



Foreword

by **Hugo Vandamme**
Chairman of the Board

Roularta Media Group ended 2002 with an operating profit of EUR 27.5 million and a net profit (Group's share) of EUR 3.2 million.

The (traditionally strong) fourth quarter produced a strong net profit of EUR 7.1 million (2001: -3.2 million), reflecting the impact of various cost-savings measures, lower paper prices, and a positive EUR 2.5 million from the reversal of provisions and depreciation.

This attractive annual result was made possible by improved earnings from the 'printed media' division, due in part to cost control and also to Roularta Printing's exit as from July 2002 from the combined Mercator Printing Group. Roularta Printing is again providing a positive contribution. The 'TV and Radio' division also made headway, despite the market situation.

Advertising income (print and TV) was almost identical to 2001, with a slight decline in advertising in the free regional press and the magazines (primarily job advertising) offset by a small rise in TV advertising income.

Global turnover fell by 3.3%, mainly from the changed situation of our printing works. Third party turnover by NV Roularta Printing (fully consolidated since the second half of 2002) is lower than that recorded

during the first half in the consolidated results of Mercator Printing Group.

Additional expenses in 2002 include the various extraordinary charges associated with demerging the 'printing concentration'. In the 'TV and Radio' division the launch costs of the new national (Flemish) radio broadcaster Q-Music have been charged in full and the national (Dutch/French) business TV station Kanaal Z/ Canal Z is now fully owned by the group. Following a successful operation which provided a large number of annual contracts, Kanaal Z/Canal Z now has a good advertising income base for 2003.

In 2002 a structural solution was found for regional television.

The group has a low debt position, with a gearing of around 25% after funding the French acquisitions made at the beginning of 2003.

The Board of Directors will be proposing to the General Meeting that it declare a dividend of EUR 0.40 per share. ■