

“As a multi-media company,  
RMG seeks to create value for its readers,  
viewers, listeners,  
advertising clients, employees and shareholders.”





## 50 YEARS ROULARTA

1954. Roularta is founded in Roeselare by lawyer Willy De Nolf. He begins with the weekly magazine De Weekbode.

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*The annual report is available in English, Dutch and French. In the event of differences the Dutch text of the annual report is legally binding. The version on the internet ([www.roularta.be](http://www.roularta.be)) is provided for the purpose of information only.*

## CONSOLIDATED KEY FIGURES

<b>INCOME STATEMENT</b>				
In thousands of euros	2001	2002	2003	Evolution
<b>Operating income</b>	455,479	440,450	458,633	+ 4.1%
<b>Turnover (net)</b>	438,585	423,918	436,217	+ 2.9%
<b>Operating profit</b>	16,521	27,491	42,175	+ 53.4%
<b>Net financial profit / loss</b>	-3,503	-1,739	-4,008	
<b>Depreciation of consolidation goodwill</b>	-6,069	-6,483	-8,781	+ 35.4%
<b>Profit on ordinary activities</b>	6,949	19,269	29,386	+ 52.5%
<b>Net extraordinary profit / loss</b>	-3,121	-4,565	23	
<b>Profit for the year before taxes</b>	3,828	14,704	29,409	+ 100.0%
<b>Taxes</b>	-9,617	-11,623	-13,321	
<b>Profit for the year after taxes</b>	-5,789	3,081	16,088	+ 422.2%
<b>Share in the profit of the companies accounted for by the equity method</b>	-1,156	-87	271	+ 411.5%
<b>Consolidated profit</b>	-6,945	2,994	16,359	+ 446.4%
<b>PROFIT (Group's share)</b>	-6,787	3,178	16,045	+ 404.9%
<b>PROFIT (Group's share) - margin</b>	-1.5%	0.7%	3.7%	
<b>EBITDA</b>	39,732	46,836	58,434	+ 24.8%
<b>EBITDA - margin</b>	9.1%	11.0%	13.4%	
<b>EBIT</b>	16,521	27,491	42,175	+ 53.4%
<b>EBIT - margin</b>	3.8%	6.5%	9.7%	
<b>Net current profit <sup>1</sup></b>	1,149	14,090	23,944	+ 69.9%
<b>Current cash flow <sup>2</sup></b>	24,361	33,435	40,203	+ 20.2%
<b>Cash flow <sup>3</sup></b>	21,512	32,565	41,055	+ 26.1%

<sup>1</sup> The net current profit is the profit for the year after taxes, before net extraordinary profit/loss and before depreciation of consolidation goodwill and titles, plus the profit of the companies accounted for by the equity method.

<sup>2</sup> The current cash flow is the net current profit plus depreciation on tangible fixed assets and non-cash expenses.

<sup>3</sup> The cash flow is the consolidated profit plus all depreciations.

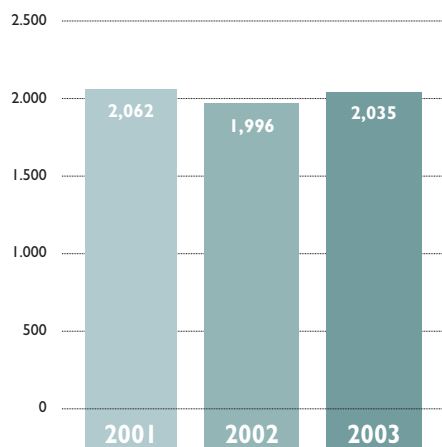
## CONSOLIDATED KEY FIGURES

### BALANCE SHEET

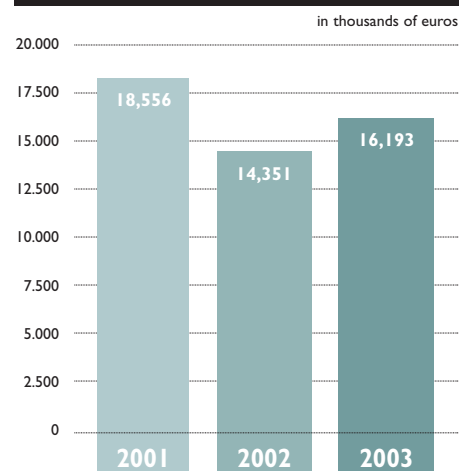
In thousands of euros	2001	2002	2003	Evolution
<b>Fixed assets</b>	150,880	112,857	139,409	+ 23.5%
<b>Current assets</b>	203,800	232,383	215,314	- 7.3%
<b>Total balance</b>	354,680	345,240	354,723	+ 2.7%
<b>Shareholders' equity after distribution</b>	142,012	122,910	140,871	+ 14.6%
<b>Amounts payable</b>	199,065	208,565	197,971	- 5.1%
<b>Liquidity (current assets / creditors)</b>	1.2	1.3	1.3	0.0%
<b>Solvency (equity / total balance)</b>	40.0%	35.6%	39.7%	+ 11.5%
<b>Net financial debt</b>	37,227	19,270	22,719	+ 17.9%
<b>Gearing (net fin. debt / equity)</b>	26.2%	15.7%	16.1%	+ 2.5%
<b>Return on equity <sup>4</sup></b>	-4.8%	2.6%	11.4%	+ 338.5%

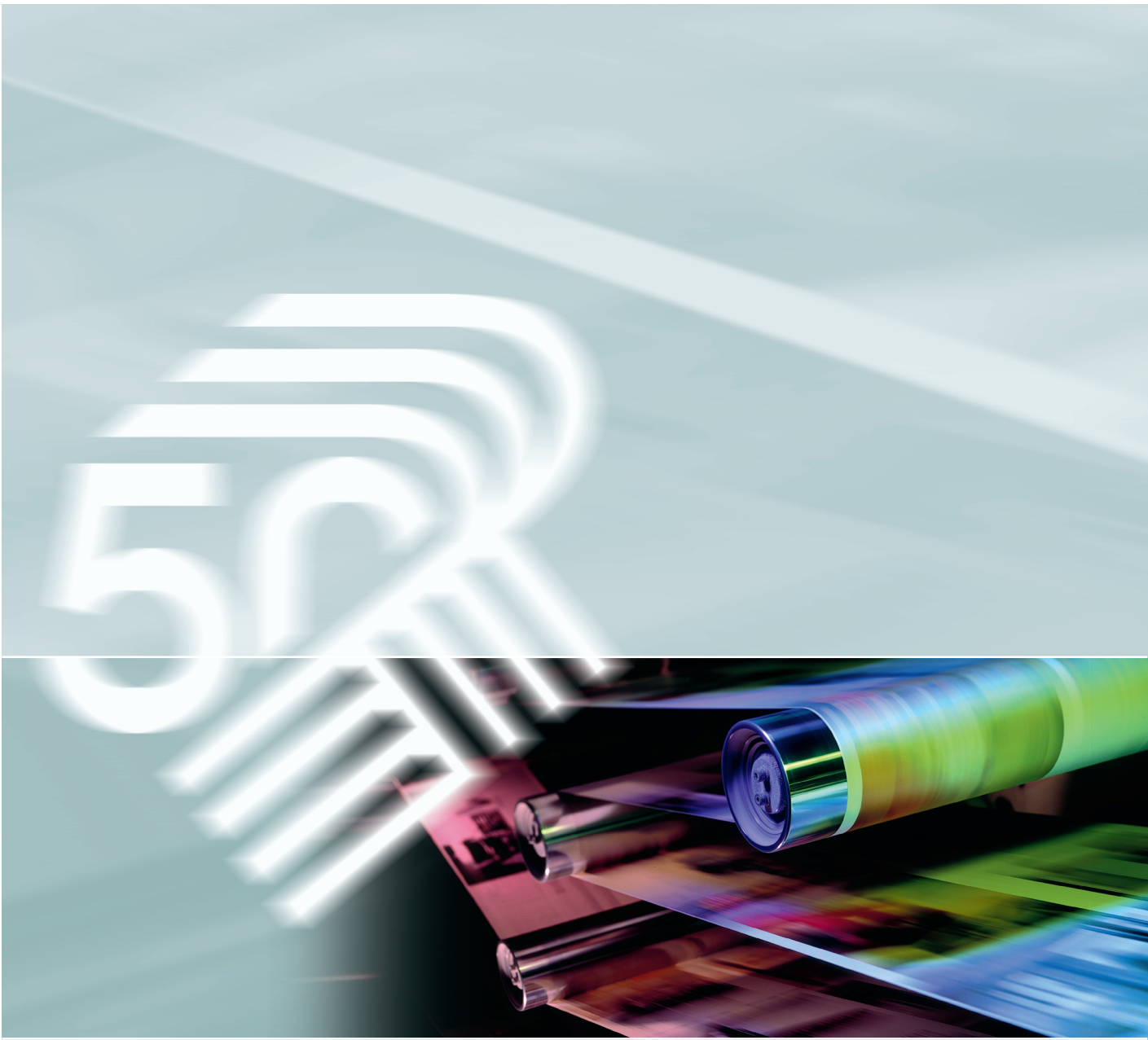
<sup>4</sup> Net profit (group's share) / equity.

### PERSONNEL AT YEAR-END



### INVESTMENTS





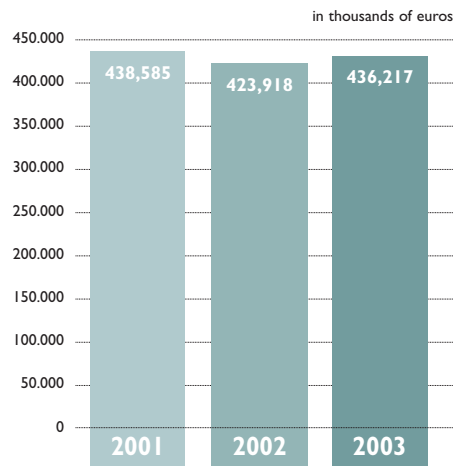
## 50 YEARS ROULARTA

**1954-1970.** Supported by his wife, Marie-Thérèse De Clerck, and a team of enthusiastic employees, Willy De Nolf launches 30 local weekly newspapers and creates the De Streekkrant group across Dutch-speaking Belgium.

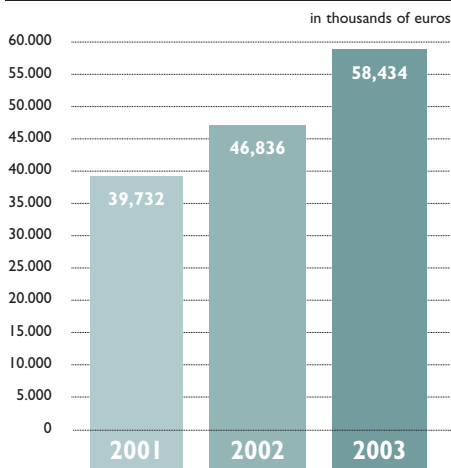
# CONSOLIDATED KEY FIGURES

## GENERAL SURVEY

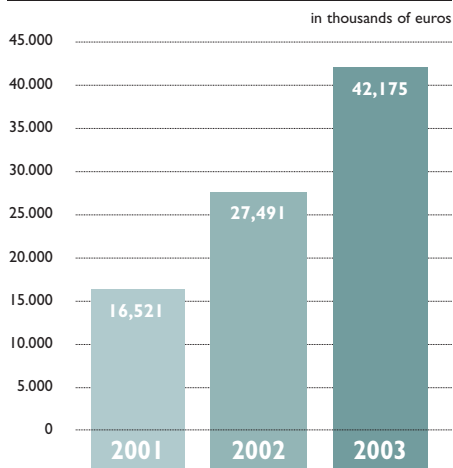
### TURNOVER (net)



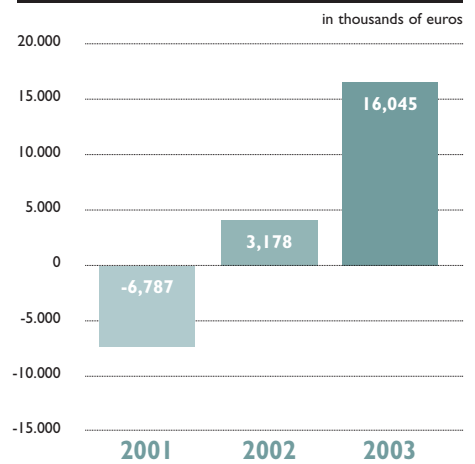
### EBITDA



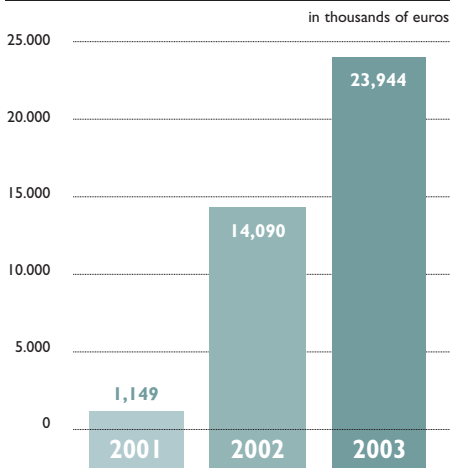
### EBIT



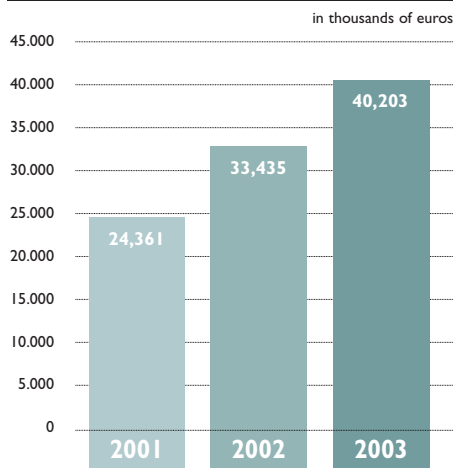
### PROFIT (Group's share)



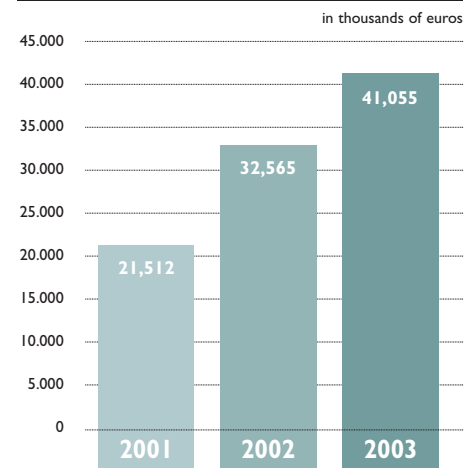
### NET CURRENT PROFIT



### CURRENT CASH FLOW

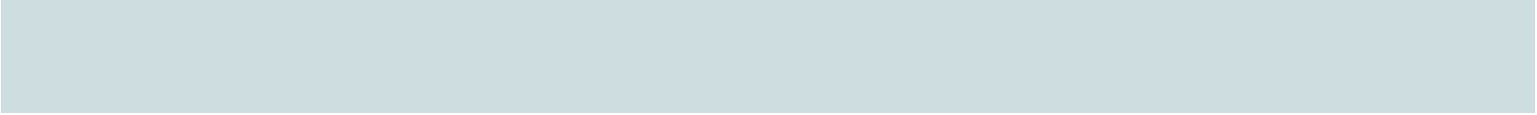


### CASH FLOW



# CONSOLIDATED KEY FIGURES

## HIGHLIGHTS PER SHARE





## HIGHLIGHTS PER SHARE

### HIGHLIGHTS PER SHARE\*

In euro	2001	2002	2003
<b>Shareholders' equity</b>	14.77	12.84	14.46
<b>EBITDA</b>	4.13	4.89	6.00
<b>EBIT (Operating profit)</b>	1.72	2.87	4.33
<b>Profit on ordinary activities</b>	0.72	2.01	3.02
<b>Profit - Group's share</b>	-0.71	0.33	1.65
<b>Net current profit</b>	0.12	1.47	2.46
<b>Current cash flow</b>	2.53	3.49	4.13
<b>Cash flow</b>	2.24	3.40	4.22
<b>Gross dividend</b>	0.40	0.40	0.50
<b>Price/Net current result Ratio (PER)</b>	162.38	16.61	15.05
<b>Price/Net current cashflow Ratio</b>	7.66	7.00	8.96
<b>Number of shares at 31 December</b>	9,553,679	9,589,029	9,884,986
<b>Weighted average number of issued shares</b>	9,617,170	9,572,468	9,739,176
<b>Highest share price</b>	61.95	24.65	39.00
<b>Share price at year-end</b>	19.40	24.45	37.00
<b>Market capitalisation in million euros at 31 December</b>	185.34	234.45	365.74
<b>Yearly volume in million euros</b>	31.69	29.76	32.95
<b>Yearly volume in number</b>	1,180,281	1,435,914	1,130,821

\* Calculated on the basis of the weighted average number of issued shares.

