Annual report of the board of directors

to the ordinary general meeting of shareholders of 20 May 2008 concerning the consolidated financial statements for the period ended 31 December 2007

Dear Shareholders,

This annual report should be read in conjunction with the audited financial statements of Roularta Media Group NV (hereinafter 'the Group') and the accompanying notes. These consolidated financial statements were approved by the board of directors on 14 March 2008.

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

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

Main changes in the Group during the 2007 financial year
- Acquisition of an additional 50% of Academici Roularta Media NV in Q1 2007;
- Acquisition of 25% of Press Partners BV in Q1 2007;
- Acquisition of 12.5% of Mediaplus BV in Q1 2007;
- Acquisition of 50% of Alphadistri SAS in Q1 2007;
- Acquisition of 100% of Medical Integrated Communication SPRL in Q1 2007;
- Acquisition of 25% of TTG Plus Publishing AB in Q1 2007;
- Acquisition of 50% of Zéfir Carrières SNC in Q2 2007;
- Acquisition of 50% of Vlacom NV and 4FM Groep NV in Q2 2007;
- Acquisition of 100% of Opportunity To Sell SPRL in Q2 2007;
- Acquisition of 50% of Actuapedia NV in Q3 2007;
- 50% shareholding in newly-founded Actuamedia NV in Q3 2007;
- Acquisition of 80% of Fnap Media NV in Q4 2007;
- Acquisition of an additional 50% in Algo Communication SARL and A Nous Province SAS in Q4 2007.

In 2007 Roularta Media Group NV also acquired the business assets of Datanews, Texbel, Tailor Made and related products.

KEY FINANCIAL DATA

Income statement	31/12/06	31/12/07	% change
Sales	**609,231**	**766,824**	**+ 25.9%**
Operating cash flow (EBITDA)	**72,466**	**79,831**	**+ 10.2%**
Operating profit (EBIT)	**51,089**	**49,563**	**- 3.0%**
Net finance costs	-1,993	-13,533	+ 579.0%
Operating profit after net finance costs	**49,096**	**36,030**	**- 26.6%**
Income taxes	-23,645	-19,973	- 15.5%
Share in the profit of the companies accounted for using the equity method	-12	-10	
Net profit of the consolidated companies	**25,439**	**16,047**	**- 36.9%**
Minority interests	-653	-108	- 83.5%
Net profit of the Group	**24,786**	**15,939**	**- 35.7%**
EBITDA (1)	72,466	79,831	+ 10.2%
EBITDA (margin)	11.9%	10.4%	
EBIT	51,089	49,563	- 3.0%
EBIT (margin)	8.4%	6.5%	
Net profit of the Group	24,786	15,939	- 35.7%
Net profit of the Group (margin)	4.1%	2.1%	
Net current profit (2)	31,007	23,145	- 25.4%
Current cash flow (3)	50,053	47,095	- 5.9%
Balance sheet	**31/12/06**	**31/12/07**	**% change**
Fixed assets	659,205	687,076	+ 4.2%
Current assets	326,329	321,890	- 1.4%
Balance sheet total	985,534	1,008,966	+ 2.4%
Equity - Group's share	284,839	283,675	- 0.4%
Equity - minority interests	12,863	12,600	- 2.0%
Liabilities	687,832	712,691	+ 3.6%
Liquidity (4)	0.8	1.0	+ 25.0%
Solvency (5)	30.2%	29.4%	- 2.6%
Net financial debt	221,415	247,745	+ 11.9%
Gearing (6)	74.4%	83.6%	+ 12.4%
Return on equity (7)	8.7%	5.6%	- 35.6%

(1) EBITDA = EBIT + depreciation, write-down and provisions.
(2) Net current profit = net profit of the Group + impairment losses + restructuring costs, net of taxes.
(3) Current cash flow = net current profit + depreciation of (in)tangible assets, write-downs and provisions.
(4) Liquidity = current assets / current liabilities.
(5) Solvency = equity (Group's share + minority interests) / balance sheet total.
(6) Gearing = net financial debt / equity (Group's share + minority interests).
(7) Return on equity = net profit of the Group / equity (Group's share).

All financial amounts expressed in thousands of euros.

In comparing the 2007 annual results with those of 2006 the reader should bear in mind that the financial results of Groupe Express-Roularta, of which Roularta Media Group acquired 100% of the shares on 26 September 2006, are included only from the fourth quarter of 2006 onwards.

Consolidated income statement
2007 was for Roularta Media Group the year in which it integrated Groupe Express-Roularta (formerly Groupe Express-Expansion), which has been part of Roularta Media Group since 26 September 2006. Much effort has been put into developing various synergies in organisation, prepress, printing, editing, selling advertising space and elsewhere. Within Groupe Express-Roularta, a number of reorganisations were carried out and some new products were created.
In this sense 2007 was a transitional year.

In 2007, the Group also invested heavily in a new printing works at Roeselare. The building work will be completed in the second half of 2008. The first newsprint presses were installed at the end of 2007, permitting magazine quality (heatset) colour printing on all pages (up to 128 pages tabloid). These presses – a MAN installation that is unique in the world – have recently come into operation. The first of the new magazine presses (72 pages) has also been installed and will become operational in the course of the second quarter.

Roularta also worked hard in 2007 in the area of internet, extending the news sites on which all Group editing teams cooperate. The 'integrated newsroom' at the Brussels Media Centre in Evere is now a reality.

The net profit figure was influenced by EUR 13 million of extraordinary charges, write-downs and restructuring costs.

In 2007 Roularta Media Group realised a net profit of the Group of € 15.9 million, compared with € 24.8 million in 2006. In the Printed Media division, net profit of the Group was € 8.8 million as against € 17.4 million in 2006. In the Audiovisual Media division, net profit of the Group was € 7.1 million as against € 7.4 million in 2006 (- 3%).

Compared with the previous year, sales rose by € 157.6 million, or 25.9%. Firstly, in the Printed Media division, sales increased by € 155.4 million, or 35.6%. € 145.3 million of this increase comes from the new acquisitions: € 136.7 million from Groupe Express-Roularta and € 8.6 million from the new titles Datanews, Texbel, Ciné Live, De Tandartsenkrant, De Apothekerskrant, Plus Sweden and Effect. On top of this sales of existing products increased by 2.3%. Secondly, in the Audiovisual Media division sales rose by € 2 million or 1.1%, mainly generated by the new participating interest in 4FM radio.

EBITDA rose from € 72.5 million to € 79.8 million. The EBITDA margin was 10.4% as against 11.9% in 2006. EBIT was down 3% from € 51.1 million to € 49.6 million. The EBIT margin was 6.5% as against 8.4% in 2006.

A number of factors negatively impacted the margins and net profit of the Printed Media division by EUR 8.8 million:

- EUR 1.3 million of restructuring costs were charged at Groupe Express-Roularta in 2007 as part of the further integration. Additional write-offs and provisions totalling EUR 1.3 million were recorded in respect of the planned relocation of subsidiary Editions Génération/L'Etudiant in 2008.
- With the winding up of SA Cyber Press Publishing on 7 June 2007, an impairment loss of EUR 1.8 million was recorded on this participation to bring its carrying value to zero.
- EUR 1.1 million of impairment losses were recorded on titles and goodwill.
- With the publishing of an option plan for senior managers at the start of 2007, an additional personnel cost of EUR 1 million was recorded, as required by IFRS 2.
- EUR 11.5 million higher financing costs reflect the new borrowings for the acquisition of Groupe Express-Roularta and the building of the new printing works at Roeselare, and fluctuations in the market value of a number of swap contracts covering outstanding loans (EUR 2.3 million) (IAS 39).
- Tax pressure continues to be influenced by tax losses that are not recoverable in the short term and the fact that no deferred tax assets are recorded on impairment losses.

In the Audiovisual Media division an impairment loss of EUR 3.4 million was charged on the goodwill of Vogue Trading Video and EUR 0.8 million of deferred tax assets were reversed. Vogue Trading Video (DVD replication) is struggling with adverse market circumstances.

Earnings per share were down from € 2.32 in 2006 to € 1.49 in 2007.

Balance sheet
Equity amounted at 31 December 2007 to EUR 296.3 million, almost unchanged from 31 December 2006. The 'treasury shares' item, that is deducted from equity, has risen by EUR 13.4 million with the buying in of own shares to cover for the option scheme introduced in 2007. Consolidated reserves have increased by a net EUR 7.8 million, being the balance of the net profit for 2007 (EUR 15.9 million) less dividends paid (EUR 8.1 million). The EUR 0.9 million increase in capital reserves is due mainly to the granting of the new option plan in 2007 (share-based payments). The EUR 3 million increase in revaluation reserves represents the net positive market value of cash flow hedges.

At 31 December 2007, net financial debt amounted to EUR 247.8 million, up by EUR 26.3 million on 31 December 2006. This increase reflects greater borrowings to cover, among other things, the building of the new printing works in Roeselare, the financing of the restructuring costs at Groupe Express-Roularta and the financing of the option plan. This produces a gearing (net financial debt as a percentage of equity) of 83.6%.

Investments (CAPEX)
Total investments in 2007 amounted to EUR 55.1 million. Of these, EUR 12.3 million were in intangible fixed assets (EUR 6.0 million for titles and customer files, EUR 5.5 million for software), EUR 26.1 million in tangible fixed assets (including EUR 12.4 million for the new building in Roeselare and EUR 3.6 million for machinery at Roularta Printing), and EUR 16.7 million in acquisitions.

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

- The capital of Roularta Media Group NV was increased by € 158,302.32 by exercising 7,864 warrants in a notarial deed executed on 7 January 2008, then by € 697.68 by incorporating available reserves, bringing it to € 170,846,000, represented by 11,044,914 shares, including 2,634,037 with VVPR strips (giving entitlement to a reduced rate of withholding tax);
- In February 2008, NV De Streekkrant-De Weekkrant acquired 100% of the shares of BVBA Drukkerij De Cuyper.

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

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

To hedge risks with respect to adverse interest rate fluctuations, the Group has used financial instruments, namely interest rate swap (IRS) contracts, cap-floor contracts, and the above-mentioned IRCS contract. In accordance with the requirements defined in IAS 39, five of the IRS contracts were regarded as cash flow hedging contracts. Market values of these contracts are recognised directly in equity. The other contracts are not regarded as hedging contracts under the conditions set forth in IAS 39. Fluctuations of market values of these contracts are recognised in the income statement.

Environment, Prevention and Welfare
Please refer to the chapter Environment, Prevention and Welfare in the 2007 annual report.

Staff
As at 31 December 2007, the Group had 3,134 full-time equivalent (FTE) employees. Compared with the previous year, this signifies an increase of 1.1%. These figures include joint ventures on a proportional basis.

Main Risks and Uncertainties
In addition to the traditional risks for any company, the Group tracks market developments in the media world so that it can capitalise at all times on changes and new trends in the environment in which the company operates. Thanks to

the Group's multimedia offer, it can suitably respond to a shift in focus in the advertising world and on the part of its readership from one form of media to another. The fact that the Group derives its income from both the advertising and the reader markets ensures that it can adequately spread its risk if a negative trend emerges in either market.

The various costs that to a large extent determine the total cost in the Printed Media division, such as printing, distribution, staff, and promotion costs, are scrutinised. The trend in international paper prices is uncertain and requires our special attention. To manage the paper price risk, the Group uses price agreements. There are annual contracts concluded for newspaper, and periodical contracts for magazine paper.

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

Note with respect to the items listed in article 34 of the Royal Decree of 14/11/2007, in so far as these could potentially affect a public takeover bid.
Following the capital increase of 7 January 2008, the capital of the company is represented by 11,044,914 similar shares with the same rights, including 2,634,037 shares with VVPR strips.

All treasury shares held in portfolio by the company have no voting rights as long as they remain in the treasury portfolio.

No legal or statutory limitations exist on the transfer of securities.

The majority of the directors are appointed among candidates presented by the Dutch foundation Stichting Administratiekantoor 'RMG', as long as the latter owns, directly or indirectly, at least 35 per cent of the shares of the company. Should, in the event of decertification, the Dutch Stichting Administratiekantoor 'RMG' no longer be a voting shareholder, then the majority of directors will be appointed among candidates presented by the legal person holding the majority of the certificates in this foundation at the time of decertification, as long as the latter holds, directly or indirectly, at least 35 percent of the shares of the company.

The majority of the shares of the company are held by the Stichting Administratiekantoor 'RMG'.

Under Article 33 of the articles of association nobody can take part in the vote at the general meeting in respect of more than 35 per cent of the number of shares attached to the whole of the shares issued by the company. This limitation does not apply, however, where the vote relates to an amendment of the articles of association of the company, or to decisions for which the Companies Code requires a special majority.

Article 2 of the transitional provisions of the articles of association and article 620 of the Companies Code authorise the board of directors to have the company acquire its own shares or profit-sharing or other certificates where this is necessary to prevent imminent and serious detriment to the company.

Under article 13.2. of the loan agreement dated 20 December 2006 between NV Roularta Media Group and NV SGBF, all sums owed under this facility become immediately due and payable in the event that the Dutch foundation Stichting Administratiekantoor 'RMG' owns less than 51% of the shares and voting rights in NV Roularta Media Group.

Under the terms of the law of 1 April 2007 on public takeover bids, the Stichting Administratiekantoor RMG, as holder of more than 30% of the voting securities of NV Roularta Media Group on 01/09/2007, has submitted a notification to the CBFA pursuant to article 74 § 6 of said law.

Roeselare, 14 March 2008.
The board of directors

Consolidated financial statements

1. CONSOLIDATED INCOME STATEMENT

	Note	2007	2006
Sales	3	766,824	609,231
Raw materials, consumables and goods for resale		-196,908	-173,910
Services and other goods	4	-289,221	-209,673
Personnel	5	-196,184	-148,497
Depreciation, write-down and provisions		-30,268	-21,377
Depreciation and write-down of intangible and tangible assets		*-23,814*	*-19,436*
Write-down of inventories and trade debtors	*6*	*430*	*1,311*
Provisions		*-566*	*-921*
Impairment losses		*-6,318*	*-2,331*
Other operating income	7	9,064	11,060
Other operating expenses	7	-12,412	-9,893
Restructuring costs	8	-1,332	-5,852
Operating profit - EBIT		**49,563**	**51,089**
Interest income	9	2,226	3,805
Interest expenses	9	-15,759	-5,798
Operating profit after net finance costs		**36,030**	**49,096**
Income taxes	10	-19,973	-23,645
Share in the profit of the companies accounted for using the equity method		-10	-12
Net profit of the consolidated companies		**16,047**	**25,439**
Attributable to:			
Minority interest		108	653
Equity holders of Roularta Media Group		**15,939**	**24,786**
Earnings per share			
Basic earnings per share	11	1.49	2.32
Diluted earnings per share	11	1.47	2.30

2. CONSOLIDATED BALANCE SHEET

ASSETS	Note	2007	2006
Non current assets		**687,076**	**659,205**
Intangible assets	13	443,698	428,417
Goodwill	14	65,028	56,422
Property, plant and equipment	15	166,994	158,420
Investments accounted for using the equity method	16	418	78
Loans, guarantees, available-for-sale investments	17	3,802	6,945
Trade and other receivables	18	1,525	2,173
Deferred tax assets	19	5,611	6,750
Current assets		**321,890**	**326,329**
Inventories	20	53,658	52,431
Trade and other receivables	18	225,803	219,071
Tax receivable		2,114	2,810
Short-term investments	17	2,229	3,142
Cash and cash equivalents	18	27,492	38,464
Deferred charges and accrued income		10,594	10,411
Total assets		**1,008,966**	**985,534**

All financial amounts expressed in thousands of euros.

