



# FINANCIAL INFORMATION

## Unconsolidated annual accounts

- 58** ANNUAL REPORT OF THE BOARD OF DIRECTORS
- 62** UNCONSOLIDATED ANNUAL ACCOUNTS
  - 62** BALANCE SHEET AFTER APPROPRIATION
  - 64** INCOME STATEMENT
  - 66** VALUATION RULES
  - 68** SOCIAL REPORT
- 71** STATUTORY AUDITOR'S REPORT

# UNCONSOLIDATED ANNUAL ACCOUNTS

## ANNUAL REPORT OF THE BOARD OF DIRECTORS

# ANNUAL REPORT OF THE BOARD OF DIRECTORS

*to the ordinary general meeting of shareholders of 18 May 2004 concerning the unconsolidated annual accounts for the year ending on 31 December 2003*

*Dear shareholders,*

*We are pleased to report to you, pursuant to article 95 of the Companies' Code, on the activities of our company and our management during the past financial year ending on 31 December 2003.*

### COMMENTARY ON THE ANNUAL ACCOUNTS

These comments are based on the balance sheets after the appropriation of profits, and are therefore subject to the approval by the annual general meeting of the proposals for the appropriation of profits.

The annual accounts have been drawn up pursuant to the stipulations of the royal decree of 30 January 2001 in implementation of the Companies' Code, in particular book II title I concerning the annual accounts of enterprises, and in accordance with the particular legal and regulatory provisions that apply to the company.

The main activities of Roularta Media Group NV lie in the field of printed media. RMG NV also has participations in a number of printed media, audiovisual media, printing companies and in companies providing services to group companies.

The annual accounts offer you a general overview of our company's activities and of the results achieved.

The investments in intangible fixed assets during the financial year relate solely to the purchase of software packages and the development of specific administrative and commercial software.

The largest investments in tangible fixed assets consist of major maintenance work to own and leased buildings and items of various office equipment.

The changes in financial fixed assets relate mainly to:

- the new participating interests in Aguesseau Communication SA (now Roularta Media France SA), Algo Communication SARL and Biblo NV.
- the increase in the participating interest in Editop-Roularta Medica NV.
- the sale of the participating interests in Vacature CVBA and A Nous Paris SAS
- capital increases at Belgomedia SA and Publiregioes Lda.
- the granting of loans to a number of subsidiaries.

Trade receivables have fallen substantially following payments at the beginning of 2003 between Roularta Media Group NV, Roularta Printing NV and Mercator Printing Group NV in liquidation.

The short-term investments include 287,598 own shares that the company held on 31 December 2003. Shares earmarked for employee stock option plans have been valued at the option exercise price. The remaining shares have been valued at acquisition cost, given that this is lower than the closing price at the balance sheet date.

Two major capital increases took place during 2003. On 23 June 2003 the company capital was increased by 484,972.32 euros by the creation of 43,475 new shares with the related VVPR strips following an exercise of warrants. The board of directors, making use of the authorised capital, then increased capital by 27.68 euros by incorporating reserves available for distribution in the same amount, in order to bring capital to 112,623,000.00 euros.

Subsequently, on 1 July 2003, capital was increased by the board of directors in an amount of 2,952,019.54 euros within the authorised capital, accompanied by a global issue premi-

<b>BALANCE SHEET AFTER APPROPRIATION</b>				
In thousands of euros				
<b>ASSETS</b>	<b>31/12/03</b>	<b>%</b>	<b>31/12/02</b>	<b>%</b>
Fixed assets	211,108	72.81	176,325	65.78
Current assets	78,839	27.19	91,713	34.22
<b>TOTAL ASSETS</b>	<b>289,947</b>	<b>100</b>	<b>268,038</b>	<b>100</b>
<b>LIABILITIES</b>	<b>31/12/03</b>	<b>%</b>	<b>31/12/02</b>	<b>%</b>
Shareholders' equity	176,541	60.89	157,734	58.85
Provisions and deferred taxes	1,644	0.57	4,886	1.82
Amounts payable > 1 year	18,486	6.37	4,375	1.63
Permanent equity	196,671	67.83	166,995	62.30
Amounts payable < 1 year	92,141	31.78	99,640	37.17
Accrued charges and deferred income	1,135	0.39	1,403	0.53
<b>TOTAL LIABILITIES</b>	<b>289,947</b>	<b>100</b>	<b>268,038</b>	<b>100</b>