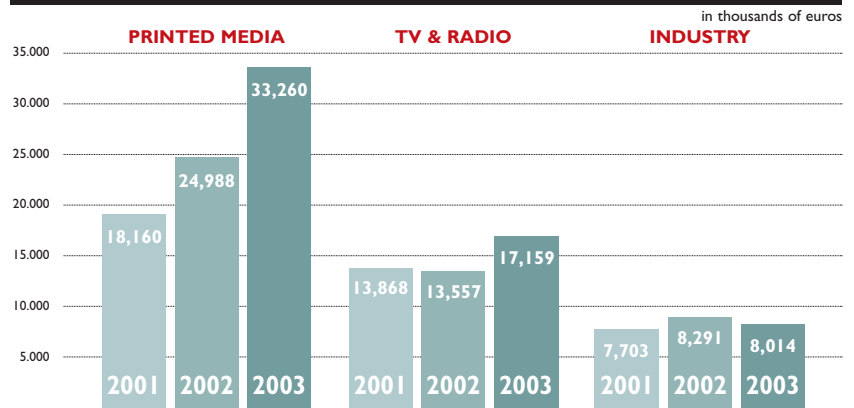
## SUBCONSOLIDATIONS

SUBCONSOLIDATIONS								
In thousands of euros	PRINTED MEDIA				TV & RADIO			
	2001	2002	2003	Evolution	2001	2002	2003	Evolution
<b>Operating income</b>	268,025	258,410	278,931	+ 7.9%	123,755	127,782	136,967	+ 7.2%
<b>Turnover (net)</b>	258,643	252,164	268,274	+ 6.4%	116,807	119,741	130,080	+ 8.6%
<b>Operating profit</b>	9,684	16,891	25,051	+ 48.3%	9,977	10,990	13,824	+ 25.8%
<b>Net financial profit / loss</b>	-2,808	-1,160	-1,200		393	639	-2,183	
<b>Depreciation of consolidation goodwill</b>	-2,224	-2,707	-5,124	+ 89.3%	0	-113	-114	+ 0.9%
<b>Profit on ordinary activities</b>	4,652	13,024	18,727	+ 43.8%	10,370	11,516	11,527	+ 0.1%
<b>Net extraordinary profit / loss</b>	-578	-427	-887		-538	-711	164	
<b>Profit for the year before taxes</b>	4,074	12,597	17,840	+ 41.6%	9,832	10,805	11,691	+ 8.2%
<b>Taxes</b>	-3,459	-4,721	-6,955		-6,259	-6,554	-5,282	
<b>Profit for the year after taxes</b>	615	7,876	10,885	+ 38.2%	3,573	4,251	6,409	+ 50.8%
<b>Profit companies accounted for by the equity method</b>	-41	-180	24	+113.3%	-1,115	93	248	+ 166.7%
<b>Consolidated profit</b>	574	7,696	10,909	+ 41.7%	2,458	4,344	6,657	+ 53.2%
<b>PROFIT (Group's share)</b>	732	7,758	11,088	+ 42.9%	2,458	4,344	6,657	+ 53.2%
<b>PROFIT (Group's share) - margin</b>	0.3%	3.1%	4.1%		2.1%	3.6%	5.1%	
<b>EBITDA</b>	18,160	24,988	33,260	+ 33.1%	13,868	13,557	17,159	+ 26.6%
<b>EBITDA - margin</b>	7.0%	9.9%	12.4%		11.9%	11.3%	13.2%	
<b>EBIT</b>	9,684	16,891	25,051	+ 48.3%	9,977	10,990	13,824	+ 25.8%
<b>EBIT - margin</b>	3.7%	6.7%	9.3%		8.5%	9.2%	10.6%	
<b>Net current profit</b>	3,260	10,720	16,012	+ 49.4%	2,757	5,204	6,663	+ 28.0%
<b>Current cash flow</b>	11,736	18,817	24,221	+ 28.7%	6,648	7,771	9,998	+ 28.7%
<b>Cash flow</b>	10,968	18,629	24,597	+ 32.0%	6,258	7,846	9,429	+ 20.2%

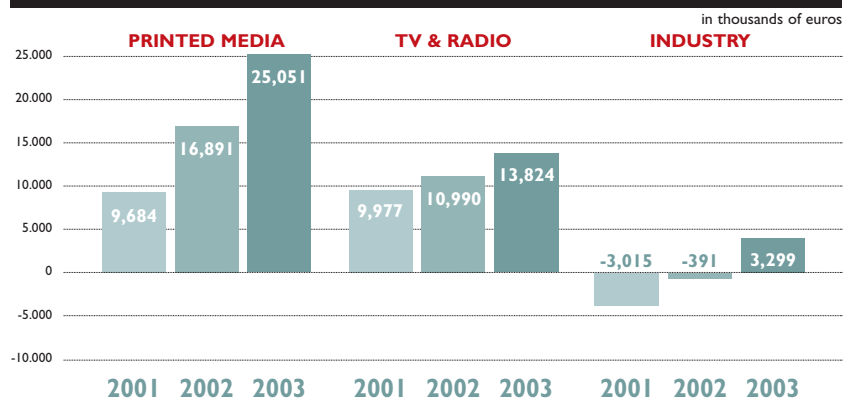
## SUBCONSOLIDATIONS

INDUSTRY			
2001	2002	2003	Evolution
101,304	94,871	100,309	+ 5.7%
98,571	91,542	94,128	+ 2.8%
-3,015	-391	3,299	+ 943.7%
-1,088	-968	-624	
-301	-94	0	- 100.0%
-4,404	-1,453	2,675	+ 284.1%
-1,732	-2,990	503	
-6,136	-4,443	3,178	+ 171.5%
101	-348	-1,084	
-6,035	-4,791	2,094	+ 143.7%
0	0	0	
-6,035	-4,791	2,094	+ 143.7%
-6,035	-4,669	1,602	+ 134.3%
-6,1%	-5,1%	1,7%	
7,703	8,291	8,014	- 3.3%
7.8%	9.1%	8.5%	
-3,015	-391	3,299	+ 943.7%
-3.1%	-0.4%	3.5%	
-4,124	-1,585	1,270	+ 180.1%
6,594	7,097	5,985	- 15.7%
4,506	5,141	6,788	+ 32.0%

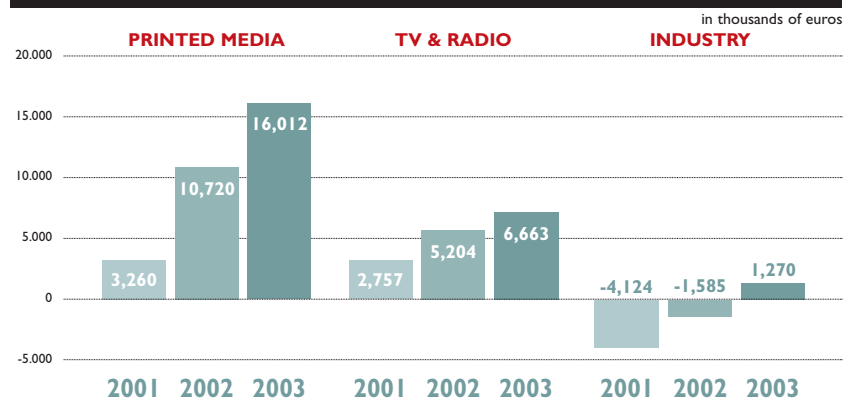
### EBITDA



### EBIT



### NET CURRENT PROFIT



# GROUP STRUCTURE

## GROUP STRUCTURE AT 31 DECEMBER 2003

NEWSPAPERS	FRESHEETS	BOOKS AND ANNUALS
<b>100%</b> West-Vlaamse Media Groep	<b>80%</b> De Streekkrant-De Weekkrantgroep	<b>100%</b> Roularta Books
	Oost-Vlaamse Media Groep <b>100%</b>	<b>50%</b> Academici Roularta Media
	De Vastgoedmakelaar <b>100%</b>	Follow The Guide <b>100%</b>
	Zeeuws Vlaams Mediabedrijf (NL) <b>51%</b>	<b>52%</b> Hippos Vademecum
	Tam-Tam <b>100%</b>	CAP Publishing <b>50%</b>
	Drukkerij Leysen <b>100%</b>	
	<b>100%</b> Style Magazine (NL)	
	<b>40%</b> Publiregioes (PT)	
	Algo Communication (F) <b>100%</b>	

# GROUP STRUCTURE

	MAGAZINES	SERVICES	TV & RADIO	INDUSTRY
	<b>100%</b> Vlaamse Tijdschriften Uitgeverij	<b>100%</b> Roularta Publishing	<b>50%</b> Vlaamse Media Maatschappij	<b>66,67%</b> Vogue Trading Video
	<b>100%</b> Trends Magazine	<b>100%</b> Roularta Management	Paratel <b>100%</b>	<b>75,66%</b> Roularta Printing
	<b>50%</b> Le Vif Magazine	Roularta IT-Solutions <b>100%</b>	Plopsaland <b>50%</b>	
	<b>100%</b> Sportmagazine	Regie De Weekkrant <b>100%</b>	<b>33,33%</b> Regionale TV Media	
	<b>100%</b> Biblo-Roularta Medica	<b>100%</b> Top Consult <b>50%</b>	<b>100%</b> Focus Televisie	
	<b>50%</b> Publindus <b>50%</b>		<b>100%</b> Belgian Business Television	
	<b>50%</b> Himalaya		<b>50%</b> De Woonkijker	
	<b>50%</b> Senior Publications		<b>50%</b> Eye-d	
	Grieg Media (N) <b>100%</b>		Corporate Media Solutions (IN LIQUIDATION) <b>50%</b>	
	Senior Publications Nederland (NL) <b>50%</b>		Regionale Media Maatschappij <b>50%</b>	
	<b>50%</b> Belgomedia			
	Senior Publications Verwaltungs GmbH (D) <b>100%</b>			
	Senior Publications Deutschland (D) <b>100%</b>			
	<b>50%</b> Art de Vivre Edit. (F)			
	<b>50%</b> Studio Press (F)			
	Total Music (F) <b>100%</b>			
	Band A Part (F) <b>100%</b>			
	Studio Press LTD (GB) <b>100%</b>			
	<b>100%</b> PV Editions (F)			
	<b>100%</b> Roularta Media France (F)			
	<b>1,86%</b> Côté Sud Invest. (F) <b>48,14%</b>			
	Côté Maison (F) <b>100%</b>			
	<b>50%</b> Editions Côté Est (F)			
	<b>100%</b> Cotexpo (F)			

**BOARD OF DIRECTORS**  
**ROULARTA MEDIA GROUP**



Seated, from left to right: **Leo Claey**s - **Baron Hugo Vandamme** - **Rik De Nolf**  
Standing, from left to right: **Bert Kuypers** - **Iwan Bekaert** - **Caroline De Nolf** - **Lieve Claey**s - **Clement De Meersman** - **Jean Pierre Dejaeghere** - **Dirk Meeus**

# BOARD OF DIRECTORS AND MANAGEMENT TEAM

## BOARD OF DIRECTORS

<b>Baron Hugo Vandamme</b>	permanent representative of HRV NV Eden Roc, Fairybankhelling, 8670 Oostduinkerke Independant director Chairman - 2009
<b>Rik De Nolf</b>	permanent representative of De Publigraaf NV Kraselhoekstraat 12, 8890 Moorslede Managing director Vice-chairman - 2004
<b>Leo Claeys</b>	permanent representative of Joedheco NV Meiboomlaan 110, 8800 Roeselare Non-executive director Vice-chairman - 2004
<b>Lieve Claeys</b>	Kasteelhoekstraat 1, 8800 Roeselare Executive director - 2008
<b>Caroline De Nolf</b>	Meiboomlaan 110, 8800 Roeselare Non-executive director - 2008
<b>Iwan Bekaert</b>	Ph. de Denterghemlaan 32, 9831 St.-Martens-Latem Non-executive director - 2004
<b>Jean Pierre Dejaeghere</b>	Oude Iepersestraat 43, 8870 Izegem Executive director - 2006
<b>Clement De Meersman</b>	permanent representative of Clement De Meersman BVBA Leffingestraat 17, 8000 Brugge Independant director - 2009
<b>Bert Kuypers</b>	Burg. Pyckestraat 53, 8500 Kortrijk Executive director - 2008
<b>Dirk Meeus</b>	Sint-Christinastraat 17, 9200 Dendermonde Independant director - 2009

## EXECUTIVE COMMITTEE

<b>Rik De Nolf</b>	Chairman
<b>Jean Pierre Dejaeghere</b>	Financial Director
<b>Bert Kuypers</b>	General Director

## AUDIT COMMITTEE

<b>Clement De Meersman</b>	Chairman
<b>Leo Claeys</b>	
<b>Dirk Meeus</b>	

## STRATEGIC COMMITTEE

<b>Baron Hugo Vandamme</b>	Chairman
<b>Rik De Nolf</b>	
<b>Leo Claeys</b>	
<b>Jean Pierre Dejaeghere</b>	
<b>Clement De Meersman</b>	
<b>Bert Kuypers</b>	

## REMUNERATION AND APPOINTMENTS COMMITTEE

<b>Baron Hugo Vandamme</b>	Chairman
<b>Rik De Nolf</b>	
<b>Leo Claeys</b>	
<b>Dirk Meeus</b>	

## MANAGEMENT TEAM

<b>Rik De Nolf</b>	Chairman
<b>Jean Pierre Dejaeghere</b>	Financial Director
<b>Bert Kuypers</b>	General Director
<b>Eddy Brouckaert</b>	Director Newspapers
<b>Erwin Danis</b>	Director Premedia
<b>Hugo De Vidts</b>	Director IT
<b>Hugues De Waele</b>	Director Freesheets
<b>William Metsu</b>	Director Printing
<b>Johan Plets</b>	Controller
<b>Dirk Vandekerckhove</b>	Director Magazines
<b>Dirk Van Roy</b>	Director New Media and Television
<b>Mieke Verhelst</b>	Director National Advertising

## CORPORATE GOVERNANCE

# CORPORATE GOVERNANCE

### COMPOSITION OF THE BOARD OF DIRECTORS

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

- Seven **directors** representing the reference shareholder in accordance with the right of presentation contained in the company's articles of association. These are Mr Rik De Nolf, the permanent representative of De Publigraaf NV (2004), Mr Leo Claeys, the permanent representative of Joedheco NV (2004), Ms Lieve Claeys (2008), Ms Caroline De Nolf (2008), Mr Iwan Bekaert (2004), Mr Jean Pierre Dejaeghere (2006) and Mr Bert Kuypers (2008).