LIABILITIES	Note	2007	2006
Equity		**296,275**	**297,702**
Group's Equity		283,675	284,839
Issued capital	*21*	*170,687*	*170,251*
Treasury shares	*21*	*-18,362*	*-4,920*
Capital reserves	*21*	*729*	*-253*
Revaluation reserves	*21*	*3,007*	*18*
Retained earnings		*127,519*	*119,675*
Translation differences		*95*	*68*
Minority interests		12,600	12,863
Non current liabilities		**376,195**	**284,639**
Provisions	23	8,528	12,289
Employee benefits	25	8,186	7,582
Deferred tax liabilities	19	139,344	134,656
Financial liabilities	26	218,046	127,557
Trade payables	26	1,553	2,097
Other payables	26	145	227
Financial derivatives	30	393	231
Current liabilities		**336,496**	**403,193**
Financial liabilities	26	59,420	135,464
Trade payables	26	153,398	146,188
Advances received	26	54,488	52,755
Employee benefits	26	38,910	38,115
Taxes	26	1,782	1,545
Other payables	27	21,658	20,541
Accrued charges and deferred income	27	6,840	8,585
Total liabilities		**1,008,966**	**985,534**

3. CONSOLIDATED CASH FLOW STATEMENT

	2007	2006
Cash flow relating to operating activities		
Net profit of the consolidated companies	16,047	25,439
Share in the result of the companies accounted for using the equity method	10	12
Income tax expense / income	19,973	23,645
Interest expenses	12,933	5,798
Interest income (-)	-1,302	-2,459
Losses / gains on disposal of intangible assets and property, plant and equipment	-81	-228
Losses / gains on disposal of business	-124	36
Non-cash items	29,088	19,754
Depreciation of (in)tangible assets	*23,814*	*19,436*
Impairment losses	*6,318*	*2,331*
Share-based payment expense	*1,054*	*84*
Losses / gains on non hedging derivatives	*1,902*	*-1,346*
Increase / decrease in provisions	*-3,192*	*921*
Unrealised exchange loss / gain	*37*	*-42*
Other non-cash items	*-845*	*-1,630*
Gross cash flow relating to operating activities	**76,544**	**71,997**
Increase / decrease in trade receivables	-1,670	-19,739
Increase / decrease in current other receivables and deferred charges and accrued income	-2,736	-2,511
Increase / decrease in inventories	-354	4,666
Increase / decrease in trade payables	4,520	11,145
Increase / decrease in other current liabilities	-192	3,302
Other increases / decreases in working capital (a)	-2,753	1,929
Increase / decrease in working capital	**-3,185**	**-1,208**
Income taxes paid	-17,333	-15,793
Interest paid	-12,368	-5,267
Interest received	1,200	2,490
Net cash flow relating to operating activities (A)	**44,858**	**52,219**

All financial amounts expressed in thousands of euros.

Cash flow relating to investing activities		
(In)tangible assets - acquisitions	-38,409	-50,235
(In)tangible assets - other movements	675	483
Net cash flow relating to acquisition of subsidiaries	-15,682	-215,190
Net cash flow relating to disposal of subsidiaries	-56	68
Loans, guarantees, available-for-sale investments - acquisitions	-665	-1,373
Loans, guarantees, available-for-sale investments - other movements	1,806	371
Net cash used in investing activities (B)	**-52,331**	**-265,876**
Cash flow relating to financing activities		
Dividends paid	-8,264	-7,940
Movement in capital	436	50,984
Treasury shares	-13,442	567
Other changes in equity	22	-1,045
Proceeds from current financial debts	45,533	85,394
Redemption of current financial debts	-145,661	-7,063
Proceeds from non current financial debts	117,239	102,042
Redemption of non current financial debts	-1,010	-2,048
Decrease in non current receivables	1,112	
Increase in non current receivables	-464	-651
Increase / decrease in short-term investments	1,000	931
Net cash provided by (+), used in (-) financing activities (C)	**-3,499**	**221,171**
Total decrease / increase in cash and cash equivalents (A+B+C)	**-10,972**	**7,514**
Cash and cash equivalents, beginning balance	38,464	30,950
Cash and cash equivalents, ending balance	27,492	38,464
Net decrease / increase in cash and cash equivalents	**-10,972**	**7,514**

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

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2007	Issued capital	Treasury shares	Capital reserves	Re-valuation reserves	Retained earnings	Transla-tion reserves	Minority interests	TOTAL EQUITY
Balance as of 1/1/2007	**170,251**	**-4,920**	**-253**	**18**	**119,675**	**68**	**12,863**	**297,702**
Issuance of shares *(all kind of issuances)*	436							**436**
Costs of issuance and equity increase			-72					**-72**
Profit / loss of the period					15,939			**15,939**
Operations with own shares		-13,442						**-13,442**
Foreign currency translation effect						27		**27**
Dividends					-8,093			**-8,093**
Gain / loss on available-for-sale investments				605				**605**
Cash flow hedge gains / losses				2,384				**2,384**
Recognition of share-based payments			1,054					**1,054**
Profit / loss of the period attributable to minority interest							108	**108**
Dividend paid to minority interests							-371	**-371**
Other increase / decrease					-2			**-2**
Balance as of 31/12/2007	**170,687**	**-18,362**	**729**	**3,007**	**127,519**	**95**	**12,600**	**296,275**

All financial amounts expressed in thousands of euros.

2006	Issued capital	Treasury shares	Capital reserves	Revaluation reserves	Retained earnings	Translation reserves	Minority interests	TOTAL EQUITY
Balance as of 1/1/2006	**119,267**	**-5,487**	**408**	**-514**	**101,831**	**111**	**13,297**	**228,913**
Issuance of shares (*all kind of issuances*)	12,894		38,090					**50,984**
Costs of issuance and equity increase			-745					**-745**
Equity increase resulting from incorporating capital reserves	38,090		-38,090					**0**
Profit / loss of the period					24,786			**24,786**
Operations with own shares		567						**567**
Foreign currency translation effect						-43		**-43**
Dividends					-8,049			**-8,049**
Gain / loss on available-for-sale investments				-91				**-91**
Cash flow hedge gains / losses				623				**623**
Recognition of share-based payments			84					**84**
Profit / loss of the period attributable to minority interest							653	**653**
Transfer from one heading to another					1,107		-1,107	**0**
Other increase / decrease							20	**20**
Balance as of 31/12/2006	**170,251**	**-4,920**	**-253**	**18**	**119,675**	**68**	**12,863**	**297,702**

We refer to Note 21 for more details.

All financial amounts expressed in thousands of euros.

Notes to the consolidated financial statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Presentation basis
The consolidated financial statements are prepared in compliance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC formerly SIC) of the IASB approved by the European Commission.

The consolidated financial statements give a general overview of our Group's activities and the results achieved. They represent fairly, the financial position, financial performance and cash flows of the entity, and have been prepared on a going concern basis.

The consolidated financial statements were approved by the board of directors of 14 March 2008 and can be amended until the shareholders' meeting of 20 May 2008.

New and revised standards and interpretations
The following standards and interpretations apply in 2007:
- IFRS 7 'Financial Instruments: disclosures' (applicable for accounting years beginning on or after 1 January 2007);
- IAS 1 'Presentation of Financial Statements' – Amendment – Capital Disclosures (applicable for accounting years beginning on or after 1 January 2007);
- IFRIC 7 'Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies' (applicable for accounting years beginning on or after 1 March 2006);
- IFRIC 8 'Scope of IFRS 2' (applicable for accounting years beginning on or after 1 May 2006);
- IFRIC 9 'Reassessment of Embedded Derivatives' (applicable for accounting years beginning on or after 1 June 2006);
- IFRIC 10 'Interim Financial Reporting and Impairment' (applicable for accounting years beginning on or after 1 November 2006).

These standards and interpretations did not affect the consolidated financial statements of the Group. The compulsory application of IFRS 7 'Financial instruments: disclosures' and the changes in IAS 1 'Presentation of Financial Statements' has affected the consolidated financial statements in that way that additional disclosures are provided in the notes.

The following standards and interpretations have been issued but do not yet apply in 2007
The Group has not anticipated the following standards and interpretations, which were already published at the effective date of the present consolidated financial statements but had not yet come into effect:
- IFRS 8 'Operating Segments' (applicable for accounting years beginning on or after 1 January 2009). The presentation of segment information can be influenced by the application of this standard.
- IAS 23, Revision to IAS 23 'Borrowing Costs' (applicable for accounting years beginning on or after 1 January 2009). Given that this removes the choice of expensing financing costs immediately or capitalising them, this signifies a change for the Group. Under the transitional provisions the Group will apply the revised IAS 23 to qualifying assets for which the capitalisation of the financing costs comes into effect on or after the effective date.
- IAS 1 Revision of IAS 1 'Presentation of financial statements' (applicable for accounting years beginning on or after 1 January 2009). The presentation of the financial statements will be influenced by the application of this standard.
- IFRIC 11 'IFRS 2: Group and Treasury Share Transactions' (applicable for accounting years beginning on or after 1 March 2007).
- IFRIC 12 'Service Concession Arrangements' (applicable for accounting years beginning on or after 1 January 2008).
- IFRIC 13 'Customer Loyalty Programmes' (applicable for accounting years beginning on or after 1 July 2008).
- IFRIC 14 'IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' (applicable for accounting years beginning on or after 1 January 2008).

Unless where indicated otherwise above, the Group does not expect that the first-time adoption of these standards and interpretations will significantly affect the consolidated financial statements of the Group.

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

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

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

The financial statements of subsidiaries and joint ventures are included in the consolidated financial statements from the date on which the parent company acquires control until the date on which the control ceases.

Acquisitions of subsidiaries and joint ventures are accounted for by applying the purchase method.

The financial statements of subsidiaries and joint ventures are prepared for the same financial year as that of the parent company and using uniform accounting policies for like transactions and other events in similar circumstances.

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

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

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

Intangible assets other than goodwill
Intangible assets consist of titles, software, concessions, copyrights, property rights and other rights etc. acquired from third parties or by contribution in kind, as well as any internally generated software.
Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised as an expense when it is incurred.
Expenditures on development activities, whereby the research findings are applied to a plan or design for the production of new or substantially improved products and processes, are only included in the balance sheet, if the product or process is technically and commercially feasible, the Group has sufficient resources available to complete the development and it is possible to demonstrate that the asset will generate probable future economic benefits.
Capitalised expenditure comprises the costs of materials, direct labour costs and a proportionate part of the overheads.
Intangible assets are measured at their cost, less any accumulative amortisation and any accumulated impairment losses.

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

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

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

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

Property, plant and equipment
Property, plant and equipment are recognised at cost less any accumulative depreciation and any impairment losses. The cost comprises the initial purchase price plus other direct purchase costs (such as non-refundable tax, transport). The cost of self-constructed property, plant and equipment comprises the cost of materials, direct labour costs and a proportional part of the production overheads.
The Group uses the exception provided for in IFRS 1 to treat the fair value of some of the property, plant and equipment as deemed cost on the date of transition to IFRS, being 1 January 2003. This fair value is based on the value in going concern as determined by third party experts and was applied to all of the Group's land and buildings, as well as to NV Roularta Printing's printing presses and finishing lines.

Leases
Lease arrangements whereby the Group has substantially all rewards and risks incidental to ownership are classified as finance leases. At the commencement of the finance lease term, finance leases are recognised as assets and liabilities in the balance sheet at amounts equal to the fair value of the leased property, or, if lower, the present value of the minimum lease payments each determined at the inception of the lease.
Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents shall be charged as expenses in the periods in which they are incurred.
Leasing of property whereby substantially all rewards and risks remain with the leasing company is classified as operating lease. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

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

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

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

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

Criteria for the measurement of financial assets

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

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

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

Inventories

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

Broadcasting rights VMMa

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

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

Trade and other receivables

Short term trade receivables and other receivables are measured at cost less appropriate allowances for estimated irrecoverable amounts.
At the end of the financial year an estimate is made of doubtful debts on the basis of an evaluation of all outstanding amounts. Doubtful debts are written off in the year in which they were identified as such.

Cash and cash equivalents

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

Equity

Treasury shares

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

Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.
If the Group expects that some or all of the expenditure required settling a provision will be reimbursed, the related asset is recognised once it is virtually certain that the reimbursement will be received.

Restructuring

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

Employee benefits

Pension commitments

Several defined contribution plans exist within the Group. These plans are funded by both employer and employee contributions. Contribution commitments in the pension schemes with a fixed contribution payable by the Group are included in the income statement of the year to which they relate.
The necessary amounts are recognised in the profit and loss account to cover the actuarial and investment risk of the defined benefit plans.
The Group also recognises a provision for early retirement pensions. The amount of the provision is equal to the present value of future benefits promised to the employees involved.

Share based payments

Various warrant and share option plans exist to enable executive and senior management to acquire shares of the company. IFRS 2 applies to all share-based payment transactions allocated after 7 November 2002 and which had not become unconditional by 1 January 2005. The exercise price of an option is determined on the basis of the average closing price of the share during the thirty days prior to the option offering date. The fair value of the option is calculated using the Black and Scholes formula. If and when the options are exercised, equity is increased by the amount received.

Other long term employee benefits

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

Financial liabilities

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

Trade payables

Trade payables are recognised at their cost.

Tax

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

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

Deferred taxes are accounted for using the ‘liability’ method for all temporary differences between the taxable basis and the book value for financial reporting purposes and this for both assets and liabilities. For calculation purposes the tax rates used are those that have been enacted or substantively enacted by the balance sheet date.
In accordance with this method, the Group must in case of a business combination recognise deferred taxes on the difference between the fair value of the acquired assets and the liabilities and contingent liabilities assumed and their taxable basis.
Deferred tax assets are only recognised when it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets are derecognised when it is no longer probable that the related tax advantage will be realised.

Government grants

Government grants that relate to assets are recognised at their fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The government grant is presented as deferred income.
Government grants to compensate costs incurred by the Group are systematically recognised as operating income in the same period in which these costs are incurred.

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

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

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

Impairment losses
For the 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 recognised in the income statement.

Derivative financial instruments
The Group uses derivative financial instruments to hedge the exposure to changes in interest rates or currencies.

Derivative financial instruments are initially measured at fair value. After initial recognition the financial instruments are measured at fair value on the balance sheet date.

Cash flow or fair value hedge accounting is applied to all hedges that qualify for hedge accounting when the required hedge documentation is in place and when the hedge relation is determined to be effective.

Fair value hedging
When a derivative financial instrument hedges the variability in fair value of a recognised asset or liability, or hedges an unrecognised firm commitment, these financial instruments are qualified as fair value hedges. These financial instruments accounted for as fair value hedges are measured at fair value and presented in the line 'financial derivatives'. The gain or loss arising on hedging instruments is recognised in profit and loss. The hedged item is also measured at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

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

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

Crucial assessments and main sources of estimating uncertainties
Preparing annual financial statement under IFRS rules requires management to make judgements, estimates and assumptions that influence the amounts included in the annual financial statements.
The estimates and related assumptions are based on past experience and on various other factors that are considered reasonable in the given circumstances. The outcomes of these form the basis for the judgement as to the carrying value of assets and liabilities where this is not evident from other sources. The actual outcomes can differ from these estimates. The estimates and underlying assumptions are regularly reviewed.

