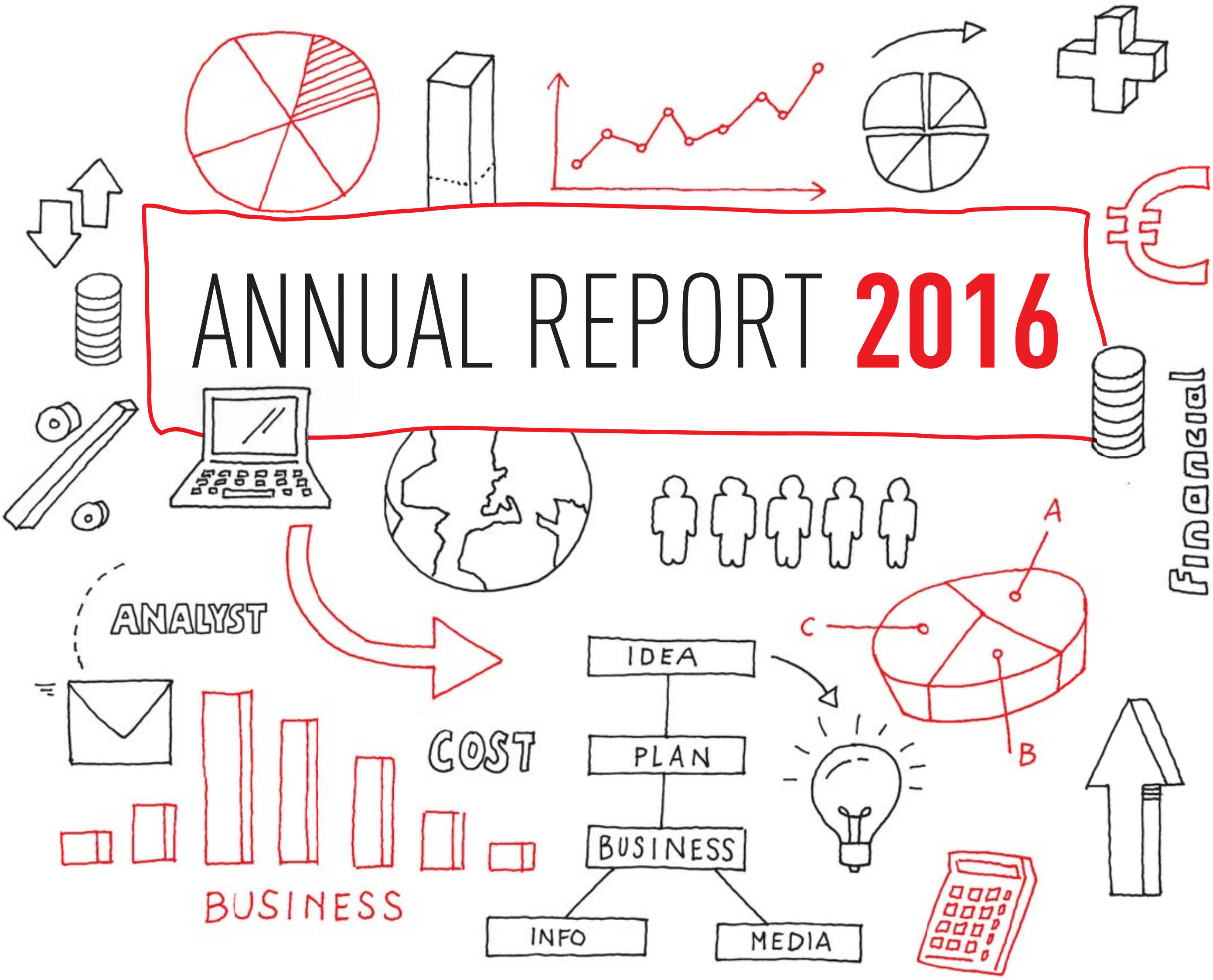
ANNUAL REPORT 2016



Roularta Media Group

ANNUAL REPORT 2016

Roularta Media Group

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This annual report is available in English, Duth and French.
In the event of differences the Dutch text of the annual report is legally binding.

WHO'S AFRAID OF DISRUPTION?

It's a question being asked by all who have anything to do with the media. Roularta, however, believes that the question should rather be one of adaptation, evolving and taking account of the digital world. Without, in the process, losing sight of our essence. We are there for consumers who wish to receive relevant information, and for brands and retailers who wish to communicate effectively with other actors in the business and with consumers.

High quality content is the work of strong editorial teams that professionally develop websites, newspapers, radio and television. They must provide interesting information, find the right themes and original approaches, make thorough analyses and prepare useful dossiers that respond to the questions that people are asking themselves today. The result must always be relevant and exclusive, and it must surprise. We must do more than present the news. We must create news ourselves and even offer solutions. This binds us to an interested audience. They are members of a community that is in touch with what's important in all areas of life: social issues, politics, economics, but also culture and lifestyle. They are subscribers and members of the club. They have their newspaper delivered to their home and also read it digitally, they inform themselves with text, sound and images via our websites.

A Roularta specialty is the business of Roularta Local Media, an organisation that has been committed to the efficient marketing of local, regional and national advertisers for more than sixty years. Roularta's advertising consultants have put numerous companies on the map and guided them in their expansion. They help to organise campaigns and create ads that are able to reach all of the population in each region of Flanders with Deze Week (De Streekkrant) on Wednesday, and with De Zondag exclusively on Sunday. Today Roularta also makes it possible for advertisers to accomplish their goals on the internet. Roularta Local Media

RIK
DE NOLF
Chairman of the Board of Directors

creates websites and web shops, and provides visitors and customers through Google and Facebook, via websites (Proxistore) and electronic newsletters (Proxiletter). Together they make up a complete package of 'Digilocal' services, with as icing on the cake 'Storesquare', the platform that makes it possible for everyone to immediately increase sales via e-commerce.

Roularta has been busy for several decades with the digitisation of its production and marketing systems. From the start of the Belgian news magazines – more than forty years ago – we have specialised in subscription recruitment and big data. And Roularta has continued to innovate all this time. We have consistently been a pioneer in the digital domain, and today we are well-equipped for the future.

At MEDIALAAN too we continue to innovate in radio and television. We are continuously launching new models for delayed viewing, for viewing digitally over the internet and to create highly targeted digital advertising. Our strong radio brands are preparing for the transition to digital radio.

As a 'mobile virtual network operator', MEDIALAAN is also busy expanding into the world of telecom. The group's marketing power can provide an important new activity based on existing brands Jim Mobile and Mobile Vikings.

Roularta is evolving rapidly along the digital highway. With an in-house innovation unit and an efficient IT team responsible for developing our own systems for digital marketing with big data and e-commerce. With Roularta Mediatech Accelerator to guide start-ups and so on. All evidence of our shift in focus from investing in acquisitions, to investing in launches, in order to create new opportunities for the near future.

IMPORTANT EVENTS

2016 was a year of rapid change on all fronts. Self-driving cars. The rise of robots. The disruption in many economic sectors – a disruption that continues to accelerate due to the influx of start-ups. The global breakthrough of e-commerce and m-commerce. The dominance of large, mostly American, tech companies.

Changes in the media sector have also been underway for some time. The pace of these changes will continue to increase in 2017 and beyond. Advertisers are still searching for the ideal media mix, and readers are making increasing use of digital reading experiences, which of course makes predictions difficult. This has been the case for several years now, and the coming years will be no different. It is a reality that we have to accept, but which in itself is not harmful. On the contrary, it requires us to be even more innovative and creative, and to respond much quicker to events. Innovative, creative, bold: these qualities will be crucial in the coming years in ensuring the growth of Roularta.

2016 was the first full year for Roularta Media Group without the loss-making French operations. Thus we were able to focus on the future of our multimedia group without distraction.

'Multimedia' is more than ever central to Roularta Media Group's endeavour to be future proof. We are now active in all possible media: online, TV, radio, print, events, trade fairs, ... and we have even supplemented these activities with a new business – telecommunications – through the acquisition of Mobile Vikings by MEDIALAAN.

XAVIER BOUCKAERT
CEO

WHAT DID 2016 MEAN FOR ROULARTA?

DIGITAL

Roularta's digital activities did well in 2016.

- Advertising revenues from Knack.be and LeVif.be grew slightly, thanks mainly to programmatic and native advertising. Lead generation remained stable in 2016; we expect slight growth here in 2017.
- Digital subscriptions also increased. Plus, we managed to double the number of registered surfers on our news sites and to roll out a number of successful online marketing campaigns for these surfers.
- With Digilocal, the nearly 200 Roularta Local Media account managers offer digital marketing solutions to local businesses and SMEs: Google and Facebook campaigns, web shops, websites, local advertising on premium news sites via the Proxistore geolocation technology and Roularta newsletters. Digilocal experienced excellent growth of more than 30% in 2016. Roularta recently won the European Google Award for Sustained Customer Excellence for its years of excellent customer service.
- The classified ads sites Immovlan.be, Gocar.be/Autovlan.be and Streekpersoneel.be performed strongly in 2016. We recorded a nice increase in traffic, revenue and profitability.
- Our start-up Storesquare was off to a flying start in 2016. Nearly 1,300 retailers and SMEs joined Storesquare in just a few months' time. An astonishing success that greatly exceeded expectations. Meanwhile, the team has been expanded to include some 25 people. The transactions in recent months also increased strongly thanks to an ever-increasing conversion rate. In the meantime, Storesquare.be hosts nearly 250,000 visitors each month.

The Roularta Mediatech Accelerator was launched in the autumn of 2016. This is a programme in partnership with Duval Union in which nine start-ups enjoy several advantages: a cash injection of 25,000 euros, media exposure valued at 200,000 euros, and guidance by internal and external mentors. In return, Roularta acquires a 5% participation in the capital of these start-ups. This project fits well with Roularta's innovation strategy.

AUDIOVISUAL & MOBILE

Red Nose Day, MEDIALAAN'S charity campaign, turned out to be a great success in 2016. 2016 was indeed a successful year for MEDIALAAN:

- 2015 was already a record year for television, but with slight growth, that record was again broken in 2016. Advertising revenue from both television and radio increased, as did (digital) video advertising revenue on Vtm.be and Stievie FREE. Distribution revenue also increased. Moreover, TV broadcaster Acht was also acquired and successfully rechristened CAZ. This new channel will now also be contributing to the revenue and EBITDA of MEDIALAAN.
- Radio again experienced a record year with more advertising revenue.
- Still another record: nearly 1.6 million Flemish, 60% of whom were under 25, registered on Vtm.be or the Stievie app. This offers incredible opportunities for targeted and behavioural advertising.
- Mobile Vikings – already with 270,000 customers – is presently conquering Flanders. Together with Jim Mobile, we are talking here of 430,000 customers. This telecoms operator was acquired by MEDIALAAN in the spring of 2016. Which makes MEDIALAAN a multimedia company with B2C customers. MEDIALAAN will now focus primarily on postpaid cards, since they are more profitable than the prepaid cards.

Our 100% in-house television channels Kanaal Z/Canal Z achieved good ratings in 2016, with 565,000 viewers on a daily basis (CIM audimeter 2016). Here we see that extra programmes funded by partners – both existing and many new ones that we launched in 2016 – had a positive effect on revenue. Only commercials lagged behind. Which is why we have changed media agencies. RTVM, the national advertising media agency for regional broadcasters, will now market the KZ/CZ spots.

FREE MAGAZINES AND NEWSPAPERS

After more than 50 years, De Streekkrant/De Weekkrant was renamed 'Deze Week'. Deze Week is an attractive and somewhat thicker newspaper with much more editorial work and a contemporary form. The new newspaper is distributed mainly door-to-door but also via displays. Thus Deze Week is again a strong cornerstone in addition to our successful Sunday publication De Zondag and our lifestyle magazine Steps. This operation is necessary for the further expansion of 360° contact with customers: in print and online, and thus with Digilocal. 360 degree marketing is the only good direction for Roularta Local Media to take. There lies the future. No one else in Flanders is able to present such a range of offerings. We have a unique position.

Krant van West-Vlaanderen (KW) has launched a new promotional campaign. The (eleven) local editions were redesigned with more emphasis on local news. The provincial Krant van West-Vlaanderen will be published in magazine format. And will include new initiatives such as 'Kwesties' with which readers can compile their own digital KW. In 2016, KW.be already managed to obtain more revenue from ads (8%).

MAGAZINE BRANDS

After a record year in 2015, magazines performed less well in 2016. We had to contend with a decline in advertising revenue, particularly in the lifestyle and banking sectors. Partly due to the attacks in Brussels, the luxury sector was faced with declining consumption. The banking sector was again under pressure due to low interest rates. Revenue from subscriptions and newsstand sales of our magazines remained roughly stable.

We recently introduced a number of innovations:

- A new editorial model was launched for Knack, Knack Weekend, Sport/Voetbalmagazine/Foot Magazine, Nest, Bodytalk and Ik ga Bouwen & Renoveren/Je vais Construire & Rénover.
- There are a number of new initiatives, including culinary events and the Style Fair, a multifaceted luxury trade fair that we organise in the autumn at Tour & Taxis.
- More creative projects tailored to advertisers through our 'ideas factory' department whose revenue increased nicely in 2016.
- We will use new direct marketing channels in 2017 to attract more subscriptions, mainly through the online channels. In particular, we aim to identify more surfers at our news sites and to convert as many as possible into subscribers.

The line extensions had a good year. The cruises with new destinations were popular. Meanwhile, we ourselves organised seven cruises. The magabooks about deceased artists (Toots Thielemans, David Bowie, Prince, Leonard Cohen) sold well.

Our international magazine activities in a joint venture with Bayard remained stable. Plus Magazine in the Netherlands and Belgium again succeeded in attracting more subscribers in 2016. Plus Nederland now has a paid circulation of 231,000 copies. Thus it remains the largest monthly magazine in the Netherlands. In Germany, we see a stable market for our magazines and slightly decreasing advertising revenue for Plus Magazine.

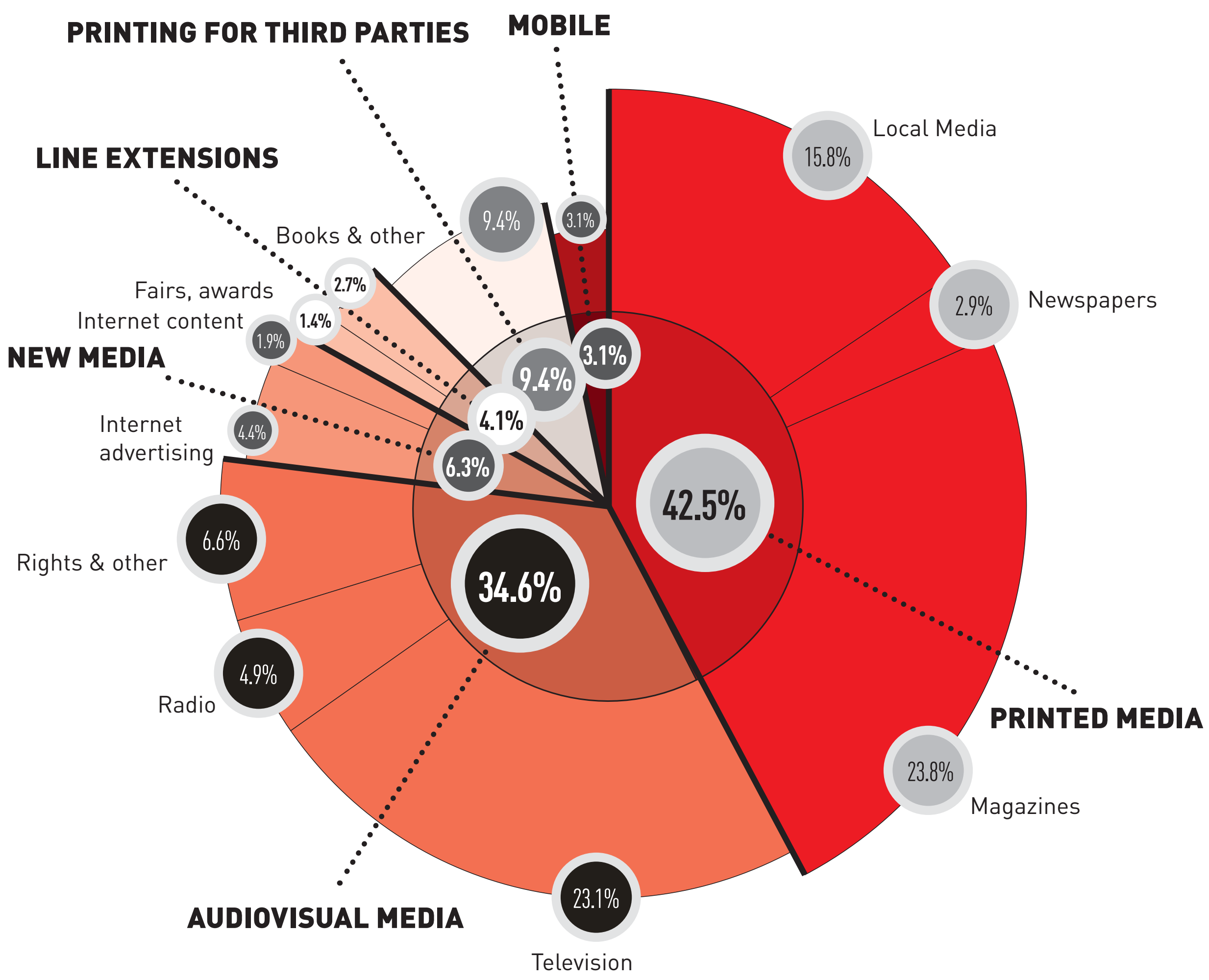
Roularta HealthCare (publisher of among others Artsenkrant/Le journal du Médecin) had a less healthy start in 2016, but after a difficult first half of the year, the outlook brightened a bit in the second half. The pharmaceutical companies reduced their marketing budget significantly in 2016.

Trends Business Information remained stable in 2016 in a market that continues to be difficult and disruptive. The traditional players lost market share, while other smaller challengers disrupted the market. Trends Top successfully launched many special editions, the latest of which was the Trends Top Gazellen. An upgrade of the websites and an expansion of the databases are in the pipeline.

PRINTING

Roularta Printing had a busy year in 2016. The printing company managed to take over most of the printing work for the French magazines of Altice (which acquired the Roularta magazines in 2015) and to win new orders, of which The Economist and Playboy were the most extreme examples. An investment was also made in a brand-new flat-back binding machine so that we no longer need to outsource all magazines with a flat back, and thus are able to better serve our external customers.

476.4 million euros sales(*)



(*) Combined sales (with application of the proportional consolidation method for joint ventures, including Medialaan, Bayard,...).

MISSION & STRATEGY

As a multimedia company, Roularta Media Group (RMG) sets out to create value in a durable way for its readers, internauts, viewers, listeners, advertising customers, employees and shareholders.

In Belgium, Roularta is a dynamic and leading player in the publication and printing of news and niche magazines, newspapers and freesheets, in the audiovisual media landscape, in electronic publishing and in the field of digital marketing for the local advertiser.

For the general public in Dutch-speaking Belgium, RMG produces freesheets, open network TV, radio and the Vlan.be internet site. For the national market (in both Dutch and French) RMG produces quality magazines, a TV news station Kanaal Z/Canal Z and the content-rich news portals Knack.be and LeVif.be. In this way Roularta is constantly investigating new opportunities – titles, marketing initiatives and new media – to strengthen its leadership in Belgium.

In joint venture with the French group Bayard, Roularta is active in Belgium, the Netherlands and Germany with senior citizen magazines and in Germany with a wide range of magazines for parents and children, home & garden.

All the Group's strong brands are continuing to grow through line extensions, events and add-on products. A policy of vertical integration (content, advertising acquisition, production) and a multimedia approach increase flexibility and strengthen Roularta's anticyclical character.

RMG continues to innovate in the field of technical developments in the rapidly evolving media world. The involvement of its employees and the ongoing search for the best internal systems, cost management and synergy with partners help guarantee its future success.

Roularta Media Group is a company with a strong record of socially responsible entrepreneurship, in which integrity, customer-friendliness and commitment come first.

RMG CONTINUES TO INNOVATE IN THE FIELD OF TECHNICAL DEVELOPMENTS IN THE RAPIDLY EVOLVING MEDIA WORLD

ROULARTA AS TECHNOLOGICAL INNOVATOR

Roularta Media Group as a multimedia company is active in various high-tech sectors. Within these different areas the Group researches and develops new opportunities on an ongoing basis, giving Roularta in the process a solid international reputation as a major technology innovator.

Roularta Media Group's technological research and development efforts obviously benefit the Group's own internal work processes, but many times they are also the driving force behind decisive market developments.

In the field of premedia, Roularta Media Group has been the starting point for various Belgian and international standards. Roularta Media Group's pioneering role here is illustrated, among other things, by the following pioneering achievements.

MEDIBEL+

As a founder member of Medibel+, the umbrella organisation of the Belgian advertising sector (www.medibelplus.be), Roularta Media Group several years ago achieved the breakthrough of the PDF file format as the standard for the delivery of digital ads to newspapers and magazines. Roularta Media Group continues to enhance its pioneer status at Medibel+: Erwin Danis, the RMG premedia director, is currently president of the organisation.

Roularta Media Group was behind the development of the AdTicket method for the digitisation of order workflow between the media buyers and creative agencies which produce the ads on the one side, and publishing companies on the other. Roularta Media Group and Medibel+ launched the AdTicket on the Belgian market. In addition, Medibel+ was developed to offer a platform for providing digital proofs of advertising to the mailboxes of advertisers. The digital platform is an efficient tool that allows customers to consult their advertisements via a practical browsing module. The digital platform also allows customers to receive and consult digital invoices in their mailboxes.

GHENT PDF WORKGROUP

Under the guiding impulse of Roularta Media Group, Medibel+ was one of the founders in 2002 of the Ghent PDF Workgroup (GWG, www.gwg.org). This – now international – organisation of graphic associations and suppliers from Europe and the United States is seeking to introduce and increase the use of best practices in the printing industry worldwide. GWG is building here on the merits of Medibel+ and has taken over the Medibel+ PDF standards and the Medibel+ AdTicket method. Within the international GWG too, Roularta Media Group continues to assume its responsibility. With this project Roularta Media Group once again shows its technical innovativeness, and the working methods it has developed are being followed abroad.

Within the Ghent PDF Workgroup, RMG is also working, along with other international media groups, on new cross-media standards, processes and formats for publishing on smartphones and tablets. This takes place within the Cross Media Committee which examines the changes taking place in the world of cross-media publishing and the opportunities that these offer.

INNOVATIVE PROJECTS

Roularta Media Group plays an important and innovative role in Flanders by participating and/or taking the lead in various technological and innovative projects.

RMG is part of the Google Digital News Initiative (DNI) Innovation Fund. At the end of February 2016, RMG was selected for the Metahaven project. From a total of 1,200 projects, coming from European publishers and other players of the digital news industry, Google chose 128 media projects from 23 European countries. With the Metahaven project, Roularta Media Group is part of the European top of the Google Digital News Initiative Innovation Fund.

The Metahaven project will enable Roularta Media Group to add enrichments/metadata to all media content and offer it to its readers in a pertinent and personalised manner by way of new digital services.

Roularta Media Group collaborates with Zeticon and the University of Leuven (Computer Science and Electrical Engineering departments). Zeticon and the University of Leuven provide the underlying technological innovation which Roularta Media Group will implement in its editorial systems.

MEDIANET VLAANDEREN

RMG is part of MediaNet Vlaanderen (Flanders Media Network). To replace MIX, MediaNet Vlaanderen is working on an innovative business network (IBN). The network's three cornerstones are: efficient content production and distribution, more intelligent data and insights for better customer understanding, and also shared infrastructure and services. RMG will be participating in various of this network's activities.

ROULARTA MEDIATECH ACCELERATOR

In 2016 Roularta Media Group, in collaboration with Duval Union, launched the Roularta Mediatech Accelerator, a support programme for start-ups. RMG aims with this initiative to facilitate and accelerate innovation in the media sector.

Nine start-ups were selected that RMG will support and guide. Support by RMG includes funding and media for equity, housing and infrastructure, access to data, technology, know-how and mentorship.

The aim is to link the expertise of Roularta with the start-ups participating in the Roularta Mediatech Accelerator, and thus create a win-win situation that helps these start-ups achieve sustainable growth.

INNOVATION LAB

In 2016 Roularta set up its own innovation lab. This lab serves the internal business units by constantly searching for the latest technologies and methods that can benefit both the Group's internal business units and external customers. Technological developments move extremely fast, and customers expect the products and services to follow these recent developments. In this way Roularta aims to retain and even improve its current leading position in the market and (continue to) offer added value to its customers.

CROSS-MEDIA

At editorial level too, Roularta Media Group is preparing for the future by using CCI NewsGate as a unique system for the entire newsroom, covering editors of Roularta Media Group, and with an emphasis on editorial planning, contract management and cross-media reuse of content.

NewsGate will enable the Roularta editorial staff to work 'multi-title' and 'multi-channel'. They can, from their editorial cockpit, create packages equally for print, web and smartphones and tablets.

Meanwhile, Roularta Media Group has already worked hard to create apps for a large portion of its titles. These apps are available for iOS, Android and Windows. Through continuous adaptation and through regular adjustments of these apps, RMG guarantees its readers the best possible user experience.

ENVIRONMENT, PREVENTION AND WELL-BEING

I. ENVIRONMENT

Roularta Media Group made major efforts in 2016 to produce its various media in an environmentally and energy-friendly manner.

Energy

Roularta Media Group is the only Flemish printer to have signed up to the Flemish government's Energy Policy Covenant (EBO). This is the successor to the benchmark and audit covenant that expired at the end of 2015.

The EBO encourages energy-intensive undertakings to take a forerunner role in energy efficiency without jeopardising their competitiveness. By signing the EBO Roularta makes several commitments. In 2016, the EBO energy plan was accepted. Following on this, a first monitoring report was submitted.

With the execution of a gap analysis, in 2016 Roularta took the first step in the process of obtaining ISO 50001 certification. This standard specifies the procedures for energy management in companies and large organisations. The gap analysis identified the items to be targeted in 2017 in order to meet the ISO standard.