- Three **independent directors**, each with a leading position in the business world. These are Mr Clement De Meersman, the permanent representative of Clement De Meersman BVBA (2009) and managing director of Decuninck NV, Mr Dirk Meeus (2009), a partner in Allen & Overy, and Baron Hugo Vandamme, the permanent representative of HRV NV (2009) and vice-chairman of Barco NV and chairman of Kinopolis Group NV.

Under the company's articles of association, directors are appointed for six-year terms of office, and may be dismissed at any time by the board of directors. Directors whose term of office has ended may be re-elected.

No rules exist in the articles of association or elsewhere concerning either age limits for directors or the exercise of their office of director.

The terms of office of Mr Rik De Nolf as the permanent representative of De Publigraaf NV, of Mr Leo Claeys as the permanent representative of Joedheco NV and of Mr Iwan Bekaert end at the general meeting of 18 May 2004. A proposal to extend their terms of office will be presented to the General Meeting.

### ORGANISATION AND OPERATION OF THE BOARD OF DIRECTORS

At the invitation of the chairman, the board meets whenever the interests of the company require. The board meets at least once a quarter. An additional board meeting is held every year to discuss and approve the next year's budget.

The board of directors met five times in 2003. Eight board meetings are scheduled in 2004, including one to discuss Roularta Media Group strategy.

All directors receive in advance of the meetings a package containing the necessary information, enabling them to pre-

pare thoroughly the items on the agenda. Minutes are kept of every meeting.

The board can discuss and take decisions validly only if at least half of its members are present or represented. In those cases where the articles of association require board decisions to be taken by a majority of votes, decisions are in practice taken on a consensus basis.

Close contact between the executive directors and the chairman of the board, who where necessary also informs and consults with the other board members, ensures a constant flow of information. In this way non-executive directors are kept up-to-date on specific dossiers between scheduled board meetings and are closely involved in the management and control of the company.

### THE SCOPE OF THE BOARD OF DIRECTORS

The board of directors consults on the company's vision, mission and strategy. It also discusses and decides on the business plan, the budget, the quarterly, half-yearly and annual results, financing, matters of company law, mergers and acquisitions and external communication.

Other important topics, including the appointment of senior managers, the use of external consultants, the development of warrant and/or share option plans and special investments, are also presented to the board for approval.

### DAILY MANAGEMENT

The board of directors has delegated the daily management of the company and the representation of the company in relation to such management to Mr Rik De Nolf as the permanent representative of De Publigraaf NV. He is assisted in the daily management of the company both by the executive committee and by the management team.

- The **executive committee** consists of three persons, the managing director (CEO), the financial director (CFO) and the general director (COO).

The executive committee meets twice a month, and deliberates and makes decisions based on a pre-established agenda. Minutes are prepared of every executive committee meeting.

Permanent items on the agenda of these meetings are the company's treasury position, the financial reporting, investments, new projects, operating policy and personnel matters, as well as the development of administrative procedures.

- The **management team** has twelve members, the three members of the executive committee, eight managers repre-



senting the various business units within the enterprise, and the controller. The management team meets every three months, with reports on the situation of the various business units. Management team members are regularly invited to board meetings to explain their business units' investment plans, earnings, budgets and other matters.

#### REMUNERATION OF THE BOARD OF DIRECTORS

The company paid to its directors in 2003 a total fixed compensation of 363,900.00 euros. The management of the company, consisting of the four executive directors and the eight managers of the management team, received a total fixed compensation of 1,101,378.00 euros and a total variable compensation of 278,290.00 euros.

The executive directors and the eight managers were allotted a total of 139,000 warrants and options.

#### PROTOCOL FOR PREVENTING THE MISUSE OF INSIDER INFORMATION

In order to prevent the illegal use of privileged information, or even arousing any impression of such, the board of directors has drawn up a protocol for preventing the misuse of insider information. This protocol is signed by the directors, executive committee members and the members of the management team.

#### COMMITTEES SET UP BY THE BOARD OF DIRECTORS

Three committees assist the board of directors:

■ The **audit committee**, set up at the time of the IPO, controls the financial reporting, the respecting of the administrative procedures and the implementation of financial and operational controls, advises on the choice and remuneration of the auditor. The committee, which reports directly to the board of directors, has per se a supervisory and advisory role. In order to ensure the independence of this audit committee and the accurate provision of information, this committee includes two independent directors.

At the invitation of the Chairman, audit committee meetings can be attended by the auditor (Deloitte & Touche, Bedrijfsrevisoren BV o.v.v.e CVBA, represented by Mr Jos Vlamincx) and by Mr Jean Pierre Dejaeghere (CFO), Mr Bert Kuypers (COO) and the internal auditor.

The audit committee met five times in 2003. The audit committee has paid special attention to the introduction of IFRS (International Financial Reporting Standards) in 2003.

■ The **remuneration and appointments committee** makes proposals to the board of directors on the appointment and remuneration of the members of the executive committee, management team and other senior managers. The remunera-

tion and appointments committee met once in 2003.

■ A **strategic committee** has also been set up as a forum where new proposals and projects can be discussed. The committee puts together detailed files on such proposals, which are then presented to the board for its decision. The strategic committee met once in 2003. ■



## 50 YEARS ROULARTA

1970-1980. Roularta launches the Belgian newsmagazines Knack, Trends and Sportmagazine for Flanders, and Le Vif, Trends/Tendances and Sport/Foot Magazine for French-speaking Belgium.

## ATTRACTIVE ANNUAL RESULT



BY: HUGO VANDAMME

Roularta Media Group achieved in 2003 an **operating profit (EBIT)** of 42.2 million euros (+53.4%) and a **net current profit** of 23.9 million euros (+69.9%). **Operating cash flow (EBIT-DA)** rose from 46.8 to 58.4 million euros (+24.8%). Roularta Media Group posted in 2003 a **profit before taxes** of 29.4 million euros or twice the 2002 figure. 13.3 million euros of taxes were recorded compared with 11.6 million euros in 2002. **Net profit (group's share)** rose five-fold from 3.2 to 16.0 million euros.

This attractive annual result reflects improved earnings in all divisions. Despite the still weak advertising market, turnover grew in every area. Freesheets grew by 2% with the success of De Zondag and the Steps City magazines, offsetting the fall in income from personal ads in the De Streekkrant/De Weekkrant group (much less steep, though, than that of the national jobs market). Newspaper advertising sales (Krant van West-Vlaanderen group) grew by 4.5%. Magazine advertising sales rose by 13.4%, partly from domestic and foreign acquisitions, partly through internal growth by 2% despite lower income from Vacature (- 2.6 million euros), from which Roularta withdrew in July 2003. TV and Radio advertising income was up 7.5%. Income from the readers' market grew by 24.5%, partly from domestic and foreign acquisitions, and partly from growth of existing magazines (+ 8.5%).

Global **operating income** rose by 4.1% to 458.6 million euros and **turnover** by 2.9% to 436.2 million euros. These low growth figures are explained by the third party printing activities (-24.9%), which in the first half of 2002

were still partly determined by the participation in the MPG printing concentration, which provided a greater quantity of external commercial printing orders, and by 23.1% lower turnover at Vogue Trading Video (optical disks) caused by the difficult market environment.

Group profits, on the other hand, grew significantly, reflecting the constant optimisation of prepress production processes, cost management in every area, lower paper prices and a number of acquisitions. These acquisitions brought with them restructuring costs, all of which were recognised in 2003, but also profits from the intended synergies. The takeovers of Biblo in Belgium and the Aguesseau group in France went entirely according to plan.

Given the need to finance these takeovers, Roularta Media Group finished 2003 with a very low debt position and a **gearing** of 16% (net financial debt/shareholders' equity).

The board of directors will be proposing to the general meeting that it declare a **dividend** of 0.50 euro per share. ■

**This attractive annual result was made possible by improved results in all divisions.**

# REPORT ON OPERATIONS

CEO

# RAPID GROWTH IN BELGIUM AND ABROAD

Roularta is back to its normal levels of profitability, growth and innovation, despite the difficult economic environment.



BY: RIK DE NOLF

In 2003 Roularta Media Group increased its turnover by 2.9%. Operating income rose by 4.1%. Leaving aside the additional turnover generated in 2002 by contract printing and paper trading (in connection with the MPG printing concentration in which Roularta was still involved in the second half of 2002), **turnover grew by 7%**. Disregarding also Vogue Trading Video (optical disks), group turnover increased in 2003 by no less than 9.2%, 4.4% from organic growth and 4.8% from acquisitions.

The advertising market gradually began to improve in 2003, whilst the readers' market also showed slight gains. At the same time costs remained under control and structural solutions were applied in the regional TV and printing areas.

All this provided particularly good earnings results:

**Current cash flow** increased from 33.4 to 40.2 million euros (+20.2%). **Net current profit** increased from 14.0 to 23.9 million euros (+69.9%).

**Cash flow** grew from 32.6 to 41.0 million euros (+26.1%). **Consolidated profit (group's share)** rose five-fold from 3.2 to 16.0 million euros, after taxes of 13.3 million euros.

## PRINTED MEDIA

The Printed Media division (freesheets and magazines) failed to meet the net 10% EBIT margin owing to one-off restructuring costs of the French take-overs. **Operating income** rose by 8% from 258.4 to 278.9 million euros and **operating profit** by 48.3% from 16.9 to 25.1 million euros. **Net profit** grew by 42.9% from 7.8 to 11.1 million euros.

2003 saw strong growth figures from both De Zondag and Steps City Magazine. These two phenomena have rapidly

occupied a major place on Belgium's media market. Particular attention was paid to building up a network of distribution points: 4,000 bakeries for De Zondag and gradually several thousand distribution points for the Steps City Magazines in shopping centres, parking lots, cinemas, restaurants, brasseries, top cafés and upmarket boutiques. This new form of freepress distribution, together with the door-to-door deliveries of De Streekkrant/De Weekkrant, guarantees 100% coverage.

The group's Belgian magazines performed well in 2003 with some exceptional performances: net sales of Plus Magazine increased by 17,500 copies, and Nest achieved a net distribution of over 100,000 copies after six editions. The various titles achieved good CIM results, even if it is clear that the CIM survey tells us more about how well-known a particular title is than how many people actually read it. Net sales figures of the other magazines remained stable in 2003.

The foreign magazine activities are gradually gaining in size and significance. Our senior citizens' magazines in the Netherlands, Norway and Germany are doing very well. The merger of Lenz and Frau im Leben (Germany) has reduced RMG's shareholding to 25%, but the monthly magazine has grown to 400,000 copies and is now profitable.

In France, turnover from the various magazines is approaching EUR 30 million (Roularta's share) following the acquisition of the Aguesseau Group magazines and of the cinema monthly Studio Magazine.

## TV & RADIO

The audiovisual activities achieved the 10% EBIT margin target, with **operating income** up 7.2% from 127.8 to 137 million euros. **Operating profit** grew by 25.8% from 11 to 13.8 million euros and **net profit** by 53.2% from 4.3 to 6.7 million euros.

**Turnover** of Vlaamse Media Maatschappij (50% Roularta Media Group) with VTM, KANAALTWEE, JIMtv and radio Q-Music, grew by 9.3% in 2003 from 199.3 to 217.9 million euros and **operating income** from 214.9 to 231.6 million euros, with a better profit than in 2002: 17.3 million euros as against 16.8 million euros (+ 3%). Despite a certain downward pressure on viewer figures, the TV stations increased advertising income and kept costs under control. Radio station Q-Music is now launched, with 10.6% market share in its 18-44 year target group, and ended the year close to breakeven.

Plopsaland (50% VMMA) beat all records with over 700,000 visitors, achieving a **net profit** of 1 million euros on **operating income** of 15.5 million euros. Paratel (100% VMMA), the specialist for SMS applications linked to the TV programmes, recorded an attractive **net profit** of 0.8 million euros in 2003 on **operating income** of 10.5 million euros.

Roularta Media Group's regional TV activities operated at breakeven in 2003. The national advertising sales office RTVM posted slightly lower figures owing to falling govern-

ment communication expenditure, but the new agreement with the cable companies provides a structural solution to the financial problems of the regional broadcasters, that are cooperating in the field of interactive TV, in return for 1.50 euros per subscriber.

The cooperation between Focus TV and WTV within the Regionale Media Maatschappij (RMM) produced a positive result in 2003.

Business broadcaster Kanaal Z/Canal Z achieved a much improved result in 2003, but remains with a 1.5 million euros shortfall.

## INDUSTRIAL ACTIVITIES

Roularta Printing had in 2003 for the first time a full year of working to its traditional pattern of 60% operating for its own magazines and newspapers, and 40% for other domestic and foreign periodicals publishers. This produced positive earnings figures. Together with the optical disc business (VTV), this division produced a 5.7% growth in **operating income** from 94.9 to 100.3 million euros with a **net profit** of 1.6 million euros, compared with a net loss of - 4.7 million euros in 2002, and an EBIT of 3.3 million euros (2002: - 0.4 million euros). ■

### ROULARTA MEDIA GROUP IN 2004

#### RMG continues to work on building its multi-media future.

Until now our growth has come from a constant stream of self-generated initiatives. Since the 1950s Roularta has launched itself most of the weekly newspapers in the De Streekkrant group, as well as the new De Zondag press phenomenon, has created the various Belgian news magazines and a series of specific niche magazines, and has provided much of the initiative for launching TV stations VTM, KANAALTWEE, JIMtv, Kanaal Z/Canal Z and the first regional TV stations in Dutch-speaking Belgium.

Growth has not come from take-overs or mergers. Roularta is the fruit of the initiatives of a team of enthusiastic people, all of them creative and enterprising in their own fields.



### 50 YEARS ROULARTA

From 1988 onwards. Roularta launches senior citizen magazines in Belgium, the Netherlands, Norway and Germany, in partnership with Bayard Presse (Paris).

# GOOD PROSPECTS FOR 2004

Continuing its steady growth with further carefully-selected takeovers of magazines that offer potential and can benefit from Roularta synergies.

**R**oularta Media Group expects the advertising market to recover only very slowly in 2004. On the other hand, at the beginning of 2004, paper prices look set to remain stable.

In 2004 the **regional TV stations** should be able to provide a positive contribution, as can also be expected from Q-Music. Business broadcaster **Kanaal Z / Canal Z** must be able to reach break-even. **VMMa** is planning additional investing in programming to counter pressure on viewing figures from state broadcasters. The aim remains to achieve the same result as in 2003, with greater investment, in other words, as a function of additional turnover, via radio and TV airtime and via merchandising.