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

NOTE 2. SEGMENT REPORTING

I. PRIMARY SEGMENT REPORTING: BUSINESS SEGMENTS

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

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

We refer to the activity report for comments on the segment results.

2007	Printed Media	Audiovisual Media	Intersegment elimination	Consolidated total
Sales of the segment	592,653	181,310	-7,139	766,824
Sales to external customers	*590,293*	*176,531*		*766,824*
Sales from transactions with other segments	*2,360*	*4,779*	*-7,139*	*0*
Depreciation, write-down and provisions	-18,545	-5,405		-23,950
Impairment losses	-2,907	-3,411		-6,318
Operating profit (EBIT)	**33,294**	**16,269**		**49,563**
Net finance costs	-13,041	-492		-13,533
Income taxes	-10,783	-9,190		-19,973
Share in the profit of the companies accounted for using the equity method	-10			-10

All financial amounts expressed in thousands of euros.

Net profit of the consolidated companies	**9,460**	**6,587**		**16,047**
Attributable to:				
Minority interests	662	-554		108
Equity holders of Roularta Media Group	**8,798**	**7,141**		**15,939**
EBITDA (1)	54,746	25,085		79,831
Net current profit (2)	12,593	10,552		23,145
Current cash flow (3)	31,138	15,957		47,095
Assets	**952,869**	**175,490**	**-119,393**	**1,008,966**
of which carrying amount of investments accounted for using the equity method	418			418
of which investments in intangible assets and property, plant and equipment	33,199	5,210		38,409
Liabilities	**670,063**	**75,594**	**-20,366**	**725,291**

2006	**Printed Media**	**Audiovisual Media**	**Intersegment elimination**	**Consolidated total**
Sales of the segment	437,218	179,285	-7,272	609,231
Sales to external customers	*435,195*	*174,036*		*609,231*
Sales from transactions with other segments	*2,023*	*5,249*	*-7,272*	*0*
Depreciation, write-down and provisions	-12,053	-6,993		-19,046
Impairment losses	-2,331			-2,331
Operating profit (EBIT)	**38,643**	**12,446**		**51,089**
Net finance costs	-1,482	-511		-1,993
Income taxes	-18,836	-4,809		-23,645
Share in the profit of the companies accounted for using the equity method	-12			-12
Net profit of the consolidated companies	**18,313**	**7,126**		**25,439**
Attributable to:				
Minority interests	888	-235		653
Equity holders of Roularta Media Group	**17,425**	**7,361**		**24,786**
EBITDA (1)	53,027	19,440		72,466
Net current profit (2)	22,491	8,516		31,007
Current cash flow (3)	34,544	15,510		50,053
Assets	**921,209**	**179,854**	**-115,529**	**985,534**
of which carrying amount of investments accounted for using the equity method	78			78
of which investments in intangible assets and property, plant and equipment	42,722	7,513		50,235
Liabilities	**642,330**	**76,746**	**-31,244**	**687,832**

(1) EBITDA = EBIT + depreciation, write-down and provisions.
(2) Net current profit = net profit of the consolidated companies attributable to the equity holders of Roularta Media Group + impairment losses + restructuring costs net of taxes.
(3) Current cash flow = net current profit + depreciation of (in)tangible assets, write-down and provisions.

II. SECONDARY SEGMENT REPORTING: GEOGRAPHICAL SEGMENTS

The secondary segment information is divided into three geographic markets in which RMG is active: Belgium, France, and other countries (Germany, Netherlands, Great Britain, Portugal, Slovenia, Sweden and Norway). The following schedules of sales and assets are divided up according to the geographic location of the subsidiary.

2007	**Belgium**	**France**	**Other countries**	**Intersegment elimination**	**Consolidated total**
Sales of the segment	522,287	258,833	23,490	-37,786	766,824
Assets	759,243	536,041	18,101	-304,419	1,008,966
of which investments in intangible assets and property, plant and equipment	35,068	3,000	341		38,409
2006					
Sales of the segment	480,987	118,892	22,424	-13,072	609,231
Assets	748,656	537,355	17,293	-317,770	985,534
of which investments in intangible assets and property, plant and equipment	44,357	5,757	121		50,235

All financial amounts expressed in thousands of euros.

NOTE 3. SALES

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

	2007	2006
Advertising	443,640	366,347
Subscriptions and sales	179,275	118,536
Other services and goods	143,909	124,348
Total sales	**766,824**	**609,231**

Bartering contracts included in sales amount to € 37,843 (2006: € 32,156). Royalties included in sales amount to € 2,845 (2006: € 3,160).
Total sales rose by € 157,593 or 25.9%. The Printed Media division increased its sales by 35.6%, the Audiovisual Media division by 1.1%. 24% of the sales growth (€ 147,188) is from new acquisitions (primarily Groupe Express-Roularta) and additional acquisitions, and € 10,405 from the growth of existing products, giving organic growth of 1.7%.
Other services and goods consist primarily of income from organising fairs and seminars, the sale of books and magazine by-products, income from interactive communication and services for third parties.

NOTE 4. SERVICES AND OTHER GOODS

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

	2007	2006
Transport and distribution costs	-51,335	-31,418
Marketing and promotion costs	-67,375	-51,533
Commission fees	-20,033	-12,231
Fees	-58,064	-48,333
Subcontractors and other deliveries	-60,873	-39,206
Remuneration members of the board of directors	-2,254	-2,213
Temporary workers	-5,387	-5,971
Travel and reception costs	-8,421	-5,519
Insurances	-1,308	-1,465
Other services and other goods	-14,171	-11,784
Total services and other goods	**-289,221**	**-209,673**

Services and other goods have risen by € 79,548 or 37.9% compared with last year. This increase relates mainly to the acquisition of Groupe Express-Roularta (+ € 74,616), 4FM Group (+ € 1,812) and a number of smaller acquisitions (+ € 1,304).

NOTE 5. PERSONNEL

	2007	2006
Wages and salaries	-135,507	-105,172
Social security contributions	-51,893	-35,788
Share based payments	-1,054	-84
Post employment benefit charges	-2,742	-2,662
Other personnel charges	-4,988	-4,791
Total personnel charges	**-196,184**	**-148,497**

Post employment benefit charges in 2007 consist mainly of expenses recognised related to the defined contribution plans of € 2,604 (2006: € 2,618).

Employment in Full Time Equivalents	2007	2006
Average number of staff	3,148	2,524
Total employment at the end of the period	3,134	3,101

NOTE 6. WRITE-DOWN OF TRADE DEBTORS AND INVENTORIES

	2007	2006
Write-down of trade debtors	-3,471	-1,939
Reversal of write-down of trade debtors	3,028	1,923
Write-down of inventories	-297	-228
Reversal of write-down of inventories	1,170	1,555
Total write-down of trade debtors and inventories	**430**	**1,311**

All financial amounts expressed in thousands of euros.

The amount of write-downs and reversals of write-downs of trade debtors has risen with the increase in the number of Group companies (mainly Groupe Express-Roularta). The net increase in write-downs of trade debtors comes mainly from Studio Magazine and Studio Press.
The reversal of the write-down of inventories is due mainly to the consumption of the inventory on which the write-down (€ 598) had been taken and better inventory management (€ 336).

NOTE 7. OTHER OPERATING INCOME / EXPENSES

	2007	2006
Profit resulting from cooperation contracts		1,185
Transfer liability games of chance (previously posted as provision)		1,240
Government grants	2,660	1,179
Gains on disposal of intangible assets and property, plant and equipment	199	240
Capital grants	257	204
Exchange differences	12	103
Miscellaneous financial income and cash discounts	226	605
Miscellaneous cross-charges	1,465	1,772
Dividends	64	
Other operating income	4,181	4,532
Total other operating income	**9,064**	**11,060**
Other taxes	-4,040	-3,376
Losses on disposal of intangible assets and property, plant and equipment	-118	-12
Losses on trade receivables	-1,378	-692
Losses on other receivables	-300	
(Reversal of) less values / (less values) on other non current receivables	-48	-43
(Reversal of) less values / (less values) on other current receivables	-438	-3
Share association	-3,094	-2,888
Exchange differences, discounts and bank charges	-1,252	-1,033
Other operating expenses	-1,744	-1,846
Total other operating expenses	**-12,412**	**-9,893**

Other operating income has reduced compared with last year mainly because all income from cooperation contracts is now classified as sales and viewed as belonging to the Group's core activities, and because last year's other operating income included an extraordinary amount of € 1,240 (debt on games of chance).
Other operating expenses have risen mainly as a result of the new acquisitions, which have produced an increase of € 1,814.

NOTE 8. RESTRUCTURING COSTS

	2007	2006
Redundancy costs	-1,332	-5,555
Consultancy		-297
Total restructuring costs	**-1,332**	**-5,852**

Restructuring costs relate to redundancy costs of Groupe Expess-Roularta in the framework of the restructuring plan started in 2006.

NOTE 9. NET FINANCE COSTS

	2007	2006
- Interest income	1,302	2,459
- Profits on hedging instruments that are not part of a hedge accounting relationship	924	1,346
Financial income	**2,226**	**3,805**
- Interest expense	-12,933	-5,798
- Losses on hedging instruments that are not part of a hedge accounting relationship	-2,826	
Financial costs	**-15,759**	**-5,798**
Total net finance costs	**-13,533**	**-1,993**

Interest income has fallen owing to the fact that assets were invested on a short term basis in the course of 2006 prior to the acquisition of Groupe Express-Roularta.
Interest expenses have risen; mainly because of additional borrowing to finance the new participations acquired at the end of 2006, the new printing press and the purchase of treasury shares for the new option plan.
A description of the hedging instruments can be found in Note 30.

All financial amounts expressed in thousands of euros.

NOTE 10. INCOME TAXES

I. INCOME TAX EXPENSE / INCOME - CURRENT AND DEFERRED

	2007	2006
A. Income tax expense / income - current		
Current period tax expense	-18,945	-13,922
Adjustments to current tax expense / income of prior periods	-69	-174
Total current tax expense	**-19,014**	**-14,096**
B. Income tax expense / income - deferred		
Related to the origination and reversal of temporary differences	3,775	-5,521
Related to changes in tax rates	56	
Related to the reversal of depreciation (+) or depreciation (-) of deferred tax assets	-4,790	-4,028
Total deferred tax expense	**-959**	**-9,549**
Total current and deferred tax expense	**-19,973**	**-23,645**

II. RECONCILIATION OF STATUTORY TAX TO EFFECTIVE TAX

	2007	2006
Profit before taxes	36,030	49,096
Statutory tax rate	33.99%	33.99%
Tax expense using statutory rate	**-12,247**	**-16,688**
Adjustments to current tax of prior periods (+/-)	-69	-174
Tax effect of non tax deductible expenses (-)	-6,750	-3,502
Tax effect of non taxable revenues (+)	3,026	1,162
Tax credit resulting from investment and notional interest deduction	1,220	1,130
Tax effect of not recognising deferred taxes on losses of the current period (-)	-4,166	-2,352
Tax effect from the reversal (utilisation) of deferred tax assets from previous years	-1,271	-3,184
Tax effect of recognising deferred taxes on tax losses of previous periods	-92	31
Impact of different tax rates of subsidiaries in other jurisdictions	289	193
Other increase / decrease in tax charge (+/-)	87	-261
Tax expense using effective rate	**-19,973**	**-23,645**
Profit before taxes	36,030	49,096
Effective tax rate	55.43%	48.16%
Total effective tax expense	**-19,973**	**-23,645**

III. TAX RELATING TO ITEMS THAT ARE CHARGED OR CREDITED TO EQUITY

Deferred taxes relating to items that are charged or credited to equity

	2007	2006
Costs of issuance and equity increase	-70	278
Cash flow hedge gains / losses	-1,228	-321
	-1,298	**-43**

NOTE 11. EARNINGS PER SHARE

	2007	2006
I. MOVEMENTS IN NUMBER OF SHARES (ordinary shares)		
Number of shares, beginning balance	11,005,485	9,956,961
Number of shares issued during the period	31,565	1,048,524
Number of shares, ending balance	**11,037,050**	**11,005,485**
- of which issued and fully paid	11,037,050	11,005,485
II. OTHER INFORMATION		
Number of shares owned by the company or related parties	417,149	224,156
Shares reserved for issue under options	415,037	80,614
III. EARNINGS PER SHARE CALCULATION		
1. Number of shares		
1.1. Weighted average number of shares, basic	10,699,646	10,667,825
1.2. Adjustments to computed weighted average number of shares, diluted	125,466	129,836
subscription right plans	*58,195*	*77,981*
stock option plans	*67,271*	*51,855*
1.3. Weighted average number of shares, diluted	10,825,112	10,797,661

All financial amounts expressed in thousands of euros.

2. Calculation

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

$$\frac{\text{Net profit available to common shareholders}}{\text{Weighted average number of shares, basic}} = \frac{15{,}939}{10{,}699{,}646} = 1.49$$

$$\frac{\text{Net profit available to common shareholders}}{\text{Weighted average number of shares, diluted}} = \frac{15{,}939}{10{,}825{,}112} = 1.47$$

NOTE 12. DIVIDENDS

	2007	2006
Amount of dividends proposed or declared after the balance sheet date but before authorisation of the financial statements (1)	7,971	8,093
Gross dividend per share in €	0.75	0.75
(1)		
Number of shares entitled to dividend on 31/12	11,037,050	11,005,485
Number of own shares on 31/12	-417,149	-224,156
New shares due to capital increase	7,864	9,340
	10,627,765	**10,790,669**

NOTE 13. INTANGIBLE ASSETS

2007	Development costs	Titles	Software	Concessions, property rights and similar rights	Total
AT COST					
Balance at the end of the preceding period	**131**	**413,311**	**23,317**	**17,439**	**454,198**
Movements during the period:					
- Acquisitions		5,455	5,462	1,372	12,289
- Acquisitions through business combinations		4,043	185	6,939	11,167
- Sales and disposals (-)		-560	-813		-1,373
- Transfers from one heading to another			228		228
- Foreign currency exchange increase / decrease		32			32
At the end of the period	**131**	**422,281**	**28,379**	**25,750**	**476,541**
DEPRECIATION AND IMPAIRMENT LOSSES					
Balance at the end of the preceding period	**4**	**3,554**	**15,400**	**6,823**	**25,781**
Movements during the period:					
- Depreciation	44		3,451	2,793	6,288
- New consolidations			7	747	754
- Impairment loss / reversal recognised in income		1,065			1,065
- Written down after sales and disposals (-)		-560	-488		-1,048
- Transfers from one heading to another			3		3
At the end of the period	**48**	**4,059**	**18,373**	**10,363**	**32,843**
Net carrying amount at the end of the period	**83**	**418,222**	**10,006**	**15,387**	**443,698**

Development costs, software and concessions, property rights and similar rights are depreciated based on their useful life, which is determined based on the expected use of the asset by the Group (also see valuation rules). Titles have an indefinite useful life because they are not subjected to economical devaluation and are therefore not depreciated but subjected annually to an impairment test. In accordance with IAS 36 on 'Impairment of assets', the carrying amount of titles has been compared to their net sales value. The net sales value is the market value, which has been derived by ways of an empirical method. This method is based on transaction multiples, obtained from comparable transactions in the media sector and data taken from experience and applied to the sales and return criteria.
Management does not recalculate the net sales value of each cash flow-generating unit when the following conditions are met:
- the previously calculated net sales value was well above the recorded value;
- there is no indication that the present net sales value is lower than the present carrying amount.