Environmental permit Brussels Media Centre (BMC), Haren

The environmental permit for the BMC site expires in April 2018. Since the application for renewal of the environmental permit must be submitted at least one year in advance, the preparatory work was started in 2016. As part of this application, among others an energy audit, a parking impact study and a mobility study were carried out. The latter was an occasion for Roularta to update its mobility brochure. This brochure lists all Roularta branches, indicating how these sites can be accessed, among others by public transport. It discusses in detail the various transport options together with their advantages and disadvantages.

Blue-bike

Roularta has long focused on transport and environmentally friendly mobility. Roularta, for example, participates in Blue-bike. For local travel after using public transportation, employees can use a 'blue bike' that they can pick up at the station and return in the evening. Blue-bike handles the maintenance of the bicycles and even offers free breakdown assistance. This ensures carefree trips, a bit of exercise during the day, and emission-free mobility!

Construction of green zone Roeselare, Meiboomlaan

Next to the print shop and unloading docks, there is an undeveloped plot of 5.61 ha. For its development, a choice was made for the creation of an agrarian landscape within an urban environment. The landscape includes slopes in the form of flower meadows, through which run several grass paths. The noise barrier was extended to the landscaped park. In 2016, the flower meadow zones were sown with Japanese oats which quickly provided good ground cover, but which also was good preparation for the flower meadows and for avoiding pioneer weeds. A meadow, rows of trees and a pool are also foreseen.

The choice of trees, flowers and native plants ensures a maximum food supply for all kinds of insects, birds, possibly bats,... The pool and shallow canals provide a breeding ground for amphibians.

II. PREVENTION & WELL-BEING

A number of high-profile projects were undertaken in this area in 2016:

Smoking and substance policy

A ban on smoking at work was imposed over ten years ago and a general rule had been in place in the production area for much longer. Employees can now smoke only at specific locations outdoors.

In 2016, attention was given to the general rules. Diverse information about smoking was also distributed, ranging from the effect of smoking on the body, through information on the electronic cigarette, to possibilities for quitting smoking.

Roularta developed a substance policy in 2010. This includes the use of alcohol, drugs and medicines at work or during work-related hours. In 2016, these arrangements were examined to see if they were still up to date. An update of the arrangements is foreseen for 2017. Thus for example, the company doctor will review these items with employees during their medical examination.

Allergens

The Royal Decree of 17 July 2014 laying down rules for the disclosure of certain substances or products that cause allergies or intolerances for non-prepackaged food is also applicable to 'company canteens'. All allergen information on the basic products in the canteens was collected. These data were recorded in a special computer program. Based on this 'database', dishes can be quickly created on a daily basis and an overview of the allergens present is available immediately. Those who suffer from allergies can also always ask the cooks to verify the ingredients in each dish.

Biological agents

The Royal Decree of 4 August 1996 establishes the protection of workers from risks related to exposure to biological agents at work. By 'biological agents' is meant microorganisms, cell cultures and human endoparasites that could cause an infection, allergy or intoxication. For Roularta this concerns hepatitis A and B, tetanus, Legionella,... This was earlier examined and worked out for each work station at Roularta. In 2016 this was updated and the necessary further approach was developed.

Fire prevention

In 2016, several fire prevention issues were addressed including an evaluation and expansion of the firefighting department, a comprehensive risk analysis in cooperation with the fire insurer, the coordination of work in our buildings by (sub)contractors, and actions that followed the inspection of the sprinkler pipes.

Management training on dealing with burnout

'Burnout' has been an increasingly prevalent phenomenon in our society in recent years. Unfortunately Roularta workers are also faced with this illness. Often we are surprised; we didn't see it coming. Furthermore, dealing with it remains a difficult task: assessing what you can best do to help a sick colleague, and what you can do to ensure a smooth and effective reintegration after burnout. To answer all of these questions, in 2016 Roularta organised specific training on the subject of burnout for management personnel. This training was held in collaboration with Provikmo, the external prevention consultant for psychosocial stress.

THE ROULARTA MEDIA GROUP SHARE

CAPITAL AND SHARES

The registered capital of NV Roularta Media Group amounts to EUR 80,000,000.00. It is represented by 13,141,123 shares paid up in full, without par value, representing each an equal part of the capital.

All shares representing the registered capital have the same social rights.

Purchase of own shares

In the course of the financial year 2016, the company did not purchase any own shares on the basis of the statutory authorisation of the board of directors.
On 31 December 2016 the company has 612,825 of its own shares in portfolio, representing 4.66% of the registered capital.

Shareholding structure

The shareholding structure is as follows:

	Number of shares	%
Koinon Comm.VA [1]	7,480,325	56.92%
S.A. West Investment Holding [1]	2,022,136	15.39%
Bestinver Gestión S.G.I.I.C. S.A.	998,725	7.60%
Own shares	612,825	4.66%
Individual and institutional investors	2,027,112	15.43%

(1) The Comm.VA Koinon and the S.A. West Investment Holding, in their capacity as persons acting in concert who have concluded an agreement concerning the possession, the acquisition and transfer of shares, have made a definitive notification.

9,395,068 of the total number of outstanding shares are nominative.

Takeover Bid law

In the context of the Law of 1 April 2007 concerning public takeover bids, Comm.VA Koinon, as the direct holder of more than 30% of the Roularta Media Group shares, updated its registration with the FSMA on 25 August 2014 pursuant to Article 74 § 6 of the above-mentioned law.

STOCK MARKET TREND

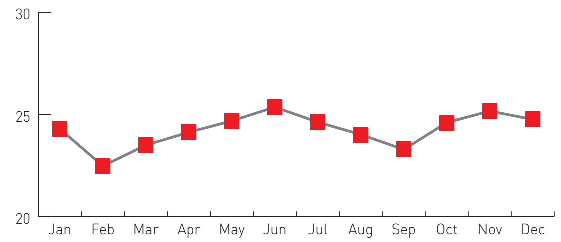
Roularta Media Group's shares are listed on Euronext Brussels under the section Media - Publishing, ISIN Code BE0003741551 and Mnemo ROU.

The Roularta share is included in the BEL Small Cap Index (BE0389857146).

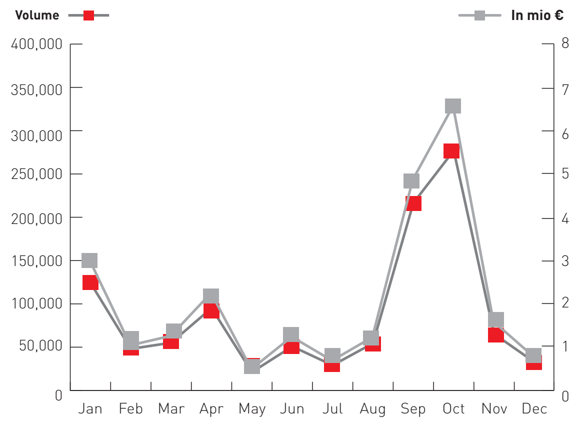
Volumes and closing prices in 2016

Month	Average closing price	Volumes	in EUR millions
Jan 16	24.291	124,337	3.06
Feb 16	22.473	48,074	1.08
Mar 16	23.497	55,100	1.30
Apr 16	24.125	95,130	2.31
May 16	24.685	21,188	0.52
Jun 16	25.358	50,841	1.28
Jul 16	24.621	29,060	0.72
Aug 16	24.013	54,529	1.27
Sep 16	23.282	216,472	4.97
Oct 16	24.600	277,039	6.71
Nov 16	25.164	65,286	1.64
Dec 16	24.754	32,687	0.81
		1,069,743	25.67

Average closing price - 2016



Volumes and figures in EUR millions - 2016



The highest price during 2016 was EUR 26.93 on 6 January.
The lowest price during 2016 was EUR 21.16 on 24 August.
The largest daily trading volume was 101,722 shares on 6 September 2016.

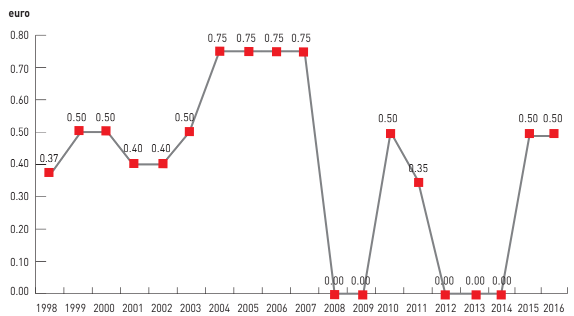
Liquidity of the share

Roularta Media Group has a proactive investor relations policy, aimed at increasing the visibility of the share and in this way supporting its liquidity.

Dividend policy

The general assembly pursues – as advised by the executive board – a policy which tries to pay out a dividend, whilst keeping a close watch on preserving the healthy balance between a distribution of dividends and the investment possibilities. The general assembly of 16 May 2017 will propose to pay out a gross dividend of EUR 0.50 per share for 2016.

Gross dividend



THE COMPANY'S CAPITAL

Roularta Media Group was founded on 11 May 1988 as Roularta Financieringsmaatschappij. The table on the following page lists the events that since then have affected the company's capital and the securities representing it.

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Year	Month	Transaction	Number of shares	Capital	BEF / EUR
1988	May	Foundation as Roularta Financieringsmaatschappij	12,510	381,000,000	BEF
1993	July	Merger - capital increase	13,009	392,344,000	BEF
1997	December	Split - capital increase	18,137	546,964,924	BEF
1997	December	Merger - capital increase	22,389	675,254,924	BEF
1997	December	Capital increase	24,341	734,074,465	BEF
1997	December	Name changed into Roularta Media Group			
1998	June	Issue of 300,000 warrants - amendment of articles of association	2,434,100	734,074,465	BEF
1998	June	Merger - capital increase	2,690,400	1,545,457,541	BEF
1998	June	Contribution of debt receivable - capital increase	8,277,700	2,496,457,541	BEF
1998	December	Contribution of debt receivable - capital increase	9,611,034	4,479,791,791	BEF
2001	June	Conversion of capital into euros - capital increase by conversion of 61,950 warrants	9,672,984	111,743,000.00	EUR
2001	October	Destruction of 119,305 own shares	9,553,679	111,743,000.00	EUR
2002	June	Capital increase by conversion of 35,350 warrants	9,589,029	112,138,000.00	EUR
2003	June	Capital increase by conversion of 43,475 warrants	9,632,504	112,623,000.00	EUR
2003	July	Capital increase by contribution in kind	9,884,986	118,463,000.00	EUR
2004	June	Capital increase by conversion of 43,625 warrants	9,928,611	118,950,000.00	EUR
2005	June	Capital increase by conversion of 28,350 warrants	9,956,961	119,267,000.00	EUR
2006	January	Capital increase by conversion of 39,090 warrants	9,996,051	120,054,000.00	EUR
2006	February	Capital increase by contribution in cash	10,985,660	131,939,204.09	EUR
2006	May	Incorporation of an issue premium	10,985,660	170,029,300.00	EUR
2006	June	Capital increase by conversion of 19,825 warrants	11,005,485	170,250,500.00	EUR
2007	January	Capital increase by conversion of 9,340 warrants	11,014,825	170,439,000.00	EUR
2007	June	Capital increase by conversion of 22,225 warrants	11,037,050	170,687,000.00	EUR
2008	January	Capital increase by conversion of 7,864 warrants	11,044,914	170,846,000.00	EUR
2008	May	Capital increase by conversion of 17,375 warrants	11,062,289	171,040,000.00	EUR
2008	December	Capital increase by contribution in cash	13,131,940	203,040,000.00	EUR
2011	January	Capital increase by conversion of 9,183 warrants	13,141,123	203,225,000.00	EUR
2015	May	Capital decrease	13,141,123	80,000,000.00	EUR
2015	June	Merger - Roularta Media Group NV with Roularta Printing NV, Biblo NV, De Streekkrant - De Weekkrantgroep NV, Euro DB NV, Le Vif Magazine SA, New Bizz Partners NV, Press News NV, Regie De Weekkrant NV, Roularta Business Leads NV, Roularta IT-Solutions NV, Roularta Publishing NV and West-Vlaamse Media Groep NV	13,141,123	80,000,000.00	EUR

Analysts who follow the Roularta share:

- Petercam	Michael Roeg	michael.roeg@petercam.nl
- KBC Securities	Ruben Devos	ruben.devos@kbcsecurities.be
- Merodis Equity Search	Arnaud W. Goossens	ago@merodis.com

CONSOLIDATED KEY FIGURES

Income statement	in thousands of euros	2012	2013 (*) restated	2014	2015	2016	Trend
Sales		**712,045**	**305,209**	**299,569**	**290,226**	**276,464**	**-4.7%**
EBITDA [1]		**36,964**	**29,695**	**34,871**	**33,598**	**34,405**	**+2.4%**
	EBITDA - margin	*5.2%*	*9.7%*	*11.6%*	*11.6%*	*12.4%*	
EBIT [2]		**5,540**	**15,116**	**21,930**	**31,363**	**24,887**	**-20.6%**
	EBIT - margin	*0.8%*	*5.0%*	*7.3%*	*10.8%*	*9.0%*	
Net finance costs		-8,873	-7,262	-6,728	-5,441	-4,687	-13.9%
Operating result after net finance costs		**-3,333**	**7,854**	**15,202**	**25,922**	**20,200**	**-22.1%**
Income taxes		1,128	1,924	-2,492	46,089	72	+99.8%
Net result from continuing operations		**-2,205**	**9,778**	**12,710**	**72,011**	**20,272**	**-71.8%**
Result from discontinued operations			**-68,268**	**-155,237**	**-7,770**	**0**	**-100.0%**
Attributable to minority interests		-498	-581	-50	-127	-1,201	+845.7%
Attributable to equity holders of RMG		**-1,707**	**-57,909**	**-142,477**	**64,368**	**21,473**	**-66.6%**
Net result attributable to equity holders of RMG - margin		***-0.2%***	***-19.0%***	***-47.6%***	***22.2%***	***7.8%***	

Balance sheet	in thousands of euros	2012	2013 (**) restated	2014	2015	2016	Trend
Non-current assets		604,675	585,039	271,778	319,007	307,445	-3.6%
Current assets		333,761	200,827	261,376	130,674	135,756	+3.9%
Balance sheet total		938,436	785,866	533,154	449,681	443,201	-1.4%
Equity - Group's share		344,689	287,053	143,277	207,649	222,293	+7.1%
Equity - minority interests		12,266	11,415	2,475	1,868	1,762	-5.7%
Liabilities		581,481	487,398	387,402	240,164	219,146	-8.8%
Liquidity [3]		1.1	0.9	1.2	1.1	1.4	+27.3%
Solvency [4]		38.0%	38.0%	27.3%	46.6%	50.6%	+8.6%
Net financial debt		69,535	80,423	82,027	75,680	57,443	-24.1%
Gearing [5]		19.5%	26.9%	56.3%	36.1%	25.6%	-29.1%

(*) Restated for retrospective application of IFRS 11 Joint Arrangements and application of IFRS 5 Discontinued Operations.
(**) Restated for retrospective application of IFRS 11 Joint Arrangements.

(1) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.
(2) EBIT = operating result, including the share in the result of associates and joint ventures.
(3) Liquidity = current assets / current liabilities.
(4) Solvency = equity (Group's share + minority interests) / balance sheet total.
(5) Gearing = net financial debt / equity (Group's share + minority interests).

HIGHLIGHTS PER SHARE [1]

Description	in euros	2012	2013 (*) restated	2014	2015	2016
Equity - Group's share		27.61	23.00	11.48	16.63	17.76
EBITDA		2.96	2.38	2.79	2.69	2.75
EBIT		0.45	1.21	1.76	2.51	1.99
Net result RMG		-0.14	-4.64	-11.41	5.16	1.72
Net result RMG after dilution		-0.14	-4.64	-11.41	5.14	1.70
Gross dividend		0.00	0.00	0.00	0.50	0.50
Price/Earnings (P/E) [2]		**7.89**	**7.32**	**7.87**	**10.12**	**15.01**
Number of shares at 31/12		13,141,123	13,141,123	13,141,123	13,141,123	13,141,123
Weighted average number of shares		12,483,273	12,483,273	12,483,273	12,486,031	12,515,767
Weighted average number of shares after dilution		12,483,273	12,483,273	12,483,273	12,517,300	12,611,966
Highest share price		18.00	14.50	14.30	25.10	26.93
Share price at year-end		10.32	10.77	12.25	24.50	24.32
Market capitalisation in million EUR at 31/12		135.62	141.53	160.98	321.96	319.59
Yearly volume in million EUR		11.41	7.98	6.00	25.90	25.66
Yearly volume in number		845,362	662,284	489,755	1,516,330	1,069,743

(*) Restated for retrospective application of IFRS 11 Joint Arrangements and application of IFRS 5 Discontinued Operations.

(1) On the basis of the weighted average number of shares.
(2) Earnings = current net profit of the consolidated companies. For 2016 it is assumed that the current net profit equals net result.

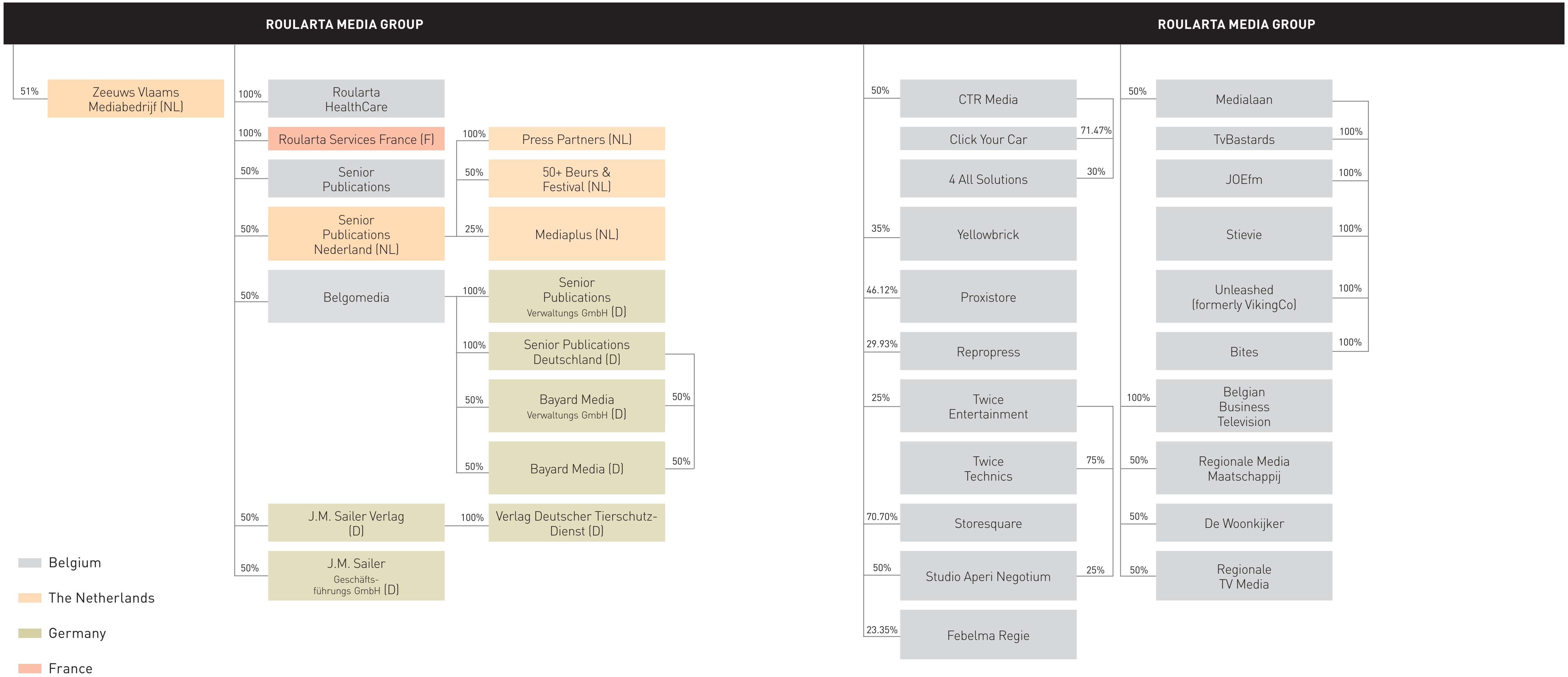
KEY FIGURES BY DIVISION

in thousands of euros	2012	2013 (*) restated	2014	2015	2016	Trend
			Printed Media			
Sales	**541,693**	**327,992**	**319,491**	**308,130**	**295,220**	**-4.2%**
EBITDA [1]	**14,884**	**19,743**	**22,647**	**18,821**	**20,608**	**+9.5%**
EBITDA - margin	*2.8%*	*6.0%*	*7.1%*	*6.1%*	*7.0%*	
EBIT [2]	**-8,959**	**4,858**	**8,612**	**16,281**	**10,640**	**-34.6%**
EBIT - margin	*-1.6%*	*1.5%*	*2.7%*	*5.3%*	*3.6%*	
Net finance costs	-8,485	-6,988	-6,438	-5,303	-4,582	-13.6%
Operating result after net finance costs	**-17,444**	**-2,130**	**2,174**	**10,978**	**6,058**	**-44.8%**
Income taxes	2,799	551	-4,505	44,639	-786	+101.8%
Net result from continuing operations	**-14,645**	**-1,579**	**-2,331**	**55,617**	**5,272**	**-90.5%**
Result from discontinued operations		**-68,269**	**-155,236**	**-7,770**	**0**	**-100.0%**
Attributable to minority interests	-449	-388	-50	-126	-1,200	+852.4%
Attributable to equity holders of RMG	**-14,196**	**-69,461**	**-157,517**	**47,973**	**6,472**	**-86.5%**
Net result attributable to equity holders of RMG - margin	***-2.6%***	***-13.5%***	***-21.2%***	***15.6%***	***2.2%***	

in thousands of euros	2012	2013 (*) restated	2014	2015	2016	Trend
			Audiovisual Media			
Sales	**176,817**	**168,754**	**158,712**	**164,096**	**182,729**	**+11.4%**
EBITDA [1]	**22,080**	**24,895**	**29,455**	**31,944**	**31,213**	**-2.3%**
EBITDA - margin	*12.5%*	*14.8%*	*18.6%*	*19.5%*	*17.1%*	
EBIT [2]	**14,499**	**18,373**	**23,900**	**24,256**	**24,132**	**-0.5%**
EBIT - margin	*8.2%*	*10.9%*	*15.1%*	*14.8%*	*13.2%*	
Net finance costs	-388	-326	-280	-16	-247	
Operating result after net finance costs	**14,111**	**18,047**	**23,619**	**24,240**	**23,885**	**-1.5%**
Income taxes	-1,671	-6,688	-8,578	-7,846	-8,885	+13.2%
Net result from continuing operations	**12,440**	**11,359**	**15,041**	**16,394**	**15,000**	**-8.5%**
Result from discontinued operations						
Attributable to minority interests	-49	-193	0	-1	-1	+0.0%
Attributable to equity holders of RMG	**12,489**	**11,552**	**15,041**	**16,395**	**15,001**	**-8.5%**
Net result attributable to equity holders of RMG - margin	***7.1%***	***6.8%***	***9.5%***	***10.0%***	***8.2%***	

(*) Restated for retrospective application of IFRS 11 Joint Arrangements and application of IFRS 5 Discontinued Operations.

(1) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.
(2) EBIT = operating result, including the share in the result of associates and joint ventures.



GROUP STRUCTURE*

*Excluding dormant companies (= not trading or in liquidation): Himalaya, Living & More Verlag and Vogue Trading Video

BOARD OF DIRECTORS RMG

1. **Rik De Nolf** I Executive Chairman of the Board of Directors (2018)
2. **Xavier Bouckaert** I Permanent Representative of Koinon Comm.VA I Executive Director I Managing Director (2018)
3. **Marc Verhamme** I Permanent Representative of Mandatum SPRL I Independent Director (2018) I Vice-President Board of Directors I Member of the Audit Committee I Chairman of the Appointments and Remuneration Committee
4. **Carel Bikkers** I Permanent Representative of Carolus Panifex Holding BV I Independent Director (2018) I Chairman of the Audit Committee I Member of the Appointments and Remuneration Committee
5. **Joris Claeys** I Permanent Representative of Cennini Holding NV I Non-executive Director (2018)
6. **Lieve Claeys** I Non-executive Director (2018)
7. **Caroline De Nolf** I Permanent Representative of Verana NV I Non-executive Director (2020)
8. **Francis De Nolf** I Permanent Representative of Alauda NV I Executive Director (2019)
9. **Koen Dejonckheere** I Permanent Representative of Invest at Value NV I Independent Director (2018)

EXECUTIVE MANAGEMENT COMMITTEE

1. Rik De Nolf Chairman I **2. Xavier Bouckaert** CEO I **3. Katrien De Nolf** Director Human Resources I **4. Jeroen Mouton** CFO

MANAGEMENT TEAM RMG

1. Xavier Bouckaert CEO I **2. Philippe Belpaire** Director National Advertising I **3. Jos Grobben** Director Magazines I **4. Jan Cattrysse** Director Administration I **5. Erwin Danis** Director Premedia I **6. Katrien De Nolf** Director Human Resources I **7. William De Nolf** Director New Media I **8. Stefaan Vermeersch** Director Krant van West-Vlaanderen I **9. William Metsu** Director Printing I **10. Jeroen Mouton** CFO I **11. Willem Vandenameele** Director IT I **12. Sophie Van Iseghem** Secretary-General I **13. Luk Wynants** Director Local Media

DECLARATION REGARDING THE INFORMATION GIVEN IN THIS 2016 ANNUAL REPORT

The undersigned declare that, to their knowledge:

- the annual accounts, prepared in accordance with the standards applicable to annual accounts, give a true and fair view of the assets, financial condition and results of Roularta Media Group NV and the consolidated companies;
- the annual report gives a true and fair view of the development, the results and the position of Roularta Media Group NV and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Xavier Bouckaert, CEO / Jeroen Mouton, CFO

ANNUAL REPORT OF THE BOARD OF DIRECTORS

to the ordinary general meeting of shareholders of 16 May 2017 concerning the consolidated financial statements for the period ended 31 December 2016

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 10 April 2017. Roularta Media Group, with its registered offices at 8800 Roeselare, Meiboomlaan 33, has been listed on Euronext Brussels since 1998. Roularta Media Group operated in 2016 in the media business, in particular in magazines, newspapers, local media, radio and TV, internet, line extensions, exhibitions and graphic production. Roularta Media Group is organised into two divisions, Printed Media and Audiovisual Media. Each of these two divisions includes a wide range of activities, which are centralised in a number of different departments, depending on their purpose as a product or offered service. Roularta Media Group's Printed Media division distinguishes itself from its competitors with a number of strong brands like Deze Week, Knack, Trends and Le Vif/L'Express. In the audiovisual sector Roularta Media Group is the 50% owner of the shares of Medialaan, which operates in Belgium in radio (Qmusic and Joe) and television (VTM, Q2, VTMKZOOM, KADET and Vitaya).