In **Belgium** Roularta Media Group acquired the **Biblio group** in mid-2003 and **Keesing Professional Media** in January 2004. These acquisitions offer substantial synergies, which if used optimally, bode well for the future. In the meantime *Industrie Magazine* (from Roularta) and the magazine *Technisch Management* (from Keesing) have already merged into *Industrie / Technisch Management* (Dutch / French), a complete magazine for the industrial work that can bear comparison with its foreign counterparts. In late 2004 the professional magazine publishing activities (**Roularta Professional Information**) and the medical publishing (**Roularta Medica**) will join the group's other editorial teams at the Brussels Media Centre, where they can make optimal use of a common infrastructure and network.

In April 2004 Roularta acquired the monthly magazines *Ik ga bouwen/Je vais construire*, which perfectly complement the **Follow the Guide** package.

In **France** the Aguesseau group was taken over at the start of 2003. Since then three publishing companies have been active: **Côté Maison** (50/50 Roularta Media Group and Groupe Express/Expansion) with the magazines *Maison Magazine*, *Maison Française*, *Côté Sud*, *Côté Ouest* and *Côté Est*, flanked by **Art De Vivre Editions** with the magazines *Ideat* and *Atmosphères* (50/50 Roularta Media Group and Laurent Blanc) and finally **Studio Press** (100% Roularta Media Group) with a whole series of magazines for music, audio, video, hifi, DVD and cinema enthusiasts. The related restructuring activities were already charged to income in

2003. The French activities should in 2004 represent a turnover of EUR 30 million and an EBIT in excess of 10%. The French magazines are printed in France, but can at a later date be produced at Roularta Printing, once replacement investments have provided additional capacity.

In 2004 **Roularta Printing** will be replacing an old press with an additional 48 page offset press previously used to print Roularta magazines at Brepols. At the same time Roularta is investing in extending the hybrid presses that will, by the end of the year, be able to print up to 64 page issues of *Steps City Magazine* in full colour heatset with one-line finishing. This extension is also of interest for printing *De Zondag*, where there is strong demand for more colours. 8 million euros are earmarked for investments here.

New editions of **City Magazine** are planned in France (under the 'A Nous...' logo in cooperation with A Nous Paris), and we are currently examining the possibility of launching the concept in other countries.

The policy of cautious expansion through foreign acquisitions is being continued. In the Netherlands Roularta is launching the monthly magazine *Grande*, and in Belgium particular attention is being paid to reinvigorating *Knack*, *Focus Knack*, *Le Vif / L'Express* and *Cash*, which now appears in weekly magazine format (instead of as a newspaper). ■







# FINANCIAL INFORMATION

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**CONSOLIDATED ANNUAL ACCOUNTS****ANNUAL REPORT OF THE BOARD OF DIRECTORS**

# ANNUAL REPORT OF THE BOARD OF DIRECTORS

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

*Dear Shareholders,*

*We are pleased to report to you, pursuant to Article 119 of the Companies' Code, on the activities of our company as a consolidated whole and on our management during the past financial year, ending on 31 December 2003.*

## **COMMENTARY ON THE CONSOLIDATED ANNUAL ACCOUNTS**

The consolidated annual accounts have been drawn up pursuant to the Royal Decree of 30 January 2001 implementing the Companies' Code and in accordance with the particular legal and regulatory provisions that apply to the company.

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

## **BALANCE SHEET**

### **ASSETS**

#### **FORMATION EXPENSES**

This heading consists primarily of the unamortised formation expenses of Ideat Editions SA.

#### **INTANGIBLE FIXED ASSETS**

Intangible fixed assets consist primarily of software licences, publication titles and goodwill. In 2003 new goodwill

was recorded in respect of the customer base of Safe Publi (Safe Publi NV) and the title Atmosphères (Art de Vivre Editions SAS) following the merging of these companies with their respective parent companies. The acquisition of the Biblo group increased our participation in Editop-Roularta Medica NV from 50% to 100%. The goodwill in this company's balance sheet is now fully consolidated.

#### **POSITIVE CONSOLIDATION DIFFERENCES**

This heading contains the consolidation goodwill on fully and proportionally consolidated enterprises. These goodwill items are amortised variously over 5, 10 and 20 years. Solely the consolidation goodwill relating to the participating interest in Vlaamse Media Maatschappij NV is being amortised over 20 years.

The change in positive consolidation differences reflects the combined effects of the growth in goodwill from new participating interests (Aguesseau group, Biblo group and Algo Communication) and of amortisation during the financial year.

#### **TANGIBLE FIXED ASSETS**

The heading 'Land and buildings' includes the investments in the Brussels Media Centre, the Roularta Media Group NV administrative buildings at Roeselare and Zellik, the Vlaamse Media Maatschappij NV buildings, the production buildings of Roularta Printing NV at Roeselare and Vogue Trading Video NV at Kuurne and a number of Streekrant offices. The heading 'Plant, machinery and equipment' relates to the prepress and printing activities, to investments in CD and DVD replication equipment, and in audiovisual equipment for the TV and radio activities.

The heading 'Furniture and vehicles' consists primarily of office furniture and data processing equipment acquired by all Roularta group companies. The leased assets consist mainly of printing machinery and audio-visual installations.

In 2003, Roularta invested 12.8 million euros in tangible fixed assets, of which 1.9 million euros in the Printed Media division, 1.7 million euros in the TV & Radio division and 9.2 million euros in the Industrial Production division. Investments in the Industrial Production division consist mainly of the installation of a new afterburner installation and a second-hand printing press at Roularta Printing NV and the updating of the DVD lines at Vogue Trading Video NV. Annual depreciation on tangible fixed assets amounted to 11.7 million euros.

#### **FINANCIAL FIXED ASSETS**

The enterprises accounted for by the equity method are Plopsaland NV and CMS NV in liquidation. This means that they are taken into the consolidated accounts at the group's share in their net worth as it stood at 31 December 2003.

The 'Financial assets – Other enterprises' heading contains enterprises that are not included in the category of affiliated enterprises.

6.7 million euros of the related 'Amounts receivable' heading consists of the non-eliminated proportional share of amounts receivable from proportionally consolidated companies.

#### **AMOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR**

This heading includes amounts receivable from Prometheus Inc. NV and A Nous Paris SAS following the sale of these two participating interests in the course of 2003.

#### **STOCKS AND CONTRACTS IN PROGRESS**

The consolidated stocks consist mainly of broadcasting rights (films, TV series, documentaries) held by Vlaamse Media Maatschappij NV, and which are consolidated in an amount of 40.5 million euros. This heading also includes the stocks of paper, ink, chemicals and other consumables for the printing and for the DVD and CD replication activities.

#### **AMOUNTS RECEIVABLE WITHIN ONE YEAR**

The trade receivables at 31 December 2003 amount to 112.6 million euros or 31.7% of the balance sheet total. The decrease compared with last year is due in part to the final settlement of still outstanding receivables between Roularta Printing NV, Mercator Printing Group NV in liquidation and Roularta Media Group NV.

#### **CASH INVESTMENTS**

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

The other investments are short-term investments of cash surpluses.

## **LIABILITIES**

### **CAPITAL AND RESERVES**

The consolidated capital of 118,463,000.00 euros consists of the capital of Roularta Media Group NV, which is represented by 9,884,986 shares.

Capital has changed since the consolidated balance sheet at 31 December 2002. It has been increased on 23 June 2003 by 484,972.32 euros by the creation of 43,475 new shares with accompanying VVPR strip following the exercise of warrants. The board of directors, making use of the authorised capital, subsequently increased capital by 27.68 euros by incorporating reserves available for distribution in the same amount, without issuing new shares, in order to bring capital to 112,623,000.00 euros.

Subsequently, on 1 July 2003, capital was increased by the board of directors in an amount of 2,952,019.54 euros within the authorised capital, accompanied by a global issue premium of 2,887,898.66 euros, as consideration for the contribution of 14,178 shares of Biblo NV in return for 252,482 newly-issued Roularta Media Group shares. The board of directors subsequently decided to further increase the issued capital by 2,887,898.66 euros by incorporation of the above-mentioned issue premium, without issuing new shares. A third capital increase of 81.80 euros followed by incorporation of reserves available for distribution in the same amount, without issuing new shares, in order to bring capital up to the rounded amount of 118,463,000.00 euros.

The consolidated reserves have risen by 11.3 million euros, equal to the consolidated profit for the year (group's share) less the dividends payable.

### **MINORITY INTERESTS**

This heading contains the minority interests in De Streekkrant-De Weekkrantgroep NV and her subsidiaries, Roularta Printing NV, Vogue Trading Video NV and Zeeuws Vlaams Mediabedrijf BV.

### **PROVISIONS, DEFERRED TAX AND LATENT TAXATION LIABILITIES**

Provisions increased with an additional provision at Vlaamse Media Maatschappij NV in relation to the dispute with the Social Security Authorities and provisions at De Streekkrant-De Weekkrantgroep NV and Côté Maison SA.

### **AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR**

Higher long-term debts reflect primarily borrowings to finance the acquisition of the Aguesseau and Biblo groups and higher leasing debts at Roularta Printing NV.

### **AMOUNTS PAYABLE WITHIN ONE YEAR**

Financial debts have fallen sharply with the full repayment of straight loans.

Consolidated trade debts due within one year at 31 December 2003 were 82.5 million euros or 23.3% of the balance sheet total. The decrease compared with last year is due, among other things, to the final settlement of still outstanding receivables between Roularta Printing NV, Mercator Printing Group NV in liquidation and Roularta Media Group NV.

**CONSOLIDATED ANNUAL ACCOUNTS****ANNUAL REPORT OF THE BOARD OF DIRECTORS**

The increases in advances received and social security debts are due primarily to the acquisitions of the Aguesseau and Biblo groups.

The consolidated other amounts payable within one year consist mainly of the dividends of 4.8 million euros payable by Roularta Media Group NV.

**INCOME STATEMENT****OPERATING INCOME**

Consolidated turnover has risen by 2.9%. 16% of this turnover was produced outside Belgium.

Freesheet advertising income grew by 2% thanks to the success of De Zondag and the Steps City magazines, offset by falling personal ads revenues in the De Streekkrant-De Weekkrant group.

Magazine advertising income increased by 13.4%, partly as the result of domestic and foreign acquisitions and partly as the result of 2% organic growth, despite falling income from Vacature (-2.6 million euros), from which Roularta withdrew as of 1 July 2003. Readers' market income also increased, partly through domestic and foreign acquisitions, and partly through 8.5% organic growth.

TV and Radio advertising income rose by 7.5%, among other things from higher income at VMMA NV (in both radio and TV).

Income from CD and DVD replication activities decreased, owing to the difficult market circumstances.

The fall in pre-press and printing income is explained by the fact that first half 2002 figures still reflect the participating interest in the MPG printing concentration, which had a higher level of third party commercial printing orders.

**OPERATING CHARGES**

Lower production costs are due primarily to the deconsolidation of Mercator Printing Group NV, in liquidation since 1 July 2002, and a further fall in paper prices.

On the other hand, costs of services and other goods have risen sharply, mainly owing to the higher promotion costs and the new French participations.

The increase in personnel costs comes from the new domestic and foreign participating interests. The number of full-time employees increased by 2%.

Depreciation has reduced with the consolidation of the MPG NV in liquidation and lower depreciation at Roularta Media Group NV and Vogue Trading Video NV.

**OPERATING PROFIT**

Operating profit rose by 53.4% from 27.5 million euros to 42.2 million euros, raising the EBIT margin from 6.5% to 9.7%.

**FINANCIAL INCOME AND CHARGES**

Financial charges rose with higher amortisation of consolidation differences (owing to new acquisitions) and higher financial costs at Vlaamse Media Maatschappij NV.

**EXTRAORDINARY INCOME AND CHARGES**

In 2003 almost no extraordinary income or charges were recorded, unlike in 2002 when extraordinary reductions in value were recorded in respect of Mercator Printing Group in liquidation.

**OUTLOOK**

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

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

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

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

In mid-December 2003 Roularta Media Group concluded an agreement with Keesing Publishers NV to acquire its Keesing Business Media business unit effective on 1 January 2004. Industrie Magazine (RMG) and Technisch Management (Keesing) have since been merged to form Industrie Technisch Management, with both Dutch and French-language editions. This magazine is published together with the other titles acquired from the Keesing Business Media business unit under the common denominator of Roularta Professional Information.

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

At the beginning of March 2004 Roularta Media France SA acquired Studio Magazine SA, which publishes a monthly magazine in France under the same name. This exclusive and stylish magazine is aimed at cinema fans.

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

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

**RESEARCH AND DEVELOPMENT**

No research and development was carried out during 2003.

**TRANSITION TO IAS/IFRS**

Given the decision by the Roularta Media Group NV board of directors to anticipate the obligatory application of the International Financial Reporting Standards (IFRS), the necessary administrative and organisational measures were



taken in the course of 2003 in order to apply the IFRS standards as from the first quarter of 2004. This included a specific working party within Roularta Media Group NV's financial department to prepare the transition to IFRS. This working group has regularly reported to the audit committee and the company's statutory auditor. Its preparatory activities resulted on 16 January 2004 in the presentation to the board of directors of the opening balance as at 1 January 2003 in accordance with the IFRS standards, and the approval of the valuation rules by the board of directors.

In this context, Roularta Media Group intends to make use of IFRS 1, which has not yet been approved at a European level. To this end Roularta Media Group NV has applied to the Banking, Finance and Insurance Commission for a waiver in accordance with article 10,3.2 of the law of 2 August 2002.