The net carrying amount of titles at 31 December 2007 consists mainly of titles of the group Groupe Express-Roularta (L'Express, L'Expansion, Lire, L'Entreprise, Mieux Vivre Votre Argent, L'Etudiant, Atmosphères...), including the titles of the Côté Maison Group (Côté Sud, Côté Est, Côté Ouest, Maison Française, Maison Magazine) for a total amount of € 327,230, of Point de Vue for a total amount of € 32,400, of the Biblo Group (newsletters, medical magazines, Top, Tendances, ...) for a total amount of € 15,275, of A Nous for a total amount of € 7,899, of Studio Magazine (Studio Magazine and Ciné Live) for a total amount of € 5,500, of Datanews and Texbel for a total amount of € 4,943 of the Studio Press Group (Pianiste, Guitar Part, Hifi/Vidéo, Prestige, ...) for a total amount of € 4,153, of Press News (Royals, Dynasty, ...) for the total amount of € 2,665, of Het Wekelijks Nieuws (€ 2,450), of 't Fonteintje-De Wegwijzer (€ 2,244), of Zeeuws-Vlaams-Mediabedrijf for a total amount of € 2,083, of Grieg Media (VI over 60) for a total amount of € 1,999, of Tam-Tam (€ 1,887), of De Tandartsenkrant and De Apothekerskrant for a total amount of € 1,711, of Go (€ 1,145) and of DMB-BALM (Actua Vidéo, Vidéo Futur, ...) (€ 1,010).

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/L'Express, Weekend Le Vif/L'Express, Sport/Voetbalmagazine, Sport/Foot Magazine, Trends, Cash, Bizz, Nest, Télépro, Grande, Plus Magazine, De Streekkrant, De Zondag, Steps City Magazine, Style, Krant van West-Vlaanderen, De Weekbode, De Zeewacht, Kortrijks Handelsblad, Bouwen (D/F), ... Other internally generated trade marks are Media Club, Vlan.be, Focus Televisie, WTV, Kanaal Z/Canal Z, JIMtv, VTM, 2BE, Q-Music, ...

The net carrying amount of internally generated software is € 3,310. We refer to Note 31 for more information on the acquired titles.

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

NOTE 14. GOODWILL

	2007	2006
AT COST		
Balance at the end of the preceding period	**56,422**	**25,298**
Movements during the period:		
- Acquisitions through business combinations	12,103	31,124
At the end of the period	**68,525**	**56,422**
IMPAIRMENT LOSSES		
Balance at the end of the preceding period	**0**	**0**
Movements during the period:		
- Impairment loss / reversal recognised in income	3,497	
At the end of the period	**3,497**	**0**
Net carrying amount at the end of the period	**65,028**	**56,422**

The increase in goodwill relates to the acquisition of 4FM Group, Actuapedia and a revision of Studio-A. Other goodwill relates to the business combinations with Groupe Express-Roularta, VMMa, Paratel and Biblo.

Goodwill is subjected annually to an impairment test, or more frequent if indications exist that goodwill is impaired. The net sales value of the cash-generating units has been derived by ways of an empirical method. This method is based on transaction multiples, obtained from comparable transactions in the media sector and data taken from experience and applied to the sales and return criteria.
Management does not recalculate the net sales value of each cash flow-generating unit when the following conditions are met:
- the previously calculated net sales value was well above the recorded value;
- there is no indication that the present net sales value is lower than the present carrying amount.

Based on this method an impairment was recognised related to Vogue Trading Video NV.

All financial amounts expressed in thousands of euros.

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

2007	Land and buildings	Plant, machinery & equip-ment	Furniture and vehicles	Leasing and other similar rights	Other property, plant & equipment	Assets under con-struction	Total
AT COST							
Balance at the end of the preceding period	**92,711**	**75,241**	**24,829**	**46,941**	**7,227**	**5,632**	**252,581**
Movements during the period							
- Acquisitions	2,038	5,434	2,489	24	492	15,641	26,118
- Acquisitions through business combinations	316	743	187	1,284	3		2,533
- Sales and disposals (-)	-164	-1,537	-1,950		-803		-4,454
- Transfers from one heading to another	-193		-298	518	43	-349	-279
- Foreign currency exchange increase / decrease			10				10
- Other increase / decrease		272				-986	-714
At the end of the period	**94,708**	**80,153**	**25,267**	**48,767**	**6,962**	**19,938**	**275,795**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at the end of the preceding period	**15,878**	**49,748**	**19,224**	**6,098**	**3,213**	**0**	**94,161**
Movements during the period							
- Depreciation	3,595	7,893	2,096	2,302	1,640		17,526
- New consolidations	50	451	143	470			1,114
- Written down after sales and disposals (-)	-134	-1,531	-1,798		-764		-4,227
- Transfers from one heading to another	42		-76		-21		-55
- Foreign currency exchange increase / decrease	1		8				9
- Other increase / decrease		273					273
At the end of the period	**19,432**	**56,834**	**19,597**	**8,870**	**4,068**	**0**	**108,801**
Net carrying amount at the end of the period	**75,276**	**23,319**	**5,670**	**39,897**	**2,894**	**19,938**	**166,994**

Assets pledged as security	
Land and buildings pledged as security for liabilities (mortgage included)	37,667
Leased property, plant and equipment of which the finance lease liabilities are secured by the lessor's title to the leased assets	39,897

The heading 'leasing and other similar rights' comprises machines with a carrying amount of € 37,048 (Roularta Printing), machines of NV Vogue Trading Video with a carrying amount of € 1,920, machines with a carrying amount of € 70 (Regionale Media Maatschappij), radio masts of 4FM Group with a carrying amount of € 812 and office equipment of Studio-A with a carrying amount of € 47. The heading 'assets under construction' relates to buildings and machinery under construction of Roularta Printing (€ 18,387) and RMG (€ 1,551).

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

All financial amounts expressed in thousands of euros.

Assets pledged as security	
Land and buildings pledged as security for liabilities (mortgage included)	27,140
Leased property, plant and equipment of which the finance lease liabilities are secured by the lessor's title to the leased assets	40,843

NOTE 16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

I. PARTICIPATING INTEREST	**2007**	**2006**
At the end of the preceding period	**78**	**30**
Movements during the period		
- Acquisitions	350	56
Movements in capital and reserves of the associated company		
- Share in the result for the financial period	-10	-12
- Other changes		4
At the end of the period	**418**	**78**

A list of the investments accounted for using the equity method, including the name, country of incorporation and proportion of ownership interest is given in Note 37 of the consolidated financial statements.

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

Summarised financial information	**2007**	**2006**
Total assets	1,696	1,483
Total liabilities	1,277	1,405
Sales	2,709	1,028
Net result	-10	-12

NOTE 17. LOANS, GUARANTEES, AVAILABLE-FOR-SALE INVESTMENTS AND SHORT-TERM INVESTMENTS

	NON CURRENT		**CURRENT**	
I. AVAILABLE-FOR-SALE INVESTMENTS	**2007**	**2006**	**2007**	**2006**
AT COST				
At the end of the preceding period	**2,556**	**2,504**	**0**	**0**
Movements during the period				
- Acquisitions	189	57		
- Acquisitions through business combinations		3		
- Disposals (-)		-5		
- Transfers from one heading to another	-439	-3		
At the end of the period	**2,306**	**2,556**	**0**	**0**
FAIR VALUE ADJUSTMENTS				
At the end of the preceding period	**-605**	**-514**	**0**	**0**
Movements during the period				
- Reversal due to impairment loss recognised in the period	605			
- Decrease from fair value adjustments		-91		
At the end of the period	**0**	**-605**	**0**	**0**
IMPAIRMENT LOSSES (-)				
At the end of the preceding period	**0**	**0**	**0**	**0**
Movements during the period				
- Impairment loss recognised in income	-1,757			
- Transfers from one heading to another	382			
At the end of the period	**-1,375**	**0**	**0**	**0**
Net carrying amount at the end of the period	**931**	**1,951**	**0**	**0**

All investments are considered as available-for-sale and are carried at fair value. Fair value adjustments are recognised in equity in the revaluation reserves. With the liquidation of NV Cyber Press Publishing on 7 June 2007, an impairment loss was recognised in the income statement in the full acquisition value of these shares (€ 1,757). Given the impossibility of reliably estimating the fair value of the other investments, financial assets for which there is no active market are valued at cost. This applies mainly to NV Roularta Media Group's investments in NV Omroepgebouw Flagey (€ 522), CPP-INCOFIN (€ 124), NV Eurocasino (€ 47) and in NV Travel-media (€ 31) and that of SA Senior Publications in Cyberlibris (€ 158). The Group does not expect to dispose of these shares in the short term.

All financial amounts expressed in thousands of euros.

II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	NON CURRENT		CURRENT	
SHORT-TERM INVESTMENTS	**2007**	**2006**	**2007**	**2006**
AT COST				
At the end of the preceding period	**0**	**0**	**2,998**	**3,964**
Movements during the period				
- Additions				1,000
- Reimbursements			-1,000	-1,966
At the end of the period	**0**	**0**	**1,998**	**2,998**
FAIR VALUE ADJUSTMENTS				
At the end of the preceding period	**0**	**0**	**144**	**97**
Movements during the period				
- Increase from fair value adjustments			87	82
- Decrease from reimbursements				-35
At the end of the period	**0**	**0**	**231**	**144**
Net carrying amount at the end of the period	**0**	**0**	**2,229**	**3,142**

The short-term investments are considered as financial assets at fair value through profit and loss. In 2007, € 87 was recognised through profit and loss related to the fair value adjustment of these short-term investments.

III. LOANS AND GUARANTEES	NON CURRENT		CURRENT	
Loans and guarantees	**2007**	**2006**	**2007**	**2006**
AT AMORTISED COST				
At the end of the preceding period	**4,994**	**6,345**	**0**	**0**
Movements during the period				
- Additions	742	891		
- Acquisitions through business combinations	90	383		
- Disposals through business combinations (-)		-2,175		
- Reimbursements	-2,955	-450		
Net carrying amount at the end of the period	**2,871**	**4,994**	**0**	**0**
TOTAL	**3,802**	**6,945**	**2,229**	**3,142**

The loans and guarantees include the not-eliminated part of receivables on companies which are proportionally consolidated (€ 1,490) and various guarantees, a.o. rent guarantees (€ 1,381). Interest rates at arm's length are applied on these outstanding loans.

NOTE 18. OTHER NOTES ON ASSETS

I. TRADE AND OTHER RECEIVABLES, NON CURRENT	2007	2006
Other receivables	1,525	2,173
Total trade and other receivables - non current	**1,525**	**2,173**

Other receivables relate first of all to loans granted to third parties with whom business relationships also exist. Market interest is charged here on outstanding loans. The reduction in this amount compared with last year is due to the transfer from due after one year to short term. Other receivables also include a contractual claim under French social security legislation.

At the end of the financial year, doubtful receivables are estimated based on an assessment of all outstanding amounts. Doubtful debtors are written off in the year in which they are identified as such.

The movements during the period of the allowance for bad and doubtful debts (non current) are as follows:	2007	2006
Net carrying amount at the end of the preceding period	**-1,042**	**-1,261**
Amounts written off during the year	-48	-43
Amounts transferred to amounts written off current receivables during the year	412	262
Net carrying amount at the end of the period	**-678**	**-1,042**

All financial amounts expressed in thousands of euros.

II. TRADE AND OTHER RECEIVABLES, CURRENT	2007	2006
Trade receivables, gross	203,439	198,531
Allowance for bad and doubtful debts, current (-)	-6,661	-5,712
Invoices to issue and credit notes to receive (*)	9,357	10,555
Amounts receivable and debit balances supplier	2,825	1,802
Derivatives carried at positive fair value (cash flow hedge)	452	9
Derivatives carried at positive fair value (non hedge contracts)	450	1,720
VAT receivable (*)	9,187	7,912
Other receivables, gross	7,545	4,595
Allowance for other receivables	-791	-341
Total trade and other receivables - current	**225,803**	**219,071**

(*) Not considered as financial assets as defined in IAS 32

The analysis of the age of current trade receivables is as follows:	2007	2006
- Net carrying amount at the end of the period	203,439	198,531
- of which no amounts are written off and:		
not due and due less than 30 days	*132,423*	*129,300*
due 30 - 60 days	*33,961*	*30,887*
due 61 - 90 days	*16,198*	*16,482*
due more than 90 days	*13,350*	*14,317*

Financial assets that have fallen due at reporting date, but on which no write-down has been taken as set out above: past-due amounts have not been written down where collection is still deemed likely.

At the end of the financial year, doubtful receivables are estimated based on an assessment of all outstanding amounts. Doubtful debtors are written off in the year in which they are identified as such.

The movements during the period of the allowance for doubtful debts (trade receivables) is as follows:	2007	2006
Net carrying amount at the end of the preceding period	**-5,712**	**-4,164**
- Business combinations / business divestiture	-178	-1,497
- Transfer from allowance for non current other receivables	-400	
- Amounts written off during the year	-3,471	-1,939
- Reversal of amounts written off during the year	3,028	1,923
- Receivables derecognised as uncollectible and amounts collected in the financial year	72	-35
Net carrying amount at the end of the period	**-6,661**	**-5,712**

In most Group companies, based on the year-end evaluation the provision from the end of the previous year is reversed and a new provision is recorded. Realised losses on receivables (also on receivables provisioned at the end of the previous financial year) are detailed in Note 7.

The movements during the period of the allowance for doubtful debts (other receivables) is as follows:	2007	2006
Net carrying amount at the end of the preceding period	**-341**	**-76**
Amounts written off during the year	-715	-3
Reversal of amounts written off during the year	277	
Transfer from allowance for non current other receivables	-12	-262
Net carrying amount at the end of the period	**-791**	**-341**

III. CASH AND CASH EQUIVALENTS	2007	2006
Bank balances	21,404	32,599
Short-term deposits	6,001	5,812
Cash at hand	83	49
Other cash and cash equivalents	4	4
Total cash and cash equivalents	**27,492**	**38,464**

All financial amounts expressed in thousands of euros.

NOTE 19. DEFERRED TAX ASSETS AND LIABILITIES

I. OVERVIEW DEFERRED TAX ASSETS - LIABILITIES

Recognised deferred tax assets and liabilities are attributable to:

	2007		2006	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Intangible assets	823	116,477	481	112,716
Property, plant and equipment	65	22,765	128	22,169
Loans, guarantees, available-for-sale investments	197	4,857	204	1,291
Inventories		1,578		2,229
Trade and other receivables	3	12	1	12
Short-term investments		41		26
Cash and cash equivalents		16		
Deferred charges and accrued income		358		380
Treasury shares				6
Capital reserves			278	
Retained earnings		1,563		708
Provisions	27	12	29	13
Non current employee benefits	931		900	164
Non current financial liabilities		464	827	
Current financial liabilities			185	
Current employee benefits	16			
Taxes	241	1,864	17	
Other payables	167		167	4,288
Accrued charges and deferred income	398		742	4
Total deferred taxes related to temporary differences	**2,868**	**150,007**	**3,959**	**144,006**
Tax losses	13,165		12,120	
Tax credits	241		21	
Set off tax	-10,663	-10,663	-9,350	-9,350
Net deferred tax assets/liabilities	**5,611**	**139,344**	**6,750**	**134,656**

Deferred tax assets have not been recognised in respect of tax losses for an amount of € 18,882 (2006: € 10,982) and in respect of temporary differences of -€ 369 (2006: € 139) because it is not probable that future taxable profit will be available against which they can be utilised.