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the IASB's International Financial Reporting Interpretation Committee (IFRIC), 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 2016 FINANCIAL YEAR

First semester of 2016:

- As of 1 January 2016, Rik De Nolf was succeeded as CEO of Roularta Media Group by Xavier Bouckaert. Rik De Nolf has assumed the position of Executive Chairman of the Board of Directors.
- On 11 February 2016, Medialaan, a 50% subsidiary of Roularta Media Group, acquired control of the companies around the Mobile Vikings brand.
- In January 2016, Roularta Media Group participated in the capital increase of Proxistore for an amount of 450,000 euros. Roularta Media Group did not participate in a second capital increase in May 2016, making the current participation percentage 46.1%.

Second semester of 2016:

- The company Roularta Media Nederland was liquidated as of 1 July 2016.
- On 1 July 2016, Medialaan acquired television station Acht from Concentra and launched the new men's channel 'CAZ'.
- Management strengthened the 'Lifestyle' products during the summer of 2016. This resulted in a realignment of the portfolio, including a

repositioning of Nest, strengthening of Knack Weekend, Le Vif Weekend,... and switching from an indefinite expected life to a fixed life (3 years) for the intangible assets related to the cash generating Lifestyle unit starting in July 2016.

- In October, Roularta Media Group and KBC participated in the capital increase of Storesquare. This increased the share percentage of Roularta Media Group in the company Storesquare NV from 65% to 71%.

KEY FINANCIAL DATA

Income statent	in thousands of euros	31/12/2016	31/12/2015	Trend
Sales		**276,464**	**290,226**	**-4.7%**
Adjusted sales [1]		***276,427***	***289,416***	***-4.5%***
EBITDA [2]		**34,405**	**33,598**	**+2.4%**
	EBITDA - margin	*12.4%*	*11.6%*	
EBIT [3]		**24,887**	**31,363**	**-20.6%**
	EBIT - margin	*9.0%*	*10.8%*	
Net finance costs		-4,687	-5,441	-14%
Operating result after net finance costs		**20,200**	**25,922**	**-22%**
Income taxes		72	46,089	-100%
Net result from continuing operations		**20,272**	**72,011**	**-72%**
Result from discontinued operations		**0**	**-7,770**	**-100%**
Attributable to minority interests		-1,201	-127	-846%
Attributable to equity holders of RMG		**21,473**	**64,368**	**-67%**
	Net result attributable to equity holders of RMG - margin	*7.8%*	*22.2%*	
Balance sheet		**31/12/2016**	**31/12/2015**	**Trend**
Non-current assets		307,445	319,007	-3.6%
Current assets		135,756	130,674	+3.9%
Balance sheet total		443,201	449,681	-1.4%
Equity - Group's share		222,293	207,649	+7.1%
Equity - minority interests		1,762	1,868	-5.7%
Liabilities		219,146	240,164	-8.8%
Liquidity [4]		1.4	1.1	+27.3%
Solvency [5]		50.6%	46.6%	+8.6%
Net financial debt		57,443	75,680	-24.1%
Gearing [6]		25.6%	36.1%	-29.1%

(1) Adjusted sales = like-for-like, i.e. adjusted for changes in the consolidation scope.
(2) EBITDA = operating cash flow = EBIT + depreciations, write-downs and provisions.
(3) EBIT = operating result, including the share in the result of associates and joint ventures.
(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).

CONSOLIDATED INCOME STATEMENT

Consolidated sales in 2016, which under IFRS 11 take no account of joint ventures including Medialaan and Plus Magazine (in Belgium, the Netherlands and Germany), declined slightly (-4.7%, from 290 to 276 million euros). The decrease in advertising revenues at Local Media and the magazines (-6%) was offset by the strong performance of internet advertising revenue (+14%). Subscription revenue was virtually stable (-1%). Newsstand sales (-9%) dropped due to the disappearance of Belgian sales of Point de Vue. In addition, there was less commercial printing of the Group's former French magazines (-6%).

The increase in **EBITDA** for 2016 amounts to 0.8 million euros or 2% compared to 2015. This increase is due to non-recurring costs in 2015 for payment in the Kempenland dispute (6.7 million euros). In 2016 we invested in future digital activities such as the e-commerce platform Storesquare.be and the telecom/data platform Mobile Vikings, which also put pressure on the EBITDA. **EBIT** in 2016 contains no more major one-off items, which was still the case in 2015 (Kempenland and impairment losses on titles), and amounted to 24.9 million euros.

Lower **net finance costs** due to a lower debt position in 2016 compared to 2015, result in a **net result attributable to equity holders of RMG** of 21.5 million euros or 1.72 euros per share.

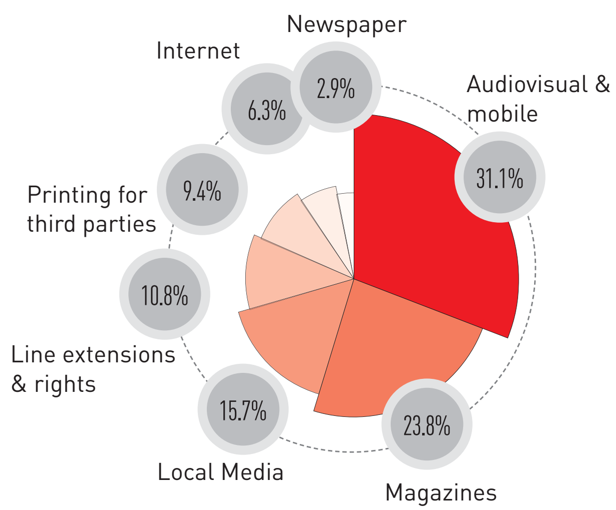
COMBINED SALES IN 2016

Combined sales increased by 5.4 million euros or 1.1%, mainly due to advertising revenue for television at Medialaan and the acquisition of Mobile Vikings.

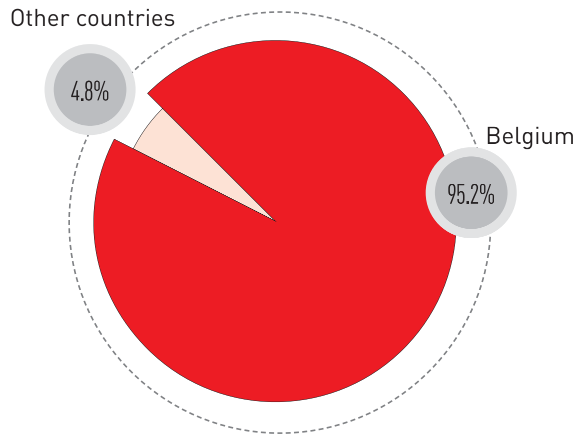
Combined sales by division (in thousands of euros)

Division	31/12/2016	31/12/2015	Trend
Printed Media	295,220	308,130	-4.2%
Audiovisual Media	182,729	164,096	+11.4%
Intersegment sales	*-1,543*	*-1,199*	
Combined sales	**476,406**	**471,027**	**+1.1%**

Combined sales by various activity categories



Combined sales 31/12/2016 regional



2016 COMBINED RESULTS BY DIVISION

Printed Media

Sales from the Printed Media division fell by 4%, from 308 to 295 million euros.
Adjusted revenue in 2016 amounts to 295 million euros compared to 307 million in 2015.

EBITDA rose from 18.8 to 20.6 million euros, mainly as a result of lower operating costs in 2016, the absence of restructuring costs in 2016 and the payment in 2015 related to the Kempenland dispute.

EBIT fell from 16.3 to 10.6 million euros. The reason for the rise in EBITDA and a decline in EBIT is principally the one-off positive effect in 2015 of the reversal of provisions and write-downs for 5.7 million euros versus 2016.

There is a further decline in **net finance costs** of 0.7 million euros to 4.6 million euros. **Taxes** amounted to 0.8 million euros in 2016, mainly from the operations of our joint venture with Groupe Bayard.

The **net result attributable to equity holders of RMG** at the print division amounted to 6.5 million euros. The 1.2 million euros in minority interests in 2016 came mainly from the loss at Storesquare NV, for which RMG currently holds 71% of the shares.

Audiovisual Media

Sales from the Audiovisual Media division increased by 11.4%, from 164 to 183 million euros. Adjusted sales in 2016, not including revenue from acquisitions Mobile Vikings and CAZ, amounts to 167 million euros, an increase of 2%.

EBITDA decreased slightly by 0.7 million euros to 31 million euros or -2%, due mainly to increased mobile transmission and launch costs. **EBIT** is in line with last year: 24 million euros. This is because the increased depreciation for fixed assets – 2.2 million euros, mainly related to Mobile Vikings and CAZ – is offset by the near elimination of write-downs and provisions in 2016 compared to 2015.

The **net result** for the Audiovisual Media division amounts to 15 million euros, which is slightly lower than the 16 million euros in 2015 due to higher **net finance costs** and **taxes**.

BALANCE SHEET

Equity – Group's share on 31 December 2016 amounted to 222 million euros, versus 208 million euros on 31 December 2015. The movement in equity consists mainly of the profit for 2016 (21.5 million) less the dividends paid (6.3 million euros).

As of 31 December 2016, **consolidated net financial debt** amounted to 57.4 million euros, a decrease of 18.3 million euros compared to the end of 2015, which is mainly explained by the repayment of bank loans amounting to 6.2 million euros and the 12 million euro increase in the cash position.

The evolution to a stronger balance sheet between 2015 and 2016 is also highlighted by improving indicators such as liquidity, solvency and gearing.

INVESTMENTS

Total consolidated investments in 2016 amounted to 8 million euros, including a 0.5 million euro capital increase, 3.1 million euros in investments in intangible assets (mainly software) and 4.5 million euros in tangible fixed assets (mainly equipment).

MAIN EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year the following main events have occurred:

- During the month of January 2017, Roularta Media Group successfully relaunched the free publication 'De Streekkrant' as 'Deze Week', the newspaper with the largest circulation in Belgium.
- In January 2017, Roularta Media Group was the first ever Google Premier Partner to receive the award for Sustained Customer Excellence.
- In January 2017, Roularta Media Group, along with Duval Union, started the Roularta Mediatech Accelerator programme for 9 start-ups.
- In February 2017, the judgement on appeal was pronounced in the 'InfoBase' case. A first reading of this judgement appears to be slightly positive and does not require an increase in the provision made that currently amounts to 2.1 million euros.

Otherwise no major events have occurred which significantly affect the results and the financial position of the company.

INFORMATION ON CIRCUMSTANCES THAT CAN SIGNIFICANTLY INFLUENCE THE DEVELOPMENT OF THE GROUP

We do not foresee any notable circumstances that can significantly influence the future development of Roularta Media Group.

RESEARCH AND DEVELOPMENT

As a multimedia company Roularta Media Group operates in various high-tech sectors. Within these it is constantly seeking new opportunities, with a reputation as a major innovator.

Roularta Media Group attaches paramount importance to research and development. These efforts obviously benefit the Group's own internal operating processes, but in many cases also drive fundamental market developments.

For a detailed description of research and development, we refer to the chapter 'Roularta as technological innovator' in the 2016 annual report.

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. The forward contracts used for these hedges do not have a direct impact on the financial position or results of the Group as these instruments are only used by associates which are consolidated by the equity method and, therefore, are only reflected in the share in the result of associates and joint ventures.

To hedge risks with respect to adverse interest rate fluctuations, the Group has used financial instruments, namely Interest Rate Swap (IRS) contracts. In accordance with the requirements defined in IAS 39, some of the 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 WELL-BEING

Please refer to the chapter Environment, Prevention and Well-being in the 2016 annual report.

STAFF

As at 31 December 2016, the Group has 1,354 full-time equivalent (FTE) employees, compared with 1,364 full-time equivalent (FTE) employees the previous year. These figures exclude joint ventures.
Including the pro rata share of Roularta in the joint ventures, the Group has 1,836 full-time equivalent (FTE) employees at 31 December 2016.

MAIN RISKS AND UNCERTAINTIES

Economic conditions

Changes in general, global or regional economic conditions or economic conditions in areas where the Group operates and which could impact consumers' consumption patterns, can negatively impact the Group's operating results.

Risks relating to market developments

The media market is constantly changing. The profit generated by the Group is largely determined by the advertising market, the readers market and viewing and listening figures.

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.

Strategic risk associated with markets and growth

The Group may be faced with unfavourable market conditions or unfavourable competitive developments.

Risks relating to suppliers

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, can fluctuate according to the economic situation.

The evolution of international paper prices is uncertain and may adversely affect the business, operating results and/or financial position of the Group if price increases cannot be passed on in time to its customers. To manage the paper price risk, the Group concludes periodical contracts for newspaper and for magazine paper.

Disturbances or disruptions of the IT system

The Group is exposed to potential disturbances or disruptions in its computer systems.

Computer systems are a central part of the Group's business. A disturbance in the Group's computer systems due to malfunctioning, malicious attacks, viruses or other factors could seriously impact various aspects of its activities, including but not limited to sales, customer service and administration. Computer system disturbances can have an adverse effect on the Group's activities or operating results. To date, the company has not experienced substantial problems with its computer systems. Year after year the Group invests substantial means to optimise its IT systems and to reduce possible disturbances.

Risks associated with intellectual property
The enforcement of intellectual property rights is costly and uncertain. The Group can not guarantee that it will be successful in preventing abuse of its intellectual property rights.

Risk of reduced brand recognition or negative brand image
The Group's position could be significantly adversely affected if brand recognition were significantly to reduce or if the Group's leading brands, publications and products were to suffer reputational damage.

Risk of non-renewal of licences for TV and radio activities
The Group has the necessary approvals for undertaking its radio and television activities in Belgium. An inability to extend these could potentially negatively impact the Group's financial position and/or results.

Risks related to current and future acquisitions
In takeover situations, the Group is exposed to risks related to the integration of the entities acquired.

Innovation risk
The Group needs to develop new applications on an ongoing basis. Without this, it runs the risk of falling behind its competitors and being unable to catch up again, which could negatively impact the Group's financial position and/or results.

Currency risks
The Group is exposed to a currency risk with respect to the USD. The identified currency risks relate to the (expected) purchases in USD in the Audiovisual Media segment. In addition, the Group incurs to a certain extent foreign currency risks related to its operational activities.

With regard to the purchases and the firm commitments to purchase film rights 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.

Despite these foreign exchange contracts, fluctuations in the USD can have a limited impact on the Group's operating results.

Interest rate risk
The Group's level of debt and the related interest expense can have a major influence on the Group's result and/or the financial position. In order to hedge the risks of unfavourable interest rate fluctuations the Group may use financial instruments.

Credit risk
The Group is exposed to the credit risk on its customers, which could lead to credit losses. To control this credit risk, credit investigations are performed on customers which request major credit facilities. Where the outcome is negative, credit is refused or restricted.

In addition, the Group also uses trade finance instruments, such as letters of credit, to cover part of its credit risk and credit insurances are concluded for a small percentage of foreign clients of the printing works.

There is no significant concentration of credit risks with a single counterparty.

Despite the Group's intention of limiting its credit risk, it can face a deterioration of the creditworthiness of its customers. Any failure to conclude a credit insurance policy with respect to certain customers can have a material adverse effect on the Group's business, financial condition and/or results.

Covenants
The company's lenders, the lenders of the convertible debenture not included, have imposed covenants relating to the debt ratio (net financial debt/EBITDA), interest coverage (EBITDA/net finance costs), gearing (net debt/equity), solvency and dividends.

Any breach of covenants could lead to the Group's financial debts being immediately due and payable.

Liquidity risk
The Group's indebtedness and the restrictions agreed upon in the financing agreements may adversely affect the Group's liquidity position.

The Group expects to meet its obligations through operating cash flows and current cash and cash equivalents. In addition, the Group has various short-term credit lines that form an additional working capital buffer. There is for these credit facilities by the lenders no specific maturity guaranteed.

Capital structure
The Group is constantly seeking to optimise its capital structure (mix of debt and equity). The main objective of the capital structure is to maximise shareholder value while maintaining the desired financial flexibility for implementing strategic projects.

Risks relating to possible impairments of goodwill and tangible and intangible fixed assets
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. This recoverable amount is determined on the basis of business plans prepared by management and approved by the board of directors. The Group points to the sensitive nature of these business plans. When, owing to market circumstances, the assumptions contained in the aforementioned business plans cannot be achieved, impairments are recognised in the profit and loss account, with an effect on the net income and shareholders' equity of the Group.

A detailed description of the impairment tests, including sensitivity, is included in Note 14 to the consolidated financial statements.

Risks relating to legislation and arbitration
The Group is involved in a number of disputes, currently pending. For these disputes, mostly provisions were set up. The Group can not guarantee that it will not in future face material litigation by third parties in relation to published articles, other forms of communication and more in general the activities of the Group.

A detailed description of the most important pending disputes is included in Note 25 to the consolidated financial statements.

Roeselare, 10 April 2017
The Board of Directors

CORPORATE GOVERNANCE DECLARATION [*]

INDICATION OF THE CORPORATE GOVERNANCE CODE

As a multimedia company Roularta Media Group sets out to create value for its readers, viewers, listeners, advertising customers, employees and shareholders.

In the light of this task, Roularta Media Group NV, as a listed Belgian company, subscribes to the Belgian Corporate Governance Code (2009) as its reference code (available at www.corporategovernancecommittee.be). This forms the basis for its own Corporate Governance Charter, which is published on the company's website (www.roularta.be – Roularta on the stock market - management). The Charter sets out in an exhaustive and transparent fashion how Roularta Media Group is governed and how account for this governance is rendered. The Corporate Governance Charter of NV Roularta Media Group was approved by the board of directors and is regularly updated.

The board believes that observing as closely as possible the principles set out in the Charter will lead to more efficient, more transparent governance and better risk management and control of the company. Roularta Media Group's aim in so doing is to maximise value for its shareholders, its stakeholders and its institutional investors.

DESCRIPTION OF THE PRINCIPAL FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Enterprise Risk Management

Roularta Media Group has set up a risk assessment and internal control system in line with the requirements of the 2009 Belgian Corporate Governance Code.

The internal control of Roularta Media Group is based on the COSO ERM model (version 1) and is designed to provide reasonable assurance regarding the achievement of the objectives of the company. This implies, among other things, recognising and managing both operational and financial risks, compliance with laws and regulations, and monitoring reporting.

The Roularta Media Group organisational culture allows for decentralised operating. Executives and managers are to a large extent responsible for providing operational management. Decentralised control implies, among other things, maintaining continuous watch over risk.

The budget as a direction-indicating instrument

A key element in risk management is the annual budget exercise, consisting of multiple consultations and discussions on business risks, the strategy, business plans and intended results. The final result is a set of objectives and targets, together with projects which should contribute to the better management or control of risks.

Continuous automation with built-in controls

Many processes within Roularta Media Group are automated. An important component of automation consists of risk management with a focus on accuracy, completeness, consistency, timeliness and authentication/authorisation of information.

Continuous monitoring, primarily on the basis of built-in controls in a highly automated operational environment, ensures the prevention or timely detection of potential risks. The security of IT systems is crucial in this. Particular attention is paid here to:

- mirrored systems;
- access security;
- keeping apart of test and production environments;
- back-up power generation;
- back-up procedures.

[*] Part of the annual report of the board of directors.

HR tools to support operational functioning

Besides IT-technical control, operational risk management is mainly characterised by the following measures:

- organisation charts and reporting lines;
- clear employee functional descriptions;
- procedures and guidelines communicated via the intranet;
- continuous training activities and improvement initiatives.

Environment with a focus on financial controls and reporting

Risk management in terms of financial reporting consists primarily of:

- the accounting rules that are applicable on a daily basis;
- the uniformity aimed for within the different companies of the Group, both in terms of the application of the IFRS rules as well as in terms of standardised reporting;
- the audit of the reported figures by the associated companies by the central budget and management reporting department;
- the control, the monitoring of the financial reporting by the audit committee.

Internal audit as an engine for risk management

At the initiative of the audit committee, work has begun on developing a risk management system, based on the KAPLAN method. The internal auditor of Roularta Media Group, Mr Philippe Buysens, is responsible for developing and monitoring this risk management system.

The tool of choice for managing risks in a structured way is internal audits. In a process approach, risks are identified during an internal audit and then analysed. This risk assessment leads to the formulation of a certain number of management measures that are then submitted to the business unit manager concerned. In consultation it is then determined which control measures are feasible and should be implemented by priority.

Following the aforementioned KAPLAN method, the identified risks are divided into three types:

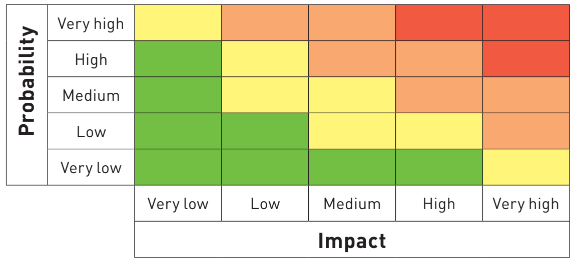
1 Avoidable risks
- *Type description:* Risks arising inside the organisation and offering no strategic advantage.
- *Risk limitation objective:* Avoiding or eliminating risk (probability and impact) in a cost-effective way.

2 Strategic risks
- *Type description:* Risks taken in expectation of a major strategic benefit.
- *Risk limitation objective:* Limiting potential risk and impact in a cost-effective way.

3 External risks
- *Type description:* External, uncontrollable risks.
- *Risk limitation objective:* Limiting impact cost-effectively should risk event occur.

These risks are then further divided into the following categories:

Ultimately, each risk is evaluated for both its probability of occurrence and its impact:



Pentana, audit software, is used for effectively managing the identified risks. From here, a report is prepared at the end of each internal audit. Each such report includes an action plan of the various action points to be implemented. Progress in the implementation of the listed action points is monitored in periodic follow-up meetings.

PUBLICATION IMPORTANT PARTICIPATIONS AND 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

The capital of the company amounted to EUR 80,000,000.00 and is represented by 13,141,123 similar shares with the same rights.

The shareholding structure is as follows:

	Number of shares	%
Koinon Comm.VA [1]	7,480,325	56.92%
S.A. West Investment Holding [1]	2,022,136	15.39%
Bestinver Gestión S.G.I.I.C. S.A.	998,725	7.60%
Treasury shares	612,825	4.66%
Individual and institutional investors	2,027,112	15.43%

(1) The Comm.VA Koinon and the S.A. West Investment Holding, in their capacity as persons acting in consort who have concluded an agreement concerning the possession, the acquisition and transfer of shares, have made a definitive notification.

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

Each share entitles its holder to one vote, under Article 33 of the articles of association, on the understanding that no one person may vote at the general meeting in respect of more than thirty-five per cent (35%) of the number of votes attached to all the shares issued by the company. Several shareholders whose securities, according to the criteria laid down in Article 6 § 2 of the Law of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, are joined together, cannot vote, either, at the general meeting, in respect of more than thirty-five per cent (35%) of the number of votes attached to all the shares issued by the company. The restrictions do not, however, apply if the vote relates to an amendment of the articles of association of the company or to decisions for which, under the Companies Code, a special majority is required.

A shareholder agreement has been concluded between shareholders Comm.VA Koinon and S.A. West Investment Holding, restricting the transfer of securities.

The articles of association and the Corporate Governance Charter of Roularta Media Group include specific provisions on the (re)appointment, training and evaluation of directors. Directors are appointed for a maximum period of four years by the general meeting of shareholders, that can remove them at any time. A resolution to appoint or dismiss requires a simple majority of votes. Should a directorship fall prematurely vacant, the remaining directors can themselves appoint (co-opt) a new director. In this case, the next general meeting proceeds to the final appointment.

The articles of association of NV Roularta Media Group give Comm.VA Koinon a binding right of nomination. Based on this nomination right, the majority of the directors are appointed from candidates put forward by Comm.VA Koinon as long as the latter holds, directly or indirectly, at least thirty-five percent of the shares of the company.

Decisions to amend the articles of association are subject to special quorum and majority requirements. Any decision to amend the articles of association requires the presence, in person or by proxy, of shareholders representing at least half of the share capital and the approval of at least three fourths of the capital present or represented at the meeting. If the quorum is not met, then a second meeting must be convened, at which the quorum requirement does not apply. The requirement of a special majority remains, however.

The board of directors is expressly authorised, in the case of public takeover bids on securities of the company, to increase the share capital within the limits provided by Article 607 of the Companies Code by issuing shares not exceeding 10% of the existing shares at the time of such public bid. This authorisation was granted by the extraordinary general meeting of 20 May 2014 for a term of three years. A proposal to renew this authorisation will be made to the general meeting that will take place on 16 May 2017.

The company may acquire, divest or pledge its own shares, profit certificates or other certificates relating hereto, to the extent that the relevant statutory provisions are complied with. The board of directors is expressly authorised, without a resolution of the general assembly, to acquire and hold its own shares if necessary to avoid imminent and serious harm to the company. This authorisation was granted by the extraordinary general meeting of 19 May 2015 for a period of three years, starting on 15 June 2015, being the date of publication in the annexes to the Belgian Official Gazette of the authorisation, and may be renewed. A proposal to renew the authorisation to acquire own shares will be made to the general meeting that will take place on 16 May 2017.

Following condition 6 (c) (redemption at the option of the bondholders in the event of change of control) contained in the Prospectus dated 18 September 2012 relating to the issuance of bonds: each bondholder has the option to request repayment of all or part of his bonds in the event of a change of control of Roularta Media Group.
In the context of the Law of 1 April 2007 concerning public takeover bids, Comm.VA Koinon, as the direct holder of more than 30% of the Roularta Media Group shares, updated its registration with the FSMA on 25 August 2014 pursuant to Article 74 § 6 of the above-mentioned law.

Comm.VA Koinon is a subsidiary of the Stichting Administratiekantoor Cerveteri, which is controlled by Mr Rik De Nolf.