From the above data we derive the following ratios:

	<b>31/12/03</b>	<b>31/12/02</b>
1. Liquidity (current assets / short-term payables)	0.86	0.92
2. Solvency (shareholders' equity / total assets)	60.89 %	58.85 %

um of 2,887,898.66 euros, as compensation for the contribution of 14,178 shares of Biblo NV in return for 252,482 newly-issued Roularta Media Group shares. The board of directors subsequently decided to further increase issued capital by 2,887,898.66 euros by incorporation of the above-mentioned issue premium, without issuing new shares. Finally, the board of directors decided to increase issued capital a third time by 81.80 euros by incorporation of reserves available for distribution, without issuing new shares, in order to bring the capital of the company to 118,463,00.00 euros.

The provisions for other liabilities and charges fell sharply with the reversal of the provision set up at the end of 2002 in the context of the liquidation of Mercator Printing Group NV. Offsetting this, a reduction in value was recorded in 2003 in an equal amount on the amount receivable from MPG.

Long-term financial debts have risen steeply because of the take out of loans to finance the acquisition of the Aguesseau and Biblo groups.

Short-term financial debts have fallen with the full repayment of straight loans.

## INCOME STATEMENT

Turnover fell with the absence of paper sales to Roularta Printing NV in an amount of 10 million euros, partially offset by a rise in turnover from advertising, subscription and newsstand sales. The cost item 'raw materials, consumables and goods for resale' decreased by 11.8 million euros, owing mainly to the absence of printing paper purchases for Roularta Printing NV and a further fall in paper prices. The cost of 'services and other goods' increased, primarily as the result of heavier promotion costs. Personnel costs remained more or less stable. The combined effect of the above was to increase operating profit by 6.6 million euros.

Financial income rose, primarily owing to higher dividends from subsidiaries. Financial charges fell with the end of the loan granted to Vlaamse Media Holding NV in the context of this company's merger with Vlaamse Media Maatschappij NV at the end of 2002.

Total net extraordinary charges reduced with 10.9 million euros. The comparative figure for 2002 includes an extraordinary write-down on the participating interest in Mercator Printing Group NV in liquidation.

**UNCONSOLIDATED ANNUAL ACCOUNTS****ANNUAL REPORT OF THE BOARD OF DIRECTORS****APPROPRIATION ACCOUNT**

We propose to you that the net profit be appropriated as follows:

<b>A. PROFIT TO BE APPROPRIATED</b>		<b>€ 17,372,581.11</b>
Consisting of		
- profit for the period available for appropriation	€ 17,369,871.47	
- profit brought forward	€ 2,709.64	
<b>C. TRANSFERS TO CAPITAL AND RESERVES</b>		<b>€ -12,541,300.00</b>
Consisting of		
- transfer to legal reserve	€ -741,300.00	
- transfer to other reserves	€ -11,800,000.00	
<b>D. PROFIT TO BE CARRIED FORWARD</b>		<b>€ -32,587.11</b>
<b>F. DISTRIBUTION OF PROFIT</b>		<b>€ -4,798,694.00</b>
Consisting of		
- dividends	€ -4,798,694.00	

The dividends consist of:

Type of shares	Total gross	Retained withholding tax	Total Net	Number of shares	Net per share
Ordinary shares	€ 4,061,639.50	€ 1,015,409.88	€ 3,046,229.62	8,123,279 (8,410,877 -287,598) <sup>1</sup>	€ 0,375
Ordinary shares with VVPR strip	€ 737,054.50	€ 110,558.18	€ 626,496.32	1,474,109	€ 0,425

<sup>1</sup> See below – the dividend on own shares held in portfolio is allocated to the other shares.

We propose that the dividends be payable from 1 June 2004 upon presentation of coupon no. 6 and, where applicable, VVPR strip no. 6 at the banking counters of ING, Bank Degroof and KBC Bank.

**CONFLICTING INTERESTS RELATING TO A DIRECTOR'S PERSONAL ASSETS**

During the year no director had any conflicting interests relating to his or her personal assets.

**IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR**

In mid-December 2003 Roularta Media Group concluded an agreement with Keesing Publishers NV to acquire its Keesing Business Media business unit effective 1 January 2004. Industrie Magazine (RMG) and Technisch Manage-

ment (Keesing) have since been merged to form Industrie Technisch Management, with both Dutch and French-language editions. This magazine is published together with the other titles acquired from the Keesing Business Media business unit under the common denominator of Roularta Professional Information.

In an effort to simplify the structure of the group, the boards of directors of Roularta Media Group NV, Trends Magazine NV and Vlaamse Tijdschriften Uitgeverij NV have developed a proposal for Trends Magazine NV and Vlaamse Tijdschriften Uitgeverij NV to be merged with Roularta Media Group NV with retroactive effect to 1 January 2004.

### **INFORMATION ABOUT CIRCUMSTANCES THAT COULD SIGNIFICANTLY INFLUENCE THE COMPANY'S DEVELOPMENT**

We do not anticipate any particular circumstances that could significantly influence the future development of our company.

### **RESEARCH AND DEVELOPMENT**

No research and development was carried out during 2003.

### **CAPITAL INCREASE AND ISSUE OF CONVERTIBLE BONDS AND WARRANTS DECIDED BY THE BOARD OF DIRECTORS IN THE COURSE OF THE FINANCIAL YEAR**

The board of directors did not take any decision during the past financial year to issue convertible bonds and/or warrants in the framework of the authorized capital.

On 23 June 2003 the board of directors, making use of the authorized capital, increased capital by 27.68 euros by incorporating reserves available for distribution in the same amount, without issuing new shares, in order to bring capital to 112,623,000.00 euros.

Subsequently, on 1 July 2003, the board of directors increased capital in an amount of 2,952,019.54 euros within the authorized capital, accompanied by a global issue premium of 2,887,898.66 euros, as compensation for the contribution of 14,178 shares of Biblo NV in return for 252,482 newly-issued Roularta Media Group shares. Within the authorised capital, the board of directors decided to further increase the issued capital by 2,887,898.66 euros by incorporation of the above-mentioned issue premium, without issuing new shares. Finally, the board of directors decided to increase issued capital a third time by 81.80 euros by incorporation of reserves available for distribution, without issuing new shares, in order to bring the capital of the company to 118,463,00.00 euros.

### **SUB-BRANCHES**

The company does not have any sub-branches.

### **OWN SHARES**

During 2003 the board of directors acquired a net 44,550 shares in the company, as authorized by the extraordinary general meeting of 15 October 2002. This statutory authorisation was renewed by the extraordinary general meeting of 20 May 2003.

The 287,598 own shares held by the company at 31.12.2003 were acquired at a total cost of 5,990,473.32 euros. These own shares are recorded in assets under 'current assets - investments'.

The dividend entitlement attached to own shares was distributed, undiminished, to the other shares, the entitlements of which are not suspended. The corresponding coupons and VVPR strip (coupon no 6 – VVPR strip no 6) have been destroyed<sup>2</sup>.

### **SHARES OWNED BY A SUBSIDIARY**

The companies' subsidiaries do not possess any shares of Roularta Media Group NV.

### **ADDITIONAL ACTIVITIES OF THE STATUTORY AUDITOR**

During 2003 the statutory auditor or persons having an employment or cooperation relationship with the statutory auditor invoiced total fees of 61,100 euros for additional audit activities and special assignments.

### **OUTLOOK**

For 2004 Roularta Media Group is expecting the advertising market to improve only very slowly. Paper prices look like remaining stable in the beginning of 2004.

The cost-saving measures introduced in earlier years in order to increase general productivity are being continued.

The company will continue in 2004 its existing policy of expanding through acquisitions abroad, and in particular in France.

### **EMPLOYEE MOTIVATION PLAN**

#### **Stock options and warrants**

The company wishes to motivate its management and employees on an ongoing basis and to offer them the opportunity of benefiting from the growth of Roularta Media Group and the evolution of the Roularta share.

The company has therefore developed two warrant plans, one dating from before its market listing, and three stock option plans. One warrant plan and one stock option plan have now reached the exercise period. No new option or warrant plans were introduced by the board of directors in 2003.