Roularta Media Group recognised deferred tax assets amounting to € 4,280 (2006: € 4,609) of affiliates which suffered losses in the current or previous period. Budgets, however, indicate that these affiliates will generate sufficient taxable profit in the near future to utilise the recognised deferred tax assets.

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

	2007		2006	
Year of expiration	Tax losses carried forward	Tax credits	Tax losses carried forward	Tax credits
Beyond 5 years			236	
Without expiration date	13,165	241	11,884	21
Total deferred tax asset	**13,165**	**241**	**12,120**	**21**

NOTE 20. INVENTORIES

	2007	2006
Gross amount		
Broadcasting rights	39,199	44,996
Raw materials	8,048	6,252
Work in progress	1,157	925
Finished goods	920	812
Goods purchased for resale	4,573	5,009
Contracts in progress	1,686	1,672
Total gross amount (A)	**55,583**	**59,666**

All financial amounts expressed in thousands of euros.

Write-downs and other reductions in value (-)		
Broadcasting rights	-37	-4,810
Raw materials	-117	-193
Finished goods	-81	-33
Goods purchased for resale	-1,690	-2,199
Total write-downs (B)	**-1,925**	**-7,235**
Carrying amount		
Broadcasting rights	39,162	40,186
Raw materials	7,931	6,059
Work in progress	1,157	925
Finished goods	839	779
Goods purchased for resale	2,883	2,810
Contracts in progress	1,686	1,672
Total carrying amount at cost (A+B)	**53,658**	**52,431**

NOTE 21. EQUITY

ISSUED CAPITAL

On 5 January 2007 the company capital was increased by € 188 by the creation of 9,340 new shares with the related VVPR strips following an exercise of subscription rights. The board of directors, making use of the authorised capital, subsequently increased capital by € 0.5 by incorporating reserves available for distribution in the same amount, without issuing new shares, to bring the company capital to € 170,439.

On 27 June 2007 the company capital was increased by € 248 by the creation of 22,225 new shares with the related VVPR strips following an exercise of subscription rights. The board of directors, making use of the authorised capital, subsequently increased capital by € 0.08 by incorporating reserves available for distribution in the same amount, without issuing new shares, to bring the company capital to € 170,687.

At 31 December 2007, the issued capital amounts to € 170,687 (2006: € 170,251) and is represented by 11,037,050 (2006: 11,005,485) fully paid ordinary shares. These shares have no par value.

TREASURY SHARES

By using the statutory authorisation to purchase own company shares, renewed at the annual meeting of the 15th of May 2007, the board of directors purchased 220,000 own shares at Euro next Brussels Stock Exchange in 2007. This purchase of treasury shares is related to the option plan of the 6th of November 2006 which was offered to management and executive employees. The shares were purchased at the day's rate for a total amount of € 14,045.

At 31 December 2007 the Group owns 417,149 own shares (2006: 224,156).

CAPITAL RESERVES	**2007**	**2006**
Share premium	304	304
Costs of issuance and equity increase (net after deferred taxes)	-817	-745
Reserves for share-based payments	1,242	188
Total capital reserves	**729**	**-253**

The reserves for share-based payments relate to the share options allocated as described in Note 22.

REVALUATION RESERVES	**2007**	**2006**
Revaluation reserves of available-for-sale investments		-605
Hedging reserves	3,007	623
Total revaluation reserves	**3,007**	**18**

Revaluation reserves of available-for-sale investments		
At the end of the preceding period	**-605**	**-514**
Fair value adjustments		-91
Cumulative result recognised in profit and loss related to impairment losses on available-for-sale investments	605	
At the end of the period	**0**	**-605**
of which participation SA Cyber Press Publishing		*-605*

The revaluation of the investment in SA Cyber Press Publishing in previous years was based on the closing rate of the share on Euronext. An impairment loss was recorded with the liquidation of Cyber Press Publishing in 2007.

All financial amounts expressed in thousands of euros.

Hedging reserves		
At the end of the preceding period	**623**	**0**
Gains / losses on cash flow hedges Taxes related to gains / losses on cash flow hedges recognised in equity	3,612 -1,228	944 -321
At the end of the period	**3,007**	**623**

Changes in the fair value of hedging instruments designated as effective cash flow hedges are calculated and recognised directly in equity on a half-yearly basis.

NOTE 22. SHARE BASED PAYMENTS

Various subscription rights and stock option plans have been issued by NV Roularta Media Group with the intention of allowing management and executive employees to benefit from the growth of the company and the evolution of the Roularta share. All subscription rights and stock option plans are settled in equity instruments, whereby each plan provides that one option or one subscription right entitles its holder to one Roularta share against payment of the exercise price. Options become unconditional when the employment contract or directorship has not ended at the time of the next exercise period. An overview of existing subscription rights and stock option plans follows.

SUBSCRIPTION RIGHTS

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

Year of offering	Subscription rights offered	Subscription rights granted	Subscription rights to be exercised	Exercise price in €	First exercise period	Last exercise period
1998	300,000	300,000	17,375	11.15	15/5 - 15/6/2001	15/4 - 6/5/2008
2001	200,000	114,600	51,120	20.13	1/12 - 30/12/2005	10/9 - 10/10/2014
	500,000	**414,600**	**68,495**			

At 27 June 2007, 22,225 of the subscription rights offered in 1998 were exercised. At 5 January 2007, 9,340 of the subscription rights offered in 2001 were exercised.

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

	2007	2006
	Subscription rights to be exercised	**Subscription rights to be exercised**
Outstanding at the beginning of the year	**102,060**	**163,475**
Forfeited during the year	-2,000	-2,500
Exercised during the year	-31,565	-58,915
Outstanding at the end of the year	**68,495**	**102,060**

STOCK OPTION PLANS

The Appointments and Remuneration Committee decides on the allocation of the option plans as a function of executives' and managers' performance, their contribution to achieving Group objectives and their commitment to the long-term development of Group strategy. Share options are exercisable at a price equal to the average quoted market price of the company's shares in the period of 30 days preceding the date of offering. The vesting period of the share options is stated in the schedule below-mentioned. If the share option remains unexercised during the last exercise period, the share option expires. The share options which are not yet exercisable are forfeited if an member of management or an executive employee leaves the company before the last exercise period, except in case of retirement or decease.

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	98,180	65.00	1/1 - 30/4/2004	1/1 - 22/5/2013
2001	82,125	73,575	19,007	18.20	1/1 - 26/6/2005	1/1 - 25/8/2014
2002	25,000	25,000	0	18.50	15/5 - 15/6/2006	15/5 - 15/6/2006
2002	10,000	10,000	10,000	20.00	1/1 - 31/12/2006	1/1 - 3/10/2012
2002	50,000	33,500	15,050	21.93	1/1 - 30/6/2006	1/7 - 31/12/2015
2003	10,000	10,000	6,000	27.00	1/1 - 31/12/2007	1/1 - 10/10/2013
2003	10,000	10,000	0	26.00	1/1 - 31/12/2007	1/1 - 31/12/2007
2003	12,500	12,500	2,500	26.00	1/1 - 31/12/2007	1/1 - 2/7/2013
2003	2,500	2,500	250	28.62	1/1 - 31/12/2007	1/1 - 31/12/2008
2006	300,000	267,050	264,050	53.53	1/1 - 31/12/2010	1/1 - 31/12/2016
	627,625	**563,430**	**415,037**			

All financial amounts expressed in thousands of euros.

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

	2007		2006	
	Number of share options	Weighted average exercise price in €	Number of share options	Weighted average exercise price in €
Outstanding at the beginning of the year	**180,086**	**45.67**	**211,751**	**42.04**
Granted during the year	267,050	53.53		
Forfeited during the year	-5,092	51.48	-2,959	36.42
Exercised during the year	-27,007	23.38	-28,706	19.81
Outstanding at the end of the year	**415,037**	**52.11**	**180,086**	**45.67**
Exercisable at the end of the year	77,476		67,358	

The weighted average share price at the date of exercise for share options exercised during the year was € 59.87 (2006: € 52.21). The share options outstanding at the end of the year have a weighted average remaining term of 7 years and 10 months.

The fair value of the in 2007 granted options amounts to 16.15 euro and was calculated at the grant date of the option using the Black-Scholes option pricing model. The expected volatility is based on the historic volatility over a period of 1 year of historic rates. The inputs into the model used to calculate the fair value of the in 2007 granted options were as follows:

Weighted average share price in € on the date of grant	59.10
Weighted average exercise price	53.53
Expected volatility	21%
Expected life of the share option (in years)	5
Risk free rate	4.0%
Expected dividend yield	1.3%

In 2007 the Group recognised € 1,054 (2006: € 84) as personnel cost relating to equity-settled share-based payment transactions. All stock option plans granted as of 7 November 2002 are recognised in profit and loss.

NOTE 23. PROVISIONS

2007 Provisions, non current	Legal proceeding provisions	Environmental provisions	Restructuring provisions	Other provisions	Total
At the end of the preceding period	**1,823**	**129**	**5,937**	**4,400**	**12,289**
Movements during the period					
- Additional provisions	587		854	962	**2,403**
- Increase / decrease to existing provisions				82	**82**
- Transfers from one heading to another	264		-883	619	**0**
- Acquisitions through business combinations				19	**19**
- Amounts of provisions used (-)	-804	-36	-4,618	-562	**-6,020**
- Unused amounts of provisions reversed (-)	-18		-63	-164	**-245**
At the end of the period	**1,852**	**93**	**1,227**	**5,356**	**8,528**

Provisions for pending disputes relate largely to disputes at NV De Streekkrant-De Weekkrantgroep, SA Groupe Express-Roularta and at NV Roularta Media Group (formerly at NV Roularta Books) and some other pending disputes. The environmental provision relates totally to provisions for soil decontamination. The restructuring provisions relate primarily to the current restructurings at Groupe Express-Roularta. The other provisions relate largely to the provision at VMMa for taxes on games of chance, the URSSAF provision at several French subsidiaries and the provision relating to the move of Editions Génération/L'Etudiant.

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

NOTE 24. SIGNIFICANT LITIGATION

NV De Streekkrant-De Weekkrantgroep is involved in a legal dispute with NV Kempenland in which damages of € 7,551 have been demanded for failure to fulfil a printing contract. A provision of € 1,000 has already been set up for these proceedings, of which € 450 has already been paid into a frozen account.
NV Roularta Media Group is involved in proceedings before the trade court with its former business partner Bookmark. A provision of € 578 has been set up in respect of these proceedings. At SA Groupe Express-Roularta a provision of € 493 was set up for pending litigation relating to published articles.

All financial amounts expressed in thousands of euros.

NOTE 25. EMPLOYEE BENEFITS

I. GENERAL OVERVIEW

	2007	2006
Defined benefit plans	4,429	4,261
Redundancy payments	1,013	488
Other long-term employee benefits	2,744	2,833
Future tariff benefits on subscriptions	*1,784*	*1,531*
Employee retirement premiums	*352*	*319*
Jubilee premiums	*275*	*644*
Profit sharing and bonuses	*333*	*339*
At the end of the period	**8,186**	**7,582**

II. DEFINED BENEFIT PLANS

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

	2007	2006
A. Amounts recognised in the balance sheet		
1.Net funded defined benefit plan obligation (asset)	566	908
1.1. Present value of funded or partially funded obligation	2,153	2,487
1.2. Fair value of plan assets (-)	-1,587	-1,579
2. Present value of wholly unfunded obligation	3,917	3,441
3. Unrecognised actuarial gains / losses	-66	-94
4. Other components	12	6
Defined benefit plan obligation, total	**4,429**	**4,261**
B. Net expense recognised in income statement		
1. Current service cost	404	554
2. Interest cost	232	383
3. Expected return on plan assets (-)	-36	-75
4. Net actuarial (gain) loss recognised	-320	-1,321
Net expense recognised in income statement	**280**	**-459**
C. Movements in the present value of the defined benefit plan obligation		
Present value of the defined benefit plan obligation, beginning balance	**5,928**	**1,584**
1. Current service cost	404	554
2. Interest cost	232	383
3. Net actuarial (gain) loss recognised	-464	-783
4. Contribution by the plan's participants	42	42
5. Increases through business combinations		4,163
6. Foreign currency exchange increase (decrease)	19	-15
7. Benefits paid (-)	-111	
8. Other increase (decrease)	20	
Present value of the defined benefit plan obligation, ending balance	**6,070**	**5,928**
D. Movements in the fair value of plan assets		
Fair value of plan assets, beginning balance	**1,579**	**748**
1. Expected return on plan assets	59	75
2. Actuarial gains (losses)	-147	653
3. Contributions by employer	150	118
4. Contribution by the plan's participants	42	
5. Foreign currency exchange increase (decrease)	15	-11
6. Benefits paid (-)	-111	-4
Fair value of plan assets, ending balance	**1,587**	**1,579**
Actual return on plan assets	**79**	
E. Principal actuarial assumptions		
1. Discount rate	5.0%	4.5%
2. Expected return on plan assets	5.0%	5.0%
3. Expected rate of salary increase	2.0%	3.0%
4. Future defined benefit increase	2.5%	2.5%

All financial amounts expressed in thousands of euros.

	2007	2006	2005	2004
Present value of defined benefit obligation	6,070	5,928	1,583	483
Fair value of plan assets	1,587	1,579	748	240
Deficit / (surplus)	**4,483**	**4,349**	**835**	**243**
Experience adjustments on plan liabilities	-464	-783		
Experience adjustments on plan assets	-147	-653		

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

The major categories of plan assets, and the percentage that each major category constitutes of the fair value of the total plan assets, is as follows:

	2007
Fixed income securities	82%
Equity instruments	8%
Property	5%
Liquid	5%

The Group expects to make a contribution of € 190 to the defined benefit plans in 2008.

III. DEFINED CONTRIBUTION PLANS
There exist several defined contribution plans within the Group. Except for the guaranteed contributions paid to the insurance company, the Group has no liabilities. When an employee has rendered service to an entity during a period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service. The expenses recognised related to the defined contribution plans amount to € 2,604 (2006: € 2,618).

IV. STOCK OPTIONS AND SUBSCRIPTION RIGHTS
We refer to Note 22.

NOTE 26. FINANCIAL LIABILITIES AND PAYABLES

2007	CURRENT	NON CURRENT			
	Up to 1 year	2 years	3 to 5 years	over 5 years	Total
Financial liabilities					
Debentures				50,517	**50,517**
- *recognition at transaction exchange rate*				*61,389*	***61,389***
- *revaluation at the balance sheet closing date*				*-10,872*	***-10,872***
Derivatives				6,768	**6,768**
Finance leases	3,480	6,887	8,179	12,976	**31,522**
Credit institutions	55,239	18,084	77,073	34,866	**185,262**
Other loans	701	24	2,150	522	**3,397**
Total financial liabilities according to their maturity	**59,420**	**24,995**	**87,402**	**105,649**	**277,466**
Trade and other payables					
Trade payables	153,398	1,553			**154,951**
Advances received	54,488				**54,488**
Current employee benefits	38,910				**38,910**
- *of which payables to employees*	*22,965*				***22,965***
- *of which payables to Public Administrations*	*15,945*				***15,945***
Taxes	1,782				**1,782**
Other payables	21,658			145	**21,803**
Accrued charges and deferred income	6,840				**6,840**
Total amount of payables according to their maturity	**277,076**	**1,553**	**0**	**145**	**278,774**

All financial amounts expressed in thousands of euros.