COMPOSITION OF AND REPORT BY THE BOARD OF DIRECTORS AND ITS COMMITTEES, AND THE PERSONAL ATTENDANCE LEVELS OF THEIR MEMBERS

Board of directors

The board of directors of NV Roularta Media Group has nine members:

- Mr Rik De Nolf, executive director and chairman of the board (2018).
- Five directors representing the reference shareholder, in accordance with the proposal rights under the articles of association, Mr Xavier Bouckaert, permanent representative of Comm.VA Koinon (2018), Ms Lieve Claeys (2018), Ms Caroline De Nolf, permanent representative of NV Verana (2020), Mr Joris Claeys, permanent representative of NV Cennini Holding (2018) and Mr Francis De Nolf, permanent representative of NV Alauda (2019).
- Three independent directors, all of whom hold executive corporate functions:
  - » *Mr Carel Bikkers, permanent representative of BV Carolus Panifex Holding (2018),* has for the past nine years headed up the Dutch media group Audax, a multifaceted organisation that is involved in the broadest sense of the term with the publishing, distribution and retailing of media and related products. Prior to this Mr Carel Bikkers worked as general manager of Kwik-Fit Europe BV, Europe's largest car service chain.
  - » *Mr Koen Dejonckheere, permanent representative of NV Invest at Value (2018)*
    Mr Koen Dejonckheere was appointed Chief Executive Officer of Gimv in 2008. Before, he was Managing Director and head of Corporate Finance at KBC Securities. Previously, Mr Koen Dejonckheere worked for Nesbic, Halder, Price Waterhouse Corporate Finance Europe and the BBL. Mr Koen Dejonckheere has extensive experience as a dealmaker in investment banking and private equity in Belgium and abroad.
  - » *Mr Marc Verhamme, permanent representative of SPRL Mandatum (2018),* was until 1994 CEO of the

North and North-West European fresh produce division of Danone. Mr Marc Verhamme is today an industrialist and owns a number of SMEs producing organic food products like yoghurt and fresh cheese,... with brands such as MIK and Pur Natur.

The Corporate Governance Code recommends that the board of directors be chaired by a non-executive director. Deviations from this recommendation need to be set out according to the "comply or explain" rule. Roularta Media Group has indeed decided to deviate from this recommendation by assigning the role of chairman to an executive director. Given the transformation phase that the media world is going through due to the digitisation of society and the emergence of new media, it is important that Mr Rik De Nolf remains active in the executive management committee as a sounding board and advisor. Mr Rik De Nolf is as chairman and executive director also responsible for the Group's external communications and investor relations.

This active executive role given to the chairman of the board of directors facilitates better communication and an improved information flow between the board and executive management, and generally contributes to the proper functioning of the company.

Today, the board of directors has two female and seven male board members. Under Article 518a § 1, the gender of at least one third of the members must differ from that of the other members. This provision will apply to the Roularta Media Group from 1 January 2019. The board of directors is making every effort to achieve the proposed legal quota on gender diversity within the board of directors before 1 January 2019.

The board of directors met six times during 2016 to discuss the company's results, the Group's multi-annual plan and the following year's budget. The secretary of the board of directors, Sophie Van Iseghem, is responsible for the reporting of the board of directors and the committees established by the board of directors.

Attendance of individual board members in 2016:

Rik De Nolf, Chairman	6
Xavier Bouckaert, CEO	6
Marc Verhamme, Vice-Chairman	6
Carel Bikkers	6
Joris Claeys	6
Lieve Claeys	6
Caroline De Nolf	6
Francis De Nolf	6
Koen Dejonckheere	6

During the past year there was also a meeting of the independent directors. For 2017, six board meetings are planned.

Audit committee

The audit committee consists solely of independent directors. The members of the audit committee have collective expertise related to the activities of the company. The expertise in accounting and auditing of Mr Carel Bikkers, chairman of the audit committee, is evident among other things from his former position as a senior manager of the Dutch media group Audax and from his board member/supervisor mandate in a number of Dutch companies.

The audit committee met five times in 2016. During these meetings the audit committee controlled the integrity of the financial information of the company, closely monitored the activities of the internal and external auditor, and where it deemed necessary, made recommendations in these respects to the board of directors.

At the invitation of the chairman, the audit committee was attended by the statutory auditor, the CEO, the chairman of the board of directors, the CFO and the internal auditor.

Attendance at audit committee meetings in 2016:

Carel Bikkers, Chairman	5
Marc Verhamme	5

Appointments and remuneration committee

The board of directors has used the opportunity as provided in the Corporate Governance Code to establish a single, joint appointments and remuneration committee.

The appointments and remuneration committee consists solely of non-executive directors, including two independent directors, and has the necessary expertise in the area of remuneration policy.

The CEO and the executive chairman of the board of directors participate in the meetings of the appointments and remuneration committee in an advisory capacity (cf. Article 526 quater of the Companies Code), except when the appointments and remuneration committee deliberates on the remuneration of the CEO and/or the executive chairman of the board of directors.

The HR director of the Group is also invited to attend the meetings of the appointments and remuneration committee.

The appointments and remuneration committee met two times during 2016. The main item on its agenda was: preparing the remuneration report and reviewing the remuneration and bonus policy of the executive management and the composition of the board of directors and its committees.

Attendance at appointments and remuneration committee meetings in 2016:

Carel Bikkers	2
Marc Verhamme, Chairman	2

ASSESSMENT OF THE BOARD AND BOARD COMMITTEES

Every year the board of directors undertakes a review, led by the chairman and assisted by the appointments and remuneration committee, of its size, composition, functioning and interaction with executive management. This assessment has four objectives: (i) assessing the operation of the board of directors; (ii) examining whether important issues are thoroughly prepared and discussed; (iii) assessing the actual contribution of each director to the activities of the board of directors, on the basis of his or her presence at board and committee meetings and his or her constructive involvement in discussions and decision-making; (iv) establishing a comparison between the current composition of the board of directors and the pre-defined desired composition of the same.

Every year the non-executive directors assess their interaction with senior management and, where appropriate, make proposals to the chairman of the board of directors for improving this interaction.

The contribution of each director is reviewed at regular intervals. In the event of a reappointment, the engagement and the effectiveness of the director is evaluated.

COMPOSITION OF EXECUTIVE MANAGEMENT

The executive management of Roularta Media Group consists of the executive management committee and the management team (see page 27). With the exception of the start of Mr Jeroen Mouton as CFO of Roularta Media Group in early May 2016, no changes to the composition of executive management took place in the past year.

CONFLICT OF INTERESTS

There were in the course of the financial year no conflicts of interest of a financial nature giving rise to the application of Article 523 of the Companies Code.

POLICY CONCERNING TRANSACTIONS AND OTHER CONTRACTUAL RELATIONSHIP BETWEEN THE COMPANY, INCLUDING AFFILIATED COMPANIES, AND ITS DIRECTORS AND MEMBERS OF THE EXECUTIVE MANAGEMENT NOT COVERED BY THE CONFLICT OF INTERESTS RULES

Taking into account the principles and guidelines contained in the Belgian Corporate Governance Code, the company has developed a policy on transactions and other contractual relationships between the company, including affiliated companies, and its directors and members of the executive management not covered by the statutory conflict of interests rules.

A transaction or a contractual relationship of any kind is deemed to exist between the company and its directors and/or members of its executive management when:

- a director or a member of the executive management has a significant personal financial interest in the corporate body with which Roularta Media Group wants to conclude a transaction;
- a director or member of the executive management

or his or her spouse, cohabiting partner, child or blood or other relative up to the second degree are members of the board of directors or the executive management of the corporate body with which Roularta Media Group wishes to conclude a major transaction;
- the board deems that such a conflict exists in respect of the proposed transaction.

The director or member of the executive management concerned shall provide the board with all possible relevant information relating to the conflict of interests. He or she shall refrain from participating in the discussion and decision-making on this agenda item.

The board of directors confirms that in the past year no such transactions have taken place and no situations have arisen giving rise to the application of the above procedure.

PROTOCOL FOR THE PREVENTION OF MARKET ABUSE

The protocol for the prevention of market abuse prohibits directors, members of the management team, other members of staff or external persons employed by the company, who, by the nature of their function come into contact with confidential information, from trading, directly or indirectly, on the basis of insider information, in financial instruments issued by Roularta Media Group. In view of the entry into force at the start of July 2016 of European Regulation No. 596/2014 on market abuse, the board of directors has revised the existing protocol to prevent market abuse in order to bring it in line with the uniform European market abuse regulations.

REMUNERATION REPORT

Annual remuneration of executive and non-executive directors

The starting point of the compensation and benefits policy for (executive and non-executive) management is the attraction and retention of qualified managers with the required background and experience in terms of the various elements of corporate policy. To achieve this starting point, the compensation and benefits policy is market competitive and takes into account the company's size and complexity using reference data where possible.

Non-executive directors and executive directors in their capacity as directors receive only a fixed remuneration as compensation for their membership of the board of directors and their attendance at the board meetings and the meetings of the committees of which they are members.

The level of directors' remuneration is determined taking into account their role as a normal director, their specific roles as chairman of the board, chair or member of a committee, as well as the resulting responsibilities and time demands.

Non-executive directors receive no performance-related remuneration such as bonuses, long-term incentive programmes, benefits in kind or pension plans. Nor are options or warrants allotted to non-executive directors. There are no contributions to pensions or similar benefits for directors. The provisions concerning the remuneration of the non-executive directors apply equally to executive directors in their capacity as directors.

The chairman of the board of directors and the managing director were granted a fixed remuneration of EUR 100,000. The vice-chairman of the board receives a fixed remuneration of EUR 50,000. Each other board member receives a fixed remuneration of EUR 10,000, plus a fee per board meeting of EUR 2,500; members of board committees (the audit committee and the appointments and remuneration committee) receive an additional fee per meeting of EUR 2,500, the chairman of the audit committee an additional EUR 5,000 fee per meeting of this committee. The directors' remuneration policy will not be changed in the two coming financial years.

Directors' remuneration 2016

		Fixed	Attendance fee
Rik De Nolf Chairman of the board of directors	Executive	EUR 100,000.00	–
Xavier Bouckaert permanent representative of Comm. VA Koinon – Managing Director	Executive	EUR 100,000.00	–
Marc Verhamme permanent representative of SPRL Mandatum – Vice-Chairman of the board of directors – member audit committee – Chairman appointments and remuneration committee	Non-executive & independent	EUR 50,000.00	–
Carel Bikkers permanent representative of BV Carolus Panifex Holding – Chairman audit committee – member appointments and remuneration committee	Non-executive & independent	EUR 10,000.00	EUR 42,500.00
Joris Claeys permanent representative of NV Cennini Holding	Non-executive	EUR 10,000.00	EUR 12,500.00
Lieve Claeys	Non-executive	EUR 10,000.00	EUR 12,500.00
Caroline De Nolf permanent representative of NV Verana	Non-executive	EUR 10,000.00	EUR 12,500.00
Francis De Nolf permanent representative of NV Alauda	Executive	EUR 10,000.00	EUR 12,500.00
Koen Dejonckheere permanent representative of NV Invest at Value	Non-executive & independent	EUR 10,000.00	EUR 12,500.00

Remuneration of members of executive management

The remuneration of the members of executive management is set by the board of directors based on the recommendation of the appointments and remuneration committee. The level and structure of the remuneration of the executive management need to enable the company to attract, retain and continually motivate qualified and skilled managers, taking into account the nature and scope of their individual responsibilities.

The amount and structure of the basic remuneration of the executive management is regularly reviewed for its compliance with market conditions by a specialist (international) salaries and benefits consultancy. The company is assuming that the remuneration policy for members of the executive management will remain unchanged for the next two years unless testing against market practice shows that changes are urgently needed.

In 2016, the remuneration policy of the members of the executive management did not change from that of previous years. The remuneration of the executive management consists of:
- basic remuneration in line with training, job content, experience and seniority;
- a performance bonus linked for 30% to the consolidated results of the Group and for 70% to the performance of the business unit for which the manager is responsible. Every year financial performance criteria are established for the year in question at the level of the consolidated Group results. At business unit level, financial or qualitative targets are set on an annual basis. At the end of the year it is determined by the appointments and remuneration committee, based on the established performance criteria, both quantitative and qualitative, whether and to what extent the bonus has been earned. On the recommendation of the appointments and remuneration committee, the board of directors approves the bonuses of the executive management. The bonus may not exceed 20% to 25% of the basic annual salary of members of the executive management. The bonus is paid to the group insurance of the manager in question. A small portion of the bonus can be paid out in cash at the request of the manager concerned. There is no provision for a right of recovery in favour of the company in cases where variable remuneration has been given based on inaccurate financial data. Bonuses are awarded only after the close of the year and the requisite verification of the figures by the auditors. In this way the likelihood of paying a bonus based on inaccurate financial data is negligible;
- a long-term incentive consisting of rights to acquire shares in Roularta Media Group. The option plans issued by the company each run for ten years, with exercise possible no earlier than the third calendar year after subscription;
- extra-legal ('fringe') benefits, consisting of a group

insurance (employer's contribution is 3.75% of the annual remuneration), a company car with fuel card in accordance with the company's car policy, luncheon vouchers (employer's contribution of maximum EUR 6.91/day worked) and hospitalisation and disability insurance.

The CEO, Comm.VA Koinon with Mr Xavier Bouckaert as its permanent representative, received in 2016 a gross fixed remuneration of EUR 644,771.36. The remuneration package for the CEO does not include shares, share options, nor are the pension contributions included.

The other members of the executive management (executive management committee members and members of the management team) together received:

- basic salaries of EUR 1,888,983.30;
- a total of EUR 223,500.00 in bonuses, of which EUR 80,000.00 was paid in cash and EUR 143,500.00 was paid into the group insurance;
- the pension contributions for 2016 total EUR 84,982.70, of which EUR 73,615.51 of payments into a defined contributions pension plan and EUR 11,367.19 of payments into a savings/group insurance;
- and other components amounting to EUR 47,121.66 of which EUR 35,113.20 of standard employer-specific costs and EUR 12,008.66 employer's contribution to luncheon vouchers.

In the table below you can find an overview of the stock options plans members of the executive management participated in, with their most significant terms including the exercise price and the expiration period.

19,250 options were exercised by members of executive management during the course of 2016, at an exercise price of 15.71 euros.

There were no new options granted during 2016, nor did options granted to the executive management expire during this period.

Severance pay for executive managers

The severance pay for members of executive management is estimated on the basis of the Belgian employment law that applies, except for the managing director and the members of the executive management providing their services via management companies. For the managing director, the period of notice is 12 months, while for other members of executive management with self-employed status, notice periods (or severance pay in lieu) of between four and six months apply.

Overview stock options allotted to the executive management

Year of allotment	Number of options allotted	Exercice price (in EUR)	First exercise period	Last exercise period
2006	79,500	53.53	01/01-31/12/2010	01/01-31/12/2021
2008	68,000	40.00	01/01-31/12/2012	01/01-31/12/2023
2009	79,500	15.71	01/01-31/12/2013	01/01-31/12/2019
2015	42,500	11.73	01/01-31/12/2019	01/01-31/12/2025

CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED INCOME STATEMENT

in thousands of euros	Note	2016	2015
Sales	3	276,464	290,226
Own construction capitalised		2,098	1,710
Raw materials, consumables and goods for resale		-67,762	-72,785
Services and other goods	4	-101,638	-102,880
Personnel	5	-91,389	-91,839
Other operating income	7	4,158	6,302
Other operating expenses	7	-5,720	-12,654
Restructuring costs: costs	8		-3,535
Share in the result of associated companies and joint ventures	16	18,194	19,053
EBITDA		**34,405**	**33,598**
Depreciation, write-down and provisions		-9,518	-2,077
Depreciation and write-down of intangible and tangible assets		*-10,248*	*-9,329*
Write-down of inventories and debtors	*6*	*42*	*914*
Provisions		*688*	*8,556*
Impairment losses		*0*	*-2,218*
Restructuring costs: provisions	8	0	-158
Operating result - EBIT		**24,887**	**31,363**
Financial income	9	1,413	1,308
Financial expenses	9	-6,100	-6,749
Operating result after net finance costs		**20,200**	**25,922**
Income taxes	10	72	46,089
Net result from continuing operations		**20,272**	**72,011**
Result from discontinued operations	11	0	-7,770
Net result of the consolidated companies		**20,272**	**64,241**
Attributable to:			
Minority interests		-1,201	-127
Equity holders of Roularta Media Group		**21,473**	**64,368**

Earnings per share in euros	Note	2016	2015
From continuing and discontinued operations			
Basic earnings per share	12	1.72	5.16
Diluted earnings per share	12	1.70	5.14
From continuing operations			
Basic earnings per share	12	1.72	5.78
Diluted earnings per share	12	1.70	5.76

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of euros	2016	2015
Net result of the consolidated companies	**20,272**	**64,241**
Other comprehensive income of the period		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences	-12	-34
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Non-current employee benefits - actuarial gain / loss	-1,098	-147
Deferred taxes relating to other comprehensive income	372	-76
Share of non-reclassifiable other comprehensive income of joint ventures and associates	-280	
Other comprehensive income of the period	**-1,018**	**-257**
Total comprehensive income	**19,254**	**63,984**
Attributable to:		
Minority interests	-1,201	-127
Equity holders of Roularta Media Group	**20,455**	**64,111**

3. CONSOLIDATED BALANCE SHEET

ASSETS in thousands of euros	Note	2016	2015
Non-current assets		**307,445**	**319,007**
Intangible assets	14	84,399	86,158
Goodwill	14	0	5
Property, plant and equipment	15	56,023	57,025
Investments accounted for using the equity method	16	127,722	120,735
Available-for-sale investments, loans, guarantees	17	2,470	2,844
Trade and other receivables	18	15,568	31,479
Deferred tax assets	19	21,263	20,761
Current assets		**135,756**	**130,674**
Inventories	20	6,236	5,464
Trade and other receivables	18	73,989	81,867
Tax receivable		284	390
Short-term investments	21	46	46
Cash and cash equivalents	21	50,565	38,496
Deferred charges and accrued income		4,636	4,411
Total assets		**443,201**	**449,681**

LIABILITIES in thousands of euros	Note	2016	2015
Equity		**224,055**	**209,517**
Group's equity		222,293	207,649
Issued capital	*22*	*80,000*	*80,000*
Treasury shares	*22*	*-23,931*	*-24,376*
Retained earnings		*163,224*	*148,159*
Other reserves	*22*	*2,966*	*3,820*
Translation differences		*34*	*46*
Minority interests		1,762	1,868
Non-current liabilities		**118,842**	**123,862**
Provisions	24	7,380	8,417
Employee benefits	26	5,079	3,527
Deferred tax liabilities	19	521	521
Financial debts	27	105,825	111,360
Trade payables	28	0	0
Other payables	28	37	37
Current liabilities		**100,304**	**116,302**
Financial debts	27	2,229	2,862
Trade payables	28	42,266	48,086
Advances received	28	17,582	19,841
Employee benefits	28	13,497	18,008
Taxes	28	771	1,630
Other payables	28	16,242	20,277
Accrued charges and deferred income	28	7,717	5,598
Total liabilities		**443,201**	**449,681**

4. CONSOLIDATED CASH FLOW STATEMENT

in thousands of euros	Note	2016	2015
Cash flow relating to operating activities			
Net result of the consolidated companies		20,272	64,204
Share in the results of associated companies and joint ventures	16	-18,194	-19,549
Income tax expense / income	10 & 11	-72	-46,089
Interest expenses		6,100	7,122
Interest income (-)		-1,413	-1,295
Losses (+) / gains (-) on disposal of intangible assets and property, plant and equipment		17	-678
Losses (+) / gains (-) on disposal of business		-398	4,620
Dividends received from associated companies and joint ventures		11,741	16,667
Non-cash items		10,036	-1,337
Depreciation of (in)tangible assets	*14 & 15*	*10,248*	*9,339*
Impairment losses	*14*		*2,218*
Share-based payment expense	*5*	*152*	*16*
Losses (+) / gains (-) on non-hedging derivatives	*9*		*-293*
Increase (+) / decrease (-) in provisions		*-688*	*-11,403*
Unrealised exchange loss (+) / gain (-)			*-1*
Other non-cash items		*324*	*-1,213*
Gross cash flow relating to operating activities		**28,089**	**23,665**
Increase / decrease in current trade receivables		7,939	8,590
Increase / decrease in current other receivables and deferred charges and accrued income		809	-7,726
Increase / decrease in inventories		-734	547
Increase / decrease in current trade payables		-5,820	-20,744
Increase / decrease in other current liabilities		-10,707	-466
Other increases / decreases in working capital (a)		2,134	-303
Increase / decrease in working capital		**-6,379**	**-20,102**
Income taxes paid		-1,014	-59
Interest paid		-6,067	-7,388
Interest received		196	1,290
NET CASH FLOW RELATING TO OPERATING ACTIVITIES (A)		**14,825**	**-2,594**

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

Cash flow relating to investing activities			
Intangible assets - acquisitions	14	-3,090	-3,172
Tangible assets - acquisitions	15	-4,448	-2,288
Intangible assets - other movements			-64
Tangible assets - other movements		34	1,415
Net cash flow relating to acquisition of subsidiaries	32	-450	-1,622
Net cash flow relating to disposal of subsidiaries	33 (*)	16,000	12,782
Net cash flow relating to loans to investments accounted for using the equity method		142	-725
Available-for-sale investments, loans, guarantees - other movements		14	1,137
Increase / decrease in short-term investments			780
NET CASH FLOW RELATING TO INVESTING ACTIVITIES (B)		**8,202**	**8,243**
Cash flow relating to financing activities			
Dividends paid		-6,253	0
Treasury shares		445	271
Other changes in equity		924	-89
Proceeds from current financial debts		0	834
Redemption of current financial debts		-2,279	-2,976
Redemption of non-current financial debts		-3,938	0
Decrease in non-current receivables		143	54
NET CASH FLOW RELATING TO FINANCING ACTIVITIES (C)		**-10,958**	**-1,906**
TOTAL DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**12,069**	**3,743**
Cash and cash equivalents, beginning balance		38,496	34,753
Cash and cash equivalents, ending balance		50,565	38,496
Net decrease / increase in cash and cash equivalents		**12,069**	**3,743**

(*) Including funds received in 2016 related to the sale of the French operations in 2015.

Notes to the consolidated cash flow statement

The cash flow statement shows the source of the Group's strong cash generation of 12 million euros in 2016 compared to 4 million euros in 2015. This brings the total cash position at the end of 2016 to 50.6 million euros. Normalisation in 2016 of cash flow from operating activities compared to 2015, where the disinvestments related to the French operations are still included, accounts for 15 million euros. For cash flow from investing activities, in 2016 there is the income of 16 million euros from the collection of the long-term receivable from the Altice Group for the divested French operations, in addition to the capital expenditure of 8 million euros. Cash flow from financing activities in 2016 consists mainly of the payment of 6 million euros in dividends and the repayment of bank debts amounting to 6 million euros.

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2016 in thousands of euros	Issued capital	Treasury shares	Retained earnings	Other reserves	Translation differences	Minority interests	Total equity
Balance as of 01/01/2016	**80,000**	**-24,376**	**148,159**	**3,820**	**46**	**1,868**	**209,517**
Total comprehensive income for the period			21,473	-1,006	-12	-1,201	**19,254**
Operations with own shares		445					**445**
Dividends			-6,253				**-6,253**
Recognition of share-based payments				152			**152**
Dividend paid to minority interests						-100	**-100**
Other increase / decrease			-155			1,195	**1,040**
Balance as of 31/12/2016	**80,000**	**-23,931**	**163,224**	**2,966**	**34**	**1,762**	**224,055**

2015 in thousands of euros	Issued capital	Treasury shares	Retained earnings	Other reserves	Translation differences	Minority interests	Total equity
Balance as of 01/01/2015	**203,225**	**-24,647**	**-36,955**	**1,574**	**80**	**2,475**	**145,752**
Total comprehensive income for the period			64,368	-223	-34	-127	**63,984**
Capital reduction (-)	-123,225		123,225				**0**
Costs of issuance and equity increase				-8			**-8**
Operations with own shares		271					**271**
Recognition of share-based payments				16			**16**
Dividend paid to minority interests						-94	**-94**
Other increase / decrease			-2,479	2,461		-386	**-404**
Balance as of 31/12/2015	**80,000**	**-24,376**	**148,159**	**3,820**	**46**	**1,868**	**209,517**

We refer to Note 22 for more details.

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) 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 on 10 April 2017 and can be amended until the shareholders' meeting of 16 May 2017.

New and revised standards and interpretations

Standards and interpretations applicable for the annual period beginning on 1 January 2016:

- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 *Presentation of Financial Statements – Disclosure Initiative* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 19 *Employee Benefits – Employee Contributions* (applicable for annual periods beginning on or after 1 February 2015)

The application of those IFRS standards had no material effect on the 2016 consolidated financial statements of the Group.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2016:

- IFRS 9 *Financial Instruments* and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 16 *Leases* (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- Improvements to IFRS (2014-2016) (applicable for annual periods beginning on or after 1 January 2017 or 2018, but not yet endorsed in the EU)
- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 4 *Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4* (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Amendments to IAS 7 *Statement of Cash Flows – Disclosure Initiative* (applicable for annual periods

beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 12 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses* (applicable for annual periods beginning on or after 1 January 2017, but not yet endorsed in the EU)
- Amendments to IAS 40 *Transfers of Investment Property* (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (applicable for annual periods beginning on or after 1 January 2018, but not yet endorsed in the EU)

The basic principle of IFRS 15 *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning after 2018) is that a company must recognise revenue for goods or services delivered for the amount the company expects to receive in exchange for these goods or services. To apply the basic principle, a company must complete the following steps:

1. Identify the contract with a customer.
2. Identify the performance obligations contained in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations contained in the contract.
5. Recognise the revenue at the moment the company meets a performance obligation.

Roularta has not yet finalised its work on the impact on the financial statements of this new standard. However, an initial analysis indicates that there will be no material impact on the results of the Group. A further detailed analysis will be carried out in 2017. The Group does not intend to apply this new standard before 2018.
The new standard IFRS 16 *Leases*, which supersedes IAS 17 *Leases* and related interpretations, eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are capitalised and accounted for in a similar way to finance leases under IAS 17, except short-term leases and leases of low-value assets. Note 29 contains the information related to the presently booked finance and operating leases.

The Group does not expect the first application of the other amendments and new standards to significantly impact its financial statements.