The main differences between the IFRS standards and those currently applied to the annual accounts will concern:

- the valuation of tangible and intangible fixed assets
- the valuation of film rights
- the expression of latent tax assets and liabilities

*Roeselare, 12 March 2004  
The board of directors*

**CONSOLIDATED ANNUAL ACCOUNTS****CONSOLIDATED BALANCE SHEET AFTER APPROPRIATION**

<b>1. CONSOLIDATED BALANCE SHEET AFTER APPROPRIATION</b>		
<b>ASSETS</b> in thousands of euros	<b>2003</b>	<b>2002</b>
<b>FIXED ASSETS</b>	<b>139,409</b>	<b>112,857</b>
<b>I. Formation expenses</b>	<b>24</b>	<b>89</b>
<b>II. Intangible assets</b>	<b>15,047</b>	<b>14,140</b>
<b>III. Positive consolidation differences</b>	<b>62,704</b>	<b>42,115</b>
<b>IV. Tangible assets</b>	<b>50,922</b>	<b>49,197</b>
A. Land and buildings	31,154	31,471
B. Plant, machinery and equipment	13,087	12,021
C. Furniture and vehicles	3,021	3,376
D. Leasing and other similar rights	3,296	1,903
E. Other tangible assets	354	387
F. Assets under construction and advance payments	10	39
<b>V. Financial assets</b>	<b>10,712</b>	<b>7,316</b>
A. Companies accounted for using the equity method	1,785	1,724
1. Participating interests	1,785	1,495
2. Amounts receivable	0	229
B. Other enterprises	8,927	5,592
1. Participating interests and shares	1,355	803
2. Amounts receivable	7,572	4,789
<b>CURRENT ASSETS</b>	<b>215,314</b>	<b>232,383</b>
<b>VI. Amounts receivable after more than one year</b>	<b>1,246</b>	<b>744</b>
A. Trade debtors	673	638
B. Other amounts receivable	573	106
<b>VII. Stocks and contracts in progress</b>	<b>48,942</b>	<b>50,422</b>
A. Stocks	48,925	50,364
B. Contracts in progress	17	58
<b>VIII. Amounts receivable within one year</b>	<b>128,666</b>	<b>142,573</b>
A. Trade debtors	112,555	129,886
B. Other amounts receivable	16,111	12,687
<b>IX. Investments</b>	<b>9,752</b>	<b>14,155</b>
A. Own shares	5,991	4,958
B. Other investments and deposits	3,761	9,197
<b>X. Cash at bank and in hand</b>	<b>21,892</b>	<b>20,639</b>
<b>XI. Deferred charges and accrued income</b>	<b>4,816</b>	<b>3,850</b>
<b>TOTAL ASSETS</b>	<b>354,723</b>	<b>345,240</b>

<b>LIABILITIES</b> in thousands of euros	<b>2003</b>	<b>2002</b>
<b>CAPITAL AND RESERVES</b>	<b>140,871</b>	<b>122,910</b>
<b>I. Capital</b>	<b>118,463</b>	<b>112,138</b>
A. Issued capital	118,463	112,138
<b>II. Share premium account</b>	<b>306</b>	<b>308</b>
<b>IV. Consolidated reserves</b>	<b>20,864</b>	<b>9,613</b>
<b>V. Negative consolidation differences</b>	<b>356</b>	<b>356</b>
<b>VI. Translation differences</b>	<b>41</b>	<b>123</b>
<b>VII. Investment grants</b>	<b>841</b>	<b>372</b>
<b>MINORITY INTERESTS</b>	<b>9,461</b>	<b>9,229</b>
<b>PROVISIONS, DEFERRED TAX AND LATENT TAXATION LIABILITIES</b>	<b>6,420</b>	<b>4,536</b>
<b>IX. A. Provisions for liabilities and charges</b>	<b>5,556</b>	<b>3,903</b>
1. Pensions and similar obligations	835	740
2. Taxation	0	43
4. Other liabilities and charges	4,721	3,120
B. Deferred tax and latent taxation liabilities	864	633
<b>CREDITORS</b>	<b>197,971</b>	<b>208,565</b>
<b>X. Amounts payable after more than one year</b>	<b>30,094</b>	<b>19,870</b>
A. Financial debts	28,403	18,162
3. Leasing and other similar obligations	2,360	1,275
4. Credit institutions	23,703	15,416
5. Other loans	2,340	1,471
B. Trade debts	605	1,090
1. Suppliers	605	1,090
D. Other amounts payable	1,086	618
<b>XI. Amounts payable within one year</b>	<b>163,487</b>	<b>185,851</b>
A. Current portion of amounts payable after one year	9,112	6,221
B. Financial debts	10,857	24,723
1. Credit institutions	10,583	24,651
2. Other loans	274	72
C. Trade debts	82,484	101,536
1. Suppliers	81,419	100,562
2. Bills of exchange payable	1,065	974
D. Advances received on contracts in progress	18,868	15,000
E. Amounts payable regarding taxes, remuneration and social security	34,205	27,753
1. Taxes	7,938	4,891
2. Remuneration and social security	26,267	22,862
F. Other amounts payable	7,961	10,618
<b>XII. Accrued charges and deferred income</b>	<b>4,390</b>	<b>2,844</b>
<b>TOTAL LIABILITIES</b>	<b>354,723</b>	<b>345,240</b>

**CONSOLIDATED ANNUAL ACCOUNTS****CONSOLIDATED INCOME STATEMENT**

<b>2. CONSOLIDATED INCOME STATEMENT</b>		
<b>CONSOLIDATED INCOME STATEMENT</b> in thousands of euros	<b>2003</b>	<b>2002</b>
<b>I. Operating income</b>	<b>458,633</b>	<b>440,450</b>
A. Turnover	436,217	423,918
B. Increase; decrease in stocks of finished goods, work and contracts in progress	2,403	-11
D. Other operating income	20,013	16,543
<b>II. Operating charges</b>	<b>-416,458</b>	<b>-412,959</b>
A. Raw materials, consumables and goods for resale	143,230	166,070
1. Purchases	139,452	173,202
2. Increase; decrease in stocks	3,778	-7,132
B. Services and other goods	141,613	123,902
C. Remuneration, social security costs and pensions	108,900	99,513
D. Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	14,941	19,611
E. Increase; decrease in amounts written off stocks, contracts in progress and trade debtors	263	658
F. Increase; decrease in provisions for liabilities and charges	1,055	-924
G. Other operating charges	6,456	4,129
<b>III. OPERATING PROFIT</b>	<b>42,175</b>	<b>27,491</b>
<b>IV. Financial income</b>	<b>2,790</b>	<b>3,350</b>
A. Income from financial fixed assets	400	387
B. Income from current assets	661	800
C. Other financial income	1,729	2,163
<b>V. Financial charges</b>	<b>-15,579</b>	<b>-11,572</b>
A. Interests and other debt charges	3,377	3,060
B. Amounts written off positive consolidation differences	8,781	6,483
C. Increase; decrease in amounts written off current assets other than those mentioned under II. E	8	-710
D. Other financial charges	3,413	2,739
<b>VI. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>29,386</b>	<b>19,269</b>
<b>VII. Extraordinary income</b>	<b>3,240</b>	<b>3,912</b>
A. Adjustments to depreciation of and to other amounts written off intangible and tangible fixed assets	3	10
C. Adjustments to amounts written off financial fixed assets	31	518
D. Adjustments to provisions for extraordinary liabilities and charges	110	1,137
E. Gain on disposal of fixed assets	2,421	1,868
F. Other extraordinary income	675	379
<b>VIII. Extraordinary charges</b>	<b>-3,217</b>	<b>-8,477</b>
A. Extraordinary depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	371	425
B. Extraordinary amounts written off positive consolidation differences	606	3,062
C. Amounts written off financial fixed assets	0	766
D. Provisions for extraordinary liabilities and charges	1,542	47
E. Loss on disposal of fixed assets	293	1,112
F. Other extraordinary charges	405	3,065



	2003	2002
<b>IX. PROFIT FOR THE FINANCIAL PERIOD BEFORE TAXATION</b>	<b>29,409</b>	<b>14,704</b>
<b>X.</b> A. Transfer from deferred tax and latent taxation liabilities	210	164
B. Transfer to deferred tax and latent taxation liabilities	0	-75
<b>XI. Income taxes</b>	<b>-13,531</b>	<b>-11,712</b>
A. Income taxes	-13,759	-11,734
B. Adjustment of income taxes and write-back of tax provisions	228	22
<b>XII. PROFIT FOR THE FINANCIAL PERIOD</b>	<b>16,088</b>	<b>3,081</b>
<b>XIII. Share in the result of the companies accounted for using the equity method</b>	<b>271</b>	<b>-87</b>
A. Profits	271	0
B. Losses	0	-87
<b>XIV. CONSOLIDATED PROFIT</b>	<b>16,359</b>	<b>2,994</b>
A. Share of third parties	314	-184
B. Share of the group	16,045	3,178

**CONSOLIDATED ANNUAL ACCOUNTS****NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS****3. NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS****I. LIST OF THE CONSOLIDATED SUBSIDIARY COMPANIES AND COMPANIES INCLUDED USING THE EQUITY METHOD**

Name, full address of the registered office and for companies governed by Belgian law, the V.A.T.- or national number	Method used	Proportion of capital held (in %)	Change of percentage of capital held (as compared to the previous period)
	(1) (2)	(3)	(4)
<b>ROULARTA MEDIA GROUP NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 434.278.896	F	100.00	0.00
<b>ALGO COMMUNICATION SARL</b> 35, avenue Jean Lebas 59100 Roubaix (France)	F	100.00	100.00
<b>BELGIAN BUSINESS TELEVISION NV</b> Raketstraat 50 1130 Brussel 13 (Belgium) BE 461.874.705	F	100.00	0.00
<b>BIBLO-ROULARTA MEDICA NV</b> Brasschaatsteenweg 308 2920 Kalmthout (Belgium) BE 439.307.357	F	100.00	100.00
<b>FOCUS TELEVISIE NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 448.906.892	F	100.00	0.00
<b>PUBLINDUS NV</b> de Jamblinne de Meuxplein 33 1030 Brussel 3 (Belgium) BE 439.307.159	F*	100.00	50.00
<b>PV EDITIONS SAS</b> 11, rue Charles Schmidt 93406 Saint-Ouen Cedex (France)	F	100.00	0.00
<b>REGIE DE WEEKKRANT NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 471.891.241	F	100.00	0.00
<b>ROULARTA BOOKS NV</b> Raketstraat 50 1130 Brussel 13 (Belgium) BE 433.233.969	F	100.00	0.00

<b>ROULARTA IT-SOLUTIONS NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 471.894.409	F	100.00	0.00
<b>ROULARTA MANAGEMENT NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 479.176.139	F	100.00	0.00
<b>ROULARTA MEDIA FRANCE SA</b> 11, rue Charles Schmidt 93406 Saint-Ouen Cedex (France)	F	100.00	100.00
<b>ROULARTA PUBLISHING NV</b> Raketstraat 50 Bus 12 1130 Brussel 13 (Belgium) BE 439.844.223	F	100.00	0.00
<b>SPORTMAGAZINE NV</b> Raketstraat 50 Bus 5 1130 Brussel 13 (Belgium) BE 420.273.482	F	100.00	0.00
<b>STYLE MAGAZINE BV</b> Smederijstraat 2 4814 DB Breda (The Netherlands)	F	100.00	0.00
<b>TRENDS MAGAZINE NV</b> Raketstraat 50 Bus 4 1130 Brussel 13 (Belgium) BE 422.389.072	F	100.00	0.00
<b>VLAAMSE TIJDSCHRIFTEN UITGEVERIJ NV</b> Raketstraat 50 Bus 2 1130 Brussel 13 (Belgium) BE 420.260.517	F	100.00	0.00
<b>WEST-VLAAMSE MEDIA GROEP NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 434.259.496	F	100.00	0.00
<b>DE STREEKKRANT - DE WEEKKRANTGROEP NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 462.032.378	F	80.00	0.00
<b>DE VASTGOEDMAKELAAR NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 472.234.107	F	80.00	9.25

**CONSOLIDATED ANNUAL ACCOUNTS****NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS**

<b>DRUKKERIJ LEYSEN NV</b> Consciencestraat 9 2800 Mechelen (Belgium) BE 432.222.694	F	80.00	0.00
<b>OOST-VLAAMSE MEDIA GROEP NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 419.120.172	F	80.00	0.00
<b>TAM-TAM NV</b> Natiënlaan 53 8300 Knokke-Heist (Belgium) BE 434.213.867	F	80.00	0.00
<b>ROULARTA PRINTING NV</b> Meiboomlaan 33 8800 Roeselare (Belgium) BE 468.667.871	F	75.66	0.00
<b>VOGUE TRADING VIDEO NV</b> P. Verhaeghestraat 8 8520 Kuurne (Belgium) BE 430.655.551	F	66.67	0.00
<b>HIPPOS VADEMECUM NV</b> Sint-Jorisstraat 20 8000 Brugge (Belgium) BE 474.565.570	F	52.00	0.00
<b>ZEEUWS VLAAMS MEDIABEDRIJF BV</b> Axelsestraat 16 4537 AK Terneuzen (The Netherlands)	F	40.80	0.00
<b>CAP PUBLISHING NV</b> Sint-Jorisstraat 20 8000 Brugge (Belgium) BE 479.969.757	F	26.00	26.00
<b>ACADEMICI ROULARTA MEDIA NV</b> Londenstraat 20-22 2000 Antwerpen I (Belgium) BE 451.763.939	P	50.00	0.00
<b>ART DE VIVRE EDITIONS SA</b> 12-14, rue Jules César 75012 Paris (France)	P	50.00	0.00
<b>BAND A PART SARL</b> 15, rue Traverse 93200 Saint-Denis (France)	P	50.00	0.00
<b>BELGOMEDIA SA</b> Rue des Grandes Rames 12 4800 Verviers (Belgium) BE 435.771.213	P	50.00	0.00

<b>COTE MAISON SA</b> 33, avenue du Maine 75015 Paris Cedex 15 (France)	P	50.00	50.00
<b>COTE SUD INVESTISSEMENT SA</b> 33, avenue du Maine 75015 Paris Cedex 15 (France)	P	50.00	50.00
<b>COTEXPO SARL</b> 33, avenue du Maine 75015 Paris Cedex 15 (France)	P	50.00	50.00
<b>DE WOONKIJKER NV</b> Rijnkaai 101 2000 Antwerpen (Belgium) BE 461.238.760	P	50.00	0.00
<b>EYE-D NV</b> Legeweg 2B 8490 Jabbeke (Belgium) BE 428.610.930	P	50.00	0.00
<b>FOLLOW THE GUIDE NV</b> Londenstraat 20-22 2000 Antwerpen I (Belgium) BE 463.229.042	P	50.00	0.00
<b>GRIEG MEDIA AS</b> Valkendorfs gate 1A 5012 Bergen (Norway)	P	50.00	0.00
<b>HIMALAYA NV</b> Kerkplein 24 Bus 7 1930 Zaventem (Belgium) BE 472.725.738	P	50.00	0.00
<b>LEVIF MAGAZINE SA</b> Rue de la Fusée 50 Boîte 6 1130 Bruxelles 13 (Belgium) BE 423.269.792	P	50.00	0.00
<b>PARATEL NV</b> Medialaan 1 1800 Vilvoorde (Belgium) BE 452.588.043	P	50.00	0.00
<b>REGIONALE MEDIA MAATSCHAPPIJ NV</b> Accent Business Park Kwadestraat 151B 8800 Roeselare (Belgium) BE 475.952.274	P	50.00	0.00
<b>SENIOR PUBLICATIONS SA</b> Rue de la Fusée 50 Boîte 10 1130 Bruxelles 13 (Belgium) BE 432.176.174	P	50.00	0.00

**CONSOLIDATED ANNUAL ACCOUNTS****NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS**

<b>SENIOR PUBLICATIONS DEUTSCHLAND GMBH &amp; CO KG</b> Brüsselerstrasse 21 50674 Köln (Germany)	P	50.00	0.00
<b>SENIOR PUBLICATIONS NEDERLAND BV</b> Olmenlaan 8 1404 DG Bussum (The Netherlands)	P	50.00	0.00
<b>SENIOR PUBLICATIONS VERWALTUNGS GMBH</b> Lütticher Strasse 1 - 3 50674 Köln (Germany)	P	50.00	0.00
<b>STUDIO PRESS SAS</b> 11, rue Charles Schmidt 93406 Saint-Ouen Cedex (France)	P	50.00	0.00
<b>STUDIO PRESS LTD</b> The Offices Business Center, Glaston Road Uppingham, Rutland (UK)	P	50.00	0.00
<b>TOP CONSULT SA</b> Rue de la Fusée 50 1130 Bruxelles 13 (Belgium) BE 433.558.425	P	50.00	0.00
<b>TOTAL MUSIC SARL</b> 151, rue Blomet 75015 Paris (France)	P	50.00	0.00
<b>VLAAMSE MEDIA MAATSCHAPPIJ NV</b> Mediaalaan 1 1800 Vilvoorde (Belgium) BE 432.306.234	P	50.00	0.00
<b>PUBLIREGIOES LDA</b> Rua Duque de Palmela 37 - 2 dt 1100 Lisboa (Portugal)	P	40.00	0.00
<b>REGIONALE TV MEDIA NV</b> Research Park De Haak 1731 Zellik (Belgium) BE 448.708.637	P	33.33	0.00
<b>EDITIONS COTE EST SA</b> 33, avenue du Maine 75015 Paris Cedex 15 (France)	P	25.00	25.00
<b>PLOPSALAND NV</b> De Pannelaan 68 8660 Adinkerke (Belgium) BE 466.400.051	EI	25.00	0.00

**CORPORATE MEDIA SOLUTIONS NV****(in liquidation)**

Legeweg 2 B

8490 Jabbeke (Belgium)

BE 467.286.216

E4

50.00

0.00

- (1) F = full consolidation  
P = proportional consolidation  
E1 = associated company accounted for using the equity method  
E4 = subsidiary company which is in liquidation, has decided to cease activities or can no longer be considered as carrying on the business and is accounted for using the equity method
- (2) If a change in the percentage of the proportion of capital held entails a change in the accounting method for inclusion in the consolidated accounts, the new method will be followed by an \*.
- (3) Proportion of capital of those enterprises being held by the enterprises included in the consolidated accounts and persons acting in their own names but on behalf of these enterprises.
- (4) If the composition of the consolidated aggregate is characterized by a significant change of this percentage during this period, additional information is provided in statement V.