2006	CURRENT	NON CURRENT			
	Up to 1 year	2 years	3 to 5 years	over 5 years	Total
Financial liabilities					
Debentures				56,463	**56,463**
- *Recognition at transaction exchange rate*				*61,321*	***61,321***
- *Revaluation at the balance sheet closing date*				*-4,858*	***-4,858***
Derivatives				3,923	**3,923**
Finance leases	2,591	8,446	9,386	12,487	**32,910**
Credit institutions	132,162 (1)	3,345	24,065	7,056	**166,628**
Other loans	711	139	1,899	348	**3,097**
Total financial liabilities according to their maturity	**135,464**	**11,930**	**35,350**	**80,277**	**263,021**
Trade and other payables					
Trade payables	146,188	2,097			**148,285**
Advances received	52,755				**52,755**
Current employee benefits	38,115				**38,115**
- *of which payables to employees*	*24,809*				***24,809***
- *of which payables to Public Administrations*	*13,306*				***13,306***
Taxes	1,545				**1,545**
Other payables	20,541	174	9	44	**20,768**
Accrued charges and deferred income	8,585				**8,585**
Total amount of payables according to their maturity	**267,729**	**2,271**	**9**	**44**	**270,053**

(1) Including € 117,000 of short-term debt, following the financing of the acquisition of Groupe Express-Roularta. This was converted in 2007 into long-term credits.

For borrowings entered into, no provisions with regard to principal, interest, sinking fund or redemption requirements exist that have not been fulfilled, nor have there been any other violations of the provisions of the loan agreements.

The guaranteed debts included in the financial liabilities can be summarised as follows:

Finance leases	31,522
Credit institutions	10,812
These are guaranteed by:	
Mortgages registered on the Group's land and buildings	25,312
Pledges	6,225

For further information on the Group's exposure to interest and exchange rate risks, see Note 30. Financial intruments - market and other risks.

NOTE 27. OTHER NOTES ON LIABILITIES

CURRENT TRADE PAYABLES	2007	2006
Trade payables	92,002	81,731
Bills of exchange payable	6,809	10,104
Invoices to be received / credit notes to issue (*)	54,290	54,092
Credit balances trade receivables	297	261
Total current trade payables	**153,398**	**146,188**

The increase in current trade payables compared with the previous period is located mainly at RMG and Roularta Printing, as a result of the ongoing investments.

CURRENT OTHER PAYABLES	2007	2006
Indirect tax payable (*)	17,822	16,509
Derivatives with negative fair value (non hedging contracts)	1,325	493
Other payables	2,511	3,539
Total current other payables	**21,658**	**20,541**

Indirect taxes relate primarily to VAT, advance income tax and provincial and municipal taxes. The increase in other payables is due to the fact that at the end of 2006 this heading contained the non-eliminated part of the debt to SA Ideat Editions for the purchase of Atmosphères in an amount of € 1,797.

ACCRUED CHARGES AND DEFERRED INCOME	2007	2006
Accrued interest	2,396	1,899
Accrued charges and deferred income (*)	3,867	6,300
Carrying amount of government grants recognised (*)	577	386
Total accrued charges and deferred income	**6,840**	**8,585**

The decrease is connected on the one hand with the fall in deferred income at RMG and the fact that deferred income in 2006 at VMMa contained a one-off intervention.

(*) No financial liability as defined in IAS 32

All financial amounts expressed in thousands of euros.

NOTE 28. FINANCE AND OPERATING LEASES

I. FINANCE LEASES

	Present value of minimum lease payments		Minimum lease payments	
	2007	**2006**	**2007**	**2006**
< 1 year	3,480	2,591	4,923	3,967
1 to 5 years	15,066	17,832	18,367	21,809
> 5 years	12,976	12,487	14,180	13,650
	31,522	**32,910**	**37,470**	**39,426**
Minimum lease payments, interests			-5,948	-6,516
Present value of minimum lease payments	**31,522**	**32,910**	**31,522**	**32,910**
Included in the financial debt as:				
Current finance lease			3,480	2,591
Non current finance lease			28,042	30,319
			31,522	**32,910**

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

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

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

At 4FM a financial lease for broadcasting masts was concluded on 1 May 2004. Except if the Flemish government's licence of 4FM to operate as a private radio station is not extended after 6 September 2010, this agreement runs for 10 years, and is thereafter tacitly renewed for further five-year periods. The period of notice is 12 months. In the event of the (partial) suspension, by withdrawal or change, of any permit, authorisation, permission or recognition, the obligation to pay the agreed amount continues, with the exception of the variable part of the costs connected with energy consumption or other costs not incurred by the lessor during the suspension in fulfilling its obligations under the lease agreement.

	2007	**2006**
Interest recognised as an expense in the period related to finance lease	1,389	615

The interest portion of the financial lease is charged to income over the term of the lease. The increase compared with last year is due first to the financial lease agreements at NV Roularta Printing covering printing presses and at NV Vogue Trading Video for the DVD production lines, which were concluded in 2006, but for which full year's interest costs were recorded only in 2007, and secondly to the interest cost of the financial lease for broadcasting masts at the 4FM group.

II. OPERATING LEASES

	2007	**2006**
Lease payments recognised as an expense in the period	5,349	4,457

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. The increase compared to last year is entirely related to the acquisition of Groupe Express-Roularta.

Non-cancellable future minimum operating lease payments	2007	2006
< 1 year	3,879	3,463
1 to 5 years	5,617	5,577
> 5 years	39	48
	9,535	**9,088**

NOTE 29. CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The Group provides securities for obligations totalling € 9,396, of which € 1,150 relate to joint ventures. Pledges totalling € 6,225 were given on business assets, € 2,250 of which related to joint ventures.
In the case of Vlaamse Media Maatschappij NV there is uncertainty concerning the tax debt, the uncertainty relates to the regulations and no assessment has been received to date. A provision of € 3,122 (RMG share) has been entered. The uncertainty cannot be quantified with any greater accuracy.

All financial amounts expressed in thousands of euros.

Roularta Printing's contractual obligations to buy paper from third parties amount to € 3,023. VMMa's contractual obligations amount to € 40,575 and consist of contracted broadcasting rights (€ 38,172), equipment rental (€ 2,307) and purchases of third party services (€ 96).
The contractual obligations to acquire property, plant and equipment amount to € 20,552 and consist mainly of obligations relating to the ongoing investments in the printing presses (€ 6,810 for the building and € 13,742 for machines).

NOTE 30. FINANCIAL INSTRUMENTS - MARKET AND OTHER RISKS

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

A. CURRENCY RISK

Operating activities
The currency risks identified by management relate to the (expected) purchases in USD in the Audiovisual Media segment and to activities outside the eurozone. Other than that the Group does not run any significant currency risks with respect to its operating activities.
With regard to the (expected) purchases in USD in the Audiovisual Media segment, the Group uses foreign exchange contracts to hedge the risk of changes in the fair value of a recognised asset or liability, or a non-recognised definite undertaking in the context of its commercial activities. The forward contracts are viewed as fair value hedges as defined in IAS 39. These are valued at market value (€ 393 in 2007 and € 231 in 2006) and booked in the heading 'financial derivatives' under non current liabilities.
The operating currency risks to the Group from activities outside the eurozone, that is Norway and Sweden, are very limited. The net cash flow from and to these entities, and their timing, is such that no significant currency positions have arisen from them.

Financing activities
The only financing activity with a potential currency risk is the US Private Placement in USD undertaken in 2006 by the Group with a nominal value of $ 75,000 and maturing in 2014, interest on which is payable half-yearly.
To hedge the currency risk on both the principal and the (future) interest payments on this USD-denominated loan, the Group has taken out a foreign exchange future contract (cross-currency swap) maturing on the same date as the loan repayment and the associated interest payment. Given that the financial instrument hedges the entire currency risk, hedge reporting is applied.
Upon initial recognition, this loan was converted into euros at the transaction rate. At balance sheet date it was valued at the balance sheet exchange rate. The difference between the amount of the loan at the original exchange rate and at the balance sheet exchange rate is recognised in the income statement. The related foreign exchange future contract is also converted at market value. Differences with the original market value or the value ascribed at the most recent revision date are also recognised in the income statement. The translation differences on this USD loan recognised in the income statement during the financial year amount to € 6,014 (2006: € 4,858). The change in the value of the foreign exchange future contract which is also recognised in the income statement is - € 6,014 (2006: - € 4,858).

Estimated sensitivity to currency risk:
Management is of the opinion that, given the above-mentioned hedging of the currency risks, the risk of fluctuations in the fair value or future cash flows of a financial instrument as a result of exchange rate differences is not material.

B. INTEREST RATE RISK

The maturity dates of the financial debts and liabilities are given in Note 26.
The debenture and loans of credit institutions have fixed or variable interest rates.
The table below summarises the effective interest rates at balance sheet date of these interest-bearing loans at 31 December 2007:

Fixed interest rate	Carrying amount	Effective interest rate
Debenture	50,517	4.75%
Credit institutions	418	from 3% to 4%
Credit institutions	50,739	from 4% to 5%
Credit institutions	461	from 5% to 6%
Credit institutions	2,491	from 6% to 7%

Variable interest rate, converted into fixed interest rate through hedging contracts	Carrying amount	Effective interest rate
Credit institutions	71,000	from 4% to 5%

Variable interest rate, converted into limited interests rate through hedging contracts	Carrying amount	Effective interest rate 2007
Credit institutions	20,000	from 4% to 5%

Variable interest rate	Carrying amount	Effective interest rate 2007
Credit institutions	1,950	from 4% to 5%

As well as these loans, the Group had at 31 December 2007 other short-term straight loans, financings and overdrafts with credit institutions totalling € 38,203. These carry variable market interest rates.

Loans towards joint ventures have a fixed interest rate which is revisable after three or five years.

In order to hedge the risks of unfavourable interest rate fluctuations the Group used financial instruments (IRS contracts and Cap-Floor contracts).

All financial amounts expressed in thousands of euros.

As of 31 December 2007:
The financial instruments which meet the requirements defined in IAS 39 and are therefore regarded as cash flow hedging contracts can be summarised as follows:

Debenture: to hedge the interest rate risk on this loan in USD, the Group has concluded an interest rate swap, in addition to the cross-currency swap covering the exchange risk which is detailed under the currency risk. This contract had the effect of reducing the effective fixed interest rate on this loan to 4.75%. The cash flows from this contract match those of the interest and principal payments on this debenture.
This interest rate swap is considered as a cash flow hedge. The fair value of this contract amounts to € 4,104 as of 31 December 2007. In 2007 a profit before taxes of € 3,169 was recognised directly in equity.

Credit institutions: the following contracts have been concluded in order to limit the variable interest risk on various contracts:

a) a Cap rate contract to hedge the variable interest risk on a credit with an outstanding nominal amount of € 20,000, maturing on 27/12/2011, with interest payable quarterly, to a maximum interest rate of 5.00%. The cash flows on this contract match those of the interest payments on this loan.

   In accordance with the hedge accounting rules of IAS 39, the portion of the profit on the derivative financial instrument that can be regarded as an effective hedge was recognised directly in equity (hedging reserves). On this cash flow hedge a net pre-tax profit of € 119 (€ 78 after tax) was recognised directly to equity in 2007. This is also the amount of the fair value of the derivative at 31 December 2007.

b) An IRS contract with a variable interest rate on a credit with an outstanding nominal amount of € 50,000, of which € 7,500 maturing within one year (in three-monthly tranches) and the balance in three-monthly tranches of € 2,125 starting in January 2009, with interest payable quarterly, hedging the interest rate and reducing it to 4.86%. The cash flows on this contract match those of the interest payments on this loan.

   In accordance with the hedge accounting rules of IAS 39, the portion of the profit on the derivative financial instrument that can be regarded as an effective hedge was recognised directly in equity (hedging reserves). On this cash flow hedge a net pre-tax profit of € 107 (€ 71 after tax) was recognised directly to equity in 2007. This is also the amount of the fair value of the derivative at 31 December 2007.

c) An IRS contract with a variable interest rate on a credit with an outstanding nominal amount of € 15,000, of which € 2,216 maturing within one year (in three-monthly tranches) and the balance in three-monthly tranches of € 639 starting in March 2009, with interest payable quarterly, hedging the interest rate and reducing it to 4.60%. The cash flows on this contract match those of the interest payments on this loan.

   In accordance with the hedge accounting rules of IAS 39, the portion of the profit on the derivative financial instrument that can be regarded as an effective hedge was recognised directly in equity (hedging reserves). On this cash flow hedge a net pre-tax profit of € 144 (€ 95 after tax) was recognised directly to equity in 2007. This is also the amount of the fair value of the derivative at 31 December 2007.

d) An IRS contract with a variable interest rate on a credit with an outstanding nominal amount of € 6,000, of which € 1,800 maturing on 30 September 2010 and the balance in three-monthly tranches of € 150 starting in December 2010, with interest payable quarterly, hedging the interest rate until the final maturity date of 30 September 2012 and reducing it to 4.51%. The cash flows on this contract match those of the interest payments on this loan.

   In accordance with the hedge accounting rules of IAS 39, the portion of the profit on the derivative financial instrument that can be regarded as an effective hedge was recognised directly in equity (hedging reserves). On this cash flow hedge a net pre-tax profit of € 82 (€ 54 after tax) was recognised directly to equity in 2007. This is also the amount of the fair value of the derivative at 31 December 2007.

Alongside these are a number of contracts that do not meet the conditions of IAS 39 to be viewed as hedging contracts. These contracts have the following influence on the result for the financial year:

a) an IRS contract with a nominal amount of € 61,820 starting on 26 April 2006 and running until 26 April 2014 was terminated on 26 October 2007. This resulted in a loss amounting to € 1,501, recognised in financial results.

b) to replace this contract under a), a new IRS contract was concluded, starting on 26 October 2007 and ending on 26 April 2014. The change in market value (fair value) of this contract at 31 December 2007 (€ 372) was recognised in financial results.

   It should be noted that this contract was terminated before maturity on 22 January 2008, giving rise to a positive cash flow of € 1,750.

c) an IRS contract with a nominal amount of € 50,000 starting on 15 October 2006 and running until 15 October 2014 was terminated on 3 April 2007. This resulted in a profit of € 493, recognised in financial results.

d) to replace the contract under c) a new IRS contract was concluded with a nominal amount of € 50,000 beginning 16 April 2007 and ending on 15 October 2007. The negative change in market value on 31 December 2007 (€ 1,286) was charged to the income statement.

   It should be noted that this contract was terminated before maturity on 22 January 2008, giving rise to a positive cash flow of € 375.

e) a Cap rate contract with a nominal amount of € 6,750 beginning on 29 June 2007 and ending on 29 June 2012 had at 31 December 2007 a positive market value of € 85. The difference with the market value at the end of 2006 is to be found in the 2007 financial results (€ 59 profit).

f) a Floor Spread contract on an original nominal amount of € 6,000 beginning on 30 September 2007 and ending on 30 September 2012 had on 31 December 2007 a negative market value of € 38. The change in the market value was charged to the financial results (€ 38).