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 entities over which Roularta Media Group NV exercises control, which is the case when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. All intercompany transactions, balances with and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the impairment is permanent. Equity and net result attributable to non-controlling shareholders are shown separately in the balance sheet and income statement, respectively. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the carrying amount of the assets (including goodwill), liabilities and any non-controlling interests of the subsidiary before its disposal.

The financial statements of subsidiaries 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.

The financial statements of subsidiaries 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.
Acquisitions of subsidiaries are accounted for by applying the purchase method.

Joint arrangements and associates
A ***joint arrangement*** exists when Roularta Media Group NV has contractually agreed to share control with one or more other parties, which is the case only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement can be treated as a joint operation (i.e. Roularta Media Group NV has rights to the assets and obligations for the liabilities) or a joint venture (i.e. Roularta Media Group NV only has rights to the net assets).

Associates are companies in which Roularta Media Group NV, directly or indirectly, has a significant influence and which are neither subsidiaries nor joint arrangements. This is presumed if the Group holds at least 20% of the voting rights attaching to the shares.

The financial information included for these companies is prepared using the accounting policies of the Group. When the Group has acquired joint control in a joint venture or significant influence in an associate, the share in the acquired assets, liabilities and contingent liabilities is initially remeasured to fair value at the acquisition date and accounted for using the equity method. Any excess of the purchase price over the fair value of the share in the assets, liabilities and contingent liabilities acquired, is recognised as goodwill. When the goodwill is negative, it is immediately recognised in profit or loss. Subsequently, the consolidated financial statements include the Group's share of the results of joint ventures and associates accounted for using the equity method until the date when joint control or significant influence ceases.

If the Group's share of the losses of a joint venture or associate exceeds the carrying amount of the investment, the investment is carried at nil value and recognition of additional losses is limited to the extent of the Group's commitment. Such additional accumulated losses are included in other provisions on the consolidated balance sheet.

Unrealised gains arising from transactions with joint ventures and associates are set against the investment in the joint venture or associate concerned to the extent of the Group's interest. The carrying amounts of investments in joint ventures and associates are reassessed if there are indications that the asset has been impaired or that impairment losses recognised in prior years have ceased to apply. The investments in joint ventures and associates in the balance sheet include the carrying amount of any related goodwill.

The share in the result of associates and joint ventures is presented as part of operating result of the Group.

Acquisitions of subsidiaries
The acquisition price (the consideration transferred in a business combination) is measured as the sum of the fair value at the acquisition date of the transferred assets, the liabilities incurred or assumed, and the equity interests issued by the acquirer. The purchase price also includes all assets and liabilities arising from a contingent consideration agreement.

Acquisition-related costs are expensed in the period incurred.

The identifiable assets acquired and the liabilities assumed are measured at their fair value at the acquisition date.

For each business combination any non-controlling interest (minority interest) in the acquiree is valued at fair value or at the NCI's proportionate share in the identifiable net assets of the acquiree. The choice of accounting basis is made on a transaction-by-transaction basis.

Acquisitions of subsidiaries before 1 January 2010
These are recognised in accordance with the previous version of IFRS 3.

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 at the date of transaction. At each balance sheet date 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 is not the currency of a hyperinflationary economy and is different from the euro are translated at the closing rate at the date of the balance sheet. Income and expenses for each income statement (including comparatives) are translated at exchange rates at the dates of the transactions. All resulting exchange differences are recognised as a separate component of equity.

Intangible assets other than goodwill

Intangible assets consist of titles, software, 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:

- Development costs — 3 years
- Software — 3 to 5 years
- Concessions, copyrights, property rights and similar rights
  - » Graphics and generics — 3 years
  - » Scenarios — 2 years
  - » Other rights — according to their expected useful life

By virtue of IAS 38.107, most titles are considered as assets with indefinite useful lives which are not amortised but tested yearly for impairment. Other intangible assets with indefinite useful lives are also not amortised but subject to an annual impairment test.

Every half year, purchased intangible assets are examined to see whether they still fall into the indefinite life category. Where certain indications suggest that a particular asset has a finite remaining life, it will from then on be amortised over the remaining life.

Goodwill

Goodwill on acquisition of subsidiaries is recorded, as from the acquisition date, in the amount of the surplus of the total of the fair value of the consideration transferred, the amount of any minority interests and (in a business combination undertaken in stages) the fair value of the previously held equity interest, over the net balance of the net identifiable assets acquired and liabilities assumed. Where this total, after reassessment, results in a negative amount, this gain is immediately recognised in the income statement.

In accordance with IFRS 3 goodwill is not amortised but tested at least annually for impairment, more specifically each time there is an indication that a cash generating unit may be impaired.

Goodwill arising from the acquisition of a joint venture or an associate is considered to be an integral part of the carrying amount of the investment held in such entity and as a result not separately tested for impairment. The integral carrying amount of such an investment is tested for impairment in accordance with IAS 36 *Impairment of assets*.

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 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 useful lives 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.

(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.

Rights on returns from tax shelter agreements are recorded as short-term investments as they are not aiming to structurally support the production company in developing its activities. Such investments are measured at fair value.

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.

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.

Assets held for sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sales transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.
When the Group is committed to a sales plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sales plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for by using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint arrangements above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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. Under Belgian law, defined contribution pension plans are subject to minimum guaranteed rates of return. Because of these minimum guaranteed rates of return, all Belgian defined contribution plans are considered as a defined benefit plan under IFRS. These plans financed through group insurances, were accounted for as defined contribution plans in the past (before 2015). New legislation dated December 2015 involved the mandatory qualification as defined benefit plan. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

For the defined benefit pension plans, provisions are established by calculating the present actuarial value of future amounts to the employees concerned.
Defined benefit costs are split into 2 categories:
- service cost, past service cost, gains and losses on curtailments and settlements;
- net interest expense or income.

The total service cost, the net interest expense, the remeasurement of other long-term benefits, administrative expenses and taxes for the year are included in the employee benefit expense in the consolidated financial statement. The remeasurement on the net defined benefit liability is included in the statement of comprehensive income as part of other comprehensive income.

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 or on the basis of the latest closing price prior to the 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 tariff benefits on subscriptions, as jubilee premiums. 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 result for the financial year is the aggregate amount included in the profit or loss for the period in respect of current tax and deferred tax. Taxes are recognised as income or as expense and included in profit or loss for the period except to the 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.

Revenue from barter arrangements relate to sales transactions involving the sale of unequal services or goods between two parties. Such transactions are measured at fair value taking into account discounts which are customary for similar transactions that are not considered as barter transactions.

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.

Each cash-generating unit represents, per country, an identifiable group of assets with a similar risk profile, which generates cash inflows which are largely independent of the cash inflows from other asset categories. The following cash-generating units have been defined: News Belgium (Knack, Le Vif/L'Express, Krant van West-Vlaanderen, ...), Lifestyle Belgium (Nest, Royals, Plus België, ...), Business Belgium (Kanaal Z/Canal Z, Trends, Trends-Tendances, Trends Top, ...), Free Press Belgium (Deze Week, De Zondag, Steps, ...), Free Press other countries (Zeeuwsch-Vlaams Advertentieblad), and Entertainment Belgium.

The value in use is determined based on the discounted cash flow model, in particular the discounting of future cash flows resulting from the continued operation of the unit. For this, management has used a cash flow forecast based on a five-year business plan. Future cash flows are discounted based on a weighted average cost of capital. Cash flow forecasts after the last budget period are determined by extrapolating the above-mentioned forecasts, applying a growth rate.

In setting the weighted average cost of capital and the growth rate, account has been taken of the interest rate and risk profile of Roularta Media Group as a whole. The assumptions are applied to all of the Group's cash flow generating units.

Fair value less selling costs is determined empirically, using a transaction multiple derived from comparable transactions in the media sector and from experience applied to the sales criterion, or on a market value based on similar transactions in the market.

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 intangible assets and goodwill: the Group tests intangible assets and goodwill annually for impairment, and also in between where indications exist that the value of the intangible assets or goodwill could be impaired (see Note 14).
- 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.
- Credit risk with respect to customers: management analyses thoroughly the outstanding trade receivables, taking into account ageing, payment history and credit insurance coverage (see Note 18).
- Provision for employee benefits: the defined benefit pensions are based on actuarial assumptions including the discount rate and expected return on fund investments (see Note 26).

NOTE 2 - SEGMENT REPORTING

The segment reporting has been prepared and based on combined figures showing a bridge with the consolidated figures in accordance with IFRS 11.

I. Segment information

In accordance with IFRS 8 *Operating Segments*, the management approach is applied for the financial reporting of segmented information. This standard requires the segmented information to be reported to follow the internal reporting used by the company's main operating decision-making officer, based on which the internal performance of Roularta's operating segments is assessed and resources allocated to the various segments. For reporting purposes, Roularta Media Group is organised into two operating segments based on the activities: Printed Media and Audiovisual Media.

Printed Media includes the sale of publicity, and the production and sale of all printed publications of the Group, such as free sheets, newspapers, magazines, newsletters and books, as well as all related services, including internet, fairs and other line extensions. Audiovisual Media includes spot advertising on TV and radio, production and broadcasting, as well as all related services, including internet and line extensions.

The valuation rules of the business segments are the same as the valuation rules of the Group as described in Note 1, except for the presentation of joint ventures which have been recorded based on the proportional method of consolidation in the segment reporting. Intersegment pricing is determined on an arm's length basis.

The results of the operating segments are monitored by management as far as the net result, given that almost all the segments correspond to legal entities.

2016 in thousands of euros	Printed Media	Audiovisual Media	Inter-segment elimination	Combined total	Effect IFRS 11	Consoli-dated total
Sales of the segment	295,220	182,729	-1,543	476,406	-199,942	276,464
Sales to external customers	*294,393*	*182,013*		*476,406*	*-199,942*	*276,464*
Sales from transactions with other segments	*827*	*716*	*-1,543*	*0*	*0*	
Depreciation and write-down of (in)tangible assets	-10,633	-6,806		-17,439	7,191	-10,248
Write-down of inventories and receivables and provisions	665	-275		390	340	730
Share in the result of associated companies and joint ventures	-1,134	0		-1,134	19,328	18,194
Operating result (EBIT)	**10,640**	**24,132**		**34,772**	**-9,885**	**24,887**
Financial income	1,529	23	-118	1,434	-21	1,413
Financial expenses	-6,111	-270	118	-6,263	163	-6,100
Income taxes	-786	-8,885		-9,671	9,743	72
Net result from continuing operations	**5,272**	**15,000**		**20,272**	**0**	**20,272**

2016 in thousands of euros	Printed Media	Audiovisual Media	Inter-segment elimination	Combined total	Effect IFRS 11	Consoli-dated total
Net result from continuing operations	**5,272**	**15,000**		**20,272**	**0**	**20,272**
Attributable to:						
Minority interests	-1,200	-1		-1,201	0	-1,201
Equity holders of Roularta Media Group	**6,472**	**15,001**		**21,473**	**0**	**21,473**
Assets	**442,496**	**215,259**	**-114,576**	**543,179**	**-99,978**	**443,201**
- of which carrying amount of investments accounted for using the equity method	761	0	0	761	126,378	127,139
- of which investments in intangible assets and property, plant and equipment	7,783	35,270		43,053	-35,516	7,537
Liabilities	**227,499**	**110,933**	**-19,309**	**319,123**	**-99,977**	**219,146**
Sales to external customers break down as follows:						
Advertising	*141,098*	*135,589*		*276,687*	*-134,657*	*142,030*
Subscriptions and sales	*84,413*	*14,909*		*99,322*	*-35,319*	*64,003*
Other services and goods	*68,882*	*31,515*		*100,397*	*-29,966*	*70,431*

2015 in thousands of euros	Printed Media	Audiovisual Media	Inter-segment elimination	Combined total	Effect IFRS 11	Consoli-dated total
Sales of the segment	308,130	164,096	-1,199	471,027	-180,801	290,226
Sales to external customers	*307,481*	*163,546*		*471,027*	*-180,801*	*290,226*
Sales from transactions with other segments	*649*	*550*	*-1,199*	*0*	*0*	*0*
Depreciation and write-down of (in)tangible assets	-9,668	-4,553		-14,221	4,892	-9,329
Write-down of inventories and receivables and provisions	924	-281		643	271	914
Share in the result of associated companies and joint ventures	-1,288	0		-1,288	20,341	19,053
Operating result (EBIT)	**16,281**	**24,256**		**40,537**	**-9,174**	**31,363**
Financial income	1,470	167	-163	1,474	-166	1,308
Financial expenses	-6,773	-183	163	-6,793	44	-6,749
Income taxes	44,639	-7,846		36,793	9,296	46,089
Net result from continuing operations	**55,617**	**16,394**		**72,011**	**0**	**72,011**

2015 in thousands of euros	Printed Media	Audiovisual Media	Inter-segment elimination	Combined total	Effect IFRS 11	Consolidated total
Result from discontinued operations	**-7,770**			**-7,770**	**0**	**-7,770**
Attributable to:						
Minority interests	-126	-1		-127	0	-127
Equity holders of Roularta Media Group	**47,973**	**16,395**		**64,368**	**0**	**64,368**
Assets	**455,573**	**180,852**	**-114,322**	**522,103**	**-72,422**	**449,681**
- of which carrying amount of investments accounted for using the equity method	1,069	0		1,069	118,941	120,010
- of which investments in intangible assets and property, plant and equipment	7,678	4,165		11,843	-4,637	7,206
Liabilities	**247,850**	**83,789**	**-19,055**	**312,584**	**-72,420**	**240,164**
Sales to external customers break down as follows:						
Advertising	*146,807*	*132,816*		*279,623*	*-131,410*	*148,213*
Subscriptions and sales	*86,450*	*0*		*86,450*	*-20,477*	*65,973*
Other services and goods	*74,224*	*30,730*		*104,954*	*-28,914*	*76,040*

II. Geographical information

The geographical segment information is divided into two geographic markets in which RMG is active: Belgium and other countries (the Netherlands, and in 2015 also Slovenia and Serbia). The following schedules of sales and non-current assets (*) are divided up according to the geographic location of the subsidiary.

2016 - from continuing operations	in thousands of euros	Belgium	Other countries	Consolidated total
Sales of the segment		274,767	1,697	276,464
Non-current assets (*)		138,329	2,093	140,422
2015 - from continuing operations	**in thousands of euros**	**Belgium**	**Other countries**	**Consolidated total**
Sales of the segment		287,496	2,730	290,226
Non-current assets (*)		141,091	2,097	143,188

(*) Non-current assets other than financial instruments, deferred tax assets, post employment benefit assets, and rights arising under insurance contracts.

III. Information about major customers

Given the variety of the Group's activities and hence the diversity of its customer portfolio, there is no one external customer representing at least 10 percent of the Group's revenue. For the same reason there is no concentration of sales towards certain customers or customer groups.

NOTE 3 - SALES

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

Sales	in thousands of euros	2016	2015
Advertising		142,030	148,213
Subscriptions and sales		64,003	65,973
Printing for third parties		47,098	49,899
Line extensions & other services and goods		23,333	26,141
Total sales		**276,464**	**290,226**

Bartering contracts included in sales amount to € 18,060K (2015: € 18,367K).

Adjusted sales, which is the comparable sales to last year, i.e. adjusted for changes in the consolidation scope, include:

Adjusted sales	in thousands of euros	2016	2015
Advertising		142,030	147,595
Subscriptions and sales		64,005	65,782
Printing for third parties		47,098	49,899
Line extensions & other services and goods		23,294	26,140
Adjusted sales		**276,427**	**289,416**
Changes in the consolidation scope		37	810
Total sales		**276,464**	**290,226**

Consolidated sales in 2016, which under IFRS 11 takes no account of joint ventures including Medialaan and Plus Magazine (in Belgium, the Netherlands and Germany), declined slightly (-4.7%, from 290 to 276 million euros). The decrease in advertising revenues at Local Media and the magazines (-6%) was offset by the strong performance of internet advertising revenue (+14%). Subscription revenue was virtually stable (-1%). Newsstand sales (-9%) dropped due to the disappearance of Belgian sales of Point de Vue. In addition, there was less commercial printing of the Group's former French magazines (-6%).

NOTE 4 - SERVICES AND OTHER GOODS

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

in thousands of euros	2016	2015
Transport and distribution costs	-18,132	-17,645
Marketing and promotion costs	-22,727	-23,139
Commission fees	-4,846	-4,498
Fees	-26,352	-27,413
Operating leases	-12,075	-12,181
Energy	-2,207	-2,443
Subcontractors and other deliveries	-10,939	-11,179
Remuneration members of the board of directors	-419	-463
Temporary workers	-2,326	-1,960
Travel and reception costs	-692	-1,150
Insurances	-429	-241
Other services and other goods	-494	-568
Total services and other goods	**-101,638**	**-102,880**

Commission fees consist of commissions invoiced by third parties (commissions on newsstand sales and subscription commissions) and copyrights.

The fees include editorial, photos and general fees.

Subcontractors and other deliveries mainly consist of repair and maintenance costs, telecommunication costs and fuel costs.

Services and other goods decreased with € 1,242K or 1.2% compared to last year. The most important part of this decrease can be attributed to fees.

NOTE 5 - PERSONNEL CHARGES

in thousands of euros	2016	2015
Wages and salaries	-63,053	-62,545
Social security contributions	-21,204	-22,323
Share-based payments	-152	-16
Post employment benefit charges	-3,084	-3,121
Other personnel charges	-3,896	-3,834
Total personnel charges	**-91,389**	**-91,839**

Post employment benefit charges in 2016 consist mainly of expenses related to the defined contribution plans of € 2,892K (2015: € 2,926K).
This mainly concerns Belgian schemes financed by group insurance policies that from 2015 are considered under IFRS as a defined benefit plan, see Note 26.

Employment in Full-Time Equivalents	2016	2015
Average number of staff	1,350	1,374
Total employment at the end of the period	1,354	1,364

NOTE 6 - WRITE-DOWN OF INVENTORIES AND RECEIVABLES

in thousands of euros	2016	2015
Write-down of inventories	-321	-168
Reversal of write-down of inventories	359	
Write-down of trade receivables	-4,139	-4,146
Reversal of write-down of trade receivables	4,143	4,594
Reversal of write-down of loans		634
Total write-down of inventories and receivables	**42**	**914**

Based on the year-end evaluation the write-down of Roularta Books inventories and the write-down of trade receivables of the previous year are reversed and new provisions are recorded.

In 2016, the net reversal of write-down of inventories amounts to € 38K (2015: write-down of € 168K) and the net reversal of write-down of trade receivables amounts to € 4K (2015: € 448K). In addition, the write-down of the loan to Himalaya (€ 634K) has been reversed in 2015.

NOTE 7 - OTHER OPERATING INCOME / EXPENSES

in thousands of euros	2016	2015
Government grants	2,562	4,217
Gains on disposal of intangible assets and property, plant and equipment	42	693
Gains on (partial) disposal of subsidiaries or joint ventures	398	
Exchange differences	19	48
Miscellaneous financial income and cash discounts	458	418
Miscellaneous cross-charges	380	357
Dividends	3	3
Gain on disposal of other receivables		15
Miscellaneous income	296	551
Total other operating income	**4,158**	**6,302**

Other operating income primarily relates to government grants received by Roularta Media Group. Miscellaneous income contains in 2016 and 2015 the chargeouts of costs incurred.

The decrease in government grants resulted in a decrease in other operating income. This also declined, to a lesser extent, due to the capital gains realised in 2015 on the sale of tangible fixed assets.

in thousands of euros	2016	2015
Other taxes	-2,851	-2,626
Losses on disposal of intangible assets and property, plant and equipment	-24	-9
Losses on trade receivables	-317	-501
(Reversal of) less values / (less values) on other current receivables	-160	287
Exchange differences	-3	-42
Payment differences and bank charges	-546	-721
Miscellaneous expenses	-1,819	-9,042
Total other operating expenses	**-5,720**	**-12,654**

In the other operating expenses, the largest decline can be found in the item miscellaneous expenses because it contained the Kempenland damage compensation (€ 6.7 million) in 2015.

NOTE 8 - RESTRUCTURING COSTS AND OTHER NON-RECURRING RESULTS

I. Restructuring costs

in thousands of euros	2016	2015
Redundancy costs		-3,535
Restructuring costs: costs	**0**	**-3,535**
Provisions restructuring costs		-158
Restructuring costs: provisions	**0**	**-158**
Total restructuring costs	**0**	**-3,693**

The redundancy costs 2015 relate to the Belgian companies of the Group.
Since no major new restructuring plans were launched in 2016 and 2015, from 2016 severance pay is included in personnel charges.

II. Other non-recurring results

in thousands of euros	2016	2015
Other non-recurring costs - Kempenland		-6,706
Other non-recurring costs		-1,429
Other non-recurring costs - associates and joint ventures		-2,518
Other provisions - Kempenland		6,941
Other provisions		1,192
Non-recurring depreciations, amortisations and impairments		634
Impairment losses		-2,218
Other		
Late payment interests		-63
Non-recurring deferred taxes		47,825
(Deferred) taxes related to restructuring and other non-recurring costs		1,816
Total other non-recurring results	**0**	**45,474**

In 2016 there were no significant non-recurring results. In 2015, Roularta Media Group NV recognised deferred tax assets for a total amount of € 47.8 million, based on the expected fiscal results of Roularta Media Group NV over the next five years. See also Notes 10 and 19.
The amount which the Group was condemned to pay in the dispute with Kempenland, was paid to the opposing party at the end of December 2015 (provisions were already set up before). See also Notes 24 and 25.
In 2015, impairment losses were recorded for € 2.2 million, mainly on titles. See also Note 14.

NOTE 9 - NET FINANCE COSTS

in thousands of euros	2016	2015
Interest income	1,413	1,015
Profits on hedging instruments that are not part of a hedge accounting relationship		293
Financial income	**1,413**	**1,308**
Interest expense	-6,100	-6,749
Financial costs	**-6,100**	**-6,749**
Total net finance costs	**-4,687**	**-5,441**

The increase in interest income is mainly due to the interest on the receivable related to the sale of the French activities (in 2015, there was revenue only in the second half).
Interest expenses decreased as a result of lower outstanding financial debt.
A description of the hedging instruments can be found in Note 31.

NOTE 10 - INCOME TAXES

I. Income taxes - current and deferred

in thousands of euros	2016	2015
A. Income taxes - current		
Current period tax expense	-58	-109
Adjustments to current tax expense / income of prior periods		-15
Total current income taxes	**-58**	**-124**
B. Income taxes - deferred		
Related to the origination and reversal of temporary differences	-1,401	100,369
Related to the reversal of depreciation (+) or depreciation (-) of deferred tax assets	1,531	-54,156
Total deferred income taxes	**130**	**46,213**
Total current and deferred income taxes	**72**	**46,089**

II. Reconciliation of statutory tax to effective tax

in thousands of euros	2016	2015
Result before taxes	20,200	25,922
Share in the result of associated companies and joint ventures	18,194	19,053
Result before taxes, excluding share in result of associated companies and joint ventures	2,006	6,869
Statutory tax rate	33.99%	33.99%
Tax using statutory rate	**-682**	**-2,335**
Adjustments to tax of prior periods (+/-)	-62	-15
Tax effect of non-tax deductible expenses (-)	-1,176	-1,204
Tax effect of non-taxable revenues (+)	456	103,902
Tax effect of not recognising deferred taxes on losses of the current period (-)	-1,043	-55,304
Tax effect from the reversal (utilisation) of deferred tax assets from previous years		-31
Tax effect of recognising deferred taxes on tax losses of previous periods	2,520	245
Tax effect of different tax rates of subsidiaries in other jurisdictions	10	33
Other increase / decrease in tax charge (+/-)	49	798
Tax using effective rate	**72**	**46,089**

in thousands of euros	2016	2015
Result before taxes	20,200	25,922
Share in the result of associated companies and joint ventures	18,194	19,053
Result before taxes, excluding share in result of associated companies and joint ventures	2,006	6,869
Effective tax rate	-3.59%	-670.97%
Total effective tax	**72**	**46,089**

The tax effect of non-taxable revenues in 2015 contains mainly the tax impact of tax deductible losses on affiliates.

III. Tax relating to items that are charged or credited to equity

Deferred taxes relating to items that are charged or credited to equity:	in thousands of euros	2016	2015
Costs of issuance and equity increase		0	0
		0	**0**

IV. Tax included in the other comprehensive income

Deferred taxes relating to items included in the other comprehensive income:	in thousands of euros	2016	2015
Non-current employee benefits - actuarial gain / loss		515	-76
		515	**-76**

NOTE 11 - DISCONTINUED OPERATIONS

There are no discontinued operations in 2016.

At the end of December 2014 the board of directors decided to discontinue its loss-making French activities on short term. The sale of the French activities to Altice Media Group was finalised on 9 June 2015. The partner shareholders of Roularta in Idéat Editions SA (subsidiaries included), and Aventin Immobilier SCI decided to exercise their pre-emption right. This sale was finalised on 1 December 2015.

The negative impact of the discontinued French operations amounts to € 7.8 million on 31 December 2015. This loss is recognised in the result from discontinued operations. This result is a combination of lower income from the French advertising market during the first half of the year and the final settlement of the sales operation during the second half of 2015.