**II. LIST OF SUBSIDIARY COMPANIES EXCLUSIVELY OR JOINTLY CONTROLLED NOT INCLUDED AND ASSOCIATED ENTERPRISES ACCOUNTED FOR USING THE EQUITY METHOD**

Name, full address of the registered office and for companies governed by Belgian law, the V.A.T.- or national number	Method used	Proportion of capital held (in %)	Change of percentage of capital held (as compared to the previous period)
	(1)	(2)	(3)
<b>REPROPRESS CVBA</b> Paapsemlaan 22 1070 Brussel (Belgium) BE 473.030.990	A	25.00	0.00
<b>MERCATOR PRINTING GROUP NV</b> <b>(in liquidation)</b> Katwilgweg 2 2050 Antwerpen (Belgium) BE 430.375.043	D	33.33	0.00

- (1) Reason for exclusion:  
A. Subordinary company of minor importance.  
D. Shares in the subsidiary company are held exclusively with a view of subsequent resale.
- (2) Proportion of capital of those enterprises being held by both enterprises included
- (3) If the composition of the consolidated aggregate is characterized by a significant change of this percentage during this period, additional informations are provided in statement V.

**CONSOLIDATED ANNUAL ACCOUNTS****NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS****III. COMPANIES OTHER THAN SUBSIDIARY COMPANIES AND ASSOCIATED COMPANIES**

The companies stated below have not been mentioned under the statements I and II of the notes. They are companies included in or excluded from consolidation holding a 10% interest in the capital amount, either by themselves or via a person acting in his own name but on behalf of these enterprises. Those data can be omitted when they are not material in respect of the principle of a true and fair view.

Name, full address of the registered office and for enterprises governed by Belgian law, the V.A.T.- or national number	Share in the capital (in %) (1)	Data from the most recent period for which annual accounts are available			
		Annual accounts	Currency Code	Capital and reserves	Net result
<b>EUROCASINO NV</b> Jean Dubrucqsaan 160 1080 Brussel (Belgium) BE 467.730.238	19.00	31.12.03	EUR	4	-35
<b>FEBELMA REGIE CVBA</b> Paapsemlaan 22 Bus 8 1070 Brussel 7 (Belgium) BE 451.085.335	17.50	31.12.03	EUR	138	19

(1) Proportion of capital held with companies which are both included in or excluded from the consolidation.



## V. CONSOLIDATION CRITERIA AND CHANGES IN THE CONSOLIDATION SCOPE

### A. Information and the criteria governing the application of full consolidation, proportional consolidation and the equity method as well as those cases in which these criteria are departed from, and justification for such departures.

- Fully-controlled subsidiaries are fully consolidated
- Jointly controlled subsidiaries are proportionally consolidated
- Affiliated enterprises are accounted for using the equity method
- Subsidiaries and jointly controlled subsidiaries in liquidation are consolidated using the equity method in so far as they had a normal activity during the financial period
- Plopsaland NV is also accounted for by the equity method

### B. Information which makes a comparison meaningful with the consolidated annual accounts of the previous financial period in case the composition of the consolidated aggregate has changed significantly in the course of the current financial period.

During 2003 the following changes occurred in the consolidation group:

#### CAPITAL INCREASE WITHOUT CHANGE OF PARTICIPATING INTEREST IN

- Belgomedia SA
- Senior Publications Deutschland GmbH
- Publiregioes Lda

#### NEW PARTICIPATIONS IN

- Cap Publishing NV
- Algo Communication SARL
- Safe Publi NV via De Streekkrant-De Weekkrantgroep NV
- Roularta Media France SA (formerly: Aguesseau Communication SA) and subsidiaries Côté Sud Investissement SA, Côté Maison SA (formerly: Editions Côté Sud SA), Cotexpo SARL, Editions Côté Est SA
- Art de Vivre Editions SAS via Ideat Editions SA
- Biblo-Roularta Medica NV (formerly: Biblo NV) - (included as from the 2nd semester)
- Pica NV via Biblo-Roularta Medica NV (included as from the 2nd semester)

#### ADDITIONAL ACQUISITIONS (INCREASE OF PARTICIPATING INTEREST)

- De Vastgoedmakelaar NV via De Streekkrant-De Weekkrantgroep NV (from 70.75% to 80%)
- Turnkey NV via Eye-D NV (from 45% to 50%)
- Editop-Roularta Medica NV (from 50% to 100% in the 2nd semester) + change of consolidation method (from proportional to full consolidation)
- Pubblindus NV via Biblo NV (from 50% to 100% in the 2nd semester) + change of consolidation method (from proportional to full consolidation)

#### ADDITIONAL ACQUISITION (WITHOUT CHANGE OF PARTICIPATING INTEREST)

- Follow The Guide NV via AR Media NV
- Drukkerij Leysen NV via De Streekkrant-De Weekkrantgroep NV

#### CHANGE OF CONSOLIDATION METHOD

- CMS NV in liquidation: from proportional to equity method

#### CHANGE OF PARTICIPATING INTEREST AND CONSOLIDATION METHOD DURING THE FINANCIAL YEAR:

- Côté Sud Investissement SA (from 100% to 50% in the 2nd semester) + change of consolidation method (from full to proportional consolidation)
- Côté Maison SA (from 100% to 50% in the 2nd semester) + change of consolidation method (from full to proportional consolidation)
- Cotexpo SARL (from 100% to 50% in the 2nd semester) + change of consolidation method (from full to proportional consolidation)
- Editions Côté Est SA (from 50% to 25% in the 2nd semester)

#### LIIQUIDATION

- Corporate Media Solutions NV in liquidation

#### MERGERS

- Turnkey NV with Eye-D NV from 1 January 2003
- Safe Publi NV with De Streekkrant-De Weekkrantgroep NV from 1 January 2003
- Editop-Roularta Medica NV with Biblo-Roularta Medica NV from 1 July 2003
- Pica NV with Biblo-Roularta Medica NV from 1 July 2003
- Art De Vivre Editions SAS with Ideat Editions SA from 1 January 2003

#### CHANGE OF NAME

- Newsco NV became Roularta Publishing NV
- Aguesseau Communication SA became Roularta Media France SA
- Editions Côté Sud SA became Côté Maison SA
- Ideat Editions SA became Art De Vivre Editions SA
- Biblo NV became Biblo-Roularta Medica NV

#### SALE OF PARTICIPATION

##### (INCLUDED IN INCOME STATEMENT UNTIL DATE OF SALE)

- Promotheus Inc. NV (assignment as of 1 July 2003)
- Vacature CVBA (assignment as of 1 July 2003)
- A Nous Paris SAS (assignment as of 31 December 2003)

**CONSOLIDATED ANNUAL ACCOUNTS****NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS****VI. SUMMARY OF VALUATION RULES AND METHODS OF CALCULATION OF DEFERRED TAXES****A. Disclosure of the criteria governing the valuation of the various items in the consolidated annual accounts, and in particular:**

- the application and adjustments of depreciation, amounts written down and provisions for liabilities and charges, and revaluations.
- the translation bases applied to express in the consolidated accounts items which are, or originally were, expressed in a currency other than the currency in which the consolidated accounts are stated, and the translation in the consolidated accounts of the accounting statements of subsidiaries and associated enterprises governed by foreign law.

**FORMATION EXPENSES**

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

**INTANGIBLE FIXED ASSETS**

Intangible fixed assets include titles acquired from third parties or contributed to the company, the cost of credit titles, logos, etc, as well as films purchased from abroad and own productions that can be broadcast several times. These are amortised over their estimated economic life. Most titles have a life of 10 to 12 years: these are amortised on a straight-line basis at 10% or 8.33% a year. Exceptionally, a title can be amortised at 20% or 25%.

Software is amortised at 20% or at 33.33% on a straight-line basis. Existing software that is transferred within the group is amortised on the net book value at 40% or 50% a year.

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

**CONSOLIDATION DIFFERENCES**

Consolidation differences represent the difference between the acquisition value of the participating interests and the corresponding portion in the equity of the consolidated company. This difference is included in the consolidated accounts under the 'consolidation differences' item on the assets or liabilities side of the balance sheet depending on whether the acquisition value is larger or smaller than the share acquired in the equity of the company.

Positive consolidation differences are amortised over 5 years, 10 years and 20 years. Only the consolidation difference regarding the Vlaamse Media Maatschappij NV is amortised over 20 years. Consolidation differences on participations having titles with a long-term perspective, are amortised over 10 years.

Negative consolidation differences are kept permanently on the liabilities side of the balance sheet.

**TANGIBLE FIXED ASSETS ARE DEPRECIATED AT THE FOLLOWING RATES**

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

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

**TANGIBLE FIXED ASSETS**

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

**FINANCIAL FIXED ASSETS**

The book values of participations in companies that are accounted for by the equity method are adjusted to the proportional share held in the equity of these companies, as determined by the consolidation rules.

Participating interests which are mentioned under 'other enterprises' are valued at acquisition value. In the event of a permanent loss of value, a reduction in value can be recorded.

**STOCKS**

Stocks are valued at the lower of acquisition cost or market value. Raw and ancillary materials and goods purchased for resale are valued by the FIFO method. Outdated and slow-moving stocks are systematically written down.

Broadcasting rights which have been purchased but not yet used, are included under stocks at their acquisition cost.

Print work in progress is valued at production costs including indirect production costs.

**AMOUNTS RECEIVABLE**

Amounts receivable are recorded at nominal value.

Reductions in value are applied on the basis of either determined losses, or of individual doubtful balances.

**INVESTMENTS AND CASH AT BANK AND IN HAND**

Own shares are valued as follows: own shares earmarked to cover option plans are valued at either acquisition cost or the lower of exercise price or market. The remaining own shares are valued at the lower of acquisition cost or market value.

Other securities are valued at acquisition cost.

Term deposits and cash at bank and in hand are recorded at their face value.

**DEFERRED AND ACCRUED ACCOUNTS**

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

**CONSOLIDATED RESERVES**

The group reserves contain the reserves and the accumulated profits of the consolidating company, to which is added the group's share in the earnings for the financial year, after

deduction of dividend payments made, of other fully and proportionately consolidated companies and companies accounted for by the equity method.

**TRANSLATION DIFFERENCES**

Where the annual accounts of subsidiaries are expressed in a currency other than the euro, all balance sheet items are converted at the closing rate and all income statement items at the average rate. Equity items remain at their historical value in euro. The resulting differences with respect to the closing rate are transferred to the 'Translation differences' item. The difference between the closing rate and the average rate on the earnings is also transferred to this item.

**INVESTMENT GRANTS**

This heading contains investment grants actually attributed. These are taken into income pari passu with depreciation on the assets to which they refer.

The amount of deferred taxes on these investment grants is transferred to the 'deferred taxation' account.

**PROVISIONS FOR LIABILITIES AND CHARGES**

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

**AMOUNTS PAYABLE**

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

**FOREIGN CURRENCIES**

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

**B. Future taxation and deferred taxes**

Breakdown of 'deferred tax and latent taxation liabilities' heading, in thousands of euros:

■ Future taxation	864
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## 50 YEARS ROULARTA

From 1989 onwards. Roularta co-founds TV stations VTM, KANAALTWEE, JIMtv, WTV, Focus TV, Kanaal Z/Canal Z and radio stations Radio Mango and Q-Music.