By way of application of article 407 of the programme law of 24 December 2002, the company in 2003 extended the exercise periods of the May 2000, June 2001 and December 2002 option plans and the October 2001 warrant plan by three years.

### **APPOINTMENTS**

The terms of office of De Publigraaf NV, with Mr Rik De Nolf as its permanent representative, of Joedheco NV, with Mr Leo Claeys as its permanent representative, and of Mr Iwan Bekaert end at the general meeting of 18 May 2004.

The board of directors proposes to the general meeting that it extend the terms of office of De Publigraaf NV, with Mr Rik De Nolf as its permanent representative, and of Joedheco NV, with Mr Leo Claeys as its permanent representative, for six years and that of Mr Iwan Bekaert for two years.

### **DISCHARGE**

We request the general meeting to approve the annual accounts presented to it and to accept 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.

*Roeselare, 12 March 2004  
The board of directors*

<sup>2</sup> See 'dividends' in the table on page 60

**UNCONSOLIDATED ANNUAL ACCOUNTS****UNCONSOLIDATED BALANCE SHEET**

<b>1. UNCONSOLIDATED BALANCE SHEET AFTER APPROPRIATION</b>		
<b>ASSETS</b> in thousands of euros	<b>2003</b>	<b>2002</b>
<b>FIXED ASSETS</b>	<b>211,108</b>	<b>176,325</b>
<b>II. Intangible assets</b>	<b>5,323</b>	<b>6,175</b>
<b>III. Tangible assets</b>	<b>14,179</b>	<b>16,120</b>
A. Land and buildings	12,272	13,473
B. Plant, machinery and equipment	322	691
C. Furniture and vehicles	1,532	1,884
E. Other tangible assets	53	46
F. Assets under construction and advance payments	0	26
<b>IV. Financial assets</b>	<b>191,606</b>	<b>154,030</b>
A. Affiliated enterprises	188,491	149,916
1. Investments	159,490	128,818
2. Amounts receivable	29,001	21,098
B. Other enterprises linked by participating interests	2,018	3,137
1. Investments	1,114	2,004
2. Amounts receivable	904	1,133
C. Other financial assets	1,097	977
1. Shares	652	652
2. Amounts receivable and cash guarantees	445	325
<b>CURRENT ASSETS</b>	<b>78,839</b>	<b>91,713</b>
<b>V. Amounts receivable after more than one year</b>	<b>1,244</b>	<b>711</b>
B. Other amounts receivable	1,244	711
<b>VII. Amounts receivable within one year</b>	<b>60,552</b>	<b>74,321</b>
A. Trade debtors	57,427	71,801
B. Other amounts receivable	3,125	2,520
<b>VIII. Investments</b>	<b>5,990</b>	<b>4,958</b>
A. Own shares	5,990	4,958
<b>IX. Cash at bank and in hand</b>	<b>9,630</b>	<b>10,631</b>
<b>X. Deferred charges and accrued income</b>	<b>1,423</b>	<b>1,092</b>
<b>TOTAL ASSETS</b>	<b>289,947</b>	<b>268,038</b>

