO NV	Brussels, Belgium	19.00%
FEBELMA REGIE CVBA	Brussels, Belgium	18.00%
REPROPRESS CVBA	Brussels, Belgium	25.00%
CYBER PRESS PUBLISHING SA	Paris, France	15.39%
Repropress Cvba collects and distributes reprographic rights. The company is of minor importance to the group.		
5. Companies not included in the consolidated financial statements as acquired on 27/12/2004		
@-INVEST NV	Roeselare, Belgium	100.00%

DURING 2004 THE FOLLOWING CHANGES OCCURRED IN THE CONSOLIDATION GROUP:

New participations in:
- Bayard Media Deutschland GmbH through Senior Publications Deutschland GmbH
- Bayard Media Verwaltungs GmbH through Senior Publications Deutschland GmbH
- Media Office NV through Follow The Guide NV
- Studio Participations SNC through Roularta Media France SA
- Studio Magazine SA through Studio Participations SNC and Roularta Media France SA
- Press News NV through Roularta Media Group NV
- DMB-BALM SAS through Studio Press SAS
- A Nous Province SAS through Roularta Media Group NV
- Mestne Revije d.o.o. through Roularta Media Group NV

Increased ownership:
- Studio Press SAS from 50% to 100% from 1 January 2004 on.

Mergers:
- PV Editions SA with Studio Press SAS from 1 January 2004 on.
- Vlaamse Tijdschriften Uitgeverij NV with RMG NV from 1 January 2004 on.
- Trends Magazine NV with RMG NV from 1 January 2004 on.
- Côté Maison SA with Côté Sud Investissement SA from 1 January 2004 on.

Liquidations:
- Publindus NV
- De Vastgoedmakelaar NV
- Focus Televisie NV

Change of name:
- Côté Sud Investissement SA became Côté Maison SA

[AUDITOR'S REPORT]

on the consolidated financial statements for the year ended 31 December 2004 to the shareholders' meeting

To the Shareholders

In accordance with the legal and statutory requirements, we are pleased to report to you on our audit assignment which you have entrusted to us.

We have audited the consolidated financial statements as of and for the year ended 31 December 2004, which have been prepared under the responsibility of the Board of Directors and which show a balance sheet total of 439,166,(000) euros and an income statement resulting in a profit (Share of the Group) for the year of 27,233,(000) euros. These consolidated financial statements include several subsidiaries whose financial statements have been examined by other auditors. For the purpose of our examination of the consolidated financial statements we have obtained their opinions on the contribution of the subsidiaries in question to the consolidated statements. We have also examined the consolidated directors' report.

UNQUALIFIED AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS WITH AN EXPLANATORY PARAGRAPH

We conducted our audit in accordance with the standards of the 'Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren'. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement taking into account the legal and statutory requirements applicable to consolidated statements in Belgium.

In accordance with these standards, we considered the group's administrative and accounting organization as well as its internal control procedures. We have obtained explanation and information required for our audit. An audit includes examining, on a test basis, evidence supporting the amounts in the consolidated financial statements. An audit also includes assessing accounting policies used, the basis for consolidation and significant estimates made by management as well as evaluating the overall consolidated financial statements presentation. We believe that our audit 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 consolidated financial position as of 31 December 2004, and of the consolidated results of its operations and of its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed in the EU, and the information given in the notes to the financial statements is adequate.

As it appears from the annual accounts of Vlaamse Media Maatschappij NV, and as repeated in the consolidated financial statements of Roularta Media Group NV, Vlaamse Media Maatschappij NV is involved in some important disputes. The final outcome of these disputes and their eventual effect on the financial statements cannot be determined at this moment.

ADDITIONAL CERTIFICATIONS

We supplement our report with the following certifications which do not modify our audit opinion on the financial statements:

- The consolidated directors' report contains the information required by the Company Law and is consistent with the consolidated financial statements.

19 April 2005

The Statutory Auditor

DELOITTE & TOUCHE Reviseurs d'Entreprises
SC s.f.d. SCRL
Represented by Jos Vlaminckx