**CONSOLIDATED ANNUAL ACCOUNTS****NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS****VII. STATEMENT OF FORMATION EXPENSES**

In thousands of euros

Net carrying value at the end of the preceding period	89
Movements of the period:	
New expenses incurred	18
Depreciaton	-76
Other	-7
<b>NET CARRYING VALUE AT THE END OF THE PERIOD</b>	<b>24</b>
of which:	
Expenses of formation or capital increase, loan issue expenses, reimbursement premium and other formation costs	24

**VIII. STATEMENT OF INTANGIBLE ASSETS**

In thousands of euros

	Research and development expenses	Concessions, patents, licenses, etc.	Goodwill
<b>A. ACQUISITION COST</b>			
As at the end of the preceding period	1,463	19,066	75,349
Movements during the period:			
- Acquisitions, including produced fixed assets, own production		5,002	14,634
- Sales and disposals	-1,238	-2,653	
- Translation differences		-138	
- Other movements	-60	-37	
<b>At the end of the period</b>	<b>165</b>	<b>21,240</b>	<b>89,983</b>
<b>C. DEPRECIATION AND AMOUNTS WRITTEN DOWN</b>			
As at the end of the preceding period	1,454	13,780	66,504
Movements during the period:			
- Recorded	38	1,859	1,660
- Acquisitions from third parties		2,392	11,617
- Written down after sales and disposals	-1,238	-1,618	
- Other movements	-89	-18	
<b>At the end of the period</b>	<b>165</b>	<b>16,395</b>	<b>79,781</b>
<b>NET CARRYING VALUE AT THE END OF THE PERIOD</b>	<b>0</b>	<b>4,845</b>	<b>10,202</b>

**CONSOLIDATED ANNUAL ACCOUNTS****NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS****IX. STATEMENT OF TANGIBLE FIXED ASSETS**

In thousands of euros	Land and buildings	Plant, machinery and equipment	Furniture and vehicles
<b>A. ACQUISITION COST</b>			
As at the end of the preceding period	66,585	108,487	16,616
Movements during the period:			
- Acquisitions, including produced fixed assets, own construction	8,397	8,840	3,544
- Sales and disposals	-7,122	-10,839	-2,693
- Transfers from one heading to another		1,056	
- Translation differences			-36
- Other movements		-194	96
<b>At the end of the period</b>	<b>67,860</b>	<b>107,350</b>	<b>17,527</b>
<b>B. REVALUATION SURPLUSES</b>			
As at the end of the preceding period	3,981		
<b>At the end of the period</b>	<b>3,981</b>		
<b>C. DEPRECIATION AND AMOUNTS WRITTEN DOWN</b>			
As at the end of the preceding period	39,095	96,466	13,240
Movements during the period:			
- Recorded	3,385	5,993	1,485
- Written back as superfluous		-3	
- Acquisitions from third parties	2,350	1,789	2,083
- Written down after sales and disposals	-4,143	-10,547	-2,409
- Transfers from one heading to another		702	
- Translation differences			-19
- Other movements		-137	126
<b>At the end of the period</b>	<b>40,687</b>	<b>94,263</b>	<b>14,506</b>
<b>NET CARRYING VALUE AT THE END OF THE PERIOD</b>	<b>31,154</b>	<b>13,087</b>	<b>3,021</b>

In thousands of euros	Leasing and other similar rights	Other tangible assets	Assets under construction and advance payments
<b>A. ACQUISITION COST</b>			
As at the end of the preceding period	20,587	1,379	39
Movements during the period:			
- Acquisitions, incl. fixed assets, own construction	2,270	89	10
- Sales and disposals		-237	
- Transfers from one heading to another	-1,016		-39
- Other movements	-62	166	
<b>At the end of the period</b>	<b>21,779</b>	<b>1,397</b>	<b>10</b>
<b>C. DEPRECIATION AND AMOUNTS WRITTEN DOWN</b>			
As at the end of the preceding period	18,684	992	
Movements during the period:			
- Recorded	563	253	
- Written down after sales and disposals		-195	
- Transfers from one heading to another	-702		
- Other movements	-62	-7	
<b>At the end of the period</b>	<b>18,483</b>	<b>1,043</b>	
<b>NET CARRYING VALUE AT THE END OF THE PERIOD</b>	<b>3,296</b>	<b>354</b>	<b>10</b>
of which:			
- plant, machinery and equipment	3,212		
- furniture and vehicles	84		

**CONSOLIDATED ANNUAL ACCOUNTS****NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS**

<b>X. STATEMENT OF FINANCIAL FIXED ASSETS</b>		
In thousands of euros	<b>Enterprises accounted for using the equity method</b>	<b>Other enterprises</b>
<b>I. PARTICIPATING INTERESTS</b>		
<b>A. ACQUISITION COST</b>		
As at the end of the preceding period	1,495	1,013
Movements during the period:		
- Acquisitions	91	589
- Sales and disposals	-72	-37
<b>At the end of the period</b>	<b>1,514</b>	<b>1,565</b>
<b>C. AMOUNTS WRITTEN DOWN</b>		
As at the end of the preceding period		162
Movements during the period:		
- Written back as superfluous		-31
- Acquisitions from third parties		31
<b>At the end of the period</b>		<b>162</b>
<b>D. UNCALLED AMOUNTS</b>		
As at the end of the preceding period		48
<b>At the end of the period</b>		<b>48</b>
<b>E. MOVEMENTS IN THE CAPITAL AND RESERVES OF THE ENTERPRISES ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Share in the result for the financial period	271	
<b>NET CARRYING VALUE AT THE END OF THE PERIOD</b>	<b>1,785</b>	<b>1,355</b>
<b>2. AMOUNTS RECEIVABLE</b>		
Net carrying value at the end of the preceding period	229	4,789
Movements during the period:		
- Additions		4,012
- Reimbursements		-984
- Other	-229	-245
<b>NET CARRYING VALUE AT THE END OF THE PERIOD</b>	<b>0</b>	<b>7,572</b>
<b>ACCUMULATED AMOUNTS WRITTEN DOWN AT THE END OF THE PERIOD</b>		<b>1,103</b>



**XI. STATEMENT OF CONSOLIDATED RESERVES**

In thousands of euros

Consolidated reserves at the end of the previous financial period	9,613
Movements:	
- Shares of the group in the consolidated income	16,045
- Other movements:	
Dividends	-4,799
Other	5
<b>CONSOLIDATED RESERVES AT THE END OF THE FINANCIAL PERIOD</b>	<b>20,864</b>

**XII. STATEMENT OF CONSOLIDATION DIFFERENCES**

In thousands of euros

	Consolidation differences	
	Positive	Negative
Net carrying value at the end of the preceding period	42,115	356
Movements during the period:		
- Arising from an increase of the percentage held	29,976	
- Write-downs	-9,387	
<b>NET CARRYING VALUE AT THE END OF THE PERIOD</b>	<b>62,704</b>	<b>356</b>

**XIII. STATEMENT OF AMOUNTS PAYABLE****A. Analysis of the amounts originally payable after one year according to their residual term**

In thousands of euros	Not more than one year	Between one and five years	Over five years
<b>FINANCIAL DEBTS</b>	<b>8,962</b>	<b>14,228</b>	<b>14,175</b>
3. Leasing and other similar obligations	1,002	2,360	
4. Credit institutions	7,702	10,528	13,175
5. Other loans	258	1,340	1,000
<b>TRADE DEBTS</b>		<b>605</b>	
1. Suppliers		605	
<b>OTHER AMOUNTS PAYABLE</b>	<b>150</b>	<b>1,086</b>	
<b>TOTAL</b>	<b>9,112</b>	<b>15,919</b>	<b>14,175</b>

**B. Amounts payable, or the portion thereof, which guaranteed by real guarantees given or irrevocably promised on the assets of the enterprises included in the consolidation**

In thousands of euros

<b>FINANCIAL DEBTS</b>	<b>3,718</b>
4. Credit institutions	3,718
<b>TOTAL</b>	<b>3,718</b>

**CONSOLIDATED ANNUAL ACCOUNTS****NOTES ON THE CONSOLIDATED ANNUAL ACCOUNTS**

<b>XIV. RESULT</b>		
<b>A. NET TURNOVER</b> in thousands of euros	<b>2003</b>	<b>2002</b>
<b>A2. AGGREGATE TURNOVER OF THE GROUP IN BELGIUM</b>	<b>367,721</b>	<b>359,207</b>
<b>B. AVERAGE NUMBER OF PERSONS EMPLOYED, in units AND PERSONNEL CHARGES, in thousands of euros</b>		
<b>B1. FULLY CONSOLIDATED ENTERPRISES</b>		
<b>B11. Average number of persons employed</b>	<b>1,586</b>	<b>1,461</b>
Workers	556	448
Employees	1,028	1,011
Management personnel	2	2
<b>B12. Personnel charges</b>	<b>80,684</b>	<b>64,701</b>
Remunerations and social charges	80,577	64,589
Pensions	107	112
<b>B13. Average number of persons employed in Belgium by the enterprises concerned</b>	<b>1,536</b>	<b>1,416</b>
<b>B2. PROPORTIONALLY CONSOLIDATED ENTERPRISES</b>		
<b>B21. Average number of persons employed</b>	<b>443</b>	<b>594</b>
Workers	12	134
Employees	418	444
Management personnel	13	13
Other persons		3
<b>B22. Personnel charges</b>	<b>28,216</b>	<b>34,812</b>
Remunerations and social charges	28,200	34,809
Pensions	16	3
<b>B23. Average number of persons employed in Belgium by the enterprises concerned</b>	<b>348</b>	<b>512</b>
<b>C. EXTRAORDINARY RESULTS</b>		
<b>CI. ANALYSIS OF THE OTHER EXTRAORDINARY INCOME, IF IT INVOLVES SIGNIFICANT AMOUNTS</b>		
Remission of trade debts	310	
Recuperation of damages	159	
Income subconsolidation Mercator Printing Group NV		97
Remission of loan		85
Others	206	197
<b>Total</b>	<b>675</b>	<b>379</b>
<b>C2. ANALYSIS OF THE OTHER EXTRAORDINARY COSTS, IF IT INVOLVES SIGNIFICANT AMOUNTS</b>		
Remission of receivables	100	
Damages termination of tenancy	84	
Loan RTL Z		1,150
Cost subconsolidation Mercator Printing Group NV		546
Adjustment investment grants		546
Others	221	
<b>Total</b>	<b>405</b>	<b>2,242</b>

**XV. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET**

In thousands of euros	2003
<b>A 2. Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments:</b>	
- of enterprises included in the consolidation	12,395
<b>C. Significant litigation and other significant commitments.</b>	
<u>Pending disputes at Vlaamse Media Maatschappij NV (RMG's share)</u>	
The company is involved in an ongoing inspection by the Belgian Social Security authorities (RSZ), which have assessed the company for an additional 9,115 K euros of contributions for the years 1993 to 1998. The company disputes these assessments, but by way of precaution has recorded a charge of 2,521 K euros. The balance of 6,594 K euros is included under 'other amounts receivable' on the asset side of the balance sheet. The board remains unable to place a precise amount on the possible financial impact of the further social security investigation, nor of the possible impact of a claim filed by another commercial TV station. The board believes that a claim for 2,180 K euros filed by a supplier is unfounded, and has not set up any provision for this.	
<u>Other important commitments</u>	
* Roularta Printing NV	
Purchase of paper	2,809
* Vlaamse Media Maatschappij NV	
Television rights	33,363
Rented material	1,149
Services and other goods	4,176

**XVI. RELATIONSHIPS WITH AFFILIATED ENTERPRISES AND ENTERPRISES LINKED BY PARTICIPATING INTERESTS BUT NOT INCLUDED IN THE CONSOLIDATION**

In thousands of euros	Enterprises linked with participating interests	
	2003	2002
<b>I. Financial fixed assets</b>	<b>71</b>	<b>107</b>
Participating interests and shares	71	107

**XVII. FINANCIAL RELATIONSHIPS WITH DIRECTORS OR MANAGERS OF THE CONSOLIDATION ENTERPRISES**

In thousands of euros	2003
<b>A. Total amount of remuneration granted in respect of their responsibilities in the consolidation enterprise, its subsidiary companies and its affiliated companies, including the amounts in respect of retirement pensions granted to former directors or managers</b>	<b>1,372</b>



**50 YEARS ROULARTA**

1999. Roularta launches De Zondag, today published in 600,000 copies and with 1.5 million readers.

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

# STATUTORY AUDITOR'S REPORT

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

*To the shareholders,*

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

We have examined the consolidated financial statements for the year ended 31 December 2003, which have been prepared under the responsibility of the board of directors and which show a balance sheet total of 354,723,(000) euros and an income statement resulting in a consolidated profit for the year of 16,359,(000) euros. We have also examined the consolidated directors' report.

**UNQUALIFIED AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS WITH AN EXPLANATORY PARAGRAPH**

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

In accordance with these standards, we considered the group's administrative and accounting organization of your company as well as its internal control procedures. We have obtained explanations and information required for our audit. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing accounting policies used, the basis for consolidation and significant estimates made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a fair and true view of the group's assets, liabilities, consolidated financial position as of 31 December 2003 and the consolidated results of its operations for the year then ended, and the information given in the notes to the consolidated financial statements is adequate.

As it appears from the annual accounts of Vlaamse Media Maatschappij NV, and as repeated in the consolidated annual accounts of Roularta Media Group NV, Vlaamse Media Maatschappij NV is involved in some important disputes. The final outcome of these disputes and their eventual effect on the annual accounts cannot be determined at this moment.

**ADDITIONAL CERTIFICATIONS**

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

- the consolidated directors' report contains the information required by the Companies Code and is consistent with the consolidated financial statements.

*Roeselare, 29 March 2004*

*The statutory auditor,*

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



## 50 YEARS ROULARTA

**From 2003 onwards.** Roularta groups its French magazine titles into three clusters. With quality magazines such as Côté Sud, Maison Française, Ideat, Atmosphères, Studio, etc.

# CONSOLIDATED ANNUAL ACCOUNTS

## SOURCE AND APPLICATION OF FUNDS

<b>SOURCE AND APPLICATION OF FUNDS</b>		
In thousands of euros	2003	2002
<b>1. Operating activities</b>		
Consolidated profit - Group's share	16,045	3,178
Depreciation of and other amounts written off (in)tangible fixed assets	15,309	20,036
Amounts written off positive consolidation differences	9,387	11,340
Amounts written off financial fixed assets	0	766
Gains / losses on disposals of fixed assets	-2,128	-756
Movement in provisions for liabilities and charges	1,653	-3,049
Amounts written off stocks and trade debtors	263	658
Movement in deferred taxes and latent taxation liabilities	231	-828
Movement in trade debtors	17,069	-9,681
Movement in other amounts receivable and deferred charges and accrued income	-4,390	26
Movement in stocks	1,480	-5,422
Movement in short term debts and accrued charges and deferred income	-20,818	11,685
<b>NET CASH PROVIDED FROM OPERATING ACTIVITIES (A)</b>	<b>34,101</b>	<b>27,953</b>
<b>2. Investment activities</b>		
(In)tangible fixed assets - acquisitions	-16,196	-14,351
(In)tangible fixed assets - recorded revaluations	0	24,844
(In)tangible fixed assets - other movements	447	3,124
Financial fixed assets - acquisitions	-4,601	-1,815
Financial fixed assets - other movements	1,205	1,022
Consolidation differences - acquisitions	-29,976	-6,186
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>-49,121</b>	<b>6,638</b>
<b>3. Financing activities</b>		
Movement in long term debts	10,224	-2,185
Amounts receivable after more than one year	-502	-377
Movement in capital	6,325	395
Other movements in the capital and reserves	390	-18,937
Movement in minority interests	232	4,039
Dividend payments	-4,799	-3,738
<b>NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>11,870</b>	<b>-20,803</b>
<b>TOTAL 'SOURCE AND APPLICATION OF FUNDS' (A+B+C)</b>	<b>-3,150</b>	<b>13,788</b>
Investments and cash at bank and in hand on 01/01	34,794	21,006
Investments and cash at bank and in hand on 31/12	31,644	34,794
<b>NET MOVEMENT OF CASH INVESTMENTS AND CASH AT BANK AND IN HAND</b>	<b>-3,150</b>	<b>13,788</b>







# FINANCIAL INFORMATION

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

# ANNUAL REPORT OF THE BOARD OF DIRECTORS

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

*Dear shareholders,*

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

## COMMENTARY ON THE ANNUAL ACCOUNTS

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

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

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

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

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

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

The changes in financial fixed assets relate mainly to:

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

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

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

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

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

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

From the above data we derive the following ratios:

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

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

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

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

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

## INCOME STATEMENT

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

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

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

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

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

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

The dividends consist of:

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

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

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

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

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

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

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

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

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

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

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

### **RESEARCH AND DEVELOPMENT**

No research and development was carried out during 2003.

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

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

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

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

### **SUB-BRANCHES**

The company does not have any sub-branches.

### **OWN SHARES**

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

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

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

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

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

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

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

### **OUTLOOK**

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

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

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

### **EMPLOYEE MOTIVATION PLAN**

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

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

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

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

### **APPOINTMENTS**

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

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

### **DISCHARGE**

We request the general meeting to approve the annual accounts presented to it and to accept the proposed appropriation of profit, and also to grant discharge to the directors and to the statutory auditor in respect of the exercise of their office.