<b>LIABILITIES</b> in thousands of euros	<b>2003</b>	<b>2002</b>
<b>CAPITAL AND RESERVES</b>	<b>176,541</b>	<b>157,734</b>
<b>I. Capital</b>	<b>118,463</b>	<b>112,138</b>
A. Issued capital	118,463	112,138
<b>II. Share premium account</b>	<b>306</b>	<b>308</b>
<b>IV. Reserves</b>	<b>57,660</b>	<b>45,176</b>
A. Legal reserve	11,846	11,105
B. Reserves not available for distribution	5,990	4,958
1. In respect of own shares held	5,990	4,958
C. Untaxed reserves	1,816	1,873
D. Reserves available for distribution	38,008	27,240
<b>V. Profit carried forward</b>	<b>33</b>	<b>3</b>
<b>VI. Investment grants</b>	<b>79</b>	<b>109</b>
<b>PROVISIONS AND DEFERRED TAXATION</b>	<b>1,644</b>	<b>4,886</b>
<b>VII. A. Provisions for liabilities and charges</b>	<b>1,289</b>	<b>4,487</b>
1. Pensions and similar obligations	434	439
4. Other liabilities and charges	855	4,048
B. Deferred taxation	355	399
<b>CREDITORS</b>	<b>111,762</b>	<b>105,418</b>
<b>VIII. Amounts payable after more than one year</b>	<b>18,486</b>	<b>4,375</b>
A. Financial debts	17,894	4,338
4. Credit institutions	16,894	4,338
5. Other loans	1,000	0
D. Other amounts payable	592	37
<b>IX. Amounts payable within one year</b>	<b>92,141</b>	<b>99,640</b>
A. Current portion of amounts payable after more than one year	4,995	1,859
B. Financial debts	0	6,000
1. Credit institutions	0	6,000
C. Trade debts	63,014	71,770
1. Suppliers	62,423	70,724
2. Bills of exchange payable	591	1,046
D. Advances received on contracts in progress	9,902	9,847
E. Taxes, remuneration and social security	5,167	5,104
1. Taxes	954	777
2. Remuneration and social security	4,213	4,327
F. Other amounts payable	9,063	5,060
<b>X. Accrued charges and deferred income</b>	<b>1,135</b>	<b>1,403</b>
<b>TOTAL LIABILITIES</b>	<b>289,947</b>	<b>268,038</b>

**UNCONSOLIDATED ANNUAL ACCOUNTS****UNCONSOLIDATED INCOME STATEMENT**

<b>2. UNCONSOLIDATED INCOME STATEMENT</b>		
<b>UNCONSOLIDATED INCOME STATEMENT</b>	in thousands of euros	
	<b>2003</b>	<b>2002</b>
<b>I. Operating income</b>	<b>253,856</b>	<b>261,201</b>
A. Turnover	243,046	250,867
B. Increase / decrease in stocks of finished goods, work and contracts in progress	0	-206
D. Other operating income	10,810	10,540
<b>II. Operating charges</b>	<b>-237,849</b>	<b>-251,832</b>
A. Raw materials, consumables and goods for resale	163,659	179,626
1. Purchases	163,659	175,499
2. Increase / decrease in stocks	0	4,127
B. Services and other goods	45,798	42,535
C. Remuneration, social security costs and pensions	23,596	24,286
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	3,939	5,055
E. Increase / decrease in amounts written off stocks, contracts in progress and trade debtors	-44	-187
F. Increase / decrease in provisions for liabilities and charges	-55	-402
G. Other operating charges	956	919
<b>III. OPERATING PROFIT</b>	<b>16,007</b>	<b>9,369</b>
<b>IV. Financial income</b>	<b>9,218</b>	<b>4,796</b>
A. Income from financial fixed assets	8,645	4,143
B. Income from current assets	393	367
C. Other financial income	180	286
<b>V. Financial charges</b>	<b>-1,989</b>	<b>-2,452</b>
A. Interests and other debt charges	1,498	1,988
B. Increase / decrease in amounts written off current assets other than those mentioned under II. E	8	-710
C. Other financial charges	483	1,174
<b>VI. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXES</b>	<b>23,236</b>	<b>11,713</b>
<b>VII. Extraordinary income</b>	<b>4,802</b>	<b>8,547</b>
B. Adjustments to amounts written off financial fixed assets	31	2,716
C. Adjustments to provisions for extraordinary liabilities and charges	3,144	1,321
D. Gain on disposal of fixed assets	1,576	4,470
E. Other extraordinary income	51	40
<b>VIII. Extraordinary charges</b>	<b>-6,296</b>	<b>-20,923</b>
A. Extraordinary depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	0	24
B. Amounts written off financial fixed assets	6,096	12,331
C. Provisions for extraordinary liabilities and charges	0	3,143
D. Loss on disposal of fixed assets	169	549
E. Other extraordinary charges	31	4,876
<b>IX. PROFIT FOR THE PERIOD BEFORE TAXES</b>	<b>21,742</b>	
<b>LOSS FOR THE PERIOD BEFORE TAXES</b>		<b>-663</b>