Result for the period from discontinued operations	in thousands of euros	2016	2015
Sales			79,707
Other gains			13
		0	**79,720**
Expenses			-82,933
Operating result after net financing costs		**0**	**-3,213**
Attributable income taxes		0	0
		0	**-3,213**
Net result of minority share related to discontinued operations			38
		0	**38**
Result on sale French activities			-4,595
Net result from discontinued operations		**0**	**-7,770**

Cash flows from discontinued operations	in thousands of euros	2016	2015
Net cash flows from operating activities			2,689
Net cash flows from investing activities			-1,001
Net cash flows from financing activities			-436
Net cash flows from discontinued operations		**0**	**1,252**

NOTE 12 - EARNINGS PER SHARE

	2016	2015
I. Movements in number of shares (ordinary shares)		
Number of shares, beginning balance	13,141,123	13,141,123
Number of shares issued during the period	0	0
Number of shares, ending balance	**13,141,123**	**13,141,123**
- of which issued and fully paid	13,141,123	13,141,123
II. Other information		
Number of shares owned by the company or related parties	612,825	641,150
Shares reserved for issue under options	500,625	569,800
III. Earnings per share calculation		
1. Number of shares		
1.1. Weighted average number of shares, basic	12,515,767	12,486,031
1.2. Adjustments to computed weighted average number of shares, diluted	95,919	31,269
Stock option plans	*95,919*	*31,269*
1.3. Weighted average number of shares, diluted	12,611,686	12,517,300

2. Calculation

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

$$\frac{\text{Net result available to common shareholders}}{\text{Weighted average number of shares, basic}} = \frac{\text{€ 21,473K}}{12{,}515{,}767} = 1.72$$

$$\frac{\text{Net result available to common shareholders}}{\text{Weighted average number of shares, diluted}} = \frac{\text{€ 21,473K}}{12{,}611{,}686} = 1.70$$

NOTE 13 - DIVIDENDS

	2016	2015
Amount of dividends proposed or declared after the balance sheet date but before authorisation of the financial statements, in thousands of euros	6,267	6,253
Gross dividend per share in €	0.50	0.50
Number of shares entitled to dividend on 31/12	13,141,123	13,141,123
Number of own shares on 31/12	-612,825	-641,150
Mutation of own shares 2017 (before General Meeting)	4,900	5,275
	12,533,198	**12,505,248**

NOTE 14 - INTANGIBLE ASSETS AND GOODWILL

2016 in thousands of euros	Titles	Software	Concessions, property rights and similar rights	Total intangible assets	Goodwill
AT COST					
Balance at the end of the preceding period	**82,336**	**29,097**	**16,874**	**128,307**	**1,002**
Movements during the period:					
- Acquisitions		3,089		3,089	
- Sales and disposals (-)	-124	-3,352		-3,476	-5
At the end of the period	**82,212**	**28,834**	**16,874**	**127,920**	**997**
DEPRECIATION AND IMPAIRMENT LOSSES					
Balance at the end of the preceding period	**11,789**	**23,673**	**6,687**	**42,149**	**997**
Movements during the period:					
- Depreciation	720	2,806	1,322	4,848	
- Written down after sales and disposals (-)	-124	-3,352		-3,476	
At the end of the period	**12,385**	**23,127**	**8,009**	**43,521**	**997**
Net carrying amount at the end of the period	**69,827**	**5,707**	**8,865**	**84,399**	**0**

2015 in thousands of euros	Titles	Software	Concessions, property rights and similar rights	Total intangible assets	Goodwill
AT COST					
Balance at the end of the preceding period	**84,881**	**26,333**	**19,894**	**131,108**	**1,002**
Movements during the period:					
- Acquisitions		2,891	9	2,900	
- Acquisitions through business combinations	138	43	971	1,152	681
- Sales and disposals (-)	-2,683	-301		-2,984	-681
- Other increase / decrease (+/-)		131	-4,000	-3,869	
At the end of the period	**82,336**	**29,097**	**16,874**	**128,307**	**1,002**
DEPRECIATION AND IMPAIRMENT LOSSES					
Balance at the end of the preceding period	**12,917**	**21,054**	**9,508**	**43,479**	**997**
Movements during the period:					
- Depreciation		2,744	1,179	3,923	
- New consolidations		43		43	
- Impairment loss / reversal recognised in income	1,536			1,536	681
- Written down after sales and disposals (-)	-2,664	-249		-2,913	-681
- Other increase / decrease (+/-)		81	-4,000	-3,919	
At the end of the period	**11,789**	**23,673**	**6,687**	**42,149**	**997**
Net carrying amount at the end of the period	**70,547**	**5,424**	**10,187**	**86,158**	**5**

Intangible assets consist of development costs, titles, software, concessions, property and similar rights.

Development costs, software, titles, concessions, property and similar rights with finite lives are amortised over their estimated useful lives within the Group. Out of the total property rights, the carrying value of property rights having indefinite lives is € 6,173K.

Several titles and the goodwill have indefinite lives. The Group's titles and brands are well known and respected and contribute directly to cash flow.

Every half year, purchased intangible assets are examined to see whether they still fall into the indefinite life category. Where certain indications suggest that a particular asset has a finite remaining life, it will from then on be amortised over the remaining life.

In accordance with these valuation rules, the management of RMG concludes that for the cash generating unit Lifestyle, there is sufficient evidence for a change in estimate and for adjusting the expected life from indefinite to 3 years. For the absorption of the publication Inside Beleggen in the product Trends/Tendances, management also sees a change in estimate, and we will be adjusting the remaining expected life to 3 years. In 2016 (from July 1) € 646K was written off.

Titles, goodwill and certain property rights, all of which have an indefinite life, are not amortised, but subject to an annual impairment test.

Allocation of goodwill and intangible assets with indefinite lives to cash-generating units

For the purpose of impairment testing, intangible assets with indefinite useful lives are allocated to a number of cash-generating units (CGU). Each CGU represents an identifiable group of assets having a similar risk profile, which generates cash inflows which are largely independent of the cash inflows from other asset categories. Due attention is paid here to the rapidly changing market situation in which various media channels and products interact strongly. The cash-generating units are defined based on the main cash inflows.

Carrying value of goodwill and intangible assets with indefinite lives:

2016 - Cash-generating unit	in thousands of euros	Intangible assets (*)	Goodwill	Total
News Belgium		43,153	0	43,153
Business Belgium		14,923	0	14,923
Free Press Belgium		12,616	0	12,616
Free Press other countries		2,083	0	2,083
		72,775	**0**	**72,775**

(*) Including € 66,602K titles and € 6,173K property rights.

2015 - Cash-generating unit	in thousands of euros	Intangible assets (*)	Goodwill	Total
News Belgium		43,153	0	43,153
Lifestyle Belgium		2,646	0	2,646
Business Belgium		16,223	0	16,223
Free Press Belgium		12,616	0	12,616
Free Press other countries		2,083	0	2,083
Entertainment Belgium		0	5	5
		76,721	**5**	**76,726**

(*) Including € 70,548K titles and € 6,173K property rights

Roularta Media Group owns, in addition to the intangible assets that are recognised and carried in the accounts, also unrecorded and internally developed titles: Knack, Knack Weekend, Knack Focus, Le Vif Weekend, Focus Vif, Sport/Voetbalmagazine, Sport/Foot Magazine, Trends, Trends Style, Nest, Télépro, Plus Magazine, Deze Week, De Zondag, Steps, Krant van West-Vlaanderen, De Weekbode, De Zeewacht, Kortrijks Handelsblad,... Other internally generated trade names include Media Club, Vlan.be, Kanaal Z/Canal Z,...

Impairment test

The Group tests the value of intangible assets and goodwill with undefined lives annually for impairment, or more frequently where indications exist that these may have fallen in value. The test is based on the recoverable value of each CGU. At this level the book value is compared with its recoverable value (being the higher of fair value less costs to sell or value in use).

The Group has calculated the recoverable value of each CGU based on its value in use. For this it uses the discounted cash flow model. The future cash flows used in determining value in use are based on 5-year business plans, as approved by the board of directors. These business plans are based on historical data and future market expectations.

In the business plans that form the basis of impairment testing, management has included the following basic assumptions:

- Cash flow forecasts and the assumptions mentioned below are based on strategic business plans that are approved by management and the board of directors and are in line with the current operational structure and with expected long-term developments in today's media landscape.
- Significant basic assumptions include yield, discount policy, long-term growth and market position.
- The assumptions concerning market position, yield and growth rates are based on historical experience and on estimates by operational and group management of the general economic and market conditions and competitive environment of each CGU, as well as the impacts of ongoing efficiency improvements.
- These assumptions are tested every half year for their realism. As part of this process, actual figures are compared with past forecasts. Where necessary, adjustments are made in the new business plans.
- The projected plans are a combination of revenue growth through further diversification, revenue growth through price increases to reflect inflation and cost management elements and restructurings that can generate additional efficiencies.
- Management also assumes that the coming years will see no meaningful decline in its readership, or that, if this does occur, this will be offset in terms of return by growing revenues from the new media.
- The cost of paper, a major expense item, is influenced in coming years by inflation only. Intra-annual fluctuations are hedged through forward contracts.

The residual value is determined based on a perpetuity formula which assumes a long-term growth in sales of 2% (2015: 2%). This is not higher than the long-term average growth rate of the media industry. The future cash flows are then discounted using an after-tax discount factor of 6.33% (2015: 7.24%; decrease mainly due to decrease of interest expense). Given the specific nature of the Group and its indebtedness as well as the limited availability of comparable companies in the media industry, the board of directors has decided to overweigh the indebtedness of the Group in the calculation of the discount factor. The board of directors concluded that the derived discount factor is appropriate for use in the impairment tests. This discount factor is based on a WACC model in which the risk premium and gearing ratio are based on the profile of Roularta Media Group as a whole and on a group of comparable companies.

As the local markets in which Roularta Media Group is operating are similar in terms of growth rate and risk profile, management of RMG has concluded that the same assumptions (growth rate and WACC) can be applied for all CGUs. The long-term growth rate has for this purpose also been benchmarked with external sources and properly reflects the expectations within the media industry.

Sensitivity

Actual cash flows could differ from the cash flows projected in the major strategic business plans if the basic assumptions change. The following reasonably possible changes in key underlying assumptions have been tested, even though their occurrence is deemed unlikely:

- Management considers there is no reason to expect in the short term any significant changes in the risk profile of the market or of the company or in cost of equity and debt. However, management has performed a sensitivity analysis on the WACC used on the assumption of constant business plans and an unchanged long-term average growth rate. This shows that a 2% change in the WACC would result in an impairment of approximately € 1.0 million.
- The long-term growth rate used in this calculation is 2%. This percentage is the usual growth rate applied in the media sector, and reflects operators' flexibility to respond to new market conditions. Notwithstanding this, management has performed a sensitivity analysis on long-term growth on the assumption of constant business plans and an unchanged WACC. This shows that a long-term growth rate of 0% would not result in an impairment.
- If the growth in the market expected from an improved economic environment fails to materialise within the next five years, and on the assumption of unchanging activities at Roularta Media Group and with no efficiency improvements, this can have a significant impact on the tests that have been performed. A sensitivity analysis has been performed for this, whereby the cash flow serving as the basis for the perpetuity is reduced, while WACC and long-term growth rate remain constant. This analysis shows that a 30% reduction in this cash flow would not result in an impairment.
- A combination of the above three assumptions simultaneously is not considered likely. Management has conducted a sensitivity analysis on the combined effect of a simultaneous change of the following three interrelated assumptions: a 1% increase in WACC, a 1% decline in growth and a 10% reduction in cash flow as a basis for the perpetuity. This analysis shows that, under these combined assumptions, an impairment of approximately € 1.4 million would occur.

Impairment losses recorded

Based on the tests mentioned above, no impairment loss on intangible fixed assets was recorded in 2016. In 2015, impairment losses were recorded for € 1,416K on the Lifestyle Belgium CGU and the Free Press other countries CGU. The headroom (difference between the value in use and the carrying amount) on the cash generating units is more than double the carrying amount of the unamortised intangible assets.

For goodwill, based on the above test, no impairment loss was recorded in 2016 and 2015.

The sale of the goodwill Himalaya results in an impairment loss on intangible assets (€ 120K) and on goodwill (€ 681K) in 2015.

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

2016 in thousands of euros	Land and buildings	Plant, machinery & equipment	Furniture and vehicles	Leasing and other similar rights	Other property, plant & equipment	Assets under construction	Total
AT COST							
Balance at the end of the preceding period	**89,946**	**22,474**	**9,880**	**33**	**197**	**0**	**122,530**
Movements during the period:							
- Acquisitions	669	3,494	274		10		4,447
- Sales and disposals (-)	-266	-498	-300	-33	-34		-1,131
At the end of the period	**90,349**	**25,470**	**9,854**	**0**	**173**	**0**	**125,846**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at the end of the preceding period	**38,999**	**18,359**	**7,955**	**33**	**160**	**0**	**65,506**
Movements during the period:							
- Depreciation	3,656	1,311	411		21		5,399
- Written down after sales and disposals (-)	-266	-469	-280	-33	-34		-1,082
At the end of the period	**42,389**	**19,201**	**8,086**	**0**	**147**	**0**	**69,823**
Net carrying amount at the end of the period	**47,960**	**6,269**	**1,768**	**0**	**26**	**0**	**56,023**

Assets pledged as security	in thousands of euros
Land and buildings pledged as security for liabilities (mortgage included)	10,708

2015 in thousands of euros	Land and buildings	Plant, machinery & equipment	Furniture and vehicles	Leasing and other similar rights	Other property, plant & equipment	Assets under construction	Total
AT COST							
Balance at the end of the preceding period	**91,005**	**21,607**	**9,660**	**33**	**146**	**0**	**122,451**
Movements during the period:							
- Acquisitions	221	1,376	651				2,248
- Acquisitions through business combinations			33		3		36
- Sales and disposals (-)	-1,280	-510	-449		44		-2,195
- Disposals through business divestiture (-)			-19		-12		-31
- Other increase / decrease (+/-)		1	4		16		21
At the end of the period	**89,946**	**22,474**	**9,880**	**33**	**197**	**0**	**122,530**
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at the end of the preceding period	**35,870**	**17,580**	**7,988**	**22**	**68**	**0**	**61,528**
Movements during the period:							
- Depreciation	3,694	1,284	375	11	41		5,405
- New consolidations			30		3		33
- Written down after sales and disposals (-)	-565	-505	-423		60		-1,433
- Disposals through business divestiture (-)			-15		-12		-27
At the end of the period	**38,999**	**18,359**	**7,955**	**33**	**160**	**0**	**65,506**
Net carrying amount at the end of the period	**50,947**	**4,115**	**1,925**	**0**	**37**	**0**	**57,024**

Assets pledged as security in thousands of euros	
Land and buildings pledged as security for liabilities (mortgage included)	13,709
Leased property, plant and equipment of which the finance lease liabilities are secured by the lessor's title to the leased assets	0

The heading 'leasing and other similar rights' comprises vehicles of a number of group companies with a carrying amount of € 0K.

NOTE 16 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

I. Overview of significant joint ventures

The following joint ventures have a significant effect on the financial position and results of the Group.

Name of joint venture	Main activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights of the Group	
			2016	**2015**
Medialaan Group	Audiovisual Media	Vilvoorde, Belgium	50.00%	50.00%
Bayard Group	Printed Media	Augsburg, Germany	50.00%	50.00%

These joint ventures are accounted for by using the equity method of consolidation.

Condensed financial information related to these significant joint ventures of the Group is detailed below. Such financial information agrees to the financial reporting of the joint ventures in accordance with IFRS.

Condensed financial information

Medialaan Group

Medialaan Group consists of the entities Medialaan NV, JOEfm NV, TvBastards NV , Stievie NV and (from 2016 on) the companies around the Mobile Vikings brand and Bites NV.

Condensed financial information in thousands of euros	2016	2015
Fixed assets	189,808	130,948
Current assets	223,410	212,904
- of which cash and cash equivalents	30,683	12,709
Non-current liabilities	-61,599	-34,274
- of which financial liabilities	-28,000	0
Current liabilities	-130,786	-103,179
- of which financial liabilities	-8,000	-18
Net assets	220,833	206,399
Sales	344,933	307,301
Depreciation and amortisation	-13,232	-8,729
Interest income	40	325
Interest expense	-263	-11
Income tax expense	-17,874	-17,227
Net result for the period	34,949	35,602
Other comprehensive income for the period	-515	0
Total comprehensive income for the period	34,434	35,602
Dividends received during the period	10,000	15,000

Reconciliation of the above-mentioned financial information with the carrying amount of the investment of Medialaan Group in the consolidated financial statements:

in thousands of euros	2016	2015
Net assets of the joint venture	220,833	206,399
Share of the Group in Medialaan Group	50.00%	50.00%
Carrying amount of the investment in Medialaan Group	**110,417**	**103,200**

Medialaan is part of the Audiovisual Media segment of the Group. On 11 February 2016, Medialaan, a 50% subsidiary of Roularta Media Group, acquired control of the companies around the Mobile Vikings brand and on 1 July 2016, Medialaan acquired television station Acht from Concentra and launched the new men's channel 'CAZ'.

The acquisition of the companies around the Mobile Vikings brand primarily comprises the company Unleashed NV (formerly VikingCo NV) and 3 smaller, non-active companies, two of which were already liquidated by the end of 2016.

The new participating interest accounts for an increase in revenues of € 31.6 million. The increased level of depreciation is primarily related to Mobile Vikings and CAZ. The net result is slightly lower than in 2015 due to higher net financing costs and taxes. Medialaan is achieving strong ratings but due to low visibility, we foresee no automatic extension into 2017 of the increased advertising revenues. Striking, however, is the growing revenue from new viewing patterns such as slightly delayed viewing via Proximus, Telenet and our own Stievie platform, and growing advertising revenue from online video.

Medialaan is involved in a tax claim from the Special Tax Inspectorate against one of its subcontractors concerning the taxation of phone-in quizzes organised in the 2008, 2009 and 2010. After the subcontractor was sentenced in first instance, it appealed the judgement, and Medialaan was also summoned in a third party action in 2014. In view of this summons, at the end of 2014 a provision of € 2.6 million was set aside by Medialaan. In a judgement of the court of appeal in December 2015, the ruling in first instance was largely confirmed. Based on the ruling of the court of appeal, Medialaan set aside an additional provision of € 3.9 million at the end of 2015, bringing the total provision to € 6.5 million. In the meantime, both the subcontractor and Medialaan have brought an appeal before the Belgian Supreme Court against the above judgement.

Roularta Media Group has no contractual obligations or limitations towards Medialaan Group.

Bayard Group

Bayard Group consists of the entities Bayard Media GMBH & CO KG, Bayard Media Verwaltungs GMBH, Senior Publications SA, Senior Publications Nederland BV, Senior Publications Deutschland GMBH & CO KG, Senior Publications Verwaltungs GMBH, Belgomedia SA, J.M. Sailer Verlag GMBH, J.M. Sailer Geschäftsführungs GMBH, Living & More Verlag GMBH (in liquidation), 50+ Beurs & Festival BV, Press Partners BV, Mediaplus BV and Verlag Deutscher Tierschutz-Dienst GMBH.

Condensed financial information — in thousands of euros	2016	2015
Fixed assets	20,084	20,096
Current assets	39,377	38,000
- of which cash and cash equivalents	7,028	5,288
Non-current liabilities	-9,672	-8,822
- of which financial liabilities	0	0
Current liabilities	-20,207	-20,316
- of which financial liabilities	0	0
Net assets	29,582	28,958
Sales	59,000	60,103
Depreciation and amortisation	-659	-553
Interest income	19	53
Interest expense	-44	-67
Income tax expense	-1,687	-1,373
Net result for the period	4,152	5,320
Other comprehensive income for the period	-45	
Total comprehensive income for the period	4,107	5,320
Dividends received during the period	1,741	1,668

Reconciliation of the above-mentioned financial information with the carrying amount of the investment of Bayard Group in the consolidated financial statements:

in thousands of euros	2016	2015
Net assets of the joint venture	29,582	28,958
Share of the Group in Bayard Group	50.00%	50.00%
Carrying amount of the investment in Bayard Group	**14,791**	**14,479**

Bayard Group is part of the Printed Media segment. Bayard Media is the magazine division aiming at the over 50 audience. In addition the Group publishes magazines for children and youth (Sailer Verlag).
The largest decline in revenue concerns the magazines published by Senior Publications Nederland for third parties (-€ 0.5 million). In addition, there was a limited decline in advertising revenue and newsstand sales. This decline in revenue was only partly offset by lower costs, which together with the higher tax expense in 2016 resulted in a decrease in the result.

Roularta Media Group has no contractual obligations or limitations towards Bayard Group.

II. Summarised financial information of associates and joint ventures not individually significant

This category consists of the entities De Woonkijker NV, Regionale Media Maatschappij NV, Regionale TV Media NV, Proxistore NV, CTR Media SA, Click Your Car NV, Yellowbrick NV, Repropress CVBA, Twice Entertainment BVBA and Febelma Regie CVBA.

Condensed financial information in thousands of euros	2016	2015
Share of the Group in the result for the period	-1,357	-1,407
Share of the Group in other comprehensive income for the period	0	0
Share of the Group in total comprehensive income for the period	-1,357	-1,407
Total carrying amount of other investments held by the Group	**1,931**	**2,332**
Amounts receivable of other investments held by the Group	**583**	**725**

Roularta Media Group has no contractual obligations or limitations towards those associates and joint ventures.

III. Evolution net book value investments accounted for using the equity method

in thousands of euros	2016	2015
Balance at the end of the preceding period	120,011	116,700
Movements during the period:		
- Share in the result of associated companies and joint ventures	18,194	19,053
- Share of other comprehensive income of joint ventures and associates	-280	
- Dividends	-11,741	-16,668
- Provision for additional losses	107	-464
- Effect group change (2016: Proxistore; 2015: Proxistore & Himalaya)	848	1,332
- Other changes		58
Balance at the end of the period (investments, amounts receivable not included)	**127,139**	**120,011**

NOTE 17 - AVAILABLE-FOR-SALE INVESTMENTS, LOANS AND GUARANTEES

I. Available-for-sale investments

in thousands of euros	2016	2015
AT COST		
At the end of the preceding period	**991**	**1,014**
Movements during the period:		
- Disposals (-)	-1	-23
At the end of the period	**990**	**991**
IMPAIRMENT LOSSES (-)		
At the end of the preceding period	**0**	**0**
Movements during the period:		
- Impairment loss / reversal recognised in income	-361	
At the end of the period	**-361**	**0**
Net carrying amount at the end of the period	**629**	**991**

All investments are considered as available for sale and are carried at fair value.

This applies mainly to NV Roularta Media Group's investments in NV Omroepgebouw Flagey (net carrying amount € 440K), in SA STM (net carrying amount € 0K) and in CPP-INCOFIN (net carrying amount € 124K). 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. In 2016, an impairment was booked on these shares based on the equity and results of the companies concerned.

II. Loans and guarantees

in thousands of euros	2016	2015
AT AMORTISED COST		
At the end of the preceding period	**1,853**	**3,630**
Movements during the period:		
- Additions		1,640
- Reimbursements	-12	-3,417
At the end of the period	**1,841**	**1,853**
IMPAIRMENT LOSSES		
At the end of the preceding period	**0**	**0**
Movements during the period:		
At the end of the period	**0**	**0**
Net carrying amount at the end of the period	**1,841**	**1,853**
Total	**2,470**	**2,844**

The loans and guarantees include various guarantees for € 1,841K (2015: € 1,853K)

NOTE 18 - TRADE AND OTHER RECEIVABLES

I. Trade and other receivables, non current in thousands of euros	2016	2015
Trade receivables	0	0
Other receivables	15,568	31,479
Total trade and other receivables - non current	**15,568**	**31,479**

Other receivables are related to the sale of the French activities. These receivables are interest bearing and are guaranteed.

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.

In 2016 and 2015 there were no doubtful non current receivables.

II. Trade and other receivables, current	in thousands of euros	2016	2015
Trade receivables, gross		54,943	64,106
Allowance for bad and doubtful debts, current (-)		-4,123	-4,180
Invoices to issue and credit notes to receive (*)		3,590	2,359
Amounts receivable and debit balances suppliers		896	956
VAT receivable (*)		259	304
Other receivables, gross		18,682	18,434
Allowance for other receivables		-258	-112
Total trade and other receivables - current		**73,989**	**81,867**

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

There was no significant concentration of credit risks with a single counterparty at 31 December 2016. The unsettled receivables are spread over a large number of customers, there is only one customer with an outstanding balance representing just over 10% of total trade receivables.

Analysis of the age of current trade receivables:	in thousands of euros	2016	2015
Net carrying amount at the end of the period		**54,943**	**64,106**
- of which:			
* not due and due less than 30 days		43,015	46,638
* due 30 - 60 days		3,102	3,807
* due 61 - 90 days		1,232	2,850
* due more than 90 days		7,594	10,811

Financial assets that have fallen due at reporting date, but on which no write-down has been taken: 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.

Movements during the period of the allowance for bad and doubtful debts (trade debts):	in thousands of euros	2016	2015
Net carrying amount at the end of the preceding period		**-4,181**	**-4,584**
- Business combinations / business divestiture			-45
- Amounts written off during the year		-4,139	-4,146
- Reversal of amounts written off during the year		4,143	4,594
- Receivables derecognised as uncollectible and amounts collected in the financial year		54	
Net carrying amount at the end of the period		**-4,123**	**-4,181**

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 6.

Movements during the period of the allowance for doubtful debts (other receivables):	in thousands of euros	2016	2015
Net carrying amount at the end of the preceding period		**-112**	**-1,829**
- Amounts written off during the year		-150	-5
- Reversal of amounts written off during the year		4	1,722
Net carrying amount at the end of the period		**-258**	**-112**

NOTE 19 - DEFERRED TAX ASSETS AND LIABILITIES

I. Overview deferred tax assets - liabilities

Recognised deferred tax assets and liabilities are attributable to:	in thousands of euros	2016		2015	
		Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets		920	20,320	946	19,998
Property, plant and equipment		7	8,133	7	8,680
Available-for-sale investments, loans, guarantees		16	5,161	16	5,308
Trade and other receivables					128
Treasury shares			21		21
Retained earnings			1,423		1,713
Provisions		1,894		2,101	46
Non-current employee benefits		1,446		999	
Other payables			29		
Total deferred taxes related to temporary differences		**4,283**	**35,087**	**4,069**	**35,894**
Tax losses		32,807		30,283	
Tax credits		18,739		21,782	
Set off tax		-34,566	-34,566	-35,373	-35,373
Net deferred tax assets / liabilities		**21,263**	**521**	**20,761**	**521**

Deferred tax assets have not been recognised in respect of tax losses for an amount of € 64,902K (2015: € 66,407K) and in respect of temporary differences of € 1K (2015: € 1K) because it is not probable that taxable profit will be available against which they can be utilised in the near future.