*Roeselare, 12 March 2004  
The board of directors*

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

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

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

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

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

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



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

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

**UNCONSOLIDATED ANNUAL ACCOUNTS****SUMMARY OF THE VALUATION RULES****3. SUMMARY OF THE VALUATION RULES****FORMATION EXPENSES**

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

**INTANGIBLE FIXED ASSETS**

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

Software is amortised at 20% or at 33.33% on a straight-line basis. Existing software that is transferred within the group is amortised on the net book value at 40% or 50% a year.

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

**TANGIBLE FIXED ASSETS**

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

**FINANCIAL FIXED ASSETS**

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

In the event of a permanent loss of value, a reduction of value can be recorded.

**STOCKS**

Raw and ancillary materials and goods purchased for resale are valued by the FIFO method. Outdated and slow-moving stocks are systematically written down.

Print work in progress is valued at production costs including indirect production costs.

**AMOUNTS RECEIVABLE**

Amounts receivable are recorded at nominal value.

Reductions in value are applied on the basis of either determined losses, or of individual doubtful balances.

**INVESTMENTS AND CASH AT BANK AND IN HAND**

Own shares are valued as follows: own shares earmarked to cover option plans are valued at either acquisition cost or the

**TANGIBLE FIXED ASSETS ARE DEPRECIATED AT THE FOLLOWING RATES**

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

Second-hand equipment and machinery is depreciated at 50% a year.

Works of art that do not reduce in value are not depreciated.

lower of exercise price or market value. The remaining own shares are valued at the lower of acquisition cost or market value.

Other securities are valued at acquisition cost.

Term deposits and cash at bank and in hand are recorded at their face value.

#### **DEFERRED AND ACCRUED ACCOUNTS**

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

#### **INVESTMENT GRANTS**

This heading contains investment grants actually attributed. These are taken into income pari passu with depreciation on the assets to which they refer.

The amount of deferred taxes on these investment grants is transferred to the 'deferred taxation' account.

#### **PROVISIONS FOR LIABILITIES AND CHARGES**

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

#### **AMOUNTS PAYABLE**

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

#### **FOREIGN CURRENCIES**

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

**UNCONSOLIDATED ANNUAL ACCOUNTS****SOCIAL REPORT****4. SOCIAL REPORT**

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

**I. STATEMENT OF THE PERSONS EMPLOYED**

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

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

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

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

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

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

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

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

# STATUTORY AUDITOR'S REPORT

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

*To the shareholders,*

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

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

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

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

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

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

## **ADDITIONAL CERTIFICATIONS**

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

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

*Roeselare, 29 March 2004  
 The statutory auditor,*

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







# ADDRESSES

**74** ADDRESSES OFFICES

**75** ADDRESSES SUBSIDIARIES

**ADDRESSES****OFFICES AND SUBSIDIARIES**

<b>ADDRESSES OFFICES</b>		
<b>HEAD OFFICE ROESELARE</b>		
<b>Roularta Media Group</b>	Meiboomlaan 33	8800 Roeselare
<b>OFFICE ZELLIK</b>		
<b>Roularta Media</b>	Research Park De Haak	1731 Zellik
<b>Roularta Research</b>	Research Park De Haak	1731 Zellik
<b>Roularta Conference Centre</b>	Research Park De Haak	1731 Zellik
<b>Roularta Seminars</b>	Research Park De Haak	1731 Zellik
<b>OFFICE BRUSSEL</b>		
<b>Brussels Media Centre</b>	Raketstraat 50	1130 Brussel
<b>DE STREEKRANT / DE WEEKRANT - STEPS CITY MAGAZINE</b>		
<b>Aalst</b>	Hopmarkt 31	9300 Aalst
<b>Aarschot</b>	Langdorpsesteenweg 1B	3200 Aarschot
<b>Antwerpen</b>	Amerikalei 196A	2000 Antwerpen
	Baron d'Hanislaan 20	2000 Antwerpen
<b>Bornem</b>	Boomstraat 77	2880 Bornem
<b>Bree</b>	Hoogstraat 36	3960 Bree
<b>Brugge</b>	Sint-Jorisstraat 20	8000 Brugge
<b>Dendermonde</b>	Noordlaan 21	9200 Dendermonde
<b>Diest</b>	Kardinaal Mercierstraat 11	3290 Diest
<b>Genk</b>	Bochtlaan 13	3600 Genk
<b>Gent</b>	Vlaanderenstraat 42	9000 Gent
<b>Halle</b>	Volpestraat 32	1500 Halle
<b>Hasselt</b>	Walenstraat 71B	3500 Hasselt
<b>Herentals</b>	Fraikinstraat 7	2200 Herentals
<b>Knokke</b>	Natiënlaan 53	8300 Knokke
<b>Kortrijk</b>	Doorniksewijk 83B	8500 Kortrijk
<b>Leuven</b>	Mgr. Ladeuzeplein 29	3000 Leuven
<b>Maasmechelen</b>	Rijksweg 404	3630 Maasmechelen
<b>Mechelen</b>	Consciencestraat 9	2800 Mechelen
<b>Mol</b>	Molderdijk 130	2400 Mol
<b>Oostende</b>	Torhoutsesteenweg 52-54	8400 Oostende
<b>Roeselare</b>	Meensesteenweg 290	8800 Roeselare
<b>Sint-Niklaas</b>	Kokkelbeekstraat 60	9100 Sint-Niklaas
<b>Sint-Truiden</b>	Tichelrijstraat 25	3800 Sint-Truiden
<b>Tienen</b>	Gilainstraat 83	3300 Tienen

<b>Tongeren</b>	Maastrichterstraat 11	3700 Tongeren
<b>Turnhout</b>	De Merodelei 153	2300 Turnhout
<b>Vilvoorde</b>	J.B. Nowélei 45	1800 Vilvoorde
<b>Zellik</b>	Research Park De Haak	1731 Zellik
<b>REGIONAL TELEVISION</b>		
<b>WTV - Focus Televisie</b> (see Regionale Media Maatschappij NV)	Kwadestraat 151B	8800 Roeselare
<b>Ring TV</b>	Luchthavenlaan 22	1800 Vilvoorde

**ADDRESSES SUBSIDIARIES**

<b>Subsidiaries</b>	<b>Business Unit</b>	<b>Product /activity</b>
<b>ACADEMICI ROULARTA MEDIA NV</b> Londenstraat 20-22 2000 ANTWERPEN	Books and annuals	Go (D/F)
<b>ALGO COMMUNICATION SARL</b> 35, avenue Jean Lebas F - 59100 ROUBAIX	Freesheets	Steps City Magazine
<b>ART DE VIVRE EDITIONS SA</b> 12-14, rue Jules César F - 75012 PARIS	Magazines	Ideat Atmosphères
<b>BAND A PART SARL</b> 15, rue Traverse F - 93200 SAINT-DENIS	Magazines	Music CDs, music courses
<b>BELGIAN BUSINESS TELEVISION NV</b> Raketstraat 50 1130 BRUSSEL	TV & radio	Kanaal Z / Canal Z
<b>BELGOMEDIA SA</b> Rue des Grandes Rames 12 4800 VERVIERS	Magazines	Télépro
<b>BIBLO-ROULARTA MEDICA NV</b> Brasschaatsteenweg 308 2920 KALMTHOUT	Magazines	Newsletters Top 30.000 (D/F), Top 100.000 (D/F), Top Bouw (D/F), On Top, De Huisarts /Le Généraliste, Semper (D/F), Info Cards®, De Agenda /L'Agenda
<b>CAP PUBLISHING NV</b> Sint-Jorisstraat 20 8000 BRUGGE	Magazines	Cap De Hippische Ondernemer

**ADDRESSES****OFFICES AND SUBSIDIARIES**

<b>COTE MAISON SA</b> 33, avenue du Maine F - 75015 PARIS	Magazines	Maisons Côté Sud, Maisons Côté Ouest, Maison Française, Maison Magazine
<b>COTE SUD INVESTISSEMENT SA</b> 33, avenue du Maine F - 75015 PARIS	Magazines	Subholding
<b>COTEXPO SARL</b> 33, avenue du Maine F - 75015 PARIS	Magazines	Decoration and lifestyle fairs
<b>DE STREEKKRANT-DE WEEKKRANTGROEP NV</b> Meiboomlaan 33 8800 ROESELARE	Freesheets	De Streekkrant / De Weekkrant, De Zondag
<b>DE VASTGOEDMAKELAAR NV</b> Meiboomlaan 33 8800 ROESELARE	Freesheets	Immo Magazine (easy.be)
<b>DE WOONKIJKER NV</b> Rijnkaai 101 2000 ANTWERPEN	TV & radio	Sale and production of real estate advertisements
<b>DRUKKERIJ LEYSEN NV</b> Consciencestraat 9 2800 MECHELEN	Freesheets	Notorial publications
<b>EDITIONS COTE EST SA</b> 33, avenue du Maine F - 75015 PARIS	Magazines	Maisons Côté Est
<b>EYE-D NV</b> Legeweg 2B 8490 JABBEKE	TV & radio	Television facilities, Business films, commercials
<b>FOCUS TELEVISIE NV</b> Meiboomlaan 33 8800 ROESELARE	TV & radio	Advertising sales office for regional television
<b>FOLLOW THE GUIDE NV</b> Londenstraat 20-22 2000 ANTWERPEN	Books and annuals	Bouwen / Bâtir, De Kijkwoningengids (D/F), De Renovatiegids (D/F), Nationale Kijkwoningendag Nationale Renovatiedag
<b>GRIEG MEDIA AS</b> Valkendorfsgrate 1A N - 5012 BERGEN	Magazines	VI over 60 (seniors)
<b>HIMALAYA NV</b> Kerkplein 24 Bus 7 1930 ZAVENTEM	Magazines	Grande Belgium (D/F) Grande The Netherlands

<b>HIPPOS VADEMECUM NV</b> Sint-Jorisstraat 20 8000 BRUGGE Smederijstraat 2 NL - 4814 DB BREDA	Books and annuals	Hippos Vademecum Flanders, Hippos Vademecum The Netherlands
<b>LE VIF MAGAZINE SA</b> Rue de la Fusée 50 Boîte 6 1130 BRUXELLES	Magazines	Le Vif/L'Express Weekend Le Vif/L'Express Télévif
<b>OOST-VLAAMSE MEDIA GROEP NV</b> Meiboomlaan 33 8800 ROESELARE	Freesheets	Het Blad, Gazet van Zele, Stad Dendermonde, T'Imago
<b>PARATEL NV</b> Medialaan 1 1800 VILVOORDE	TV & radio	ivr, sms, mms, wap
<b>PLOPSALAND NV</b> De Pannelaan 68 8660 ADINKERKE	TV & radio	Amusement park
<b>PUBLIREGIOES LDA</b> Rua Duque de Palmela 37-2dt P - 1100 LISBOA	Freesheets	Jornal da Região
<b>REGIE DE WEEKKRANT NV</b> Meiboomlaan 33 8800 ROESELARE	Services	Advertising sales office for De Weekkrant
<b>REGIONALE MEDIA MAATSCHAPPIJ NV</b> Accent Business Park Kwadestraat 151B 8800 ROESELARE	TV & radio	Regional television WTV and Focus
<b>REGIONALE TV MEDIA NV</b> Research Park De Haak 1731 ZELLIK	TV & radio	National advertising sales office for regional commercial television
<b>ROULARTA BOOKS NV</b> Raketstraat 50 1130 BRUSSEL	Books and annuals	Publishing house for general books Media Club
<b>ROULARTA IT-SOLUTIONS NV</b> Meiboomlaan 33 8800 ROESELARE	Services	Software development and IT-equipment
<b>ROULARTA MANAGEMENT NV</b> Meiboomlaan 33 8800 ROESELARE	Services	Management
<b>ROULARTA MEDIA FRANCE SA</b> 11, rue Charles Schmidt F - 93406 SAINT-OUEN	Magazines	Subholding

## ADDRESSES

### OFFICES AND SUBSIDIARIES

<b>ROULARTA PRINTING NV</b> Meiboomlaan 33 8800 ROESELARE	Industry	Printing company
<b>ROULARTA PUBLISHING NV</b> Raketstraat 50 Bus 12 1130 BRUSSEL	Services	Premedia Magazines for third parties
<b>SENIOR PUBLICATIONS SA</b> Rue de la Fusée 50 Boîte 10 1130 BRUXELLES	Magazines	Plus Magazine (seniors) Pippo, Pompoen (children)
<b>SENIOR PUBLICATIONS DEUTSCHLAND GMBH &amp; Co KG</b> Brüsselerstrasse 21 D - 50674 KOLN	Magazines	Lenz (seniors)
<b>SENIOR PUBLICATIONS NEDERLAND BV</b> Olmenlaan 8 NL - 1404 DG BUSSUM	Magazines	Plus Magazine (seniors)
<b>SENIOR PUBLICATIONS VERWALTUNGS GMBH</b> Lütticher Strasse 1-3 D - 50674 KOLN	Magazines	Subholding
<b>SPORTMAGAZINE NV</b> Raketstraat 50 Bus 5 1130 BRUSSEL	Magazines	Sport /Voetbal Magazine Sport / Foot Magazine
<b>STUDIO PRESS SAS</b> 11, rue Charles Schmidt F - 93406 SAINT-OUEN	Magazines	Guitar Part, Guitar Collector's, Guitare Classique, Recording Musicien, Pianiste, Hifi Vidéo Home Cinema, Prestige Audio Vidéo, Sonovision
<b>STUDIO PRESS LTD</b> Glaston Road GB - UPPINGHAM RUTLAND	Magazines	Pianist
<b>STYLE MAGAZINE BV</b> Smederijstraat 2 NL - 4814 DB BREDA	Freesheets	Style City Magazine
<b>TAM-TAM NV</b> Natiënlaan 53 8300 KNOCKE	Freesheets	Tam-Tam
<b>TOP CONSULT SA</b> Rue de la Fusée 50 1130 BRUXELLES	Services	National advertising sales office for free sheets

<b>TOTAL MUSIC SARL</b> 151, rue Blomet F - 75015 PARIS	Magazines	Catalogue sales of musical instruments
<b>VLAAMSE MEDIA MAATSCHAPPIJ NV</b> Medialaan 1 1800 VILVOORDE	TV & radio	National commercial TV broadcasting station and radio, VTM, KANAALTWEE, JIMtv, Q-Music
<b>VOGUE TRADING VIDEO NV</b> P. Verhaeghestraat 8 8520 KUURNE	Industry	Replication of VHS, CD-AUDIO, CD-ROM, DVD
<b>WEST-VLAAMSE MEDIA GROEP NV</b> Meiboomlaan 33 8800 ROESELARE	Newspapers	Krant van West-Vlaanderen
<b>ZEEUWS VLAAMS MEDIABEDRIJF BV</b> Axelsestraat 16 NL - 4537 AK TERNEUZEN	Freesheets	Zeeuwsch Vlaams Advertentieblad

# FINANCIAL CALENDAR

## FINANCIAL CALENDAR

<b>General Meeting 2003</b>	<b>18 May 2004</b>
<b>Payment of dividend coupon no. 6</b>	<b>1 June 2004</b>
First quarter 2004 results	17 May 2004
Half year 2004 results	20 September 2004
Third quarter 2004 results	22 November 2004
Full year 2004 results	21 March 2005
<b>General Meeting 2004</b>	<b>17 May 2005</b>

## INVESTOR RELATIONS

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