	2003	2002
<b>IX. Bis</b>	<b>46</b>	<b>72</b>
A. Transfer from deferred taxation	46	72
<b>X. Income taxes</b>	<b>-4,475</b>	<b>-2,628</b>
A. Income taxes	-4,475	-2,628
<b>XI. PROFIT FOR THE PERIOD LOSS FOR THE PERIOD</b>	<b>17,313</b>	<b>-3,219</b>
<b>XII. Transfer from untaxed reserves</b>	<b>57</b>	<b>60</b>
A. Transfer from untaxed reserves	57	60
<b>XIII. PROFIT FOR THE PERIOD AVAILABLE FOR APPROPRIATION LOSS FOR THE PERIOD AVAILABLE FOR APPROPRIATION</b>	<b>17,370</b>	<b>-3,159</b>

<b>APPROPRIATION ACCOUNT</b> in thousands of euros	2003	2002
<b>A. Profit to be appropriated</b>	<b>17,373</b>	
<b>Loss to be appropriated</b>		<b>-3,109</b>
1. Profit for the period available for appropriation	17,370	
Loss for the period available for appropriation		-3,159
2. Profit brought forward	3	50
<b>B. Transfers from capital and reserves</b>		<b>6,850</b>
2. From reserves		6,850
<b>C. Transfers to capital and reserves</b>	<b>-12,541</b>	
2. To legal reserve	741	
3. To other reserves	11,800	
<b>D. Result to be carried forward</b>	<b>-33</b>	<b>-3</b>
1. Profit to be carried forward	33	3
<b>F. Distribution of profit</b>	<b>-4,799</b>	<b>-3,738</b>
1. Dividends	4,799	3,738

**UNCONSOLIDATED ANNUAL ACCOUNTS****SUMMARY OF THE VALUATION RULES****3. 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 FIXED ASSETS**

Intangible fixed assets include titles acquired from third parties or contributed to the company. These are amortised over their estimated economic life. Most titles have a life of 10 to 12 years: these are amortised on a straight-line basis at 10% or 8.33% a year. Exceptionally, a title can be amortised at 20% or 25%.

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.

Research and development costs are charged immediately to the income statement. The board of directors may decide to capitalise significant amounts.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets are recorded at acquisition value, less depreciation and reductions in value. Ancillary costs such as bringing into service and transport, and also non-deductible V.A.T., are charged directly to the income statement. Non-deductible V.A.T. on cars is capitalised.

**FINANCIAL FIXED 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

**TANGIBLE FIXED 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.

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. ■

**UNCONSOLIDATED ANNUAL ACCOUNTS****SOCIAL REPORT****4. 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 2003	Part-time 2003	Total (T) or total full-time equivalents (FTE) 2003	Total (T) or total full-time equivalents (FTE) 2002
<b>A. EMPLOYEES RECORDED IN THE PERSONNEL REGISTER</b>				
<b>1. During the financial period and during the preceding financial period</b>				
Average number of employees	422.6	127.9	509.6 (ETP)	548.9 (ETP)
Number of actual working hours	657,554	138,147	795,701 (T)	838,681 (T)
Personnel charges (in thousands of euros)	19,821	3,775	23,596 (T)	24,286 (T)
Amount of the benefits in addition to wages (in thousands of euros)			76 (T)	73 (T)
				<b>Total of full-time equivalents</b>
<b>2. As at closing date of the financial period</b>				
a. Number of employees recorded in the personnel register		413	127	501.0
b. By nature of the employment contract				
Contract of unlimited duration		411	127	499.0
Contract of limited duration		2	-	2.0
c. By sex				
Male		172	13	181.0
Female		241	114	320.0
d. By professional category				
Employees		386	115	465.8
Workers		27	12	35.2
<b>B. TEMPORARY PERSONNEL AND PERSONS PLACED AT THE DISPOSAL OF THE ENTERPRISE</b>				
				<b>Temporary personnel</b>
<b>During the financial period</b>				
Average number of personnel employed				18.6
Number of actual working hours				35,812
Charges to the enterprise (in thousands of euros)				723