Roularta Media Group recognised deferred tax assets amounting to € 551K (2015: € 458K) 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

in thousands of euros	2016		2015	
	Tax losses carried forward	Tax credits	Tax losses carried forward	Tax credits
Year of expiration				
2017		140		140
2018		254		254
> 5 year				
Without expiration date	32,807	18,345	30,283	21,388
Total deferred tax asset	**32,807**	**18,739**	**30,283**	**21,782**

NOTE 20 - INVENTORIES

in thousands of euros	2016	2015
Gross amount		
Raw materials	5,340	4,682
Work in progress	611	543
Finished goods	187	197
Goods purchased for resale	411	357
Contracts in progress	8	44
Total gross amount (A)	**6,557**	**5,823**
Write-downs and other reductions in value (-)		
Finished goods	-161	-159
Goods purchased for resale	-160	-200
Total write-downs (B)	**-321**	**-359**
Carrying amount		
Raw materials	5,340	4,682
Work in progress	611	543
Finished goods	26	38
Goods purchased for resale	251	157
Contracts in progress	8	44
Total carrying amount at cost (A+B)	**6,236**	**5,464**

NOTE 21 - SHORT-TERM INVESTMENTS, CASH AND CASH EQUIVALENTS

I. Short-term investments — in thousands of euros	2016	2015
AT COST		
At the end of the preceding period	**306**	**721**
Movements during the period:		
- Reimbursements and sales		-415
At the end of the period	**306**	**306**
FAIR VALUE ADJUSTMENTS		
At the end of the preceding period	**-260**	**105**
Movements during the period:		
- Reimbursements and sales		-365
At the end of the period	**-260**	**-260**
Net carrying amount at the end of the period	**46**	**46**

The short-term investments relate on the one hand to short-term investments that were redeemed in 2016: € 0K (2015: € 0K).
On the other hand the short-term investments consist of rights to the producer's share in net income under a tax shelter agreement. On these, valuation allowances are recorded, where applicable, to reflect the evolution of the market value.

II. Cash and cash equivalents — in thousands of euros	2016	2015
Bank balances	45,233	22,990
Short-term deposits	5,325	15,500
Cash at hand	7	6
Total cash and cash equivalents	**50,565**	**38,496**

NOTE 22 - EQUITY

Issued capital

At 31 December 2016, the issued capital amounted to € 80,000K (2015: € 80,000K) represented by 13,141,123 (2015: 13,141,123) fully paid-in ordinary shares. These are no-par shares.

Treasury shares

At 31 December 2016 the Group owns 612,825 own shares (2015: 641,150).
During the financial year, 28,325 own shares were granted to the holders of options at the moment of the exercise of their options.

Other reserves

in thousands of euros	2016	2015
Share premium	304	304
Costs of issuance and equity increase (net after deferred taxes)	-1,275	-1,275
Reserves for share-based payments	5,628	5,476
Reserves for actuarial gain / loss employee benefits	-1,691	-685
Total other reserves	**2,966**	**3,820**

The reserves for share-based payments relate to the share options allocated as described in Note 23.

NOTE 23 - 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

There are no subscription rights outstanding per 31 December 2016.

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.
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 or at the price corresponding to the last closing price preceding the offering date. The vesting period of the share options is stated in the following schedule. 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 a 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 to be exercised 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
2006	300,000	267,050	164,950	53.53	01/01 - 31/12/2010	01/01 - 31/12/2021
2008	300,000	233,650	135,400	40.00	01/01 - 31/12/2012	01/01 - 31/12/2023
2009	269,500	199,250	90,575	15.71	01/01 - 31/12/2013	01/01 - 31/12/2019
2015	203,750	114,700	109,700	11.73	01/01 - 31/12/2019	01/01 - 31/12/2025
	1,073,250	**814,650**	**500,625**			

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

	2016		2015	
	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	**569,800**	**33.58**	**490,800**	**38.11**
Granted during the year (settlement)			114,700	11.73
Forfeited during the year	-40,850	42.38	-11,750	41.39
Exercised during the year	-28,325	15.71	-16,700	16.23
Expired during the year			-7,250	21.93
Outstanding at the end of the year	**500,625**	**33.87**	**569,800**	**33.58**
Exercisable at the end of the year	323,585		337,605	

During the year, 28,325 share options were exercised. In 2015, 16,700 share options were exercised. The share options outstanding at the end of the year have a weighted average remaining term of 6.05 years.

The weighted average share price at the date of exercise in 2016 was € 24.8 (2015: € 21.6).

To meet potential liabilities arising from stock options, the company introduced in the past a programme to purchase its own shares to enable it to partly meet these future options.

In 2016 the Group recognised € 152K (2015: € 16K) 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 24 - PROVISIONS

2016 Provisions, non current in thousands of euros	Legal proceeding provisions	Environ-mental provisions	Restruc-turing provisions	Other provisions	Total
At the end of the preceding period	**3,351**	**5**	**497**	**4,564**	**8,417**
Movements during the period:					
- Additional provisions				762	762
- Increase / decrease to existing provisions	50			107	157
- Amounts of provisions used (-)		-1		-1,358	-1,359
- Unused amounts of provisions reversed (-)	-100				-100
- Other increase / decrease			-497		-497
At the end of the period	**3,301**	**4**	**0**	**4,075**	**7,380**

Provisions for pending disputes relate largely to disputes at NV Roularta Media Group. A description of the significant litigations can be found in Note 25. The environmental provisions relate to provisions for soil decontamination. The restructuring provisions at the end of 2015 were transferred in 2016 to the provision for redundancy payments under non-current employee benefits. The other provisions include the provision for the remaining lease obligations related to a disused printing press.

2015 Provisions, non current in thousands of euros	Legal proceeding provisions	Environ-mental provisions	Restruc-turing provisions	Other provisions	Total
At the end of the preceding period	**9,903**	**9**	**338**	**6,586**	**16,836**
Movements during the period:					
- Additional provisions	102		300		402
- Increase / decrease to existing provisions	366				366
- Amounts of provisions used (-)	-6,941	-4	-141	-1,558	-8,644
- Unused amounts of provisions reversed (-)	-79			-464	-543
At the end of the period	**3,351**	**5**	**497**	**4,564**	**8,417**

NOTE 25 - SIGNIFICANT LITIGATIONS

Roularta Media Group is a party to proceedings before the Commercial Court with its former business partner Bookmark. A provision of € 578K has been set up for these proceedings.

NV Kempenland is claiming damages for failure to honour a printing contract with De Streekkrant-De Weekkrantgroep. The Turnhout Commercial Court condemned De Streekkrant-De Weekkrantgroep on 12 September 2013 in first instance to pay SA Kempenland the sum of: € 3.96 million in principal; € 4.06 million in overdue interest; the court costs. On appeal the ruling of the first court was broadly confirmed. However, NV Kempenland's claim for capitalisation of interest was rejected on appeal. The amount which NV Roularta Media Group was condemned to pay was paid to the opposing party at the end of December 2015. An appeal was filed by Roularta Media Group before the Belgian Supreme Court. The Belgian Supreme Court set aside the judgement only with respect to the amount of the litigation costs of appeal owed by the Roularta Media Group. The case was referred to the Ghent Court of Appeal. The pending discussion between Kempenland and RMG concerning allocation of the payments made during the course of the dispute and deposits paid against the final amount of the sentence pursuant to the judgement of the Court of Appeal (principal, interest and fees) was submitted for judgement to the attachment court of the judicial district of Ghent, Kortrijk division. For this pending discussion, Roularta Media Group set aside a provision of € 0.5 million at the end of 2015.

On 30 December 2011 a writ was served on NV Roularta Media Group and NV Vogue Trading Video by SAS QOL and SAS QOL FI for damages allegedly suffered from non-compliance with contractual obligations. The total claim amounts to € 4.7 million. The claim was dismissed in first instance by the Commercial Court of Brussels as completely unfounded. SAS QOL and SAS QOL FI have since lodged an appeal against this first judgement. The appeal has been initiated and deadlines have been set for each side to present its case. Based on the current contents of the dossier, Roularta Media Group management believes that it has sufficient legal arguments to refute this claim. No provision has therefore been set up.

With the acquisition of all shares of NV Coface Services Belgium (later on Euro DB) RMG inherited a pending legal dispute with InfoBase. InfoBase claims that the counterfeiting for which Coface Services Belgium was condemned in the past by the Nivelles Court of First Instance (judgement of 15 November 2006) has continued. Based on this judgement, whereby Coface Services Belgium SA was sentenced to immediate cessation of this counterfeiting under penalty of a fine of € 1,000 per day, InfoBase has proceeded systematically to claim periodic penalty payments. A provision of € 1.2 million has been set up for these penalty payments. By judgement of the Nivelles judge of attachments of 5 January 2015 Euro DB was sentenced to pay € 1.28 million of forfeited penalties and costs. This amount was placed by Euro DB on a blocked account with the Deposit and Consignment Office. Euro DB has appealed against the judgement of the Nivelles judge of attachments. Despite a positive decision of the court of first instance in Brussels on 12 February 2015, management decided late in 2015 to increase the existing provision by the amount of potential penalties and fees, or € 0.4 million, to € 2.1 million. The Brussels Court of Appeal ruled on 17 February 2017 that the appeal brought by InfoBase against the judgement of the Brussels court of first instance on 12 February 2015 was well-founded, and ordered Euro DB (now Roularta Media Group) to pay InfoBase compensation of € 39K in principal, plus the statutory interest from 1 June 2011 and the court costs. Based on an initial analysis of the judgement, an increase in the existing provision is not needed. The impact of the intervening judgement on the pending appeal concerning the deposits paid against the penalties is being investigated. Meanwhile counsel for InfoBase did announce that based on the judgement of 15 November 2006, it will continue to proceed with serving notice of the penalties.

NOTE 26 - NON-CURRENT EMPLOYEE BENEFITS

I. General overview

in thousands of euros	2016	2015
Defined benefit plans	412	217
Redundancy payments	356	
Other long-term employee benefits	4,311	3,310
Future tariff benefits on subscriptions	*645*	*613*
Employee retirement premiums	*470*	*587*
Jubilee premiums	*3,196*	*2,110*
At the end of the period	**5,079**	**3,527**

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 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.

Under Belgian law, defined contribution plans are subject to minimum guaranteed rates of return. For contributions paid until the end of 2015, the employer has to guarantee an average minimum return of 3.75% on employee contributions and of 3.25% on employer contributions. As from 2016 onwards, the minimum guaranteed rate of return on new contributions will be linked to the yield of Belgian linear bonds with a term of 10 years, with a minimum of 1.75% and a maximum of 3.75%. These returns are being calculated as an average over the service period of the employee. Because of this minimum guaranteed rate of return, all Belgian defined contribution plans are considered as a defined benefit plan under IFRS. These plans financed through group insurances, were treated as defined contribution plans before 2015, as higher interest rates were applicable and the return on pension plans provided by insurance companies was sufficient to meet the minimum rate of return requirements.

in thousands of euros	2016	2015
A. Amounts recognised in the balance sheet		
1. Net funded defined benefit plan obligation (asset)	412	152
1.1. Present value of funded or partially funded obligation	36,025	1,973
1.2. Fair value of plan assets (-)	-35,613	-1,821
2. Present value of wholly unfunded obligation	0	0
3. Reclassification: Belgian contribution plans		65
Defined benefit plan obligation, total	**412**	**217**
B. Net expense recognised in income statement and other comprehensive income		
Recognised in income statement		
1. Current service cost	2,578	63
2. Interest cost (+)	766	42
3. Interest income (-)	-794	-30
4. Past service cost (Belgian contribution plans)		65
Total net expense recognised in income statement	***2,550***	***140***
Recognised in other comprehensive income		
1. Net actuarial (gain) loss recognised	48	-486
Total net expense recognised in other comprehensive income	***48***	***-486***
Net expense recognised in income statement and other comprehensive income	**2,598**	**-346**
C. Movements in the present value of the defined benefit plan obligation		
Present value of the defined benefit plan obligation, beginning balance	**31,694**	**1,936**
1. Current service cost	2,578	63
2. Interest cost	766	42
3. Net actuarial (gain) loss recognised	3,271	-66
- of which actuarial (gain) loss due to experience adjustments	*643*	*5*
- of which actuarial (gain) loss due to changes in valuation	*2,627*	*-71*
4. Contribution by the plan's participants	351	19
5. Benefits paid (-)	-2,635	-12
6. Reclassification: Belgian contribution plans		29,721
7. Other increase / decrease (+/-)		-9
Present value of the defined benefit plan obligation, ending balance	**36,025**	**31,694**

in thousands of euros	2016	2015
D. Movements in the fair value of plan assets		
Fair value of plan assets, beginning balance	**31,477**	**1,317**
1. Interest income	794	30
2. Return on assets, excluding amounts included in interest income	3,222	420
3. Contributions by employer	2,404	47
4. Contribution by the plan's participants	351	19
5. Benefits paid (-)	-2,635	-12
6. Reclassification: Belgian contribution plans		29,656
Fair value of plan assets, ending balance	**35,613**	**31,477**
E. Principal actuarial assumptions		
1. Discount rate	2.01%	2.5%
2. Expected return on plan assets	2.01%	2.5%
3. Expected rate of salary increase	3.0%	3.0%
4. Future defined benefit increase	2.0%	2.0%

in thousands of euros	2016	2015	2014	2013
Present value of defined benefit obligation	36,025	1,973	1,936	6,078
Fair value of plan assets	35,613	1,821	1,317	756
Deficit / (surplus)	**412**	**152**	**619**	**5,322**
Experience adjustments on plan liabilities: increase (decrease)	643	5	271	-115
Return on assets, excluding amounts included in interest income	3,222	420	-3	7

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, are as follows:

	2016	2015
Fixed income securities and cash	4.2%	5.1%
Equity instruments	0.2%	0.3%
Property	0.3%	0.3%
Insurance contract	95.3%	94.2%

The Group expects to make a contribution of € 2,153K to the defined benefit plans (including the Belgian group insurance contracts) in 2017.

Sensitivity
With respect to these defined benefit plans, the Group is exposed to risks related to the decrease in the interest rate (discount rate), which will give rise to an increase in liabilities.

III. Defined contribution plans

Several defined contribution plans exist within the Group. For the Belgian plans the Law on Supplementary Pensions provides that the employer must guarantee a minimum return (see Note 26 section II). Because of this minimum guaranteed rate of return, all Belgian defined contribution plans are considered as a defined benefit plan under IFRS as from 2015.

Summary of defined contribution plans (including Belgian plans) — in thousands of euros	2016	2015
Contributions paid - employer	2,892	2,926
Contributions paid - employee	332	383

IV. Stock options and subscription rights

We refer to Note 23.

NOTE 27 - FINANCIAL DEBTS

2016 — in thousands of euros	Current	Non current			
Financial debts	**Up to 1 year**	**2 years**	**3 to 5 years**	**over 5 years**	**Total**
Debentures		99,914			99,914
Credit institutions	2,229	776	1,960	3,175	8,140
Total financial debts according to their maturity	**2,229**	**100,690**	**1,960**	**3,175**	**108,054**

2015	in thousands of euros	Current	Non current			
Financial debts		**Up to 1 year**	**2 years**	**3 to 5 years**	**over 5 years**	**Total**
Debentures				99,865		99,865
Finance leases		6				6
Credit institutions		2,856	2,021	3,211	6,263	14,351
Total financial debts according to their maturity		**2,862**	**2,021**	**103,076**	**6,263**	**114,222**

In September 2012, RMG carried out a public bond offering. With an issue date of 10 October 2012, this six-year, € 100 million bond offered a fixed annual gross interest rate of 5.125%.

The Group's lenders, except for its bond holders, have imposed covenants calculated on combined financial information where joint ventures are consolidated using the proportionate method of consolidation. These covenants relate to the debt ratio (net financial debt/EBITDA must be less than 3), interest coverage (EBITDA/net financing expenses must be greater than 4), gearing (net debt/equity must be less than 80%), solvency (minimum 25%) and dividends. The Group did not breach any of its covenants imposed on 31 December 2016.

The guaranteed debts included in the financial debts can be summarised as follows *(in thousands of euros)*:
Credit institutions 3,747

These are guaranteed by *(in thousands of euros)*:
Mortgages registered on the Group's land and buildings 11,000
Pledges 2,500

For further information on the Group's exposure to interest and exchange rate risks, see Note 31 Financial instruments – risks and fair value.

NOTE 28 - OTHER NOTES ON LIABILITIES

2016	in thousands of euros	Current	Non current			
Trade and other payables		**Up to 1 year**	**2 years**	**3 to 5 years**	**over 5 years**	**Total**
Trade payables		42,266				42,266
Advances received		17,582				17,582
Current employee benefits		13,497				13,497
- of which payables to employees		*10,764*				*10,764*
- of which payables to Public Administrations		*2,733*				*2,733*
Taxes		771				771
Other payables		16,242			37	16,279
Accrued charges and deferred income		7,717				7,717
Total amount of payables according to their maturity		**98,075**	**0**	**0**	**37**	**98,112**

2015	in thousands of euros	Current	Non current			
Trade and other payables		**Up to 1 year**	**2 years**	**3 to 5 years**	**over 5 years**	**Total**
Trade payables		48,086				48,086
Advances received		19,841				19,841
Current employee benefits		18,008				18,008
- of which payables to employees		*11,224*				*11,224*
- of which payables to Public Administrations		*6,784*				*6,784*
Taxes		1,630				1,630
Other payables		20,277			37	20,314
Accrued charges and deferred income		5,598				5,598
Total amount of payables according to their maturity		**113,440**	**0**	**0**	**37**	**113,477**

Current trade payables	in thousands of euros	2016	2015
Trade payables		27,949	33,219
Invoices to be received / credit notes to issue (*)		13,438	14,091
Credit balances trade receivables		879	776
Total current trade payables		**42,266**	**48,086**

Current other payables	in thousands of euros	2016	2015
Indirect tax payable (*)		4,894	4,410
Other payables		11,348	15,867
Total current other payables		**16,242**	**20,277**

Indirect taxes relate primarily to VAT, advance income tax and provincial and municipal taxes.

Accrued charges and deferred income	in thousands of euros	2016	2015
Accrued interest		1,195	1,212
Accrued charges and deferred income (*)		6,522	4,386
Total accrued charges and deferred income		**7,717**	**5,598**

(*) No financial liability as defined in IAS 32.

NOTE 29 - FINANCE AND OPERATING LEASES

I. Finance leases

	Present value of minimum lease payments		Minimum lease payments	
in thousands of euros	2016	2015	2016	2015
No later than 1 year		6		7
	0	6	0	7
Less future finance charges				-1
Present value of minimum lease payments	**0**	**6**	**0**	**6**
Included in the financial debt as:				
Current finance lease				6
			0	**6**

The finance lease agreements concluded by the Group related to vehicles. At the end of 2016 there were no more ongoing finance leases.

in thousands of euros	2016	2015
Interest recognised as an expense in the period related to finance lease	0	1

The interest portion of the financial lease is charged to income over the term of the lease.

II. Operating leases

in thousands of euros	2016	2015
Lease payments recognised as an expense in the period	12,075	12,181

The Group mainly rents buildings, machines, company cars and office equipment. Operating lease payments are expressed in the income statement on a straight-line basis over the lease term.

Non-cancellable future minimum operating lease payments: in thousands of euros	2016	2015
< 1 year	12,698	13,427
1 to 5 years	13,284	23,096
> 5 years	7	2
	25,989	**36,525**

NOTE 30 - CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The Group doesn't provide securities for obligations anymore (2015: € 0K). Pledges totalling € 2,500K (2015: € 2,500K) were given on business assets.

The Group's contractual obligations to buy paper from third parties amount to € 2,437K (2015: € 4,312K).

There are no material contractual obligations to acquire property, plant and equipment.

NOTE 31 - FINANCIAL INSTRUMENTS - RISKS AND FAIR VALUE

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 Group is subject to a currency risk with respect to USD. The currency risks identified by management relate to the (expected) purchases in USD in the Audiovisual Media segment and to activities outside the euro-zone. Other than that, the Group runs to some extent currency risks with respect to its operating activities.

With regard to the purchases and the firm commitments to purchase film rights 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 used for these hedges do not have a direct impact on the financial position or results of the Group as these instruments are only used by associates which are consolidated by the equity method and, therefore, are only reflected in the share in the result of associates and joint ventures.
Despite these hedging instruments, fluctuations in the USD can have a limited impact on the Group's operating results.

Financing activities

As of 31 December 2016 and 31 December 2015, there are no financing activities with a potential currency risk.

Estimated sensitivity to currency risk

Management is of the opinion that, given the above-mentioned hedging of the foreign exchange risks, the risks of fluctuations in the fair value or in the future cash flows of financial instruments which impact the profit or equity as a result of exchange rate changes, are not material.

B. Interest rate risk

The maturity dates of the financial debts and liabilities are given in Note 27.

The debentures 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 (debentures and credit institutions):

Interest rate	in thousands of euros	2016	2015	Effective interest rate
Fixed interest rate		360	600	from 1.5% to 3.5%
Fixed interest rate		101,236	102,981	from 4% to 6%
Fixed interest rate with variable margin		5,875	9,800	from 2.5% to 5.5%

Next to these loans, at 31 December 2016, the Group had negative overdrafts with credit institutions for € 583K (2015: € 841K). These carried variable market interest rates.

Loans towards associates and joint ventures, which are recorded under other loans, 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 has used financial instruments (IRS contracts) in the past.

As of 31 December 2016 and 31 December 2015, there were no financial instruments which meet the requirements defined in IAS 39 and are therefore regarded as cash flow hedging contracts.

Alongside these are a number of contracts that do not meet the conditions of IAS 39 to be viewed as hedging contracts.

By the end of 2016, like by the end of 2015, there were no such contracts anymore.

The impact of the evolution in the market values (before taxes) of these financial instruments can be summarised as follows:

2016: nihil

2015	in thousands of euros	Evolution market values	Recognised in equity	Recognised in profit and loss
Interest Rate Swap				
No cash flow hedge		*293*		*293*
		293	**0**	**293**

The changes which have been recognised in the income statement are included under the financial results.

Estimated sensitivity to interest rate fluctuations

As there are no loans outstanding in 2016 that carry a variable interest rate, the Group is not subject to sensitivity related to interest rate fluctuations per 31 December 2016.

C. Credit risk

The Group is exposed to credit risk on its customers, which could lead to credit losses.

To control this credit risk, credit investigations are performed on customers which request major credit facilities. Where the outcome is negative, credit is refused or restricted. 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 a limited percentage of the foreign clients of the printing works.

There was no significant concentration of credit risks with a single counterparty at 31 December 2016.

Despite RMG's intention of limiting its credit risk, it can face a deterioration of the creditworthiness of its customers. Any failure to conclude a credit insurance policy with respect to certain customers can have a material adverse effect on RMG's business, financial condition and/or results.

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 F. Impairment charges are detailed in Note 18.

D. Liquidity risk

An analysis of the maturity dates of the financial liabilities can be found in Note 27 and is summarised below, together with the interest costs.

RMG's indebtedness and the restrictions agreed upon in the financing agreements may adversely affect RMG's liquidity position. Any breach of covenants can lead to the loans being immediately due and payable.

The Group expects to meet its obligations through operating cash flows and current liquid assets. In addition, the Group has various short-term credit lines for a total amount of € 8,000K (2015: € 26,000K). These credit lines form an additional working capital buffer. No specific maturity is guaranteed on these credit lines by the lenders. At the end of 2016 and 2015, no use was made of these credit lines.

RMG manages the cash and financing flows and the resulting risks through a treasury policy at group level. In order to optimise the equity positions and minimise the related interest expenses, the cash flows of the subsidiaries within the Group are centralised as far as possible in a cash pool.

Financial debts 2016	in thousands of euros	Current	Non current			
		Up to 1 year	2 years	3 to 5 years	over 5 years	Total
Total financial debts according to their maturity		2,229	100,690	1,960	3,175	108,054

Interest costs	in thousands of euros	Current	Non current			
		Up to 1 year	2 years	3 to 5 years	over 5 years	Total
Debentures		5,125	5,125			10,250
Credit institutions		238	184	421	289	1,132

E. 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.

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

F. Fair value

The fair value and carrying amount of the recognised financial assets and liabilities amount to:

		2016		2015	
in thousands of euros	Note	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets					
Available-for-sale investments, loans and guarantees	17	2,470	2,470	2,844	2,844
Trade and other receivables	18	15,568	15,568	31,479	31,479
Current assets					
Trade and other receivables	18	70,140	70,140	79,204	79,204
Short-term investments	21	46	46	46	46
Cash and cash equivalents	21	50,565	50,565	38,496	38,496

		2016		2015	
in thousands of euros	Note	Carrying amount	Fair value	Carrying amount	Fair value
Non-current liabilities					
Financial debts	27	-105,825	-111,474	-111,360	-112,708
Other payables	28	-37	-37	-37	-37
Current liabilities					
Financial debts	27	-2,229	-2,502	-2,862	-3,397
Trade payables	28	-28,828	-28,828	-33,995	-33,995
Advances received	28	-17,582	-17,582	-19,841	-19,841
Other payables	28	-11,348	-11,348	-15,867	-15,867
Accrued interests	28	-1,195	-1,195	-1,212	-1,212

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, because no reliable estimate can be made of the fair values of the 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 carrying value reflects the fair value.

Financial debts

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.

Fair value hierarchy

As of 31 December 2016, the Group held the following financial instruments measured at fair value:

in thousands of euros	31/12/2016	Level 1	Level 2	Level 3
Assets measured at fair value				
Short-term investments	46		46	

As of 31 December 2015, the Group held the following financial instruments measured at fair value:

in thousands of euros	31/12/2015	Level 1	Level 2	Level 3
Assets measured at fair value				
Short-term investments	46		46	

The following hierarchy is used for determining and disclosing the fair value of financial instruments by valuation technique:

- level 1: quoted prices in active markets for identical assets or liabilities
- level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

During the reporting period, there were no transfers between the different levels.

NOTE 32 - CASH FLOW RELATING TO ACQUISITION OF SUBSIDIARIES

In 2016 there were no acquisitions that would impact the consolidated financial statements.

In 2015, following acquisitions with effect on the consolidated financial statements took place : on 29 October 2015, Roularta Media Group NV acquired a 65% stake of Storesquare NV and on 19 November 2015, Roularta Media Group NV acquired the remaining 50% of the shares of Himalaya NV. Afterwards, the goodwill of Himalaya NV (brandnames, content, databases, fixed assets) was sold.

The 2015 acquisitions were accounted for using the purchase method in accordance with IFRS 3 *Business Combinations* (revised).