As of 31 December 2006:
The financial instruments which meet the requirements defined in IAS 39 and are therefore regarded as cash flow hedging contracts can be summarised as follows:

Debenture: to hedge the interest rate risk on this loan in USD, the Group has concluded an interest rate swap, in addition to the cross-currency swap covering the exchange risk which is detailed under the currency risk. This contract had the effect of reducing the effective fixed interest rate on this loan to 4.75%. The cash flows from this contract match those of the interest and principal payments on this debenture.
This interest rate swap is considered as a cash flow hedge. The fair value of this contract amounted to € 935 as of 31 December 2006, which is the amount of the cumulative outstanding hedging reserves before taxes.

Credit institutions: the Group concluded an IRS contract to hedge the variable interest rate on a credit with an outstanding nominal amount at balance sheet date of € 1,600, maturing within the year, and with interest payable quarterly.

All financial amounts expressed in thousands of euros.

In accordance with the hedge accounting rules of IAS 39, the portion of the profit on the derivative financial instrument that can be regarded as an effective hedge was recognised directly in equity (hedging reserves). On this cash flow hedge a net pre-tax profit of € 9 was recognised directly to equity in 2006. This is also the amount of the fair value of the derivative at 31 December 2006.

The other contracts are not viewed as hedging contracts under the terms of IAS 39.
At 31 December 2006 the total fair value (marked-to-market value) of these non-hedging contracts amounted to € 1,227.

Estimated sensitivity to interest rate fluctuations:
Given the above-mentioned hedge contracts, which limit the interest risk, we have examined to what extent a general rise or fall of 100 basis points applied to all loan periods would influence the interest cost recorded in 2007.
This calculation shows that a general rise of 100 basis points in the interest rate on loans, applied equally to all loan periods, would increase the interest expense for 2007 by € 637, while a general decrease of 100 basis points in the interest rate, applied equally to all loan periods, would decrease the interest expense for 2007 by € 637. These changes in the interest expense would be influenced as follows by the outstanding cash flow hedging contracts: in the event of a general 100 basis points increase in the interest rate on loans, the amount transferred from equity to the income statement would increase by € 518 (positive result), giving in this event a net fall in the pre-tax result of € 119, while a general fall of 100 basis points in the interest rate would result in a decrease of € 433 in the amount transferred from equity to the income statement, so that in this event the pre-tax result would rise by a net € 204.

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 and credit insurances are concluded for foreign clients of the printing works.
There was no significant concentration of credit risks with a single counterparty at 31 December 2007.
The carrying value of the financial assets presents the Group's maximum exposure to credit risk. The carrying value is reported including impairments. An overview of this carrying value can be found under item G below. Impairment charges are detailed in Note 18.

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.

E. LIQUIDITY RISK
An analysis of the maturity dates of the financial liabilities can be found in Note 26.

The Group has various credit lines and expects to meet its obligations through a combination of operating cash flows and the existing credit lines.

F. CAPITAL MANAGEMENT
Roularta Media Group is constantly seeking to improve its balance sheet structure (combination of debt and equity). The main objective of its balance sheet structure is to maximise shareholder value whilst retaining the desired financial flexibility for undertaking strategic projects.

As well as the legally required minimum for equity amounts applicable to our subsidiaries in the various countries, a number of covenants have been imposed in the framework of the existing loans.

In analysing the balance sheet structure we use the IFRS classifications for distinguishing between equity and debt.

G. FAIR VALUE
The fair value and carrying amount of the recognised financial assets and liabilities amount to:

		2007		2006	
	Note	Carrying amount	Fair value	Carrying amount	Fair value
Non current assets					
Loans, guarantees, available-for-sale investments	17	3,802	3,802	6,945	6,945
Trade and other receivables	18	1,525	1,525	2,173	2,173
Current assets					
Trade and other receivables	18	207,259	207,259	200,604	200,604
Short-term investments	17	2,229	2,229	3,142	3,142
Cash and cash equivalents	18	27,492	27,492	38,464	38,464
Non current liabilities					
Financial liabilities	26	-218,046	-213,900	-127,557	-125,713
Trade payables	26	-1,553	-1,553	-2,097	-2,097
Other payables	26	-145	-145	-227	-227
Financial derivatives		-393	-393	-231	-231
Current liabilities					
Financial liabilities	26	-59,420	-62,924	-135,464	-137,510
Trade payables	27	-99,108	-99,108	-92,096	-92,096
Advances received	26	-54,488	-54,488	-52,755	-52,755
Other payables	27	-3,836	-3,836	-4,032	-4,032
Accrued interests	27	-2,396	-2,396	-1,899	-1,899

We mention below the main methods and assumptions used for estimating the fair values of financial instruments which are included in the overview.

Available-for-sale investments
As mentioned in Note 17, the investment in Cyber Press SA has been written off, given that it went in liquidation. Because no reliable estimate can be made of the fair values of the other investments in this heading, financial assets for which no active market exists are valued at cost.

Loans, guarantees, trade and other receivables, trade and other payables
For amounts receivable and payable with original maturities of under one year, the nominal value is deemed to reflect the fair value, given the short maturities. For amounts receivable after one year it has been established that that carrying value reflects the fair value.

All financial amounts expressed in thousands of euros.

Financial liabilities
The fair value of loans and finance leases is calculated based on the present value of the expected future cash flows of redemption and interest payments.

Other liabilities
For short-term liabilities the nominal value is deemed to reflect the fair value, given the short maturities. For trade payables with terms of more than one year it has been established that the carrying value reflects the fair value. For financial derivatives the fair value is established on the basis of the market valuation at balance sheet date.

NOTE 31. CASH FLOW RELATING TO ACQUISITION OF SUBSIDIARIES

The following major acquisitions with effect on the consolidated financial statements took place in 2007:

On 17 January 2007 Roularta announced that it has concluded an agreement with the joint venture partner to acquire the 50% share of Academici Roularta Media for a fixed purchase price of € 750 and a variable portion of up to € 300. This transaction had the effect of increasing the interest in Academici Roularta Media from 50% to 100%.

On 1 March 2007 Roularta announced the cooperation between the weekly magazine L'Express (Roularta) and daily newspaper Le Figaro (Publiprint). Both publications are together launching Réussir, a new weekly jobs magazine. € 1 was invested at the formation date.

On 14 March 2007 Roularta announced that Senior Publications Nederland BV (50% Roularta / 50% Bayard) had acquired a 50% shareholding in Press Partners BV, which publishes the health portal www.gezondheidsnet.nl, for a total purchase price of € 250 (RMG share), consisting of a fixed portion of € 125 and a variable portion of € 125 depending on the future results between 2007 and 2013. The costs of the purchase transaction amounted to € 14. The two shareholders intend to grow the site into the largest health site in the Netherlands, and also to invest in a new site targeted at seniors. Alongside this investment , Roularta took a 25% shareholding (€ 350) in MediaPlus BV, which sells advertising space on www.gezondheidsnet.nl. The total cost consists of a fixed portion of € 216, a variable portion of € 112 (not yet paid) and transaction costs of € 22.

On 15 March 2007 Roularta announced that it was acquiring BVBA Medical Integrated Communication, which publishes De Tandartsenkrant and Le Journal du Dentiste, for a total purchase price of € 800.

On 21 March 2007 Roularta announced the cooperation between BV Senior Publications (50% Roularta Media Group / 50% Bayard) and Sweden's TTG Sverige, a 100% subsidiary of the De Telegraaf Group (NL). After two years of market studies and tests, 'Plus Sverige' was officially launched on 27 March right across Sweden. € 264 was invested at the time of formation.

On 2 May 2007 Roularta announced that De Vlaamse Mediamaatschappij (50% Roularta / 50% De Persgroep), the owner of Q-music, was acquiring private radio 4FM from Talpa, the investment company belonging to John de Mol, for a total purchase price of € 10,172 (Roularta share). In its concern for equal treatment of public and private broadcasters, the Flemish Community has recently made it possible to operate two national radio stations within a single enterprise. With this acquisition, Q-music and 4FM join hands in a single radio company.

Since 1 February 2006 Roularta Media Group and Spir Communication (50/50 joint venture) had been working together to develop a multi-location network of 'A Nous' city magazines in France. As part of this cooperation Spir was planning to take a 50% shareholding in the capital of A Nous Paris at the end of 2007. On 16 October 2007 it was announced that Roularta and Spir Communication had decided in mutual consultation that Spir would withdraw from the A Nous network in France. In this way Roularta's interest in Algo Communication and A Nous Province has again increased from 50% to 100%.

On 3 September 2007 Roularta acquired 50% of Actuapedia NV for a total acquisition price of € 500. Actuapedia publishes searchword sites on the internet.

On 4 September 2007 Roularta announced that it was acquiring, for € 379, BVBA Opportunity To Sell, the publisher of De Apothekerskrant and Le Journal du Pharmacien. As part of the Roularta Medica development strategy, they were combined with De Tandartsenkrant and Le Journal du Dentiste in NV Biblo-Roularta Medica.

On 30 October 2007 it was announced that Roularta had reached agreement on the acquisition of Fnap Media, which publishes the distributed freesheet Effect, the magazine Vous, the monthly local cultural magazine Intro and Woonspeurder. De Streekkrant-De Weekkrant (80% Roularta / 20% Concentra) is taking a 100% shareholding in Fnap Media for a total purchase price of € 3,465.

In 2006 Roularta Media Group acquired Groupe Express-Roularta, 't Fonteintje-De Wegwijzer, Liefde Voor het Leven and Studio-A.

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

	2007								2006
ASSETS	**4FM Groep**	**Fnap Media**	**Medical Integrated Comm**	**Academici Roularta Media**	**Actuapedia**	**Opportunity To Sell**	**Other**	**Total**	**Total**
Non current assets	**1,192**	**6,219**	**1,164**	**920**	**190**	**590**	**840**	**11,115**	**336,605**
Intangible assets	19	6,178	1,123	1,145	177	590	1,181	10,413	319,440
Property, plant and equipment	1,098	36	41	274	13		45	1,507	7,549
Loans, guarantees, available-for-sale investments	75	5		-499			-386	-805	450
Trade and other receivables								0	672
Deferred tax assets								0	8,494

All financial amounts expressed in thousands of euros.

Current Assets	**905**	**1,164**	**282**	**420**	**284**	**17**	**939**	**4,011**	**63,511**
Inventories								0	7,150
Trade and other receivables	557	1,156	147	393	24	14	807	3,098	50,925
Short-term investments								0	12
Cash and cash equivalents	322	8	134	27	260	3	124	878	2,246
Deferred charges and accrued income	26		1				8	35	3,178
Total assets	**2,097**	**7,383**	**1,446**	**1,340**	**474**	**607**	**1,779**	**15,126**	**400,116**

LIABILITIES									
Non current liabilities	**2,332**	**2,098**	**404**	**443**	**0**	**169**	**592**	**6,038**	**143,930**
Provisions	5		1				14	20	7,100
Employee benefits								0	4,701
Deferred tax liabilities		2,098	381	442		169	578	3,668	98,407
Financial liabilities	790		22	1				813	33,722
Other liabilities	1,537							1,537	
Current liabilities	**1,207**	**1,820**	**242**	**147**	**260**	**59**	**895**	**4,630**	**99,874**
Financial liabilities	119	379	6		125		4	633	9,575
Trade payables	676	1,242	103	123	130	7	372	2,653	41,913
Advances received			32	1				33	26,792
Employee benefits	100	80		20	4	28	119	351	13,706
Taxes			18			3	9	30	6,827
Other payables	302	119	83	3		20	379	906	965
Accrued charges and deferred income	10				1	1	12	24	96
Total liabilities	**3,539**	**3,918**	**646**	**590**	**260**	**228**	**1,487**	**10,668**	**243,804**
Total net assets acquired	-1,442	3,465	800	750	214	379	292	4,458	156,312
Goodwill	11,614				286		202	12,102	31,124
Consideration paid in cash and cash equivalents	**10,172**	**3,465**	**800**	**750**	**500**	**379**	**494**	**16,560**	**187,436**
Loan take-over								0	30,000
Deposits and cash and cash equivalents acquired	-322	-8	-134	-27	-260	-3	-124	-878	-2,246
Net cash outflow	**9,850**	**3,457**	**666**	**723**	**240**	**376**	**370**	**15,682**	**215,190**

These takeovers gave rise to goodwill in the form of the acquired customer portfolios and customer relationships. These assets cannot be reliably valued, as it is not possible to sell, rent out or exchange them separately from the acquired entity. They are therefore recognised separately as goodwill. The takeover prices also factor in the future income from expected synergies and increased sales.

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

	Net result of the period
4FM Groep	-903
Fnap Media	-302
Medical Integrated Communication	87
Academici Roularta Media	160
Actuapedia	-192
Other	-305
	-1,455

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

	Sales of the period
4FM Groep	1,854
Fnap Media	475
Medical Integrated Communication	503
Academici Roularta Media	334
Actuapedia	21
Other	567
	3,754

Had these business combinations been effected at 1 January 2007, the sales of these business combinations would be € 10,151 and the net loss € 3,146.

All financial amounts expressed in thousands of euros.

NOTE 32. CASH FLOW RELATING TO DISPOSAL OF SUBSIDIARIES

In the course of the year Liefde voor het Leven was disposed of. In 2006 the Group divested 50% of the shares of A Nous Province and of Algo Communication and its 40% shareholding in Publiregiões.

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

ASSETS	**2007**	**2006**
Non current assets	**0**	**31**
Intangible assets		8
Property, plant and equipment		15
Loans, guarantees and available-for-sale investments		8
Current assets	**61**	**935**
Receivables within one year	5	717
Cash and cash equivalents	56	218
Total assets	**61**	**966**

LIABILITIES		
Current liabilities	**55**	**684**
Financial liabilities		21
Trade payables		445
Employee benefits		40
Taxes	20	58
Other payables	35	2
Accrued charges and deferred income		118
Total liabilities	**55**	**684**
Total disposed net assets	6	282
Gain (loss) on disposal	-6	3
Cash consideration received	0	286
Deposits and cash and cash equivalents disposed of	-56	-218
Net cash inflow (outflow)	**-56**	**68**

NOTE 33. INTEREST IN JOINT VENTURES

A list of joint ventures, including the name, country of incorporation, proportion of ownership interest is given in Note 37 of the consolidated financial statements. The major joint ventures of the Group are VMMa NV (broadcasting station and radio) and the senior magazines.

The share of all joint ventures in assets, liabilities, sales and net profit of the Group are as follows:

	2007	**2006**
Non current assets	72,855	58,954
Current assets	99,913	108,027
Non current liabilities	17,177	16,656
Current liabilities	50,779	51,162
Share in the Group's sales	200,765	186,812
Share in the Group's net profit	17,702	12,545

NOTE 34. EVENTS AFTER THE BALANCE SHEET DATE

The following main events took place after the balance sheet date, which have a considerable impact on the company's results and financial position:
- With the exercise of 7,864 warrants the capital of Roularta Media Group NV was increased, by notarial deed of 7 January 2008, by € 158, and by an additional € 0.7 through incorporation of available reserve, bringing it to € 170,846 represented by 11,044,914 shares, including 2,634,037 VVPR shares;
- In February 2008 De Streekkrant-De Weekkrant NV acquired 100% of the shares of Drukkerij De Cuyper BVBA for a total purchase price of € 800. Drukkerij De Cuyper BVBA publishes freesheets Het Gouden Blad Waregem and Het Gouden Blad Deinze. The acquisition fits into RMG's Freepress 2008 project, which is seeking to give additional attention to local advertisers with new initiatives.

