Annual report of the board of directors

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

Dear shareholders,

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

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

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

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

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

Balance sheet after appropriation (in € '000)

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

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

From the above data, we derive the following ratios:

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

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

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

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

All financial amounts expressed in thousands of euros.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All financial amounts expressed in thousands of euros.

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

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

The dividends consist of:

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

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

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

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

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

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

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

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

Branches
The company does not have any branches.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Roeselare, 16 March 2007

The board of directors

[2] *See above - table of dividends*

Statutory annual accounts

1. STATUTORY BALANCE SHEET AFTER APPROPRIATION

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

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

All financial amounts expressed in thousands of euros.

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

2. STATUTORY INCOME STATEMENT

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

All financial amounts expressed in thousands of euros.

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

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

All financial amounts expressed in thousands of euros.

Summary of the valuation rules

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

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

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

Tangible assets are depreciated at the following rates:

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

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

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

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

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

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

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

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

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

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

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

Social report

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

I. Statement of the persons employed

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

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

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

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

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

IV. Information on vocational training for employed persons during the financial period

Total of training initiatives at the expense of the employer	Male	Female
1. Number of employees	249	366
2. Number of training hours	6,335	10,053
3. Charges to enterprise	296	437

Auditor's report

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

To the shareholders,

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

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

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

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

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

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

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

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

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

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

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

6 April 2007

The statutory auditor

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