The fair value of the assets and liabilities of the acquired subsidiaries on the date of acquisition that fit the recognition principles of IFRS 3 *Business Combinations* and the amounts paid are presented as follows:

in thousands of euros	2016	2015
ASSETS		
Non-current assets	**0**	**1,143**
Intangible assets		1,109
Property, plant and equipment		4
Available-for-sale investments, loans and guarantees		3
Deferred tax assets		27
Current assets	**0**	**254**
Trade and other receivables		251
Cash and cash equivalents		3
Total assets	**0**	**1,397**
LIABILITIES		
Non-current liabilities	**0**	**1,268**
Other payables		1,268
Current liabilities	**0**	**516**
Trade payables		373
Advances received		102
Employee benefits		9
Other payables		32
Total liabilities	**0**	**1,784**
Total net assets acquired	**0**	**-387**
Net assets acquired	0	-387
Goodwill		1,362
Consideration paid / to pay in cash and cash equivalents	**0**	**975**
Deposits and cash and cash equivalents acquired	0	-3
Net cash outflow	**0**	**972**

The share of these acquisitions in sales and net result of the Group is:

2015	in thousands of euros	Sales of the period	Net result of the period
- Storesquare NV		0	-116
- Himalaya NV		227	-826

If the acquisitions of these participations had taken place on 1 January 2015, there would be no major effect on the amount of revenue and result recorded.

In January 2016, Roularta Media Group participated in the capital increase of Proxistore for an amount of € 450K. Roularta Media Group did not participate in a second capital increase in May 2016, making the current participation percentage 46.1%. Proxistore NV is accounted for by using the equity method of consolidation.

On 31 July 2015, Roularta Media Group NV exercised its option to purchase shares in Proxistore held by shareholders IPM and Kadenza for € 650K. This increased the shareholding from 35.87% to 50.0%.

NOTE 33 - CASH FLOW RELATING TO DISPOSAL OF SUBSIDIARIES

In 2016, there were no disposals of subsidiaries.
In 2015, the French activities were sold. For more detail, see Note 11.

The Group sold also its shareholding (100%) in City Magazine Roularta d.o.o. on 31 December 2015.

The book value of the assets and liabilities of the in 2015 disposed subsidiaries on the date of disposal is presented as follows. Since the French activities were proposed as assets/liabilities held for sale at the end of 2014, the sold balances at the end of May 2015 don't represent a mutation of the continuing balance.

in thousands of euros	2016	2015
ASSETS		
Non-current assets	**0**	**98,300**
Intangible assets		90,420
Property, plant and equipment		1,337
Investments accounted for using the equity method		1,543
Available-for-sale investments, loans and guarantees		3,084
Trade debts and other debts		1,948
Deferred tax assets		-32
Current assets	**0**	**54,508**
Inventories		2,314
Trade and other receivables		44,029
Cash and cash equivalents		3,018
Deferred charges and accrued income		5,147
Total assets	**0**	**152,808**
LIABILITIES		
Non-current liabilities	**0**	**12,379**
Provisions		4,469
Employee benefits		7,794
Other payables		116
Current liabilities	**0**	**76,279**
Financial liabilities		510
Trade payables		36,608
Advances received		17,278
Employee benefits		13,205
Other payables		8,573
Accrued charges and deferred income		105
Total liabilities	**0**	**88,658**
Total disposed net assets	**0**	**64,150**
Translation differences in equity		-56
Minority interests		-351
Gain (loss) on disposal		-4,618
Receivables on 31/12/2015 relating to disposal of subsidiaries		-43,325
Cash consideration received	**0**	**15,800**
Deposits and cash and cash equivalents disposed of	0	-3,018
Net cash inflow (outflow)	**0**	**12,782**

In 2016, € 16,000K was received for the sale of the French operations in 2015.

As mentioned above, Roularta Media Group participated in January 2016 in the capital increase of Proxistore for an amount of € 450K. Roularta Media Group did not participate in a second capital increase in May 2016, making the current participation percentage 46.1%. Proxistore NV is accounted for by using the equity method of consolidation. As a result, there was a partial deconsolidation of Proxistore, which resulted in a capital gain of € 398K. Proxistore NV is accounted for by using the equity method of consolidation.

NOTE 34 - INTEREST IN ASSOCIATES AND JOINT VENTURES

Note 16 shows the condensed financial information related to the interests in associates and joint ventures.

NOTE 35 - EVENTS AFTER THE BALANCE SHEET DATE

Following significant events occurred after the balance sheet date:

During the month of January 2017, Roularta Media Group successfully relaunched the free publication De Streekkrant as Deze Week, the newspaper with the largest circulation in Belgium.

In January 2017, Roularta Media Group, along with Duval Union, started the Roularta Mediatech Accelerator programme for 9 start-ups.

In February 2017, the judgement on appeal was pronounced in the 'InfoBase' case (see Note 25). A first reading of this judgement appears to be slightly positive and does not require an increase in the provision made that currently amounts to 2.1 million euros.

Otherwise, no major events have occurred which significantly affect the results and the financial position of the company.

NOTE 36 - FEES TO THE AUDITOR AND TO PERSONS RELATED TO THE AUDITOR

The audit fees amount to € 163K. The fees of the auditor related to special services amount to € 45K. The fees payable to persons with whom the auditor is associated amount to € 5K.

NOTE 37 - RELATED PARTY TRANSACTIONS

2016	**in thousands of euros**	**Associated companies and joint ventures**	**Other related parties**	**Total**
I. Assets with related parties		**3,226**	**19**	**3,245**
Available-for-sale investments, loans and guarantees		**583**	**0**	**583**
Loans		583		583
Current receivables		**2,643**	**19**	**2,662**
Trade receivables		2,222	19	2,241
Other receivables		421		421
II. Liabilities with related parties		**13,645**	**186**	**13,831**
Financial liabilities		**37**	**0**	**37**
Other payables		37		37
Payables		**13,608**	**186**	**13,794**
Financial debts		583		583
Trade payables		2,089	186	2,275
Other payables		10,936		10,936
III. Transactions with related parties				
Rendering of services		9,570	660	10,230
Receiving of services (-)		-6,734	-2,324	-9,058
Transfers under finance arrangements		9		9
IV. Key management personnel remunerations (including directors)				**3,369**
- of which short-term employee benefits				3,076
- of which post-employment benefits				228
- of which share-based payment expenses				65
V. Remuneration board members for the execution of their mandate				**415**

2015	in thousands of euros	Associated companies and joint ventures	Other related parties	Total
I. Assets with related parties		**3,793**	**15**	**3,808**
Available-for-sale investments, loans and guarantees		**725**	**0**	**725**
Loans		725		725
Current receivables		**3,068**	**15**	**3,083**
Trade receivables		2,174	15	2,189
Other receivables		894		894
II. Liabilities with related parties		**14,589**	**255**	**14,844**
Financial liabilities		**37**	**0**	**37**
Other payables		37		37
Payables		**14,552**	**255**	**14,807**
Financial debts		835		835
Trade payables		2,336	255	2,591
Other payables		11,381		11,381
III. Transactions with related parties				
Rendering of services		9,446	666	10,112
Receiving of services (-)		-6,507	-2,756	-9,263
Transfers under finance arrangements		-11		-11
IV. Key management personnel remunerations (including directors)				**3,574**
- of which short-term employee benefits				3,239
- of which post-employment benefits				271
- of which share-based payment expenses				64
V. Remuneration board members for the execution of their mandate				**425**

The Group has no assets, liabilities nor transactions with its shareholders Comm. VA Koinon, SA West Investment Holding and SA Bestinver Gestión S.G.I.I.C.

Assets, liabilities and transactions with subsidiaries are fully eliminated in consolidation.

Assets, liabilities and transactions with associates and joint ventures are not eliminated in consolidation and are consequently fully included in this heading.

The list with all subsidiaries, joint ventures and associates can be found in Note 38.

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 are no guarantees related to the assets or liabilities towards the related parties. In 2016, as well as in 2015, no write-downs are registered.

All receivables and payables concern short-term receivables and payables which are settled at expiry date. All transactions concern normal commercial operations. Sales of the Group to these related parties are charged at normal tariffs. Purchases follow the usual procedure concerning selection of the supplier and applied prices.

There are no unsettled receivables nor payables with the key management.

NOTE 38 - GROUP COMPANIES

In 2016, the following changes occurred in the consolidated group:

New participations

- Medialaan, a 50% subsidiary of Roularta Media Group, acquired control of the companies around the Mobile Vikings brand on 11 February 2016. It concerns the following companies:
  - Unleashed NV (before VikingCo NV)
  - VikingCo BV
  - VikingCo International NV. This company is liquidated on 14/12/2016.
  - Viking Media Company BVBA. This company is liquidated on 14/12/2016.

- Medialaan, a 50% subsidiary of Roularta Media Group, acquired 100% of the shares of Bites NV on 1 July 2016.

Changed ownership without change in consolidation method

- Proxistore NV: 46.12% instead of 50%, capital increase on 26/01/2016 and 30/05/2016.
- Storesquare NV: 70.70% instead of 65% on 18/10/2016.
- Repropress CVBA: 29.93% instead of 29.64%

Liquidations and mergers

- Mestne Revije: liquidated on 31/03/2016.
- Roularta Media Nederland: liquidated on 01/07/2016.

The ultimate parent of the Group is Roularta Media Group NV, Roeselare, Belgium. As of 31 December 2016, 44 subsidiaries, joint ventures and associates are consolidated.

Name of the company	Location	Effective interest %	
1. Fully consolidated companies			
ROULARTA MEDIA GROUP NV	Roeselare, Belgium	100.00%	
ROULARTA HEALTHCARE NV	Roeselare, Belgium	100.00%	
BELGIAN BUSINESS TELEVISION NV	Brussels, Belgium	100.00%	
HIMALAYA NV	Roeselare, Belgium	100.00%	
ROULARTA SERVICES FRANCE SARL	Lille, France	100.00%	
TER BEVORDERING VAN HET ONDERNEMERSCHAP IN BELGIË VZW	Roeselare, Belgium	100.00%	
TVOJ MAGAZIN D.O.O. - in liquidation	Zagreb, Croatia	100.00%	
VOGUE TRADING VIDEO NV	Roeselare, Belgium	74.67%	
STORESQUARE NV	Roeselare, Belgium	70.70%	
JOURNÉE DÉCOUVERTE ENTREPRISES ASBL	Dison, Belgium	56.25%	
STUDIO APERI NEGOTIUM BVBA	Gentbrugge, Belgium	56.25%	
OPEN BEDRIJVEN VZW	Gentbrugge, Belgium	56.25%	
ZEEUWS VLAAMS MEDIABEDRIJF BV	Terneuzen, The Netherlands	51.00%	
2. Consolidated using the equity method			
BAYARD MEDIA GMBH & CO KG	Augsburg, Germany	50.00%	joint venture
BAYARD MEDIA VERWALTUNGS GMBH	Augsburg, Germany	50.00%	joint venture
BELGOMEDIA SA	Verviers, Belgium	50.00%	joint venture
BITES SA	Vilvoorde, Belgium	50.00%	joint venture
CTR MEDIA SA	Evere, Belgium	50.00%	joint venture
DE WOONKIJKER NV	Roeselare, Belgium	50.00%	joint venture
J.M. SAILER GESCHÄFTSFÜHRUNGS GMBH	Nürnberg, Germany	50.00%	joint venture
J.M. SAILER VERLAG GMBH	Nürnberg, Germany	50.00%	joint venture
JOEfm NV	Vilvoorde, Belgium	50.00%	joint venture
MEDIALAAN NV	Vilvoorde, Belgium	50.00%	joint venture
PRESS PARTNERS BV	Baarn, The Netherlands	50.00%	joint venture
REGIONALE MEDIA MAATSCHAPPIJ NV	Roeselare, Belgium	50.00%	joint venture
REGIONALE TV MEDIA NV	Zellik, Belgium	50.00%	joint venture
SENIOR PUBLICATIONS DEUTSCHLAND GMBH & CO KG	Cologne, Germany	50.00%	joint venture
SENIOR PUBLICATIONS NEDERLAND BV	Baarn, The Netherlands	50.00%	joint venture
SENIOR PUBLICATIONS SA	Brussels, Belgium	50.00%	joint venture
SENIOR PUBLICATIONS VERWALTUNGS GMBH	Cologne, Germany	50.00%	joint venture
STIEVIE NV	Vilvoorde, Belgium	50.00%	joint venture
TVBASTARDS NV	Boortmeerbeek, Belgium	50.00%	joint venture
UNLEASHED NV	Hasselt, Belgium	50.00%	joint venture
VERLAG DEUTSCHER TIERSCHUTZ-DIENST GMBH	Nürnberg, Germany	50.00%	joint venture
VIKINGCO BV	Maastricht, The Netherlands	50.00%	joint venture
PROXISTORE NV	Mont-Saint-Guibert, Belgium	46.12%	associate
CLICK YOUR CAR NV	Le Roeulx, Belgium	35.74%	associate
YELLOWBRICK NV	Schaarbeek, Belgium	35.00%	associate
REPROPRESS CVBA	Brussels, Belgium	29.93%	associate
50+ BEURS & FESTIVAL BV	Arnhem, The Netherlands	25.00%	joint venture
LIVING & MORE VERLAG GMBH - in liquidation	Augsburg, Germany	25.00%	joint venture
TWICE ENTERTAINMENT BVBA	Roeselare, Belgium	25.00%	associate
FEBELMA REGIE CVBA	Brussels, Belgium	23.35%	associate
4 ALL SOLUTIONS BVBA	Oostrozebeke, Belgium	15.00%	associate
MEDIAPLUS BV	Bussum, The Netherlands	12.50%	associate
3. Companies of minor importance not included in the consolidated financial statements			
EUROCASINO NV - in liquidation	Brussels, Belgium	19.00%	
TWICE TECHNICS BVBA	Roeselare, Belgium	18.75%	
MEDIA ID CVBA	Brussels, Belgium	27.27%	

STATUTORY AUDITOR'S REPORT

Statutory auditor's report to the shareholders' meeting of Roularta Media Group NV on the consolidated financial statements for the year ended 31 December 2016
The original text of this report is in Dutch.

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2016, the consolidated income statement, the consolidated statement of comprehensive income, 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.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – UNQUALIFIED OPINION

We have audited the 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. The consolidated balance sheet shows total assets of 443,201 (000) EUR and the consolidated income statement shows a consolidated profit (Group share) for the year then ended of 21,473 (000) EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's 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, the statutory auditor considers internal control relevant to the Group's preparation and fair presentation of 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the Group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the consolidated financial statements of Roularta Media Group NV give a true and fair view of the Group's net equity and financial position as of 31 December 2016, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Gent, 11 April 2017
The statutory auditor
DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by
Kurt Dehoorne
Mario Dekeyser

STATUTORY ANNUAL ACCOUNTS

CONDENSED STATUTORY ANNUAL ACCOUNTS

The following pages are extracts of the statutory annual accounts of Roularta Media Group NV, prepared under Belgian accounting policies.

The valuation rules applied in the statutory annual accounts differ substantially from the valuation rules applied in the consolidated annual accounts: the statutory annual accounts are based on Belgian accounting legislation, while the consolidated annual accounts are drawn up in accordance with the International Financial Reporting Standards.

Only the consolidated annual accounts as set forth in the preceding pages present a true view of the financial position and performance of the Roularta group.

The report of the board of directors to the general meeting of shareholders and the annual accounts of Roularta Media Group NV, as well as the auditor's report, will be filed with the National Bank of Belgium within the statutory stipulated periods. These documents are available on request from Roularta Media Group's Investor Relations Department and at www.roularta.be/en.

The auditor has issued an unqualified opinion for the annual accounts of Roularta Media Group NV.

EXTRACT FROM THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

The annual accounts, which will be presented to the general meeting of shareholders of 16 May 2017, were approved by the board of directors of 10 April 2017.

Appropriation of the result

The profit for the financial year 2016 available for appropriation is 15,479,300.54 euros compared to a profit of 52,538,331.65 euros for the financial year 2015.

Taking into account the profit carried forward of 3,256,000.68 euros, the profit to be appropriated for the financial year 2016 amounts to 18,735,301.22 euros.

The board of directors proposes to the general meeting to distribute a gross dividend of 0.50 euros per share. This means a net dividend of 0.35 euros per share (after 30% of withholding tax).

Pursuant to Article 622 § 1, final section of the Companies Code, it is proposed not to suspend the dividend right attached to own shares in the company's portfolio and to pay the distributable profit in full to the remaining shares. The corresponding dividend coupons on own shares in the portfolio will be destroyed.

On the date of the annual report, the company had 607,925 own shares in its portfolio. In the context of the appropriation of results shown below, it was assumed that 12,533,198[1] shares are entitled to a dividend. If between the date this annual report was prepared and the general meeting to be held on 16 May 2017 there are additional personnel who exercise their Roularta share options, this will have an impact on the number of shares entitled to a dividend and the amount of the compensation to capital can still change.

Appropriation of profit

We propose to give the result the following appropriation:

A. Profit to be appropriated	18,735,301.22
• profit of the year	15,479,300.54
• retained profit of previous year	3,256,000.68
B. Profit to be carried forward	12,468,702.22
C. Profit to be distributed	
• return on capital	6,266,599.00[2]

If the general meeting accepts this proposal for appropriation of the profit, dividends will become payable from 1 June 2017 (= pay date) onwards. ING will be appointed as paying agent.

(1) Total of shares issued 13,141,123 minus 607,925 own shares.
(2) Calculated on the basis of 12,533,198 shares entitled to a dividend.

CONDENSED STATUTORY INCOME STATEMENT

Condensed statutory income statement in thousands of euros	2016	2015
Operating income	282,581	293,386
Operating charges	-273,421	-284,403
Operating profit / loss	**9,160**	**8,983**
Financial income	13,820	356,267
Financial charges	-7,704	-312,687
Profit (loss) for the period before taxes	**15,276**	**52,563**
Transfer from deferred taxation	83	16
Income taxes	-42	-65
Profit (loss) for the period	**15,317**	**52,514**
Transfer from untaxed reserves	162	24
Profit (loss) for the period available for appropriation	**15,479**	**52,538**

Appropriation account in thousands of euros	2016	2015
Profit (loss) to be appropriated	**18,735**	**-115,965**
Profit (loss) for the period available for appropriation	15,479	52,538
Profit (loss) brought forward	3,256	-168,503
Transfers from capital and reserves	**0**	**130,595**
From capital and from share premium account		123,225
From reserves		7,370
Transfers to capital and reserves	**0**	**-5,121**
To legal reserve		0
To other reserves		5,121
Result to be carried forward	**-12,469**	**-3,256**
Profit (loss) to be carried forward	12,469	3,256
Distribution of profit	**-6,266**	**-6,253**
Dividends	6,266	6,253

CONDENSED STATUTORY BALANCE SHEET AFTER APPROPRIATION

ASSETS in thousands of euros	2016	2015
Fixed assets	**174,511**	**175,416**
Formation expenses	0	0
Intangible assets	35,164	39,717
Tangible assets	32,295	31,689
Financial assets	107,052	104,010
Current assets	**162,181**	**174,319**
Amounts receivable after more than one year	15,634	32,776
Stocks and contracts in progress	6,228	5,420
Amounts receivable within one year	73,795	81,071
Investments	16,966	27,253
Cash at bank and in hand	44,938	23,410
Deferred charges and accrued income	4,620	4,389
Total assets	**336,692**	**349,735**

LIABILITIES in thousands of euros	2016	2015
Capital and reserves	**114,186**	**105,136**
Capital	80,000	80,000
Share premium account	304	304
Legal reserve	8,000	8,000
Reserves not available for distribution	11,920	12,207
Untaxed reserves	1,207	1,369
Reserves available for distribution	286	0
Profit (loss) carried forward	12,469	3,256
Investment grants	0	0
Provisions and deferred taxation	**7,426**	**8,760**
Creditors	**215,080**	**235,839**
Amounts payable after more than one year	105,828	111,172
Amounts payable within one year	101,691	119,843
Accrued charges and deferred income	7,561	4,824
Total liabilities	**336,692**	**349,735**

FACTS & FIGURES

LOCAL NEWSPAPER

Krant van West-Vlaanderen:
368,227 CIM readers, distribution 65,045 copies

NEWS MAGAZINES

Knack:
504,198 CIM readers, distribution 98,671 copies
Le Vif/L'Express:
375,097 CIM readers, distribution 60,689 copies
Knack Weekend:
378,862 CIM readers, distribution 98,671 copies
Le Vif Weekend:
203,568 CIM readers, distribution 60,689 copies
Knack Focus:
278,187 CIM readers, distribution 98,671 copies
Focus Vif:
124,895 CIM readers, distribution 60,689 copies

BUSINESS NEWS MAGAZINE

Trends:
228,155 CIM readers, distribution 45,311 copies

SPORTS NEWS MAGAZINE

Sport/Voetbalmagazine:
559,092 CIM readers, distribution 41,814 copies

SENIOR MAGAZINES

Plus Belgium:
361,189 CIM readers, distribution 104,078 copies
Plus The Netherlands[*]:
820,410 readers, distribution 237,899 copies
Plus Germany:
distribution 165,602 copies

PEOPLE MAGAZINE

Télépro:
407,254 CIM readers, distribution 117,485 copies

LIFESTYLE MAGAZINES

Nest:
468,967 CIM readers, distribution 77,709 copies
Ik ga Bouwen & Renoveren:
302,769 CIM readers, distribution 20,742 copies
Bodytalk:
distribution 166,593 copies

[*] NOM Media 2016
[**] Publisher info

ROULARTA B2B

Artsenkrant/Le journal du Médecin:
distribution 22,552 copies
Data News:
43,300 CIM readers, distribution 22,980 copies
Grafisch Nieuws[**]:
distribution 5,200 copies

LOCAL INFORMATION MEDIA

Deze Week:
2,746,620 CIM readers, distribution 2,108,437 copies
De Zondag:
1,539,876 CIM readers, distribution 534,269 copies

CITY MAGAZINE

Steps:
469,522 CIM readers, distribution 426,541 copies

WEBSITES

Knack.be/LeVif.be websites:
1,859,016 real users, 5,095,876 unique visitors per month (30,775,433 page views)
Knack.be/LeVif.be News:
940,066 real users, 2,786,886 unique visitors per month (13,747,344 page views)
Trends.be:
922,814 real users, 1,455,686 unique visitors per month (7,859,471 page views)
Weekend.be:
519,686 real users, 856,829 unique visitors per month (4,903,447 page views)
Datanews.be:
199,950 real users, 295,924 unique visitors per month (1,057,846 page views)
Plusmagazine.be:
155,793 real users, 197,386 unique visitors per month (553,587 page views)
KW.be:
295,715 real users, 487,785 unique visitors per month (2,417,691 page views)
Immovlan.be:
689,529 real users, 1,190,463 unique visitors per month (11,972,184 page views)
Gocar.be:
473,672 real users, 947,336 unique visitors per month (6,410,365 page views)

REAL USERS
Real users are the unique browsers dissociated from desktop, smartphone and tablet, taking into account the fact that it is possible for someone to use several browsers on one device.

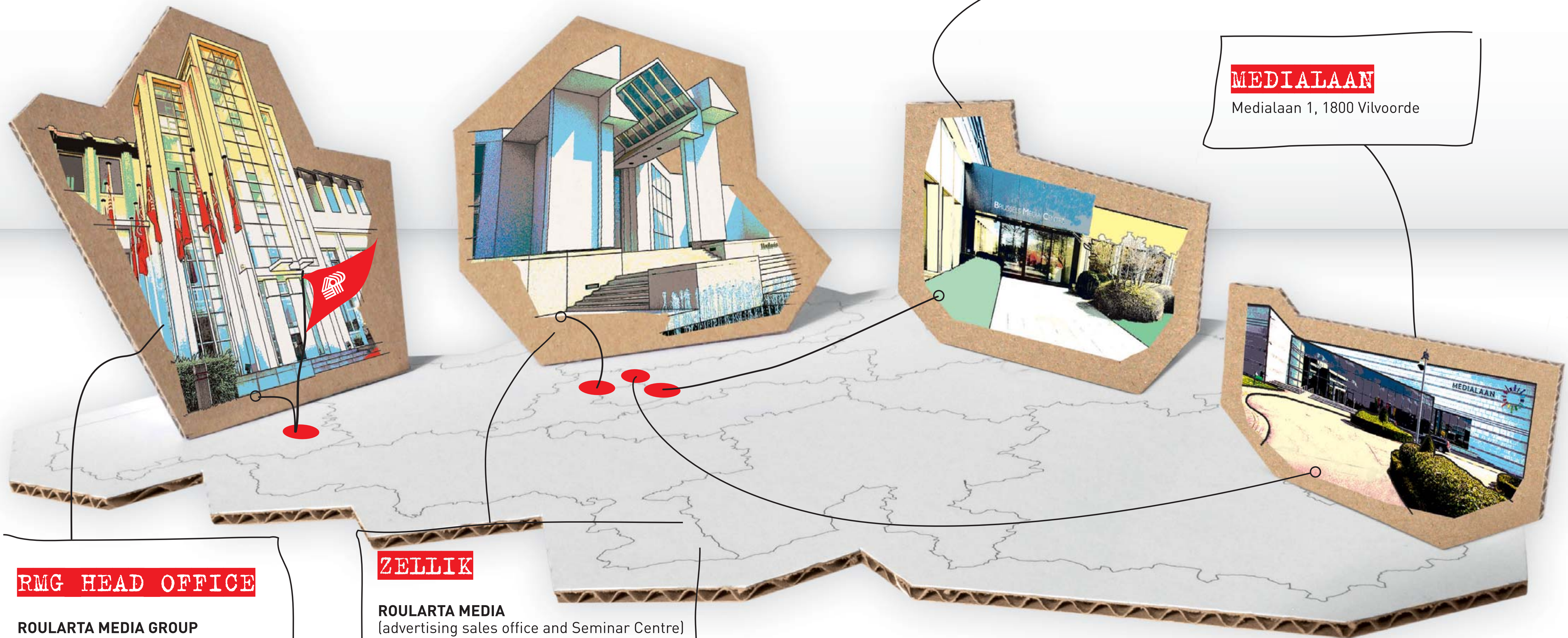
THE PLACES

BMC

BRUSSELS MEDIA CENTRE
(editorial office)
Raketstraat 50, 1130 Brussels

MEDIALAAN

Medialaan 1, 1800 Vilvoorde



RMG HEAD OFFICE

ROULARTA MEDIA GROUP
Meiboomlaan 33, 8800 Roeselare

ZELLIK

ROULARTA MEDIA
(advertising sales office and Seminar Centre)
Z.1. Researchpark 120, 1731 Zellik

FINANCIAL CALENDAR

General Meeting 2016	**16 May 2017**
Half year 2017 results	21 August 2017
Full year 2017 results	12 March 2018
General Meeting 2017	**15 May 2018**

INVESTOR RELATIONS

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