## II. LIST OF PERSONNEL MOVEMENTS DURING THE FINANCIAL PERIOD

	Full-time	Part-time	Total of full-time equivalents
<b>A. ENTRANTS</b>			
a. Number of employed persons recorded in the personnel register during the financial period	41	4	43.6
b. By nature of the employment contract			
Contract of unlimited duration	41	4	43.6
c. By sex and level of education			
Male:			
Primary education	2	-	2.0
Secondary education	6	-	6.0
Higher non-university education	11	1	11.5
University education	5	-	5.0
Female:			
Secondary education	5	2	6.2
Higher non-university education	9	1	9.9
University education	3	-	3.0
<b>B. LEAVERS</b>			
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	49	18	58.4
b. By nature of the employment contract			
Contract of unlimited duration	48	18	57.4
Contract regarding substitution	1	-	1.0
c. By sex and level of education			
Male:			
Secondary education	6	-	6.0
Higher non-university education	11	1	11.8
University education	6	2	6.9
Female:			
Primary education	2	2	3.5
Secondary education	9	4	10.4
Higher non-university education	13	8	17.3
University education	2	1	2.5
d. By reason of termination of contract			
Prepension	1	1	1.5
Dismissal	21	5	24.4
Other reason	27	12	32.5

**UNCONSOLIDATED ANNUAL ACCOUNTS****SOCIAL REPORT****III. STATEMENT CONCERNING THE IMPLEMENTATION OF MEASURES STIMULATING EMPLOYMENT DURING THE FINANCIAL PERIOD**

	Number of employed persons involved		Amount of the financial profit (in thousands of euros)
	Number	In full-time equivalents	
<b>MEASURES STIMULATING EMPLOYMENT</b>			
<b>1. Measures generating financial profit</b>			
1.4. Reduction of job performance (part-time career interruption)	1	0.6	3
1.6. Structural reduction of social security contributions	567	533.1	702
<b>2. Other measures</b>			
2.4. Reduction of employee's social security contribution regarding low-wage workers	17	14.0	
<b>NUMBER OF EMPLOYEES INVOLVED IN ONE OR MORE MEASURES STIMULATING EMPLOYMENT</b>			
Total for financial period	568	533.7	
Total for the previous financial period	541	506.7	

**IV. INFORMATION ON VOCATIONAL TRAINING FOR EMPLOYED PERSONS DURING THE FINANCIAL PERIOD**

	Male	Female
<b>TOTAL OF TRAINING INITIATIVES AT THE EXPENSE OF THE EMPLOYER</b>		
1. Number of employees	144	258
2. Number of training hours	3,470	4,843
3. Charges to enterprise (in thousands of euros)	275	34

**UNCONSOLIDATED ANNUAL ACCOUNTS**  
**STATUTORY AUDITOR'S REPORT**

# STATUTORY AUDITOR'S REPORT

*Statutory auditor's report for the year ended 31 December 2003 to the shareholders' meeting of the company Roularta Media Group NV*

*To the shareholders,*

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

We have examined the financial statements for the year ended 31 December 2003, which have been prepared under the responsibility of the board of directors and which show a balance sheet total of 289,947,415.45 euros and an income statement resulting in a profit for the year of 17,312,946.21 euros. In addition, as required by law, we have performed specific additional audit procedures.

## **UNQUALIFIED AUDIT OPINION ON THE FINANCIAL STATEMENTS**

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

In accordance with these standards we have taken into account the administrative and accounting organization of your company as well as the procedures of internal control. The responsible officers of the company have clearly replied to all our requests for information and explanations. We have examined, on a test basis, the evidence supporting the amounts included in the financial statements. We have assessed the accounting policies used, the significant estimates made by the company and the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, taking into account the applicable legal and regulatory requirements, the financial statements give a fair and true view of the company's assets, liabilities, financial position as of 31 December 2003, and the results of its operations for the year then ended, and the information given in the notes to the financial statements is adequate.

## **ADDITIONAL CERTIFICATIONS**

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

- The directors' report contains the information required by the Companies Code and is consistent with the financial statements.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained and the financial statements have been prepared in accordance with the legal and statutory requirements applicable in Belgium.
- No transaction have been undertaken or decisions taken in violation of the company's statutes or the Companies Code which we would have to report to you. The appropriation of the results proposed to the general meeting is in accordance with legal and statutory requirements.

*Roeselare, 29 March 2004*  
*The statutory auditor,*

**DELOITTE & TOUCHE**  
*Bedrijfsrevisoren BV o.v.v.e. CVBA*  
*Represented by Jos VLAMINCKX*