All financial amounts expressed in thousands of euros.

The fair value of the acquired assets and liabilities of Drukkerij De Cuyper BVBA on the date of acquisition is as follows:

ASSETS	**1/3/2008**
Non current assets	**1,103**
Intangible assets	1,098
Property, plant and equipment	4
Loans, guarantees and available-for-sale investments	1
Current assets	**356**
Trade and other receivables	272
Cash and cash equivalents	84
Total assets	**1,459**

LIABILITIES	
Non current liabilities	**440**
Provisions	52
Deferred tax liabilities	388
Current liabilities	**219**
Trade payables	145
Employee benefits	45
Taxes	7
Other payables	20
Accrued charges and deferred income	2
Total liabilities	**659**
Total net assets acquired	800
Consideration paid in cash	800
Deposits and cash and cash equivalents acquired	-84
Net cash outflow	**716**

NOTE 35. FEES TO THE AUDITOR AND TO PERSONS RELATED TO THE AUDITOR

The audit fees amount to € 380. The fees of the auditor related to special services amount to € 7.

NOTE 36. RELATED PARTY TRANSACTIONS

2007	**Joint ventures**	**Associated companies**	**Other related parties**	**Total**
I. ASSETS WITH RELATED PARTIES	**9,757**	**1,432**	**297**	**11,486**
Loans, guarantees, available-for-sale investments	**1,490**	**0**	**0**	**1,490**
Loans	1,490			**1,490**
Non current receivables	**323**	**0**	**0**	**323**
Trade receivables	323			**323**
Current receivables	**7,944**	**1,432**	**297**	**9,673**
Trade receivables	7,494	1,432	297	**9,223**
Other receivables	450			**450**
II. LIABILITIES WITH RELATED PARTIES	**4,579**	**115**	**304**	**4,998**
Financial liabilities	**269**	**0**	**0**	**269**
Other loans	250			**250**
Other payables	19			**19**
Payables	**4,310**	**115**	**304**	**4,729**
Trade payables	3,727	115	297	**4,139**
Other payables	583		7	**590**

All financial amounts expressed in thousands of euros.

III. TRANSACTIONS WITH RELATED PARTIES				
Sale of goods	1,744		46	**1,790**
Purchases of goods (-)	-18		-168	**-186**
Rendering of services	18,985	4,318	817	**24,120**
Receiving of services (-)	-5,778	-1,443	-2,197	**-9,418**
Transfers under finance arrangements	80			**80**
IV. KEY MANAGEMENT PERSONNEL REMUNERATIONS (INCLUDING DIRECTORS)				
				3,534
- of which short-term employee benefits				2,672
- of which post-employment benefits				255
- of which redundancy remuneration				382
- of which share based payment expenses				225

2006	Joint ventures	Associated companies	Other related parties	Total
I. ASSETS WITH RELATED PARTIES	**10,782**	**462**	**207**	**11,451**
Loans, guarantees, available-for-sale investments	**3,739**	**0**	**0**	**3,739**
Loans	3,739		0	**3,739**
Receivables	**7,043**	**462**	**207**	**7,712**
Trade receivables	7,043	462	207	**7,712**
II. LIABILITIES WITH RELATED PARTIES	**5,804**	**3**	**322**	**6,129**
Financial debts	**269**	**0**	**0**	**269**
Other loans	250			**250**
Other payables	19			**19**
Payables	**5,535**	**3**	**322**	**5,860**
Trade payables	3,420	3	322	**3,745**
Other payables	2,115			**2,115**
III. TRANSACTIONS WITH RELATED PARTIES				
Sale of goods	1,585		40	**1,625**
Purchases of goods (-)	-23		-135	**-158**
Rendering of services	17,178	656	352	**18,186**
Receiving of services (-)	-4,832	-123	-1,884	**-6,839**
Transfers under finance arrangements	182			**182**
IV. KEY MANAGEMENT PERSONNEL REMUNERATIONS (INCLUDING DIRECTORS)				
				2,961
- of which short-term employee benefits				2,401
- of which post-employment benefits				253
- of which redundancy remuneration				297
- of which share based payment expenses				10

The Group has no assets, liabilities nor transactions with her parent Stichting Administratiekantoor RMG, nor with her certificate holders NV Koinon and NV Cennini.
Assets, liabilities and transactions with subsidiaries are fully eliminated in consolidation.
Assets, liabilities and transactions with joint ventures are proportionally eliminated. The not-eliminated part is included in this heading.
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 37.
All other related parties are entities which are controlled by the key management of the Group or members of their close family, or entities in which these persons have a significant influence. Key management personnel remunerations were separately mentioned.
There exist no guarantees related to the assets or liabilities towards the related parties, nor are write-downs registered.
All receivables and payables concern short-term receivables and payables which are settled at expiry date. All transactions concern normal commercial operations.

Sales of the Group to these related parties are charged at normal tariffs. Purchases follow the usual procedure concerning selection of the supplier and applied prices.
There are no unsettled receivables nor payables with the key management.

All financial amounts expressed in thousands of euros.

NOTE 37. GROUP COMPANIES

The ultimate parent of the Group is Roularta Media Group NV, Roeselare, Belgium. As of 31 December 2007, 80 subsidiaries, joint ventures and associated companies are consolidated.

Name of the company	Location	Effective interest %
1. Fully consolidated companies		
ROULARTA MEDIA GROUP NV	Roeselare, Belgium	100.00%
@-INVEST NV	Roeselare, Belgium	100.00%
A NOUS PARIS SAS	Paris, Saint-Ouen, France	100.00%
A NOUS PROVINCE SAS	Roubaix, France	100.00%
ACADEMICI ROULARTA MEDIA NV	Roeselare, Belgium	100.00%
ALGO COMMUNICATION SARL	Roubaix, France	100.00%
ANIMOTION SARL	Paris, France	100.00%
BELGIAN BUSINESS TELEVISION NV	Brussels, Belgium	100.00%
BELGIFRANCE COMMUNICATION SARL	Paris, France	100.00%
BIBLO-ROULARTA MEDICA NV	Kalmthout, Belgium	100.00%
CAVENNE SAS ÉDITEURS	Paris, France	100.00%
CD SERVICES SARL	Paris, France	100.00%
CÔTÉ MAISON SA	Paris, France	100.00%
DMB-BALM SAS	Paris, Saint-Ouen, France	100.00%
ÉDITIONS GÉNÉRATION L'ÉTUDIANT SA	Paris, France	100.00%
EYE-D NV	Roeselare, Belgium	100.00%
GROUPE EXPRESS ÉDITIONS SNC	Paris, France	100.00%
GROUPE EXPRESS-ROULARTA SA	Paris, France	100.00%
GROUPE MIEUX VIVRE SA	Paris, France	100.00%
JOB RENCONTRES SA	Paris, France	100.00%
LE VIF MAGAZINE SA	Brussels, Belgium	100.00%
POINT DE VUE SARL	Paris, France	100.00%
PRÉLUDE ET FUGUE SARL	Paris, France	100.00%
PRESS NEWS NV	Roeselare, Belgium	100.00%
REGIE DE WEEKKRANT NV	Roeselare, Belgium	100.00%
ROULARTA IT-SOLUTIONS NV	Roeselare, Belgium	100.00%
ROULARTA MANAGEMENT NV	Roeselare, Belgium	100.00%
ROULARTA MEDIA FRANCE SA	Paris, France	100.00%
ROULARTA MEDIA NEDERLAND BV	Breda, the Netherlands	100.00%
ROULARTA PUBLISHING NV	Brussels, Belgium	100.00%
SOLRÉMI SARL	Paris, France	100.00%
SPORTMAGAZINE NV	Roeselare, Belgium	100.00%
STUDIO MAGAZINE SA	Paris, France	100.00%
STUDIO PRESS SAS	Paris, Saint-Ouen, France	100.00%
WEST-VLAAMSE MEDIA GROEP NV	Roeselare, Belgium	100.00%
MESTNE REVIJE D.O.O.	Ljubljana, Slovenia	92.00%
DE STREEKKRANT-DE WEEKKRANTGROEP NV	Roeselare, Belgium	80.00%
DRUKKERIJ LEYSEN NV	Mechelen, Belgium	80.00%
FNAP MEDIA NV	Roeselare, Belgium	80.00%
'T FONTEINTJE - DE WEGWIJZER NV	Roeselare, Belgium	80.00%
TAM-TAM NV	Knokke, Belgium	80.00%
ROULARTA PRINTING NV	Roeselare, Belgium	77.41%
VOGUE TRADING VIDEO NV	Kuurne, Belgium	74.67%
FOLLOW THE GUIDE NV	Roeselare, Belgium	65.00%
MEDIA OFFICE NV	Brussels, Belgium	65.00%
ZEEUWS VLAAMS MEDIABEDRIJF BV	Terneuzen, the Netherlands	40.80%
2. Proportionally consolidated companies		
4FM GROEP NV	Vilvoorde, Belgium	50.00%
ACTUAMEDIA NV	Mechelen, Belgium	50.00%
ACTUAPEDIA NV	Mechelen, Belgium	50.00%
ALPHADISTRI SAS	Paris, France	50.00%
BELGOMEDIA SA	Verviers, Belgium	50.00%
CAP PUBLISHING NV	Roeselare, Belgium	50.00%
DE WOONKIJKER NV	Antwerp, Belgium	50.00%
DICOS D'OR SNC	Paris, France	50.00%
FIRST MEDIA SA	Brussels, Belgium	50.00%
GRIEG MEDIA AS	Bergen, Norway	50.00%
HIMALAYA NV	Zaventem, Belgium	50.00%
IDEAT ÉDITIONS SA	Paris, France	50.00%
PARATEL NV	Vilvoorde, Belgium	50.00%
REGIONALE MEDIA MAATSCHAPPIJ NV	Roeselare, Belgium	50.00%
SENIOR PUBLICATIONS DEUTSCHLAND GMBH & CO KG	Cologne, Germany	50.00%
SENIOR PUBLICATIONS NEDERLAND BV	Baarn, the Netherlands	50.00%
SENIOR PUBLICATIONS SA	Brussels, Belgium	50.00%
SENIOR PUBLICATIONS VERWALTUNGS GMBH	Cologne, Germany	50.00%
STUDIO-A NV	Boortmeerbeek, Belgium	50.00%

VLAAMSE MEDIA MAATSCHAPPIJ NV	Vilvoorde, Belgium	50.00%
VLACOM NV	Vilvoorde, Belgium	50.00%
VOIX DU NORD L'ÉTUDIANT SA	Lille, France	50.00%
ZÉFIR CARRIÈRES SNC	Paris, France	50.00%
ZÉFIR WEB SNC	Paris, France	50.00%
REGIONALE TV MEDIA NV	Zellik, Belgium	33.33%
50+ BEURS & FESTIVAL BV	Arnhem, the Netherlands	25.00%
BAYARD MEDIA GMBH & CO KG	Augsburg, Germany	25.00%
BAYARD MEDIA VERWALTUNGS GMBH	Augsburg, Germany	25.00%
PRESS PARTNERS BV	Baarn, the Netherlands	25.00%
TTG PLUS PUBLISHING AB	Stockholm, Sweden	25.00%
3. Consolidated using the equity method		
PAGINAS LONGAS LDA	Lissabon, Portugal	40.00%
REPROPRESS CVBA	Brussels, Belgium	33.20%
PARTENAIRE DÉVELOPPEMENT SARL	Lyon, France	25.00%
FEBELMA REGIE CVBA	Brussels, Belgium	23.35%
MEDIAPLUS BV	Bussum, the Netherlands	12.50%
4. Companies of minor importance not included in the consolidated financial statements		
EUROCASINO NV	Brussels, Belgium	19.00%
CYBER PRESS PUBLISHING SA	Clichy, France	15.39%
S.T.M. SA	Saint-André, France	15.00%

During 2007 the following changes occurred in the consolidated group:

New participations:
- 25% in Press Partners BV, through Senior Publications Nederland as of 1/1/2007
- 12.5% in MediaPlus BV, through Senior Publications Nederland as of 1/1/2007
- 50% in Alphadistri SAS, through Job Rencontres as of 1/1/2007
- 100% in Medical Integrated Communicaton BVBA through RMG as of 1/3/2007
- 50% in Vlacom NV, through VMMa as of 1/5/2007
- 50% in 4FM Groep NV, through Vlacom as of 1/5/2007
- 50% in Zéfir Carrières SNC, through Groupe Express-Roularta as of 19/4/2007
- 100% in Opportunity To Sell BVBA, through RMG as of 13/7/2007
- 25% in TTG Plus Publishing AB (Sweden) through Senior Publications Nederland BV as of 1/7/2007
- 50% in Actuamedia NV, through RMG as of 28/8/2007 (formation)
- 50% in Actuapedia NV, through RMG as of 28/8/2007
- 80% in Fnap Media NV, through De Streekkrant-De Weekkrantgroep as of 29/10/2007

Increased ownership with change of consolidation method:
- Academici Roularta Media NV from 50% to 100% as of 1/1/2007
- A Nous Province SAS from 50% to 100% as of 15/10/2007
- Algo Communication SARL from 50% to 100% as of 15/10/2007

Increased ownership without change of consolidation method:
- Roularta Printing NV from 75.66% to 77.41% as of 1/1/2007
- Repropress CVBA from 30.74% to 33. 20% as of 1/1/2007

Liquidations and mergers:
- Hippos Vademecum NV: liquidation closed on 31/5/2007
- Studio Press LTD: liquidation closed on 30/9/2007
- Automatch NV: merger with De Streekkrant-De Weekkrantgroep as of 1/1/2007
- Cotexpo SARL: merger with Côté Maison as of 1/1/2007
- Editions Côté Est SA: merger with Côté Maison as of 1/1/2007
- Opportunity To Sell BVBA: merger with Biblo-Roularta Medica as of 1/4/2007
- Medical Integrated Communication BVBA: merger with Biblo-Roularta Medica as of 1/7/2007
- Roularta Books NV: merger with Roularta Media Group as of 1/7/2007

Sold participations:
- Liefde voor het leven BVBA: as of 1/1/2007

Auditor's report

Statutory auditor's report to the shareholders' meeting on the consolidated financial statements for the year ended 31 December 2007

To the shareholders

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

Unqualified audit opinion on the consolidated financial statements
We have audited the accompanying consolidated financial statements of ROULARTA MEDIA GROUP NV ('the company') and its subsidiaries (jointly 'the Group'), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2007, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 1,008,966 (000) EUR and the consolidated income statement shows a consolidated profit (Group share) for the year then ended of 15,939 (000) EUR.

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

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained, together with the reports of other auditors on which we have relied, provides a reasonable basis for our opinion.

In our opinion, and based upon the reports of other auditors, the consolidated financial statements give a true and fair view of the Group's financial position as of 31 December 2007, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

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

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

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

10 April 2008
The statutory auditor

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

Represented by Jos Vlaminckx and Mario Dekeyser